REPORT OF

THE

STATE AUDITOR

STATE OF COLORADO
STATEWIDE SINGLE AUDIT

Fiscal Year Ended June 30, 2006

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March 20, 2007

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, 2006. The audit was conducted under the authority of Section 2-3-103, 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, 2006. The report includes our reports on compliance and internal control over financial reporting in accordance with *Government Auditing Standards* and requirements related to Office of Management and Budget *Circular A-133*, and our audit opinion on the Schedule of Expenditures of Federal Awards. This report also contains our findings, conclusions, and recommendations, and the responses of the respective state agencies and institutions. Our opinion on the State's financial statements is presented in the State's Comprehensive Annual Financial Report for Fiscal Year 2006, which is available under separate cover.

This 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 Single Audit or other 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.

Sally Symanski

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The State's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006, is available in hard copy from the Office of the State Controller and electronically at:

http://www.colorado.gov/dpa/dfp/sco/cafr/cafr06/cafr06.htm

Sally Symanski, CPA
State Auditor

STATE OF COLORADO
STATEWIDE SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2006

Authority, Purpose, and Scope

This audit was conducted under the authority of Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and with *Government Auditing Standards* issued by the Comptroller General of the United States. We performed our audit work during the period from March through December 2006.

The purpose of this audit was to:

- Express an opinion on the State's financial statements for the fiscal year ended June 30, 2006.
- Express an opinion on the State's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2006.
- Review internal accounting and administrative control procedures as required by generally accepted auditing standards and generally accepted government auditing standards.
- Evaluate compliance with applicable state and federal laws, rules, and regulations.
- Evaluate progress in implementing prior audit recommendations.

We expressed an unqualified opinion on the State's financial statements for the fiscal year ended June 30, 2006. Our opinion on the financial statements is presented in the State's Comprehensive Annual Financial Report for Fiscal Year 2006, which is available in hard copy from the Office of the State Controller and electronically at www.colorado.gov/dpa/dfp/sco/cafr/cafr06/cafr06.htm.

We issued a report on the State's compliance with internal controls over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards.* We noted matters involving the internal controls over financial reporting and its operation that we consider to be reportable conditions and material weaknesses.

- As defined by *Government Auditing Standards*, 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 financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Recommendation Nos. 1-30, 54, 57-63, 65-68, and 81-82.

- As defined by *Government Auditing Standards*, a material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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. Material weaknesses are described in the accompanying schedule of findings and questioned costs as Recommendation No. 28.

We also issued a report on the State's compliance with requirements applicable to each major program and internal controls over compliance in accordance with OMB *Circular A-133*. We planned and performed the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred.

- We determined the State did not comply with requirements regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Food Stamps Cluster (CFDA Nos. 10.551 and 10.561), Vocational Education Basic Grants to States (CFDA No. 84.048), Temporary Assistance for Needy Families (CFDA No. 93.558), State Children's Insurance Program (CFDA 93.767), Medicaid Cluster (CFDA Nos. 93.775, 93.777, and 93.778), and the Homeland Security State Domestic Preparedness Equipment Support (CFDA No. 97.067) program. Compliance with such requirements is necessary to meet requirements applicable to those programs. Material noncompliance associated with the above mentioned programs is described in the accompanying schedule of findings and questioned costs as Recommendations Nos. 32, 54, 74-84, and 88.

- We noted certain matters involving the internal control over compliance and its operation, in accordance with OMB *Circular A-133*, that we consider to be reportable conditions and material weaknesses. Reportable conditions and material weaknesses are described in the accompanying schedule of findings and questioned costs as Recommendation Nos. 31-33, 37-50, 61, 64, 72-85, 87-88, and 90-91, and Recommendation Nos. 32-33, 49-50, 72, and 74-84, respectively.

Current Year Findings and Recommendations

This report presents the results of the Statewide Single Audit for Fiscal Year 2006. The report may not include all findings and recommendations from separately issued reports on audits of state departments, institutions, and agencies. 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 Single Audit or other audits.

As part of our Statewide Single Audit, we examined, on a test basis, evidence supporting the amounts and disclosures in the State's financial statements. We considered the internal control 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 presents highlights of findings included in our report. The Recommendation Locator, following the Summary of Auditor's Results, includes a complete listing of all recommendations, agency responses, and implementation dates, as well as references to the location of each recommendation in the report.

Internal Controls

Agencies are responsible for having adequate controls in place to ensure compliance with laws and regulations and with management's objectives. As part of our audit, we tested controls over the processing of transactions and accounting for financial activity and identified the need for improvements in the following areas:

- Three agencies did not have adequate controls over payroll. The Department of Human Services inconsistently calculated leave without pay deductions. At the Department of Natural Resources, in some instances time sheets were either not approved by a supervisor, not signed by the employee, or were certified prior to the end of the pay period. The Department of Personnel & Administration overpaid employees in 16 percent of the payroll adjustments tested during Fiscal Year 2006.

- Internal control weaknesses were identified at the Department of Human Services in the areas of recording revenue for the state mental health institutes, exhibit preparation, purchasing cards, and employee travel reimbursements.

- The Department of Labor and Employment did not ensure Unemployment Insurance tax refunds were processed timely. We identified tax refunds that were not issued until 3 to 19 months after a taxpayer request had been filed.

- The Department of Personnel and Administration did not have sufficient access and security controls in place over the State's mainframe or electronic employee benefits system. In

addition, the Department did not ensure that termination data in the State's payroll system and the benefits system was synchronized.

Financial Reporting

State agencies are responsible for reporting financial activity accurately and completely. The Office of the State Controller (OSC) establishes standard policies and procedures that must be followed by state agencies and institutions. As part of our audit, we reviewed the policies and procedures related to financial reporting that were in place at the agencies and institutions and tested a sample of financial transactions to ensure that controls were adequate and financial activity was reported properly. We found:

- The Department of Transportation lacked adequate internal controls over financial reporting of capital assets. Eleven prior period adjustments were proposed to correct capital asset balances and other capital asset transactions. These adjustments resulted in net increases to construction in progress, land, and infrastructure of $18.3 million, $10.2 million, and $13 million, respectively, and decreases to expenditures of $153.9 million.

- The Department of Health Care Policy and Financing continued to have problems with ensuring adequate internal controls over reporting of financial data. The Department had not fully reconciled accounts receivable of about $4 million to the subsidiary ledger and did not calculate an estimate for uncollectible accounts related to the Department's drug rebate program. In addition, the Department changed its methodology for calculating "incurred but not reported" (IBNR) claims without providing adequate supporting documentation for the change in methodology. The Department recorded IBNR claims of $152.3 million at June 30, 2006; this amount would have been $14.3 million higher if the methodology had remained the same.

- The Department of Regulatory Agencies did not follow generally accepted accounting principles and circumvented the Legislature's appropriation process when it failed to record nearly $69,000 in revenue and expenditures for contributed services on the State's accounting system.

- Three Departments failed to ensure capital assets were appropriately recorded on the State's accounting system, COFRS. The Departments of Natural Resources and Personnel & Administration did not capitalize assets valued at approximately $194,000 and $1.3 million, respectively. Further, the Department of Human Services booked asset entries in error at four of the six nursing homes, netting to $1.26 million.

Federal Grants

The State expended nearly $6 billion in federal grants in Fiscal Year 2006. As part of our audit, we determined compliance with federal regulations and grant requirements. Among other requirements, we tested for activities allowed or unallowed, allowable costs, cash management, eligibility, reporting, and subrecipient monitoring.

Colorado Benefits Management System (CBMS): For Fiscal Year 2006 we evaluated transactions processed by CBMS through review of three federal programs. Two programs are overseen by the Department of Human Services (DHS): Temporary Assistance for Needy Families (TANF) and Food Stamps. The other program, Medicaid, is overseen by the Department of Health Care Policy and Financing. We reviewed the Departments' procedures for complying with federal requirements for determining whether individuals are eligible to receive Food Stamps, TANF, and Medicaid. For all three programs we found significant error rates. For TANF and Medicaid, the error rates were higher than those identified in our Fiscal Year 2005 audit. For all three programs, the error rates found in our Fiscal Year 2006 audit continue to be unacceptably high because of the size of these programs and the risk of substantial federal disallowances. We found the following:

- For TANF, we found that 23 of the 60 payments in our random sample (38 percent of payments sampled) contained at least one error. For the 23 payments containing at least one error, we identified questioned costs of $4,540 out of the total sampled costs of $13,820 (33 percent of costs). These error rates are higher than those identified during our Fiscal Year 2005 audit. Specifically, during our Fiscal Year 2005 audit we identified a payment error rate of 25 percent and a dollar error rate of 20 percent for the sample tested. Total TANF benefit payments for Fiscal Year 2006 were $198 million, and the average monthly caseload was 14,930.

- For Food Stamps, we found that 11 of the 60 payments in our random sample (18 percent) contained at least one error. For the 11 payments containing at least one error, we identified questioned costs of $933 out of the total sampled costs of $10,809 (9 percent of costs). These error rates are lower than those identified during our Fiscal Year 2005 audit. Specifically, during our Fiscal Year 2005 audit we identified a payment error rate of 72 percent and a dollar error rate of 20 percent for the sample. Total Food Stamps benefit payments for Fiscal Year 2006 were $332 million, and the average monthly caseload was 107,581.

- For Medicaid, we found that 23 of the 51 payments in our random sample (45 percent) contained at least one error. For the 23 payments containing at least one error, we identified questioned costs of $36,590 out of the total sampled costs of $100,838 (36 percent). These error rates are higher than those identified during our Fiscal Year 2005 audit. Specifically, during our Fiscal Year 2005 audit we identified a payment error rate of 41 percent and a

dollar error rate of 29 percent for the sample tested. Total Medicaid expenditures were over $3.2 billion for Fiscal Year 2006.

Medicaid: The Medicaid program is the State's largest federal program. During Fiscal Year 2006, Medicaid expenditures for administration and claims paid at HCPF totaled about $3.2 billion (state and federal funds). In addition to the error rates noted above we found significant problems with the management of the Medicaid and Children's Basic Health Plan programs:

- The Department could not ensure that about $2.3 million in Medicaid expenditures were first charged to the Medicare program, because it had not updated certain procedure codes within the Medicaid Management Information System (MMIS) for specific Medicare-covered services since July 2002. For clients who are dual eligible for both Medicare and Medicaid, federal regulations require that Medicaid is the payer of last resort.

- The Department did not adequately verify that providers who are providing services to Medicaid clients are licensed to participate in the program. In four of 10 cases tested, the Department did not have updated licenses recorded for the providers in MMIS.

- The Department has not generated outpatient hospital cost reports timely. This has created a backlog in the performance of outpatient hospital cost report audits. The backlog increased from 108 reports in Fiscal Year 2005 to 126 reports in Fiscal Year 2006. As a result, the Department does not know the amount of funds due to the State from providers, or if funds are due from providers to the State.

Homeland Security: The Department of Local Affairs expended nearly $19.2 million in federal funds for the administration of the Homeland Security Grant Program in Fiscal Year 2006. We continue to identify concerns with the Department's oversight of the program. We tested a sample of 40 reimbursements and found at least one error with 30 reimbursements, or 75 percent, and identified a total of $19,550 in questioned costs. We found that the Department was not adequately ensuring purchases and reimbursements were supported by sufficient documentation, subrecipient expenditures occurred prior to reimbursement requests, and that unallowable costs were not charged to the grant.

Student Financial Aid: State higher education institutions disbursed out about $839 million in student loans and grants in Fiscal Year 2006. We found the following problems at various state institutions:

- At six institutions adequate controls were not in place to prevent overpayments to students receiving financial aid and to ensure the return of federal funds in cases where students withdrew from school. We noted cases in which the institutions did not perform calculations timely and therefore, did not return funds or overpaid funds in violation of federal regulations.

- At two institutions, controls over subrecipient monitoring were lacking to ensure federal funds were expended in accordance with federal guidelines. We noted that the institutions were not ensuring that subrecipients expending over $500,000 in federal awards were being audited under the requirements of OMB *Circular A-133.*

- The Community College System's (System) administration of the Carl D. Perkins Vocational and Applied Technology Education Act and the Colorado Vocational Act lacked adequate controls to ensure programs offered by school districts and post-secondary institutions met and maintained compliance with applicable state and federal requirements. Specifically, we noted that the System did not ensure funding was discontinued for expired programs, federal matching requirements were not adhered to for the Perkins program, time sheets were not maintained for employees paid in part with federal funds, and subrecipients were not adequately monitored.

Communication of Audit-Related Matters

There were no unusual or significant matters reported in connection with the audit of the State of Colorado for the year ended June 30, 2006. Uncorrected misstatements identified during the Fiscal Year 2006 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 increase the net assets by nearly $360,000, increase assets by about $3 million, decrease liabilities by nearly $12 million, decrease revenue by over $4.4 million, and increase expenditures by nearly $15.5 million. Appendix B shows the net and gross passed audit adjustments by agency and the net and gross posted audit adjustments by agency. A full disclosure of communications required under generally accepted auditing standards can be found in the Required Communications section.

Recommendation Locator

The Recommendation Locator following this summary is arranged by department. In addition, Appendix A contains a separate Locator with additional columns to provide the information necessary to meet Single Audit reporting requirements. The Catalog of Federal Domestic Assistance (CFDA) No./Compliance Requirement/Federal Entity column indicates the federal program, category of compliance requirement, and applicable federal agency. The contact for the Corrective Action Plan designates the state agency contact person. For those findings not subject to reporting under the Single Audit Act, the CFDA No./Compliance Requirement/Federal Entity column is marked "not applicable."

Summary of Progress in Implementing Prior Recommendations

This report includes an assessment of the disposition of prior audit recommendations reported in the previous Statewide Single Audit Reports. Prior years' recommendations that were implemented in Fiscal Year 2005 or earlier are not included.

Statewide Single Audit Reports by Fiscal Year						
	Total	**2005**	**2004**	**2003**	**2002**	**2001**
Implemented	56	44	12	-	-	-
Partially Implemented	56	33	15	4	2	2
Not Implemented	12	9	1	1	1	-
Deferred	12	11	-	-	1	-
Ongoing	3	-	2	1	-	-
In Progress	-	-	-	-	-	-
No Longer Applicable	1	-	1	-	-	-
Total	**140**	**97**	**31**	**6**	**4**	**2**

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? ___X___yes_____ 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? ___X___yes_____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 for all major programs except for the Food Stamp Program Cluster, Vocational Education Basic Grants to States, Temporary Assistance for Needy Families, State Children's Insurance Program, Medicaid Cluster, Homeland Security/State Domestic Preparedness Equipment Support Program, which were qualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB *Circular A-133*? ___X___yes_____no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.551, .561	Food Stamp Program Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
17.225	Unemployment Insurance
20.205	Highway Planning and Construction
84.027, .173	Special Education Cluster (IDEA)
84.048	Vocational Education: Basic Grants to States
84.357	Reading First Grants
84.367	Improving Teacher Quality State Grants
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
93.658	Foster Care: Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	State Children's Insurance Program
93.775, .777, .778	Medicaid Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.004, .067	Homeland Security/State Domestic Preparedness Equipment Support Program

97.008	Urban Areas Security Initiative
Various	Research and Development Cluster
Various	Student Financial Aid Cluster

Dollar threshold used to distinguish
between type A and B programs: $14.3 million

Auditee qualified as low-risk auditee? _____yes___X___no

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RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
Financial Statement Findings				
1	33	The Department of Corrections should continue to improve its controls over inmate banking by (a) maintaining complete and accurate documentation to support all activity in inmate accounts; (b) implementing procedures that assure all facilities are properly enforcing Department of Corrections Administrative Regulations to help ensure required deductions are made and inmate account activity is processed accurately; and (c) researching the benefits of expanding the percentage of time its internal auditor spends on testing compliance with regulations, policies, and procedures over inmate banking activities.	Agree	June 2007
2	36	The Department of Health Care Policy and Financing should routinely reconcile accounts receivable balances on the Colorado Financial Reporting System to subsidiary ledgers and make necessary adjustments in a timely manner.	Agree	Implemented
3	38	The Department of Health Care Policy and Financing should ensure that all assets recorded on the Colorado Financial Reporting System are properly valued.	Agree	Implemented
4	40	The Department of Health Care Policy and Financing should establish consistent policies and procedures for calculating the year-end Incurred But Not Reported accrual and monitor the accuracy of the calculation through review of the prior year expenditures and by monitoring the liquidation of estimates made at year end for the Incurred But Not Reported estimates.	Agree	Implemented
5	41	The Department of Health Care Policy and Financing should ensure receivables related to bankruptcies are fairly stated by periodically obtaining the updated status of each bankruptcy case.	Agree	June 2007
6	43	The Department of Health Care Policy and Financing should make improvements to its internal controls over financial reporting by ensuring that there is an adequate supervisory review of all employees' work prior to submission to the Office of the State Controller or other parties.	Agree	Implemented

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
7	48	The Department of Human Services should complete its research of nursing home capital asset accounting problems identified during Fiscal Year 2006 and make adjusting entries to the Colorado Financial Reporting System as appropriate.	Agree	May 2007
8	51	The Department of Human Services should improve controls over the patient revenue reconciliation process at the mental health institutes and regional centers by (a) performing revenue reconciliations in a timely manner and making corrections to financial data, as appropriate and (b) ensuring staff members performing revenue reconciliations are adequately trained and supervised.	Agree	March 2007
9	53	The Department of Human Services should improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) ensuring staff preparing exhibits are adequately trained on exhibit preparation requirements and (b) enhancing the secondary review process over exhibits to include a detailed review of all supporting documentation used to prepare the exhibits.	Agree	a. May 2007 b. August 2007
10	56	The Department of Human Services should improve controls over the preparation of the Schedule of Federal Expenditures, or Exhibit K, by (a) developing formal, written procedures for the preparation of the Exhibit K, including steps required to prepare adequate supporting documentation; (b) expanding its supervisory review process over the Exhibit K to include a review of supporting documentation; and (c) providing training to staff preparing supporting reconciliations and the Exhibit K that addresses the format to be used for reconciliations and the importance of accurate information.	Agree	a. March 2007 b. September 2007 c. June 2007
11	58	The Department of Human Services should improve controls over payroll by (a) working with the Department of Personnel & Administration to determine the appropriate method to be used for calculating leave taken without pay adjustments, (b) establishing a written procedure for payroll staff to follow when calculating leave taken without pay, and (c) reviewing all future leave taken without pay adjustments to ensure compliance with Department procedures.	Agree	a. April 2007 b. May 2007 c. June 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
12	62	The Department of Human Services should improve its internal controls over purchasing cards by (a) instituting a formal policy requiring approving authorities to report to Department procurement staff regarding disciplinary or other actions taken for employee purchasing card errors and misuse, (b) tracking and enforcing consequences for violations of purchasing card policies, (c) providing ongoing training focusing on responsibilities of cardholders and approving authorities and consequences for policy violations, and (d) considering the use of a graduated point system as a cardholder consequence for repeated violations of the procurement card system.	a. Agree b. Disagree c. Agree d. Agree	a. March 2007 b. Not Applicable c. May 2007 d. June 2008
13	65	The Department of Human Services should strengthen controls over travel expenditures by ensuring adequate supporting documentation accompanies each expenditure, expenditures are appropriately coded on the Colorado Financial Reporting System, and all other state and Department policies regarding travel are followed.	Agree	September 2007
14	69	The Department of Labor and Employment should improve controls over federal expenditure and revenue reporting and draw downs by implementing a periodic reconciliation process to identify and resolve discrepancies between the Financial Accounting and Reporting System and the Colorado Financial Reporting System (COFRS) in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement.	Agree	December 2006
15	71	The Department of Labor and Employment should ensure that Petroleum Storage Tank reimbursements are disbursed within the statutorily established thirty days of the application approval.	Agree	December 2007
16	72	The Department of Labor and Employment should process unemployment insurance refunds in a timely manner and ensure the refunds are processed in the proper fiscal year.	Agree	September 2007
17	78	The Department of Military and Veterans Affairs should improve controls for processing applications and administering the Tuition Assistance Program to ensure compliance with all statutory and regulatory requirements by (a) reconciling information provided by member applicants with information provided by higher education institutions related to tuition payments, and identifying and resolving discrepancies prior to payment; (b) maintaining adequate documentation to support amounts paid; and (c) formalizing current policy in regard to the payment of fees.	Agree	April 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
18	81	The Department of Natural Resources should enforce its payroll policies and strengthen its controls over personnel and payroll activities by (a) reviewing time sheets to ensure they are signed off by the employee and approved by the manager at the end of each pay period and (b) verifying employment of all personnel and ensuring that the Department pays only bona fide employees through the use of the Payroll Certification Form.	Agree	March 2007
19	83	The Department of Natural Resources should improve controls over capital expenditures by (a) reviewing the expenditures related to capital projects incurred in Fiscal Year 2006 at the Division level to ensure that costs are appropriately capitalized as an asset rather than expensed on the Colorado Financial Reporting System (COFRS), (b) enforcing the existing quarterly review procedure for transactions recorded on COFRS to identify and correct coding errors, and (c) providing adequate training to Division staff regarding the proper usage of expenditure accounts.	Agree	Implemented
20	87	The Department of Personnel & Administration should strengthen controls over payroll by (a) ensuring adjustments are calculated correctly and documented appropriately and (b) accurately reflecting these adjustments on the State's accounting system.	Agree	February 2007
21	89	The Department of Personnel & Administration should improve controls over capital assets by (a) ensuring that expenditures for all future capital asset projects are reviewed and recorded appropriately on the Colorado Financial Reporting System in accordance with the State Fiscal Procedures Manual and (b) reviewing expenditures related to the Department's capital projects incurred prior to Fiscal Year 2006.	Agree	June 2007
22	91	The Department of Personnel & Administration should ensure that the Office of the State Controller develops and implements formal procedures for communicating with all entities that are component units of the State to inform the component units of financial reporting requirements and to request audited financial statements in a timely manner.	Agree	June 2007
23	96	The Department of Personnel & Administration should strengthen its controls over the mainframe computer and the Colorado Financial Reporting System (COFRS) by (a) monitoring for agency compliance with COFRS security policies, including those in place over multiple and generic IDs; (b) implementing a process that will provide for the timely detection of changes in user employment status and ensure that access to COFRS is deleted immediately; and (c) immediately addressing mainframe security issues identified in the audit.	a. Agree b. Partially Agree c. Agree	a. December 2007 b. May 2007 c. June 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
24	99	The Department of Personnel & Administration should ensure the security of employee benefit information contained in Benefitsolver by establishing user administration procedural controls including (a) ensuring that agencies have access only to the information related to the employees within their respective agencies, (b) disabling or deleting user accounts in a timely manner, and (c) performing periodic reviews of existing user access.	Agree	a. Implemented b. April 2007 c. December 2007
25	103	The Department of Personnel & Administration should improve controls over the Benefitsolver system by (a) requiring agency Benefitsolver administrators and their back-up staff to attend training on requirements for the synchronization of employee data between the Colorado Personnel and Payroll System (CPPS) and Benefitsolver, as well as the validation of employee and dependent data entered into Benefitsolver; (b) continuing to conduct monthly reconciliations of CPPS and Benefitsolver data and making adjustments to employee pay, as appropriate; (c) exploring ways to automate the synchronization of employee termination information in CPPS and Benefitsolver system; and (d) conducting insurability and eligibility audits on a regular basis.	a. Partially Agree b. Agree c. Agree d. Agree	a. Implemented b. Implemented c. Implemented d. June 2008
26	109	The Department of Regulatory Agencies should adhere to the appropriation process and generally accepted accounting principles by recording revenue for contributed services and related expenditures on the Colorado Financial Reporting System.	Agree	July 2006
27	113	The Department of Revenue's Information Technology Division should continue to improve the Department's compliance with the Security Standards and Policy document to prevent unauthorized access to the Department's network and confidential information by (a) requiring employees to use a password-protected screensaver set to activate after no more than 15 minutes of inactivity and (b) training employees on the importance of password protection and securing their computers.	Agree	Implemented

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
28	127	The Department of Transportation should implement adequate controls over capital asset transactions and balances by (a) preparing a monthly roll forward report of capital asset transactions that shows beginning of the month asset balances, additions and deletions during the month, and end of the month balances; (b) establishing a process in which the monthly roll forward report of capital asset transactions is reviewed and approved by an individual other than the preparer, reconciled to the general ledger, and any differences between the roll forward and the general ledger are identified, researched and resolved each month; and (c) assigning the responsibility for determining when and how a capital asset transaction is recorded to Department accounting personnel rather than regional business managers.	Agree	June 2007
29	130	The Department of Transportation should improve controls over reimbursements to employees by ensuring that appropriate supporting documentation is obtained and reviewed by accounting personnel prior to issuing payment for any reimbursement requests and maintaining this documentation for the required period.	Agree	March 2007
30	131	The Department of Transportation should ensure that the Security Administrator or his or her designee review the Top Secret "Security Activity/Incidents Report" at least weekly to identify high risk or suspicious events as outlined in the State's policy.	Agree	March 2007
Federal Award Findings				
31	136	The Department of Health Care Policy and Financing should ensure that remaining backlogs of Medicaid and Children's Basic Health Plan cases on the Colorado Benefits Management System that require cleansing are eliminated as soon as possible.	Agree	April 2007
32	139	The Department of Health Care Policy and Financing should ensure that Medicaid and Children's Basic Health Plan cases are processed within federal guidelines.	Agree	Ongoing

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
33	142	The Department of Health Care Policy and Financing should improve controls over eligibility determination for the Medicaid program by (a) establishing an effective means for documenting and substantiating beneficiary eligibility determinations for each paid claim, (b) reviewing eligibility data in the Colorado Benefits Management System (CBMS) for accuracy and consistency with source and certified documentation via scanned or copied documentation maintained in the files, (c) requiring counties or Medical Assistance sites to maintain copies of verification documents, and (d) evaluating the training program that the State currently has in place and determining where improvements can be made to reduce the number of caseworker errors that are being repeated.	a. Agree b. Agree c. Agree d. Partially Agree	a. Contingent upon the Office of CBMS b. Ongoing c. Ongoing d. Ongoing
34	145	The Department of Health Care Policy and Financing should follow up on any uncompleted cases for the Payment Error Rate Measurement (PERM) project and take action necessary to verify that the contractor completes the testing for the PERM project.	Disagree	Not Applicable
35	146	The Department of Health Care Policy and Financing should take necessary action to ensure accurate Medicaid claims paid data runs on hospital cost data are generated on a timely basis and that required audits of cost report data are performed timely.	Agree	June 2008
36	148	The Department of Health Care Policy and Financing should develop and implement a plan to automate the process for updating licenses for providers in the Medicaid program.	Agree	July 2008
37	150	The Department of Health Care Policy and Financing should ensure that Medicare is the primary payer on claims processed through the Medicaid Management Information System (MMIS) for dual eligible Medicaid recipients by (a) reviewing the Medicaid claims identified during the audit as potentially eligible for Medicare reimbursement and billing Medicare as appropriate, (b) reviewing the procedure codes and edit settings for claims on behalf of dual-eligible recipients and ensuring that Medicare is identified as the primary payer as appropriate, and (c) updating MMIS for any procedure code changes issued by Medicare on a regular basis.	a. Partially Agree b. Agree c. Agree	July 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
38	169	The Department of Health Care Policy and Financing should improve utilization management in the Medicaid Community Mental Health Services Program by (a) requiring Behavioral Health Organizations (BHOs) to disclose the nature and extent of their financial and organizational relationship with the Community Mental Health Centers (CMHCs) to the Department annually; (b) reviewing the ownership and governance relationship between the CMHCs and BHOs to ensure that oversight of utilization management is sufficiently transparent and accountable given the potential for conflicts on interest between the CMHCs and BHOs; (c) working with the BHOs to develop requirements for a minimum set of utilization management procedures and incorporating these requirements into the State's contracts with the BHOs in order to supervise the activities of all providers, whether part of the BHO's internal or external provider networks; and (d) requiring BHOs to establish formal delegation agreements when delegating utilization management functions to any agency, especially their providers.	Agree	a. July 2007 b. July 2007 c. October 2007 d. December 2007
39	177	The Department of Health Care Policy and Financing should improve reporting and analysis of financial and performance information related to the Medicaid Community Mental Health Services Program by (a) reviewing existing financial and clinical performance measures reported by the Behavioral Health Organizations (BHOs) to ensure the data elements are reported consistently across the BHOs; (b) developing standardized financial reports and performance measures that reflect key aspects of the Medicaid Community Mental Health Services Program and are consistent with nationally recognized measures; and (c) implementing periodic analysis of information reported by BHOs and their provider networks, including analysis of rates versus actual reported costs, detailed per member per month cost analysis by spending and eligibility category, rates by eligibility category, and clinical quality performance indicators.	Agree	a. Ongoing b. July 2008 c. July 2007
40	180	The Department of Health Care Policy and Financing should ensure adequate performance of telephone access lines maintained by Behavioral Health Organizations (BHOs) by identifying performance standards and incorporating those standards into BHO contracts, along with penalties for noncompliance.	Agree	January 2008

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
41	182	The Department of Health Care Policy and Financing should work with the Behavioral Health Organizations (BHOs) to improve processes for identifying third party payers and recovering payments in its Medicaid Community Mental Health Services Program by (a) ensuring compliance with BHO contracts by reviewing and assessing the adequacy of BHO procedures for identifying and recovering from third party payers and ensuring that third party recovery efforts are adequate for services provided through both the internal and external provider networks and (b) requiring BHOs to actively monitor the third party recovery efforts of all providers.	Agree	January 2008
42	185	The Department of Health Care Policy and Financing should require Behavioral Health Organizations to monitor and report on the use of allocated state mental health hospital beds by Medicaid members.	Agree	July 2007
43	192	The Department of Health Care Policy and Financing should ensure that encounter data for the Medicaid Community Mental Health Services Program from the Behavioral Health Organizations (BHOs) and other providers are reliable and valid for rate setting purposes by (a) conducting data analysis to determine the validity of current BHO and other provider encounter data, (b) implementing a process for monitoring encounters reported by service providers and BHOs to ensure that encounters are reported consistently and accurately, and (c) establishing a process to address and resolve discrepancies identified in the BHOs' tracking and reporting of encounter data as a result of these activities.	Agree	a. July 2008 b. January 2007 c. December 2007
44	193	The Department of Health Care Policy and Financing should develop a standardized encounter reporting manual for the Medicaid Community Mental Health Services Program to ensure all services are coded by the service provider, at the point of service, in accordance with the Health Insurance Portability and Accountability Act-compliant procedure codes and to ensure the accuracy and consistency of encounter data reported.	Agree	July 2008
45	197	The Department of Health Care Policy and Financing should initiate a cost study to assess and verify the fee schedule used to price encounters in the Medicaid Community Mental Health Services Program.	Agree	July 2008
46	204	The Department of Health Care Policy and Financing should work with the General Assembly to seek change in statutes related to Medicaid mental health capitation payments to align Colorado law with changes made to federal regulations.	Partially Agree	May 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
47	205	The Department of Health Care Policy and Financing should work with its actuaries to revise its rate setting methodology for the Medicaid Community Mental Health Services Program.	Agree	July 2008
48	211	The University of Colorado should establish a management review of calculations to ensure the Return of Title IV calculations are performed properly.	Agree	Implemented
49	212	Colorado State University - Pueblo should strengthen procedures and controls to ensure that Pell payment data is submitted to the students within the specified time frame.	Agree	Implemented
50	214	Colorado State University - Pueblo should strengthen procedures to ensure that the Return of Title IV funds calculations and the related returns are performed on a timely basis.	Agree	Implemented
51	215	The Colorado School of Mines should assure that adequate review procedures are in place to verify that its policies are adhered to with respect to disbursing Federal Family Education Loan program funds within the federally mandated time frame.	Agree	July 2006
52	216	The Colorado School of Mines should review all costs charged to federal programs to assure that they are allowable under federal regulations and specific grant provisions.	Agree	January 2007
53	218	The Colorado School of Mines should assure that its expanded procedures for the monitoring of subrecipients to include review of the Federal Audit Clearinghouse database and the monitoring of for-profit subrecipients are consistently followed and documented.	Agree	June 2006

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
54	221	Colorado Community College System (CCCS) should improve its subrecipient monitoring by implementing policies, procedures, and controls to ensure compliance with the Office of Management and Budget (OMB) *Circular A-133*. Specifically, CCCS should (a) develop a risk based approach for monitoring subrecipients, including written policies and procedures, in compliance with OMB *Circular A-133*; (b) require all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements; (c) develop written policies, procedures, and documentation requirements for subrecipients to support allowability and appropriateness of grants expenditures and other compliance requirements; (d) provide training to improve the technical skill of staff responsible for subrecipient monitoring; and (e) provide adequate oversight and supervisory review of the Perkins monitoring process.	Agree	July 2007
55	222	Colorado Community College System should ensure Front Range Community College enhances procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the school has determined a student has withdrawn.	Agree	June 2007
56	223	Colorado Community College System should ensure Front Range Community College (FRCC) and Pikes Peak Community College (PPCC) enhance procedures to ensure that students are not allowed additional days of eligibility before they are reported to the National Student Loan Data System.	Agree	FRCC June 2007 PPCC November 2006 and Ongoing
57	237	The Colorado Community College System should improve its evaluation of new and renewal program applications by ensuring that programs provide students with entry-level skills, job readiness skills, or the ability to articulate to further training.	Agree	December 2006

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
58	240	The Colorado Community College System should ensure that programs whose approvals have expired do not receive Colorado Vocational Act (CVA) or Perkins funding by (a) prohibiting reimbursement for programs that are expired, as determined by Board criteria; (b) routinely monitoring the status of programs using the Expired Programs report before processing CVA and Perkins reimbursement requests; and (c) reevaluating its regulations to ensure that programs do not receive continued CVA and Perkins funding without being renewed timely.	Agree	July 2007
59	242	The Colorado Community College System should clarify whether school districts may receive Colorado Vocational Act and/or Perkins reimbursement for academic courses such as English, biology, and American History offered through Alternative Cooperative Education programs.	Agree	July 2006
60	246	The Colorado Community College System (CCCS) should improve the reliability of accountability data for career and technical education programs by (a) developing and implementing a risk-based approach to conducting on-site data reliability testing; (b) ensuring that staff review appropriate sample sizes at each site; and (c) requiring subrecipients with identified data reporting errors to develop and implement a corrective action plan, subject to CCCS review and approval, that identifies the causes of the errors and minimizes future errors.	Agree	December 2006
61	248	The Colorado Community College System should improve its oversight of Perkins grant subrecipients by developing and implementing a more systematic process for using local improvement plans.	Agree	July 2007
62	252	The Colorado Community College System should ensure that matching requirements are met for Perkins administrative costs by designing and implementing a process that assigns Perkins administrative costs equally between Perkins and non-federal cost centers.	Agree	January 2006
63	254	The Colorado Community College System should ensure salaries charged to the Perkins grant and the Perkins non-federal administrative match are accurate, properly substantiated, and reported by (a) requiring that employees whose salaries are charged to cost centers associated with the Perkins grant or the Perkins non-federal administrative match submit time reports in accordance with the Office of Management and Budget (OMB) *Circular A-87* and (b) reviewing the time reports periodically and adjusting the amount of salaries charged to Perkins, as appropriate, in accordance with OMB *Circular A-87.*	Agree	January 2006

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
64	256	The Colorado Community College System should reevaluate its use of Perkins leadership funds to maximize their effectiveness.	Agree	July 2007
65	261	The Colorado Community College System (CCCS) should improve its on-site subrecipient monitoring of Perkins grant expenditures by (a) including specific steps in its monitoring process to test the allowability and appropriateness of Perkins grant expenditures made by subrecipients, (b) improving the technical skills of on-site reviewers through additional training and considering using CCCS's internal audit staff to supplement the monitoring review teams, and (c) defining documentation requirements for subrecipients to support the allowability and appropriateness of Perkins grant expenditures.	Agree	December 2006
66	264	The Colorado Community College System should improve its Perkins administrative and program monitoring processes by (a) considering reassigning staff duties so that more resources are devoted to monitoring activities or revising monitoring procedures to focus on those areas with the greatest risk; (b) requiring staff to complete monitoring checklists and issue formal reports of findings and recommendations; (c) instituting a supervisory review to ensure that monitoring checklists and reports have been completed sufficiently; (d) following up on all monitoring recommendations to ensure they have been implemented; and (e) establishing time frames in its monitoring procedures for the timely completion of monitoring reports, supervisory reviews, and follow-up on recommendations.	Agree	December 2006
67	267	The Colorado Community College System should improve its monitoring process for the federal Perkins program by (a) reassessing its monitoring schedule to ensure that it meets its commitment to monitor each subrecipient once every five years as provided in the State's Perkins plan, (b) expanding monitoring policies to include written policies that outline the number of schools and programs required for review during each program monitoring visit, and (c) ensuring that consortium administrators complete on-site monitoring visits in accordance with established procedures.	Partially Agree	July 2007
68	269	The Colorado Community College System should ensure that Perkins subrecipients comply with the Office of Management and Budget (OMB) *Circular A-133* audit requirements by (a) implementing a process to help identify subrecipients subject to OMB *Circular A-133* audit requirements and (b) amending the Perkins grant agreement to include a provision requiring all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements.	Agree	July 2006

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
69	271	Adams State College should improve the timeliness of the return of unearned Title IV funds and ensure federal timeframes are met.	Agree	June 2007
70	272	Adams State College should improve controls over additional authorizations of Federal Work-Study by implementing the policy currently in place to ensure that appropriate documentation is maintained for requests and authorizations for increases in student work-study funding.	Agree	June 2007
71	274	Metropolitan State College of Denver should ensure that federal requirements for return of funds under Title IV are met by changing the approach to calculating the number of days per semester and ensuring calculations are accurate.	Agree	June 2007
72	277	The Colorado College Access Network (Enterprise) should implement and strengthen controls over the claims system and claims review process by (a) establishing history capabilities within the claims system to reflect all individual changes made to all claims; (b) establishing segregation of duties between those making changes to the system and those approving the changes to the system and ensuring that all approving sign-offs are present to ensure the integrity of the information on the system; and (c) ensuring that the quality control process over claims performed by the Enterprise and by NelNet are appropriately documented, conducted timely and consistently, and that results are evaluated and used to implement changes to the claims process when needed.	a. Partially Agree b. Partially Agree c. Agree	February 2007
73	284	The Department of Human Services should ensure that remaining backlogs of Food Stamps and Temporary Assistance for Needy Families/Colorado Works cases on the Colorado Benefits Management System that require cleansing are eliminated as soon as possible.	Disagree	Not Applicable
74	287	The Department of Human Services should ensure that Food Stamps and Temporary Assistance for Needy Families/Colorado Works cases are processed within federal and state guidelines.	Agree	April 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
75	291	The Department of Human Services should improve eligibility determination and allowable cost internal controls over the Temporary Assistance for Needy Families/Colorado Works program by (a) directing county departments of human/social services to institute effective supervisory review processes over eligibility determinations, (b) directing county departments of human/social services to provide training or access state-provided training to appropriate staff regarding allowable and unallowable program benefits, and (c) using eligibility determination monitoring procedures currently in place to review for compliance with eligibility requirements and to assess the county supervisory review function .	Agree	May 2007
76	294	The Department of Human Services should take immediate steps to correct the income disregard and Monthly Status Report problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	Agree	February 2007
77	294	The Department of Human Services should use its eligibility determination monitoring procedures to identify and work with the counties to correct overpayments related to the income disregard and Monthly Status Report problems in the Colorado Benefits Management System and any additional system-related problems.	Agree	Implemented
78	296	The Department of Human Services should work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies within 45 days as required by federal and state regulations.	Agree	May 2007
79	299	The Department of Human Services should ensure that case file documentation for the Temporary Assistance for Needy Families/Colorado Works program is adequate to support all benefit payments to recipients by (a) using existing monitoring procedures to ensure required eligibility information is contained in county case files and (b) communicating timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.	Agree	Implemented
80	304	The Department of Human Services should improve controls over Food Stamps eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of human/social services to institute effective supervisory review processes over data entry into CBMS and eligibility determinations and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS.	Agree	February 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
81	306	The Department of Human Services should take immediate steps to correct the Food Stamps redetermination and change reporting problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	Agree	Implemented
82	307	The Department of Human Services should use its eligibility determination monitoring procedures to identify and correct overpayments related to the Food Stamps redetermination and change reporting problems in the Colorado Benefits Management System and any additional system-related problems.	Agree	Implemented
83	309	The Department of Human Services should ensure that case file documentation for the Food Stamps program is adequate to support all benefit payments to recipients by (a) utilizing established monitoring procedures to ensure required eligibility information is contained in county case files and (b) communicating timely to appropriate Department staff, changes in policies and procedures affecting required case documentation.	Agree	Implemented
84	311	The Department of Human Services should ensure that county departments of human/social services address all of the Colorado Benefits Management System alerts in a timely manner.	Agree	June 2007
85	312	The Department of Human Services should improve controls over the administration of the Foster Care Grant Program in order to ensure that the State is in compliance with federal requirements for the grant in the areas of activities allowed or unallowed, allowable costs/cost principles, reporting, and subrecipient monitoring.	Partially Agree	Contingent upon completion of the Foster Care Performance Audit in 2007
86	314	The Department of Human Services should ensure that signed certifications on compliance with federal debarment and suspension provisions have been received from all contractors and perform followup as needed.	Agree	March 2007
87	316	The Department of Labor and Employment should ensure time sheets for the Unemployment Insurance Program are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing electronic time sheet certifications by both the employee and supervisor.	Agree	September 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
88	321	The Department of Local Affairs should improve controls over the purchasing and payment processes for the Homeland Security Grant Program by (a) continuing to work with subrecipients to inform them of grant requirements and to ensure compliance with federal requirements that purchases are substantiated by appropriate supporting documentation, documentation is adequately maintained by regional fiscal agents, including information on inventory location, and expenditures must be paid prior to requesting reimbursement from the State and (b) improving review of reimbursement requests and payments to subrecipients to help ensure that all items and activities reimbursed are allowable and substantiated by appropriate supporting documentation maintained by regional fiscal agents.	Agree	April 2007
89	328	The Department of Public Health and Environment should improve its procedures and review process related to requesting federal reimbursements for the Women Infants and Children's program to ensure compliance with the federal Cash Management Improvement Act.	Agree	November 2006
90	333	The Department of Public Health and Environment and the Department of Health Care Policy and Financing should periodically reexamine the methodology used to calculate Medicaid reimbursement rates for targeted case management services provided through the Nurse Home Visitor Program. This examination should consider (a) methodologies used to develop reimbursement rates for targeted case management services for other Medicaid-funded programs, (b) eliminating site-specific rates and developing one statewide rate for targeted case management services across all sites, (c) using funded caseload rather than actual caseload when calculating the reimbursement rates, (d) including data on a site's total Nurse Home Visitor Program costs in setting targeted case management reimbursement rates, and (e) revising the Medicaid State Plan to include the rate-setting methodology and submitting the revision to the Federal Government for approval.	DPHE Agree HCPF Agree	DPHE a. January 2007 b. July 2007 c. January 2007 d. January 2007 e. January 2007 HCPF December 2006
91	338	The Department of Public Health and Environment should ensure the maximization of Medicaid reimbursements at local sites by working with the National Center and its subcontractors, the Nurse-Family Partnership, Inc. and Invest in Kids, to (a) visit local sites and review a sample of client files to verify that bills have been submitted for Medicaid services provided, (b) share the aggregate data provided by the Department of Health Care Policy and Financing with sites so that sites may review their billings and reimbursements for reasonableness, (c) ensure that all Medicaid-eligible participants are identified and receive assistance with enrollment, and (d) work with the Department of Health Care Policy and Financing to provide additional training to local sites regarding Medicaid client enrollment and billing procedures.	a. Disagree b. Agree c. Agree d. Agree	a. Not Applicable b. Ongoing c. Ongoing d. January 2007

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Department of Corrections

Introduction

The Department of Corrections (DOC) manages the State's adult correctional facilities, youthful offender system, and the adult parole and community corrections system. In addition, the Department operates the prison canteens and the Division of Correctional Industries. The canteens provide various personal items for purchase by inmates, including hygiene items, snack foods and phone services. Correctional Industries operates businesses that employ inmates, including furniture manufacturing facilities, a leather products shop, Colorado State forms production and distribution facilities, dairy and agri-business facilities, the State's license plate manufacturing facility, and the state surplus property program.

The Department's Fiscal Year 2006 appropriation was 5,910 full-time equivalent staff and approximately $590.2 million, of which $533.9 million, or 90 percent, was general funds. Administrative offices for the Department are located in Cañon City and Colorado Springs. During Fiscal Year 2006, DOC owned and operated twenty-two of the State's twenty-eight correctional facilities. State-owned correctional facilities are located throughout Colorado and include sites in Buena Vista, Canon City, Denver, Pueblo, Limon, Ordway, Delta, Rifle, Golden, Sterling, Trinidad, and Fort Lyon. The six non-state facilities are privately owned and operated and are located in Burlington, Colorado Springs, Las Animas, Olney Springs, Walsenberg, and Brush. DOC contracts with various counties, which in turn subcontract with private firms to provide correctional services at these facilities.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2006 audit work at the Department of Corrections.

Inmate Bank Accounts

The Department of Corrections (DOC) maintains inmate bank accounts to allow inmates to deposit funds received from outside sources or from inmate pay, make purchases from prison canteens, and pay for other items such as restitution, child support, medical co-pays, postage, copies, and money orders. Through Fiscal Year 2005, privately operated facilities were responsible for maintaining bank accounts and records for inmates housed in private facilities, while DOC's business office located in the administrative offices in Cañon City, was responsible for monitoring the inmate bank account program for both state and privately-owned facilities.

However, as of Fiscal Year 2006, responsibility for inmate banking for the private facilities was moved to the main Business Office in Cañon City. Therefore, the Business Office is responsible for controlling and maintaining inmate accounts for all incarcerated offenders including those located at privately operated prisons. As part of its management and oversight, DOC has designed and implemented internal controls over inmate banking to help assure compliance with state regulations and proper maintenance of all such accounts. DOC's policies require that facilities obtain and maintain complete and accurate documentation to support all inmate bank account activity, including all deposits and withdrawals.

During the Fiscal Year 2003, 2004, and 2005 audits, it was determined that the Department needed to improve its monitoring of privately operated facilities to ensure that all activity is properly recorded in inmate accounts. According to the Department, it consolidated the oversight for all inmate banking activity within the DOC Business Office in an effort to eliminate the errors noted during the prior year audits. In order to determine if the Department's new procedures related to inmate banking are effective, we selected nineteen accounts at eight locations for testing during the Fiscal Year 2006 audit. For each inmate, we reviewed documentation for a two-month period during Fiscal Year 2006. For our sample, we agreed deposit amounts to the check log for the day, agreed the total on the check log to the deposit slip, and agreed the deposit slip to the bank statement. We also performed the following procedures:

- Reviewed all canteen purchases over the two-month period and agreed the amount to the canteen purchase form signed by the inmate per DOC Administrative Regulation 200-02.
- Reviewed inmate pay posted to the inmate's account by tracing the amounts paid to time sheets and other supporting work records. Days worked and amounts paid were examined for compliance with DOC Administrative Regulation 850-03.
- Reviewed child support deductions by agreeing the amount withheld to the child support order. The amount withheld from the inmate's account was traced to the summary paid to the Child Support Enforcement Division within the Department of Human Services. The summary total was traced to the cancelled check or warrant. Child support withholding was also examined for compliance with DOC Administrative Regulation 200-15.
- Reviewed other elective withdrawals by agreeing the amount to the inmate's signed request form for compliance with DOC Administrative Regulation 200-02.
- For one month during the period, reviewed the process for performing the inmate bank account reconciliations.

We identified seven exceptions during the testing of inmate accounts. Specifically, we found the following:

- **For five inmates, the facility was unable to provide documentation authorizing deductions totaling $127 from the inmates' account for canteen purchases and elective withdrawals.** All facilities must be able to provide evidence that deductions from inmate accounts are compliant with DOC Administrative Regulations 200-02 concerning inmate banking and 200-11 concerning canteen purchases.

- **For one inmate, the facility's timesheet showing hours worked and hours paid for the inmate differed from the inmate statement amount paid by one hour.** All facilities must be able to provide evidence that inmate pay complies with DOC Administrative Regulation 850-03.

- **For one inmate, restitution totaling $20 was not withheld from all eligible deposits to the inmate's account.** DOC Administrative Regulation 200-15 requires 20 percent of all deposits, subject to certain minimum balances, to an inmate's account be withheld for court ordered child support or restitution.

DOC currently uses its internal auditor to test compliance with regulations, policies, and procedures over inmate bank account activity. The Department should further expand its testing of inmate banking transactions to ensure that adequate records are maintained to document all activity to an inmate's account, required deductions are made, and that the activity complies with applicable Administrative Regulations. Additionally, the Department should take steps to ensure that all facilities are familiar with Administrative Regulations concerning inmate banking and inmate pay. Failure to maintain adequate supporting documentation for all inmate banking activity decreases the effectiveness of the Department's internal control system and increases the risk that errors or irregularities might occur and not be detected. By not making restitution deductions, the Department is not enforcing payments required under court order.

Recommendation No. 1:

The Department of Corrections (DOC) should continue to improve its controls over inmate banking by:

a. Maintaining complete and accurate documentation to support all activity in inmate accounts.

b. Implementing procedures that assure all facilities are properly enforcing DOC Administrative Regulations to help ensure required deductions are made and inmate account activity is processed accurately.

c. Researching the benefits of expanding the percentage of time its internal auditor spends on testing compliance with regulations, policies, and procedures over inmate banking activities.

Department of Corrections Response:

Agree. Implementation date: June 30, 2007.

During Fiscal Year 2006, the Department converted the privately operated prisons' inmate accounts to the Department's Inmate Banking system. This transition was completed in May 2006. We believe this change will improve the accuracy of mandatory withholding for restitution and other inmate account transactions. The Department does maintain electronic records and access to inmate canteen orders and sales receipts (without inmate signatures) for two full calendar years plus the current calendar year to date. Prior to Fiscal Year 2006, the Department policy was to maintain signed canteen purchase receipts for six months. Beginning in Fiscal Year 2006, the retention period was extended to twelve months for audit purposes. Some prison facilities failed to comply with the new record retention of twelve months and were unable to provide signed canteen receipts past six months old as requested by the auditors. A written notice has been sent to all facilities to remind them that the retention period for signed inmate canteen purchase receipts is twelve months in accordance with the Administrative Regulation 200-11, Canteen. The Department's Internal Audit office will expand its tests of compliance of regulations, policies and procedures of inmate bank transactions as recommended in this audit.

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 by about 50 percent federal funds and 50 percent state general funds. CBHP, marketed in Colorado as Child Health Plan Plus or CHP+, serves as the State's version of the federal Children's Health Insurance Program and is funded by approximately two-thirds federal funds and one-third state funds.

During Fiscal Year 2006 the Department expended in total approximately $3.21 billion. The public accounting firm of BKD, LLP, performed the audit work at HCPF as of and for the fiscal year ending June 30, 2006. During its audit, BKD, LLP, reviewed and tested HCPF's internal controls over financial reporting and federal programs as well as HCPF's compliance with certain state and federal laws and regulations. The following comments were prepared by BKD, LLP.

Medicaid Management Information System Accounts Receivable Reconciliation

Each state agency is responsible for establishing adequate internal controls and procedures to ensure that accounts receivable balances reported on the State's accounting system, COFRS, are accurate and complete. Specifically, accounts receivable balances should be valid and represent amounts due and collectible by the agency. The agency must also monitor these receivables to ensure that they are collected within a reasonable time frame and that year-end balances are adjusted if they are overstated or understated.

The Department maintains a Medicaid Management Information System (MMIS) receivable account to record amounts due to the Department for overpayments and payments of paid claims that were subsequently denied. Both types of accounts are generally recouped by the Department through the MMIS system. As of June 30, 2006, MMIS showed this receivable had a balance of approximately $3.7 million. The COFRS balance as of June 30, 2006, was approximately $4.0 million. During our Fiscal Year 2003 audit, we found that the Department had not performed a reconciliation of the balance maintained on the MMIS subsidiary ledger to the balance reported on COFRS. During our Fiscal Year 2004 and 2005 audits, we noted that the Department had made efforts to reconcile this account by identifying individual provider account balances. Our Fiscal Year 2006 testing showed that the Department had automated the process of determining the specific providers with differences between the two systems. However, the Department has not completed a full reconciliation to substantiate the $4.0 million year-end receivable balance.

It is important for the Department to reconcile all of its receivable accounts to the subsidiary ledgers on a regular basis and make necessary adjustments to ensure that the accounts properly reflect actual amounts due to the Department.

Recommendation No. 2:

The Department of Health Care Policy and Financing should routinely reconcile accounts receivable balances on COFRS to subsidiary ledgers and make necessary adjustments in a timely manner.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Implemented.

The Department recognizes the importance of the Accounts Receivables reconciliation and has taken the necessary steps to implement this recommendation. During Fiscal Year 2006 the Department developed an automated reconciliation between the COFRS and MMIS systems. The Department has been working diligently at resolving issues related to this reconciliation. This process is time-consuming and requires manual transactions to be entered into COFRS or MMIS to bring both systems in balance. The Department has dedicated a full-time employee and a part-time employee, as needed, to complete this task. The Department would like to note that there are approximately 3,000 to 3,500 payments to Medicaid providers entered into the MMIS on a weekly basis. These payments may create new accounts to be added to the reconciliation process; therefore, the

reconciliation will be an ongoing process. The Department strongly believes that the necessary actions have been taken to correct this finding and has made significant progress in the reconciliation process and that this recommendation has been fully implemented. The Department will continue its efforts to make the necessary adjustments in a timely manner.

Recording of Allowance for Doubtful Accounts

Prescription drugs coverage is a significant component of the federal Medicaid program. In Fiscal Year 2006 the Department paid approximately $171 million in pharmacy claims under the Medicaid program. Since 1991, under federal regulations state Medicaid programs have been able to recover a portion of their prescription drug payments by requesting rebates from drug manufacturers. Specifically, state Medicaid programs reimburse pharmacies for dispensing prescription drugs to Medicaid recipients and then recover a portion of these expenditures by submitting invoices to drug manufacturers for rebates.

During our Fiscal Year 2005 audit, we noted that the Department prepared a year-end post closing entry to record the $21.7 million drug rebate receivable and an offsetting $6.9 million allowance for uncollectible amounts. We noted that the allowance estimate was not substantiated and was applied without analysis of historical collection patterns. Our analysis of collections for the Drug Rebate Account found a 97.2 percent collection rate during Fiscal Year 2005. This indicated the likelihood of collection for 2005 was high and any estimated allowance would be immaterial. As a result, we submitted a revised year-end post closing entry to remove the unsubstantiated allowance estimate as of June 30, 2005.

The Fiscal Year 2006 drug rebate receivable account balance at year end was approximately $15.4 million. During testing in 2006 it was noted that collections on this account had significantly declined compared to Fiscal Year 2005. The Department had only collected 81.8 percent of the accounts receivable balance as compared with the Fiscal Year 2005 collections for the same period of 97.2 percent. However, during 2006 the Department did not evaluate this account to determine the need for an allowance, and therefore did not record any allowance. While we believe the amount of the allowance for Fiscal Year 2006 to be immaterial and, therefore, need not be recorded in the financial statements, the Department should improve its process for analyzing and recording receivables and the related allowance amounts. The need for an allowance may change from year to year, especially in an account where the collection trend is declining. Additionally, when collection percentages change, the Department should attempt to determine the cause of the change.

Recommendation No. 3:

The Department of Health Care Policy and Financing should ensure that all assets recorded on COFRS are properly valued. In particular, a process should be implemented to periodically review the receivable accounts and use historical collection experience and other pertinent information to estimate the allowance for doubtful accounts.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Implemented.

The Department already assures that all assets in the Colorado Financial Reporting System (COFRS) are properly valued. The Department has a dedicated FTE for reviewing and reporting of Accounts Receivable. On an annual basis, there is a formal analysis of the previous year trends for collection of receivable balances. This review is also applicable to the Drug Rebate collections. In the Fiscal Year 2005 Statewide Audit, the Department was directed not to book an Allowance for Doubtful Accounts because the auditor's analysis found a 97.2 percent collection rate and because it had not been previously booked since inception of cash basis accounting in 2003 due to 'immateriality.' The Department had the opportunity to review a spreadsheet but based on the limited information provided, the Department could not confirm its accuracy. The auditors state that this same analysis showed that the Department's collections for Fiscal Year 2006 had dropped to 81.8 percent. However, the Department's analysis does not show any shift in collection patterns for Drug Rebate receivables. During Fiscal Year 2006, the implementation of Medicaid Part D substantially lowered Drug Rebate Billings and, as a result, may give the illusion that there has been a shift in collection patterns.

Auditor's Addendum:

The fundamental issue discussed here is that the Department should routinely track and analyze collections of receivable accounts and make allowance determinations accordingly. This was not occurring.

Incurred But Not Reported (IBNR) Liability

During Fiscal Year 2006 the Department paid $2.7 billion and $73.2 million in Medicaid and CBHP payments, respectively, to medical providers on behalf of eligible beneficiaries. These payments are based on claims submitted to the Medicaid and CBHP programs for payment after services have been rendered. This means the Department only knows the amount of actual expenditures incurred once a claim is made and processed for payment. Therefore, the Department must use estimates at fiscal year-end to account for services that have been provided to beneficiaries but for which a claim has not been submitted by the provider. These estimates are known as "Incurred But Not Reported," or IBNR expenditures.

Providers are allowed up to 120 days to submit claims for payment for most medical services under Medicaid and CBHP, with the exception of Medicare crossover claims (i.e., claims in which Medicare is the primary payer that cross to Medicaid as the secondary payer) and special circumstances beyond the provider's control. The allowance for a 120-day filing period creates the need for the Department to record a significant accounting estimate at fiscal year-end for Medicaid and CBHP expenditures incurred during the last four months of the fiscal year, but for which no claim has been received. As of June 30, 2006, the total medical expenditures recorded as Incurred But Not Reported for Medicaid and CBHP were over $152.3 million, compared to $165.7 million at June 30, 2005.

We found during our audit that the Department staff altered the calculation for the June 30, 2006 year-end IBNR accrual. Had a consistent method been used for both Fiscal Years 2005 and 2006 the IBNR for June 30, 2006 would have been $166.6 million, or $14.3 million more than the $152.3 million that was recorded. Our testing of expenditures during the Fiscal Year 2006 audit related to the Fiscal Year 2005 year-end accrual found the Fiscal Year 2005 IBNR calculation to be accurate; during Fiscal Year 2006 there were expenditures related to dates of service prior to June 30, 2005 of $165.8 million, compared to the recorded accrual of $165.7 million at June 30, 2005.

We also obtained Fiscal Year 2006 expenditure information through the first 13 weeks of Fiscal Year 2007. From Fiscal Year 2004 and 2005 information, we determined that the expenditures in the first 13 weeks of the fiscal year represent an average of 84 percent of the total expenditures that will be paid related to the prior fiscal year. Using an average of 84 percent applied to the expenditures of $136.2 million expended subsequent to June 30, 2006, would suggest a liability of $162.1 million as of June 30, 2006. The Department could not provide adequate documentation to support the change in methodology.

The Department's management should review the IBNR calculation each year for consistency in application against the results of the prior year. The calculation should remain consistent, unless facts and circumstances change.

Recommendation No. 4:

The Department of Health Care Policy and Financing should establish consistent policies and procedures for calculating the year-end Incurred But Not Reported accrual and monitor the accuracy of the calculation through review of the prior year expenditures and by monitoring the liquidation of estimates made at year end for the Incurred But Not Reported estimates.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Implemented.

The Department has established consistent policies and procedures for calculating year-end IBNR. The Department did not change the written procedures for the recording of Medicaid IBNR from Fiscal Year 2005 to Fiscal Year 2006; however, the 2006 transaction was changed to follow the procedure. Written procedures had been presented to auditors in November 2005 at their request and the Department used the same documentation to record the IBNR for Fiscal Year 2006. The IBNR was recorded in accordance with generally accepted accounting principles for services received but not recorded in Fiscal Year 2006. The estimated IBNR was recorded based on the analysis of Fiscal Year 2006 actual expenditures for fee-for-service (FFS) in the amount of $152.3 million. The Department did not record IBNR for health maintenance organizations (HMOs) as payments were already made during Fiscal Year 2006. Another analysis was made based on the last four months of Fiscal Year 2006 which amounted to $153.2 million, a 0.6 percent difference compared to the full year analysis. A third analysis was made based on actual expenditures for FFS for Fiscal Year 2007 which resulted in an average monthly expenditure of $155 million, 1.8 percent above the estimated amount for Fiscal Year 2006. The above analyses confirm that the amount of the estimated IBNR is reasonable in all material respects. As of December 31, 2006, there were $10.8 million unliquidated IBNR costs. The liquidated IBNR for December 2006 amounted to $1.7 million that indicates that there is an adequate IBNR for the remainder of the fiscal year.

Auditor's Addendum:

While the Department's documented policy for calculating IBNR did not change from year-to-year, the application of facts did change during Fiscal Year 2006. The trends observed during our fieldwork indicated that (1) the calculation made in the prior year was materially correct based on actual payments made and (2) payments made subsequent to the current year end were consistently following the prior-year trend in payment stream. Based on these observations, we did not believe a change in the calculation was warranted.

Bankruptcy Accounts Receivable

When a provider or other debtor to the Department enters bankruptcy the account is reclassified by the Department to a separate bankruptcy receivable account. The balance remains on the books during the bankruptcy proceedings in this separate receivable account. The Department records a 90 percent allowance for doubtful accounts on the accounts receivable balance. The accounts receivable balance as of June 30, 2006 was $4.7 million. This balance has remained relatively constant for the past few years. The Department intends to update this account with the status of the proceedings of the bankruptcy cases from the State Attorney General's Office on a regular basis so that accounts are written off if the debtor is relieved of the debt by the court or send it to the Department of Personnel & Administration's Central Collections Division if the court does not dismiss the debt.

During our testing of the bankruptcy receivable balance we noticed that case updates had not been completed during Fiscal Year 2005 or 2006. The Department does not retain documentation regarding court cases and/or decisions from the State Attorney General's Office. Only the original journal entries to post the receivable were available as support. The Department has represented that it is attempting to obtain information on the cases from the State Attorney General's Office, but had not received this information as of year-end. The risk to the Department is that accounts receivable, revenue, and/or expenses are misstated by the amounts reported in closed cases.

Recommendation No. 5:

The Department should ensure receivables related to bankruptcies are fairly stated by periodically obtaining the updated status of each bankruptcy case. All balances related to finished bankruptcy cases should be written off or sent to the Department

of Personnel & Administration's Central Collections Division, depending on the case verdict.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: June 30, 2007.

The Department has been working with the Attorney General's Office to create new cross-departmental procedures to better define processes and to obtain an updated status of each case.

Internal Controls Over Financial Reporting

In our Fiscal Year 2005 audit, we noted that the Department's internal controls over financial reporting were lacking and recommended improvements in this area. During the Fiscal Year 2006 audit we found that while several of the issues we encountered in the prior year have improved, there were again problems that were noted in the preparation of accounting information. Information was provided to us on a relatively timely basis, however, there were significant errors in some of the documentation that we received. Specifically, the Department prepares a large number of exhibits that are submitted to the Office of the State Controller which are used to record year-end entries and prepare the State's financial statements. Subsequent to the Department submitting these exhibits to the State Controller and to us, several of the exhibits had to be revised by the Department due to errors that should have been caught during standard review procedures.

We also noted other issues in the Department that show a weakness in the review process including: a) accounts receivable aging records did not properly add; b) an original journal entry could not be located; c) formula mistakes existed on a spreadsheet calculating the allowance for doubtful accounts, causing improper adjusting entries to be submitted to the State Controller; d) journal entries had preparer initials typed but not physically signed; and e) one subsequent cash receipt listing was incomplete and another documented the reversing entry instead of the actual subsequent cash received.

These types of errors indicate insufficient supervision and review of the accounting information. In other words, while the Department has procedures in place to ensure individual transactions are reviewed, the Department should improve procedures to

adequately ensure that the overall compilation of the accounting information is accurate and complete. This creates a risk that amounts will be misstated on the State's financial statements.

The Department must continue to make improvements in its internal controls over financial reporting to ensure that amounts reported to the State Controller and included in the State financial statements are materially correct.

Recommendation No. 6:

The Department of Health Care Policy and Financing should make improvements to its internal controls over financial reporting by ensuring that there is an adequate supervisory review of all employees' work prior to submission to the State Controller or other parties.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Implemented.

The Department already ensures adequate supervisory review. Although there were some errors found during the audit, those errors were caught and corrected prior to close. Unfortunately, many of the audit requests were done during the fiscal close period when many entries are going through multiple reviews and that process had not been completed during the time of the requests. The Department takes accounting functions and responsibilities very seriously and maintains sound and adequate controls. The Department feels as though there are always opportunities for process improvements. However, the Department does not believe that examples cited in this audit are representative of a lack of internal controls.

Relating to the example given in the State Auditor's Report under section "Internal Controls over Financial Reporting" (just above Recommendation 5): Examples (a) and (c) are related to the same document and affected the Exhibit H for recording Allowance for Doubtful Accounts. Example (b): The Department prepares over 4,000 manual entries in a fiscal period and only one transaction was not able to be located at the time of the auditor's request. Example (d): COFRS entries may have the preparers name typed onto the document but the individual who is approving the document is always a hand signature. At the request of the auditors, the process was changed in June 2006 to have preparers initial the COFRS transactions. Example (e): Response received from auditors indicates that this was a

miscommunication between the auditors and the accounting staff on one of their requests; the information provided was not the information requested. However, this was just an exchange of information and not an error in the financial statements.

On September 29, 2006, the Department management met with the auditors for an update on the audit status. The auditors indicated that the audit was progressing very well and that the Department had a very good internal control over financial transactions and reports. On two separate occasions, an auditor had spent an entire afternoon reviewing hundreds of financial transactions. The auditor in charge met with the Department Controller and indicated that the review went very well and that all transactions were complete, had adequate supporting documentation and had been input by one individual and reviewed and approved by another individual and again, the auditor indicated that the Department has a good and adequate internal control on financial transactions. The Department will continue to ensure adequate internal controls.

Auditor's Addendum:

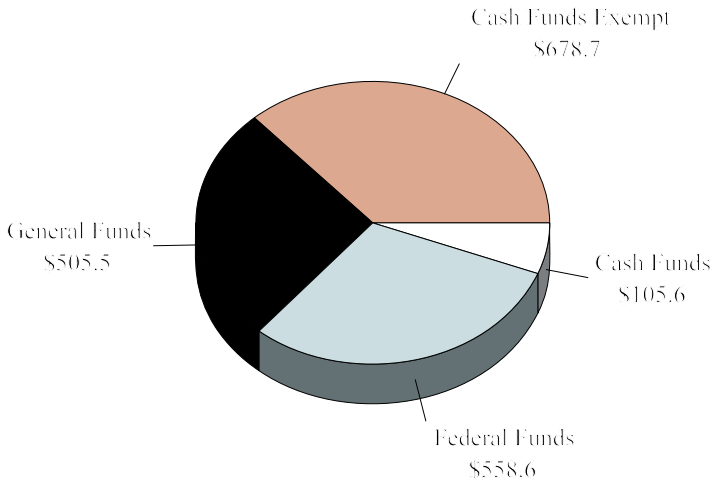
As noted above, we believe the Department has made improvements over the prior fiscal year in the area of internal controls. However, at the conclusion of every audit, an overall assessment is made by the auditor as to the control structure and its effectiveness. Correction of errors in reports, missing documentation (even if it is one item), and a lack of review indicated on documents, can lead the auditor to assess the controls as having a weakness considered to be a reportable condition. We believe this to be the case with the Department. We considered the audit in its entirety to make this determination.

Department of Human Services

Introduction

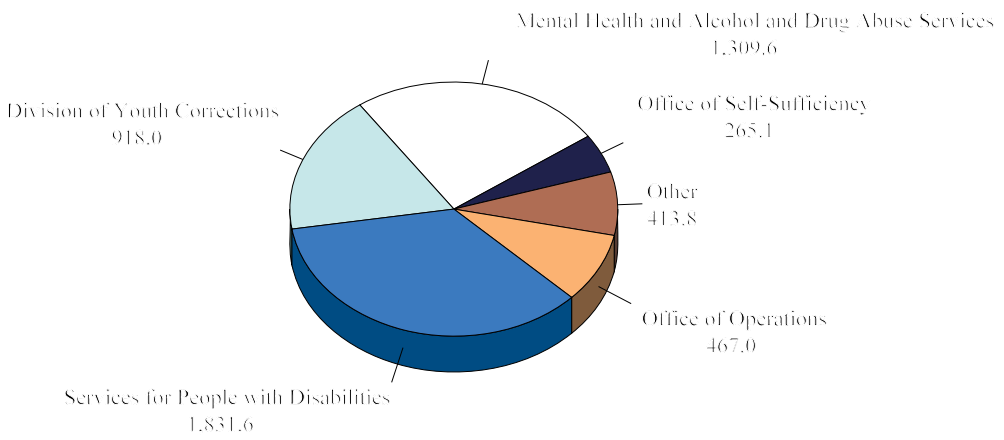
The Department of Human Services (DHS) is solely responsible, by statute, for administering, managing, and overseeing the delivery of the State's public assistance and welfare programs throughout the State of Colorado. Most of these programs are administered through local county or district departments of social services. The Department also manages and directly administers programs in the areas of developmental disabilities, mental health, nursing homes, and youth corrections. In Fiscal Year 2006 the Department was appropriated approximately $1.8 billion and 5,200 full-time equivalents (FTE). The following charts show the appropriations by funding source and FTE by major areas within the Department, respectively, for Fiscal Year 2006.

Department of Human Services
Fiscal Year 2006 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

Department of Human Services
Fiscal Year 2006 Full-Time Equivalents (FTE) by Major Areas



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

We identified 21 overall areas where the Department could make improvements to its operations—7 related to financial controls and 14 related to federal awards. Please refer to the DHS chapter in the Federal Award Findings section for recommendations related to federal awards.

Nursing Home Capital Assets

According to the Fiscal Procedures Manual (Manual) issued by the Office of the State Controller, assets with a value of $5,000 or more are considered capital assets and are to be depreciated over the established useful life of the asset. The Manual states that a building should be depreciated over 27.5 to 40 years, depending on the construction method, and a new vehicle should typically be depreciated over 5 years. At the end of Fiscal Year 2006, the Department of Human Services had capital assets totaling just over $280 million, net of accumulated depreciation. Capital assets at the Department's five nursing homes comprised 11 percent of the Department's total capital assets ($31.5 million, net of accumulated depreciation).

The Department currently is the only department in the State that uses the Fixed Asset Module (Module) contained within the State's accounting system, COFRS, to record and account for its capital assets. At the end of each month, the Module

calculates the depreciation associated with each asset based on information Department staff have input into the Module, such as the purchased value and useful life, and records the depreciation as an expense on COFRS. The Module also records an equal amount in the accumulated depreciation account. This account should contain the total depreciation charged to the asset over its useful life to date and, when offset against the capital asset account, represent the net value of the asset.

During our Fiscal Year 2006 capital asset testwork, we identified errors netting to approximately $1.26 million within capital asset accounts at four of the five nursing homes, resulting in overstatements of $292,000. Specifically, we found the following:

- The four nursing homes have four capital asset accounts which contain "accumulated depreciation" subaccounts with balances totaling over $258,000. These amounts were incorrectly recorded as positive asset balances, thus increasing the total net asset values and overstating assets and fund balance by twice that amount, or by $516,000. Again, accumulated depreciation for all capital assets should be recorded as a negative balance in a separate accumulated depreciation account.

- The accumulated depreciation accounts for furniture and equipment at three of the four nursing homes contained over $292,000 at June 30, 2006, that appeared to be associated with assets previously written off and removed from COFRS. As a result, the net value of furniture and equipment and fund balance were both understated by $292,000 at fiscal year-end.

- Negative amounts totaling approximately $1.8 million were contained within subaccounts to various capital asset accounts at fiscal year-end. According to Department staff, based on initial research conducted during Fiscal Year 2006, the negative entries were recorded directly to the capital asset accounts in Fiscal Year 2000 or earlier to record depreciation; Department staff indicate the negative balances within the capital asset accounts plus the amounts recorded separately in the accumulated depreciation accounts on COFRS represent the total accumulated depreciation incurred over the capital assets' lives as of the end of Fiscal Year 2006. While overall this practice did not cause assets to be misstated, as noted previously, all accumulated depreciation for capital assets should be recorded in a separate account.

Department staff began researching the problems with recording fixed assets during Fiscal Year 2006 after they identified problems; however, research on these issues was not completed by the end of the fiscal year. Therefore, staff had not determined the reason for or the extent of the problems as of the end of our audit.

The Department should complete its investigation of the problems identified and make adjusting entries to COFRS as determined appropriate. In addition, the Department should ensure that capital asset accounting staff at the nursing homes are adequately trained and supervised to ensure similar problems do not occur in future years.

Recommendation No. 7:

The Department of Human Services should complete its research of nursing home capital asset accounting problems identified during Fiscal Year 2006 and make adjusting entries to COFRS as appropriate. The Department should also ensure that capital asset accounting staff are adequately trained and supervised to ensure similar problems do not occur in future years.

Department of Human Services Response:

Agree. Implementation date: May 31, 2007.

The program accountant for the Nursing Homes and the fixed asset coordinator will work with the Director of the Technology Management Unit at the Department of Personnel & Administration to investigate and resolve these positive balances of accumulated depreciation subaccounts in the Fixed Asset Module. Corrections will be made in the Fixed Asset Module that will generate appropriate adjusting transactions in COFRS. Procedures will be updated and training will be conducted to ensure that similar problems do not occur in the future.

Mental Health Institutes and Regional Centers Revenue Reconciliations

The Department of Human Services (DHS) is responsible for the operation of two mental health institutes and three regional centers. The Fort Logan and Pueblo Mental Health Institutes care for children and adults who have been diagnosed with a mental illness or legally determined to need mental health services. The regional centers, which are located in Grand Junction, Wheat Ridge, and Pueblo, care for developmentally disabled individuals. The institutes and regional centers receive payments for services provided from sources including patient payments, Medicare, and Medicaid. In Fiscal Year 2006 the institutes and regional centers received $26.6 million and $53.9 million, respectively, in revenue from all sources.

Institute and regional center staff maintain all financial information for patients within a variety of computerized information systems, including the State's accounting system, COFRS. Information from the institutes' and regional centers' internal systems is periodically uploaded into COFRS, and the staff at the institutes and regional centers are responsible for performing reconciliations to ensure that the data on COFRS are consistent with institute and regional center internal records.

We found during our audit that the Department failed to complete year-end revenue reconciliations for the two mental health institutes and two of the three regional centers until eight weeks after the end of Fiscal Year 2006. As a result of the Department's failure to complete the reconciliations timely, the Department was unable to identify or correct errors prior to the end of the Office of the State Controller's final adjustment period for the fiscal year financial statements.

We reviewed the Department's revenue reconciliations for the institutes and regional centers, and we identified problems with the Department's reconciliations at three of the five facilities, as noted below.

Pueblo Mental Health Institute:

- Medicare and Department of Corrections payments totaling approximately $4,450, and $21,700, respectively, were miscoded. As a result, revenue and the related accounts receivable were overstated at fiscal year-end by a net amount of $17,250.

- Nearly $5,800 in accounts were erroneously written off prior to fiscal year-end as uncollectible. As a result, both the accounts receivable account and allowance for doubtful accounts were understated on COFRS at fiscal year-end.

- One prior year accounts receivable balance totaling over $15,100 from county departments of social services was not reclassified as a current year accounts receivable. The institute has instituted a policy to classify accounts receivable as current year or prior year in order to more effectively track collections. This error caused one current year accounts receivable sub-account within the overall receivable account to be understated and one sub-account to be overstated by an equal amount.

Fort Logan and Pueblo Mental Health Institutes:

- Approximately $18,000 of adjustments reducing the accounts receivable for Medicare and Department of Corrections charges that were made in the institutes' subsidiary system were not reflected in COFRS prior to the end of the fiscal year. This error caused the institutes' revenue and accounts receivable accounts on COFRS each to be overstated at year-end by $18,000.

Wheat Ridge Regional Center

- Adjustments for amounts due from patients for income earned while eligible for Medicaid were incorrectly calculated at Wheat Ridge. The calculation errors, which netted to $89, were not corrected on COFRS and resulted in the revenue and accounts receivable accounts both being understated for Fiscal Year 2006 by this amount.

Because the amount of the errors identified was immaterial to the State's financial statements, they were not corrected on the State's Fiscal Year 2006 financial statements. Although some of the errors we identified are small, all reflect a lack of controls in place to ensure amounts recorded on the State's accounting system are accurate and complete. Department staff reported that a personnel change affected the preparation of the year-end reconciliations. Specifically, during Fiscal Year 2006 the Department's Director of Patient Accounts accepted a new assignment within the Department; on-the-job training for the new director was to be provided by the former director through the end of the fiscal year as well as through the audit process. However, according to staff, the training process was slow and impacted the completion of the fiscal-year close and audit requests.

During our Fiscal Year 2004 and 2005 audits, we also identified problems with the institutes' revenue reconciliation processes. We recommended the Department improve controls over the revenue reconciliation process by ensuring that staff members are adequately qualified, trained, and supervised; that reconciliations are adequately reviewed; and that errors are identified and corrected timely. Based on the problems noted during our Fiscal Year 2006 audit, it appears the Department needs to increase its efforts to ensure the reconciliation procedures at both the mental health institutes and regional centers are performed timely and accurately, and are adequately reviewed. By improving its controls in this area, the Department can ensure that it has an efficient and effective means for identifying errors and making appropriate corrections to financial information in a timely manner.

Recommendation No. 8:

The Department of Human Services should improve controls over the patient revenue reconciliation process at the mental health institutes and regional centers by:

a. Performing revenue reconciliations in a timely manner and making corrections to financial data, as appropriate.

b. Ensuring staff members performing revenue reconciliations are adequately trained and supervised.

Department of Human Services Response:

a. Agree. Implementation date: March 31, 2007.

By the end of the third quarter of Fiscal Year 2007, revenue reconciliations for both Regional Centers and Mental Health Institutes will be current through February 2007 and corrections will be booked into COFRS for third quarter close. Subsequent reconciliations will be one accounting period in arrears with Period 12 being completed by Period 13 COFRS close.

b. Agree. Implementation date: March 31, 2007.

During December 2006 the Patient Accounts Unit was restructured and divided into two sections: one for Mental Health Institutes and the other for Regional Centers and Patient Banking. Unit managers were appointed. Each is receiving training on their respective reconciliations. Through the third quarter of Fiscal Year 2007 the previous Director will review their reconciliations as her availability permits. Each new unit manager will simultaneously begin training assistant accountants in the reconciliation process as backup to their responsibilities.

Exhibit Preparation

At the end of each fiscal year, the Office of the State Controller requires that each department submit financial and financial-related information that aids the preparation of the State's financial statements and footnote disclosures. The Office of the State Controller requires that all departments submit this information on

uniform reports, or "exhibits." We have identified weaknesses in the Department of Human Services' controls over the preparation of exhibits since our Fiscal Year 2002 audit. During Fiscal Year 2006 we reviewed exhibits prepared and submitted to the State Controller by the Department's 17 agencies and continued to find errors.

The Department submitted 31 exhibits to the Office of the State Controller for Fiscal Year 2006. Nine of the 31 exhibits, or 29 percent, required at least one revision; all revisions noted were due to errors or omissions we identified through our audit. Specifically, we requested that the Department prepare revised exhibits due to errors or omissions we identified on the following exhibits:

- **Schedule of Capital Leases (Exhibit F1):** The Department is required to report all capital leases on this exhibit. Due to the Department's incorrect recording of an equipment lease inception transaction, current and noncurrent lease payable amounts on COFRS and the Department's Exhibit F1 were both overstated by nearly $29,000.

- **Schedule of Operating Leases (Exhibit F2):** Future minimum lease payments that are required by generally accepted accounting principles to be disclosed for all noncancellable operating leases are recorded on this exhibit. We identified eight leases for which the Department either did not include future minimum lease payment information or included incorrect amounts on the exhibit. These errors ranged from approximately $400 to nearly $50,000, for a total net overstatement on the exhibit of over $45,400.

- **Cash on Hand or Deposited With Financial Institution (Exhibit M):** This exhibit is used to report an agency's cash that is held by a financial institution other than the State Treasurer. In order to meet financial statement disclosures, the State must indicate how safe public funds are (e.g., whether the funds are insured by the Federal Deposit Insurance Corporation, or secured by other means) by classifying these funds into risk categories. We found that the Department erroneously excluded one account totaling approximately $10,700 from the exhibit.

- **Other Disclosures (Exhibit U1):** The Department is required to report various other information on this exhibit that is not reported on another exhibit. For example, information recorded on this exhibit includes capital asset useful lives and interest capitalized in proprietary funds for capital assets placed in service. We found that the Department improperly capitalized two months of interest totaling over $4,700 on COFRS for a period of time after the constructed asset had been placed in service, which is not allowed by accounting standards. Further, the Department did not

capitalize over $4,000 of allowable interest on a second project. Both amounts were improperly reported on the Exhibit U1.

- **Schedule of Federal Assistance (Exhibit K):** This exhibit reports federal expenditures and receipts for the Department's federal grant programs and is the basis for the State's Schedule of Federal Expenditures of Federal Awards that must be submitted to the federal government each year. We noted a number of problems with this exhibit. See Recommendation No. 10 for further discussion of the errors noted on this exhibit.

All but two of the exhibits were corrected and resubmitted to the Office of the State Controller. The remaining two were not resubmitted because they were deemed to be immaterial.

As noted earlier, we have identified issues with the Department's exhibits since Fiscal Year 2002. The exhibit error rate has fluctuated between Fiscal Years 2002 and 2006 from a high of 49 percent in Fiscal Year 2003 to a low of 11 percent in Fiscal Year 2004, averaging 24 percent over the five-year period. We identified an error rate of 29 percent for Fiscal Year 2006.

Based on our previous recommendations in this area, the Department instituted a year-end training and secondary review process in Fiscal Year 2004. However, these processes do not appear to be functioning effectively. The Department should improve the existing controls over the preparation of its exhibits in order to ensure that the State's financial statements and related footnotes are accurate and that time required to correct and revise exhibits is minimized. This could be accomplished by providing more in-depth training for staff preparing exhibits, as well as a detailed supervisory review of exhibits and supporting documentation.

Recommendation No. 9:

The Department of Human Services should improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by:

a. Ensuring staff preparing exhibits are adequately trained on exhibit preparation requirements.

b. Enhancing the secondary review process over exhibits to include a detailed review of all supporting documentation used to prepare the exhibits.

Department of Human Services Response:

a. Agree. Implementation date: May 31, 2007.

The Department will continue to provide training on exhibit preparation to responsible staff and document procedures for exhibit preparation requirements.

b. Agree. Implementation Date: August 31, 2007.

The secondary review process of exhibits will include sufficient review of source data and documentation that are used to support the exhibits.

Preparation of Federal Award Expenditures Exhibit

During Fiscal Year 2006 the Department of Human Services administered over 70 federal programs and expended more than $942 million in federal funds. Each year the Department is required to prepare a report, or "exhibit," to aid the Office of the State Controller in preparation of the Schedule of Expenditures of Federal Awards (SEFA). The SEFA is required by the federal Office of Management and Budget's *Circular A-133* to show the State's expenditures for federal awards during the fiscal year. The exhibit is referred to as the "Exhibit K" or the Schedule of Federal Assistance.

In order to obtain information required for completion of the Exhibit K, Department program accounting staff prepare two types of documents that reconcile federal funds received and expended by the Department. Department staff responsible for the preparation of the Exhibit K use information contained on the reconciliations for each federal program to prepare the Exhibit K. Department staff also prepare a reconciliation of the Exhibit K to COFRS, as required by the Fiscal Procedures Manual published by the Office of the State Controller.

We previously identified problems with the Department's preparation of the Exhibit K during our Fiscal Year 2004 audit. During our Fiscal Year 2006 testwork, we found problems with the Department's preparation of the Exhibit K that required revisions to the Exhibit K as well as to the supporting documentation for the Exhibit. Specifically, we found the following:

- **Exhibit K amounts were not supported by underlying documentation.** First, over $41 million in subrecipient expenditures for the Social Services Block Grant included on the Exhibit K were not supported by information in the Department's summary spreadsheet. Department staff revised the supporting documentation based on our identification of the errors; however, staff changed the format of the supporting documentation at that time to a new format that was inconsistent with all other supporting documentation for the Exhibit K.

  Second, amounts reported as subrecipient expenditures for the Child Support Enforcement program on the Exhibit K and supporting documentation differed by more than $3 million. Specifically, $36 million in subrecipient expenditures was reported on the Exhibit K, while $39 million was reported on the summary reconciliation.

  Third, totals for four of eight columns presented on the Exhibit K differed from totals contained on the supporting spreadsheet by a range of about $177,000 to $496,000. Department staff reported that they initially made changes to the Exhibit K based on problems identified by the Office of the State Controller on the Department's first submitted Exhibit K. For example, the Office of the State Controller staff found that totals presented for two grants were not calculated correctly. For one of the grants, Department staff erroneously reported federal receipts of $256 million when actual receipts were $26 million. Although the Department corrected the errors on the Exhibit K and submitted a revised Exhibit K to the Office of the State Controller, they did not correct the errors on the supporting spreadsheet, thus not clearly documenting the basis for the numbers on the corrected Exhibit K.

- **Data contained on the Exhibit K and its supporting documentation were misclassified.** First, over $807,000 in federal deferred revenue was incorrectly reported as Child Care Development Fund - Matching grant activity instead of Child Care Development Fund - Discretionary grant activity on the Exhibit K and its supporting documentation. Since each program has its own separate Code of Federal Domestic Assistance number, federal revenue would have been reported to the wrong federal program without a Department revision to the Exhibit K.

  Second, supporting documentation for Temporary Assistance for Needy Families (TANF) grant data on the Exhibit K erroneously included a prior year adjustment of nearly $8.3 million to federal deferred revenue; the adjustment was actually made to the federal accounts receivable account.

Third, a prior year adjustment for TANF totaling $7.7 million was determined to be recorded in the wrong section and column of supporting spreadsheets. Both misclassifications for TANF did not impact the Exhibit K, but caused the supporting documentation to be revised to accurately reflect the two adjustments.

- **Reported amounts did not agree to COFRS.** One of the Department's year-end balances reported on its supporting spreadsheet for the Exhibit K did not agree to COFRS. Specifically, the federal accounts receivable total on the spreadsheet was nearly $12 million less than COFRS.

We also noted additional problems with the Department's Exhibit K supporting documentation including other calculation errors and inconsistent formatting of reconciliations. All identified errors were corrected on the final Exhibit K submitted to the Office of the State Controller.

According to Department staff, the Department has no formal, written procedures for the preparation of the Exhibit K or its supporting documentation. Additionally, based on our testwork, the Department does not have an adequate supervisory review process in place over the Exhibit K that includes a review of supporting documentation used to prepare the Exhibit K. The lack of procedures and a supervisory review is of particular concern because the Department is responsible for about 16 percent of the expenditures reported on the State's SEFA. Further, the Department has recently experienced high staff turnover in the area of grant accounting and Exhibit K preparation, which increases the need for adequate training and supervisory review.

Therefore, the Department should develop formal, written procedures for the preparation of the Exhibit K and related supporting documentation and provide training to current and new staff on the preparation requirements. The Department should also expand its current review process over the Exhibit K to include a review of supporting documentation used to prepare the Exhibit.

Recommendation No. 10:

The Department of Human Services should improve controls over the preparation of the Schedule of Federal Expenditures, or Exhibit K, by:

a. Developing formal, written procedures for the preparation of the Exhibit K, including steps required to prepare adequate supporting documentation.

b. Expanding its supervisory review process over the Exhibit K to include a review of supporting documentation.

c. Providing training to staff preparing supporting reconciliations and the Exhibit K that addresses the format to be used for reconciliations and the importance of accurate information.

Department of Human Services Response:

a. Agree. Implementation date: March 31, 2007.

The Department will streamline the preparation of the Exhibit K by developing a new Excel version of the reconciliation report (R120) and standardizing the reconciliation steps. The R120 worksheet will be enhanced to formulate a one-line summary of data in the Exhibit K reporting layout. Written procedures will be established on how to complete the R120 reconciliation and Exhibit K.

b. Agree. Implementation date: September 30, 2007.

The Department will implement a supervisory review process of R120 worksheets to increase control over the accuracy of reconciliations. The secondary review process of the Exhibit K will include sufficient review of supporting documentation used to support the exhibit.

c. Agree. Implementation date: June 30, 2007.

Training will be provided to program accountants on the preparation of R120 reconciliations that are used as supporting documentation for Exhibit K reporting. Provision of training to responsible staff will continue on an ongoing basis on Exhibit K preparation for accuracy and completeness.

Payroll Adjustment Calculations

During Fiscal Year 2006 the Department of Human Services spent about $236 million on salaries and wages and was appropriated over 5,200 full-time equivalent staff (FTE). The Department's payroll staff are located within two of the four departmental accounting districts; one is located at Fort Logan (North Central District) and the other is located in Pueblo (Southern District). North Central District payroll is responsible for all of the Department's agencies located on the Fort

Logan campus, the downtown office, and selected nursing homes staff, while the Southern District is responsible for all of the selected agencies located in Pueblo and Grand Junction.

Employees of the Department are paid on either a monthly or biweekly basis; the standard workweek is 40 hours. When employees are unable to work a full week, they can either use paid leave or choose not to be paid for the missed hours, which is termed "leave taken without pay," or LWOP.

During our Fiscal Year 2006 payroll testwork, we reviewed a total of 45 payroll adjustments. Twenty, or 44 percent, of the adjustments were for LWOP. Based on our review of the LWOP adjustments, we determined that the Department's two payroll offices are not consistently calculating LWOP. Specifically, staff within the North Central District use a rate based on monthly pay and hours worked during the month, while staff within the Southern District use a rate based on annual pay and hours worked during the year. We found differences ranging from $1 to $46 in LWOP adjustments between the two methods.

Prior to Fiscal Year 2006, both districts calculated LWOP using the monthly rate. However, according to Southern District staff, at the beginning of Fiscal Year 2006, one payroll staff changed the calculation for the district to the annualized rate for calculating LWOP. The staff person failed to obtain approval from the payroll supervisor for this change in methodology. Further, we noted that neither State Personnel Rules nor the Department provides a clear policy outlining the method to be used for calculating LWOP adjustments.

Although the amounts noted in our sample are small in relation to the Department's overall operations, inconsistent payroll adjustment calculations lead to equity issues among the Department's employees. Therefore, the Department needs to work with the Department of Personnel & Administration to determine the appropriate method that should be used to calculate LWOP adjustments, and using this information, the Department should develop a written procedure for payroll staff to follow when calculating LWOP. Further, the Department should review all future LWOP calculations to ensure compliance with Department procedures.

Recommendation No. 11:

The Department of Human Services should improve controls over payroll by:

a. Working with the Department of Personnel & Administration to determine the appropriate method to be used for calculating leave taken without pay adjustments.

b. Establishing a written procedure for payroll staff to follow when calculating leave taken without pay.

c. Reviewing all future leave taken without pay adjustments to ensure compliance with Department procedures.

Department of Human Services Response:

a. Agree. Implementation date: April 30, 2007.

Payroll staff will conduct an internal review and discovery using each method of calculation from extracted internal samples. Findings will be composed and presented to the Department of Personnel & Administration (DPA) to obtain a ruling.

b. Agree. Implementation date: May 31, 2007.

The Department will establish a written payroll procedure for calculating leave without pay based on DPA's ruling. If DPA fails to provide a definitive ruling, the Department will determine the optimum method and establish appropriate written procedures.

c. Agree. Implementation date: June 30, 2007.

The Department will use the method of calculating leave without pay determined in the above procedures going forward.

Purchasing Cards

The purchasing card program was adopted by the Department of Human Services to allow approved staff within its agencies to make purchases under $5,000. The goal of the program is to make it easier for state employees to acquire goods and services under this threshold while providing more timely payment to merchants and reducing the number of small dollar payments issued by the traditional vouchering system.

During Fiscal Year 2006 the Department expended approximately $8.9 million through the use of purchasing cards. During Fiscal Year 2006 the Department reported average total monthly purchasing card purchases of $682,258 with an average number of 3,612 monthly transactions placed. As of the beginning of December 2005, 846 Department employees, or 15.9 percent of its 5,317 employees, had been issued purchasing cards.

All Department employees are considered to be eligible for a purchasing card but are evaluated on their need to make purchases. An employee becomes a cardholder by completing the cardholder account form and obtaining approval from his or her designated approving authority, typically the employee's manager. All charges made on the card are the liability of the Department; the cardholder has no personal liability on the card unless the cardholder violates the terms of card use. Department policy requires that at the end of each purchasing card cycle the cardholder attach supporting documentation for his or her purchase(s), review the account coding, and sign and date the statement. This information is forwarded to the approving authority, who is responsible for performing a secondary review for accuracy and appropriateness and applying his or her signature and date to the statement. Both the cardholder's and approving authority's review and sign-off must occur within a month of the card statement date.

During our Fiscal Year 2004 audit, we reviewed a sample of 87 purchasing card transactions and identified problems with 28 percent, or 24, of the 87 purchasing card transactions we reviewed. We recommended that the Department improve purchasing card controls by enforcing a formalized policy requiring approving authorities to address problems identified through purchasing card reviews, tracking actions taken by approving authorities to address problems identified, provide training in problem areas, and consider the use of a graduated point system with defined consequences for cardholder violations. Under a point system, violations carry various clearly defined consequences on a graduated basis, depending on the recurrence or severity of infractions. The Department agreed with our recommendation and indicated that it would take steps to improve controls over purchasing cards, including evaluating the use of a graduated point system if Department-wide problems persisted and were not reduced by the end of Fiscal Year 2006.

We found during our Fiscal Year 2006 audit that the Department updated its purchasing card policy and required training for selected users. However, while our audit continued to identify problems as discussed further below, the Department reports that it has not considered a graduated point system.

As part of our Fiscal Year 2006 audit, we selected a sample of 25 purchasing card transactions for review. We found 36 percent (9 of 25) of the transactions tested were either incorrectly coded or contained no documentation of review as required under Department policy. Specifically, we found the following:

- **Cardholder statement reviews**. Department policy requires that each cardholder and approving official review and sign off on the monthly purchasing card statement by the end of the following month. We found six transactions for which the cardholder or approving authority had either not

signed the cardholder statement or had not signed the cardholder statement within the required time frame. Specifically, for three transactions totaling approximately $458, the cardholder did not sign the statement within the required time frame. One statement was signed prior to the item purchase date, and two statements were signed three to six months after the item purchase date. For three transactions totaling approximately $291, neither the cardholder nor the approving authority had signed the cardholder statement at the time of our review, approximately five months after the purchase was made.

- **Account coding errors.** According to Department policy, the cardholder must ensure that the purchase has the proper account coding. We found three transactions totaling about $63 that were coded to an improper account code. For example, sponges, paint brushes, and a paint brush set purchased for structured leisure time at one of the Department's regional centers were coded as "Food and Food Service Supplies." The purchases would be more appropriately coded as "Care and Subsistence Program Supplies."

In addition, we found the Department also performed its own reviews of procurement cards during Fiscal Year 2006 and had similar findings. The Department identified account coding errors, instances in which the cardholder and/or the approving authority did not sign the cardholder statement, and a lack of documentation. The Department also performed an audit of its purchasing card system, concentrating its efforts on internal controls over merchants used, the database of transactions, and cards and card limits. The Department made a total of 12 recommendations in these areas. In accordance with Department policy, identified instances of cardholder errors and misuse were reported to the appropriate approving authorities for follow-up.

Adequate controls over purchasing cards are important because the cards are a high-risk area for fraud and abuse. Due to the number of employees within the Department that have purchasing cards, ongoing monitoring of this area is imperative. Further, because a lack of reporting requirements for approving authorities and a lack of tracking of violations and actions taken for violations appear to be contributing to continued cardholder errors and potential misuse, the Department should institute a reporting requirement for appointing authorities regarding actions taken for cardholders' errors and misuse and strengthen and enforce consequences for misuse. This should include considering the use of a graduated point system as a cardholder consequence for violations of the procurement card system. In addition, the Department should continue to provide ongoing training regarding cardholder and approving authority responsibilities, including account coding and cardholder statement reviews.

Recommendation No. 12:

The Department of Human Services should improve its internal controls over purchasing cards by:

a. Instituting a formal policy requiring approving authorities to report to Department procurement staff regarding disciplinary or other actions taken for employee purchasing card errors and misuse.

b. Tracking and enforcing consequences for violations of purchasing card policies.

c. Providing ongoing training focusing on responsibilities of cardholders and approving authorities and consequences for policy violations.

d. Considering the use of a graduated point system as a cardholder consequence for repeated violations of the procurement card system.

Department of Human Services Response:

a. Agree. Implementation date: March 31, 2007.

The current notices that are sent each Cardholder, Approving Official and Executive Management Team member regarding the results of each purchasing card audit request a follow up to the audit results by replying via e-mail to both Procurement and Accounting Offices within 10 business days after receipt of the report and ask for a brief description of actions that are being taken to prevent any future violations or exceptions. Each notice includes an invitation to take a refresher course concerning purchasing card policies and procedures. The Division of Procurement proposes to modify the current format of the notice by providing a check-off list for the Approving Official's response.

b. Disagree. Implementation date: Not applicable.

The consequences for violations of purchasing card policies are clearly stated in the Department Policy and in the Purchasing Card Manual, and enforcement is dependent on the severity and number of repeated violations. Past audits have identified errors and procedural exceptions, but rarely violations that are obviously intentional and egregious.

Auditor's Addendum:

While the Department's Policy Manual contains a listing of violations and related consequences, the Department does not currently have a method for receiving violation information from approving authorities regarding violations identified during ongoing cardholder statement reviews, tracking violations identified by approving authorities, or actions taken by approving authorities on those violations. Further, the Department does not have a method for tracking actions taken by approving authorities on violations identified through the Department's internal purchasing card audits. Without this reporting and tracking mechanism, the Department cannot determine whether approving authorities are enforcing consequences for violations in accordance with Department policy or if intentional and egregious violations occur.

c. Agree. Implementation date: May 31, 2007.

The Division of Procurement continues to offer on-going training regarding the purchasing card procedures, which includes information on the responsibilities of cardholders and approving officials and the consequences for violations. When the classes are scheduled, e-mails are sent notifying cardholders of the dates. The Division of Procurement agrees to further emphasize the responsibilities and consequences in the materials presented to classes and in individual training sessions.

d. Agree. Implementation date: June 30, 2008.

The purchasing card audits have not identified egregious violations. The concept of using a graduated point system has been reviewed by the Department in the past and will be considered in the future if the number of errors do not improve or if there is an increase in the severity of problems identified through the audits. By June 30, 2008, the Department will make a final decision regarding this recommendation.

Travel Expenditures

During Fiscal Year 2006 the Department of Human Services expended more than $1.4 million for employees' in-state and out-of-state business travel. State Fiscal Rules issued by the Office of the State Controller provide policies for state agencies to follow concerning business travel. The Department has also issued its own policies and procedures governing authorization for travel and reimbursement of

travel expenses by state employees traveling for official state business. The Department's policies were revised near the end of Fiscal Year 2006.

As part of our Fiscal Year 2006 audit, we selected a sample of 25 travel expenditures for review. We identified one or more problems with 10 of the 25 (40 percent) expenditures selected for review.

For example, we noted the following problems:

- One travel reimbursement/vendor payment totaling $945 for travel to Washington, D.C., did not have supporting documentation indicating that the travel request was submitted to the Governor's Office in advance of the trip, as required by Department policy for trips to Washington, D.C.

- One travel reimbursement for $15 was made for a personal item that was not reimbursable under State Fiscal Rules or Department policy.

- Two travel expenditures totaling more than $4,500 were coded incorrectly on COFRS.

- Two travel reimbursements totaling nearly $221 did not include original receipts as required by State Fiscal Rules and Department policy.

- Two travel reimbursement requests did not contain a purpose for the travel, as required by State Fiscal Rules and Department policy.

- One travel reimbursement request did not contain a "Request to Use Private Automobile Form" attached for mileage in excess of 65 miles, as required by Department policy.

- One per diem amount of $16 was paid in excess of the maximum allowable per diem for that area under Department policies.

These problems indicate the Department lacks adequate controls over travel expenditures. Although Department policies establish a process for review and approval and require that supporting documentation accompany travel expenditures, our review indicates that employees and supervisors are not consistently adhering to the policies. The Department should adhere to requirements for travel expenditures and ensure that employees and supervisors are adequately trained on state and Department travel rules and policies.

Recommendation No. 13:

The Department of Human Services should strengthen controls over travel expenditures by ensuring adequate supporting documentation accompanies each expenditure, expenditures are appropriately coded on COFRS, and all other state and Department policies regarding travel are followed. Staff and supervisors should be periodically trained on state and Department travel rules and policies.

Department of Human Services Response:

Agree. Implementation date: September 30, 2007.

The Department will maintain a log sheet to keep track of the travel requests that are submitted to the Governor's Office. The Department will continue to improve controls over travel expenditures to ensure that they are processed in compliance with Department travel policy and State Fiscal Rules. Training will be provided at the fiscal year end to address all requirements and review of travel expenditures. The travel reimbursement open forum will be conducted on a quarterly basis during Fiscal Year 2008 to assist staff and provide answers to questions.

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Department of Labor and Employment

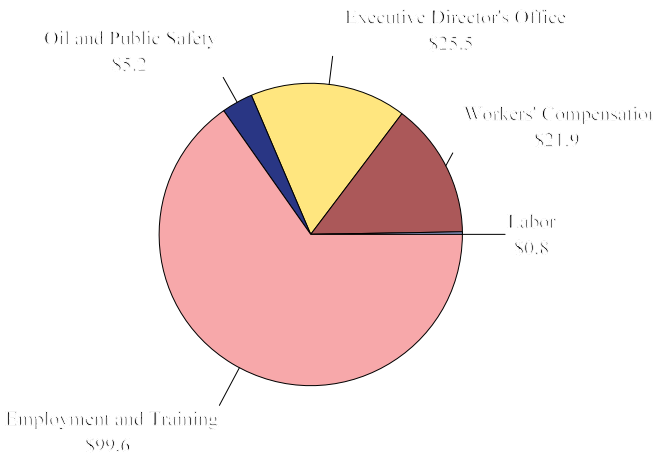
Introduction

The Department of Labor and Employment (DOLE) is responsible for providing services to employers and job seekers and enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection. The Department is comprised of the following major organizational units:

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

The Department was appropriated $149.4 million and 1,102.0 full-time equivalent staff (FTE) for Fiscal Year 2006. Approximately 31 percent of the Department's funding is from cash funds and the other 69 percent is from federal funds. The following chart shows the operating budget by major organizational unit during Fiscal Year 2006.

Department of Labor and Employment
Fiscal Year 2006 Appropriations by Organizational Unit
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

The following comments were prepared by the public accounting firm of Clifton Gunderson LLP, which performed the Fiscal Year 2006 audit at the Department of Labor and Employment.

Reconciliation of Expenditure Information

During Fiscal Year 2006, the Department administered 20 federal programs with $99 million in federal expenditures. The Department incurs the following two types of federal expenditures:

- **Direct expenditures.** These expenditures are input into the State's financial accounting system, COFRS, and charged to the appropriate programs by the direct entry of vouchers, payroll-related expenses, and other accounting transactions. An automated system downloads the expenditure information from COFRS into the Department's grant financial system, Financial Accounting and Reporting System (FARS).

- **Indirect expenditures.** These expenditures represent departmental overhead, such as finance, administration and personnel costs, and benefit multiple activities. Indirect expenditures for each program are calculated and recorded in FARS and then recorded into COFRS by Department staff through journal entries.

The Department calculates earned federal revenue based on the federal expenditure information entered into the COFRS. The Department operates on a reimbursement basis with the federal government; that is, the Department expends state funds for federal programs and then requests federal funds for reimbursement based on the federal earned revenue calculated by COFRS. Amounts due from the federal government are recorded as accounts receivable in COFRS.

At the end of each fiscal year, state agencies are required by the Office of the State Controller to report federal expenditures related to federal grants on a report, or "exhibit," entitled the Exhibit K – Schedule of Federal Assistance. The Office of the State Controller's staff use information contained on the Exhibit Ks to prepare the State's Schedule of Expenditures of Federal Awards (SEFA), which is a required part of the State's annual financial and compliance audit report. The SEFA lists all federal financial assistance and federal cost-reimbursement contracts that the State receives and the related expenditures made during the year. The Department compiles its federal grant information for preparing the Exhibit K from FARS and reconciles all amounts to COFRS.

We found problems with the federal revenue and expenditure amounts reported in COFRS and FARS at fiscal year-end 2006. Specifically:

- While total Fiscal Year 2006 federal expenditures recorded in COFRS were approximately $99 million, the federal revenue recorded in COFRS was $99.2 million, or $200,000 higher. Since revenue is based on expenditures incurred and the Department's federal programs are 100 percent reimbursable programs, the revenue and expenditures in COFRS should agree. Federal grant expenditures recorded in COFRS and FARS were in agreement.

- While the federal accounts receivable balance in FARS was approximately $6.9 million at the end of Fiscal Year 2006, the federal receivable in COFRS was $6.8 million, or about $100,000 lower. The federal receivable balances in the two systems should agree.

We have previously identified problems with the Department's reconciliation of federal expenditures since our Fiscal Year 2002 audit. The Department reports the discrepancies involve amounts back to Fiscal Year 2003 and research would be conducted until the problem could be fully identified and resolved. The Department also conducted preliminary discussions on redesigning its cost allocation processes, which would aid in the ability to ensure revenue and expenditures reconcile between FARS and COFRS.

The Department must institute reconciliation procedures for all federal expenditure and revenue information to ensure the information is reported accurately and to ensure that amounts requested for reimbursement from the federal government are accurate. Without a reconciliation, the risk of errors and irregularities rises to an unacceptable level, and the State may not receive all reimbursements owed.

Recommendation No. 14:

The Department of Labor and Employment should improve controls over federal expenditure and revenue reporting and draw downs by implementing a periodic reconciliation process to identify and resolve discrepancies between FARS and COFRS in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement.

Department of Labor and Employment Response:

Agree. Implementation date: December 2006.

The Department of Labor and Employment performed a comprehensive reconciliation between FARS and COFRS at State Fiscal Year End 2006 and has implemented a monthly reconciliation process during State Fiscal Year 2007. All reconciliations performed by staff include the identification and documentation for reconcilable items between systems. Further, the Department of Labor and Employment is in the process of replacing the FARS reporting system which continues to be problematic in achieving an accurate Schedule of Federal Financial Assistance report, specifically because it is not a general ledger system. The Department believes that the re-engineering and replacement of core FARS reporting functionality is the ultimate solution to this ongoing problem.

Petroleum Storage Tank Reimbursements

The Petroleum Storage Tank Fund was created in accordance with Section 8-20.5-103, C.R.S., for the primary use of petroleum corrective action purposes and third-party liability where the remediation or clean up costs for a site have exceeded the minimum financial responsibility requirements of the owner or operator. In Fiscal Year 2006 $25.6 million was disbursed in Petroleum Storage Tank Fund reimbursements.

In accordance with Section 8-20.5-104, C.R.S., the Petroleum Storage Tank Committee (Committee) was created and the members are appointed by the Governor. The duties of the Committee include overseeing the practices, policies, and procedures regarding the processing of remediation claims made to the fund. Individuals or companies (claimants) can apply to the Committee for reimbursement of certain costs incurred for the clean-up and remediation of leaking petroleum storage tanks. Throughout the clean-up and remediation process, claimants submit Supplemental Reimbursement Applications to obtain reimbursement for expenses incurred to date.

Under Section 8-20.5-104, C.R.S., Supplemental Reimbursement Applications must be approved by the Committee within 90 working days of the receipt of a complete application. Once an application has been approved by the Committee, a Fund Payment Report is generated that details the total amount to be reimbursed to the claimant. This report is then transferred to the Finance Division for payment. The

statute further states that the reimbursement to the individual or company must be issued within 30 days of the approval.

During Fiscal Year 2006 we reviewed a sample of 25 Petroleum Storage Tank disbursements and found that 3 payments, or 12 percent, were not disbursed within 30 days following the approval of the application. The three payments totaled $322,038 and were outside the 30-day window by 1 to 2 days.

According to Department staff the payments were not paid within the 30-day window due to staff turnover in the Finance Division and that the 30-day deadline fell on a weekend. However according to the statute, 30 days is specified, not 30 working days. Therefore, these three payments should have been processed prior to the weekend.

The Department should ensure its compliance with statutory established timelines. Failure to timely disburse funds within the timeframe could result in interest being paid to the claimant under Section 8-20.5-104, C.R.S.

Recommendation No. 15:

The Department of Labor and Employment should ensure that Petroleum Storage Tank reimbursements are disbursed within the statutorily established thirty days of the application approval.

Department of Labor and Employment Response:

Agree. Implementation date: December 2007.

The Department of Labor and Employment has already implemented a tracking mechanism that specifies payment processing and delivery dates. COFRS records show we have consistently paid vendors on time. However on occasion and despite our best efforts, there are circumstances which may disrupt/delay the payment and delivery process as was the case as identified above. The Department of Labor and Employment is in the planning stages to design and implement a COFRS payment voucher interface for Petroleum Storage Tank payments. This interface may be implemented as early as the end of calendar year 2007. Automated payments versus the current manual process should realize significant time savings and ultimately ensure faster payment processing within the required timeframe.

Unemployment Tax Refunds

On a quarterly basis, employers are required to calculate and remit unemployment taxes to the Department. On occasion, employers overpay unemployment taxes due to a number of causes such as through miscalculations on the employer's part, revised rate assignments, key entry errors, and scanner errors. All overpayments identified are investigated by either a field auditor or tax specialist to validate the credit on the account for accuracy. In Fiscal Year 2006, $6.4 million was refunded to employers by the Department.

Once validated, overpayments of unemployment insurance tax appear as a credit on the employer's account in the Colorado Unemployment Benefit System (CUBS). The credit can be refunded to the employer or can be applied to the next quarterly tax report filing. Refunds must be requested by the employer and approved by a tax analyst before a refund can be issued. After the refund request is approved in CUBS, it is automatically transferred to the State's accounting system, COFRS, for payment. The refund process on average takes 6 to 8 weeks from the initial request by the employer for a refund.

During Fiscal Year 2006, we reviewed a sample of 26 unemployment tax refunds and found that 7 requests, or 27 percent, totaling nearly $2,900, were not processed and remitted to the employer in a timely manner and one request, approximately $1,500, was not paid in the proper fiscal year. The time from receipt of the refund request to payment date ranged from 3 to 19 months in the 7 requests noted.

According to the Department the lag time noted for the 7 requests was mainly due to the employers not providing updated information to the Department in order for the refund to be accurately processed. Further, the Department also cited problems with being understaffed for the delays in the process.

The Department should ensure employers are refunded overpayments in a timely manner because the Department does not have the authority to retain the funds, and to ensure that refunds are made in the proper fiscal year.

Recommendation No. 16:

The Department of Labor and Employment should process unemployment insurance refunds in a timely manner and ensure the refunds are processed in the proper fiscal year.

Department of Labor and Employment Response:

Agree. Implementation date: September 2007.

The Department of Labor and Employment has reviewed its Unemployment Insurance (UI) Tax refund process and has implemented specific changes to improve the timeliness of refunds issued. The specific changes, including better processing and reporting over UI tax refund payments are to be fully implemented by September 2007.

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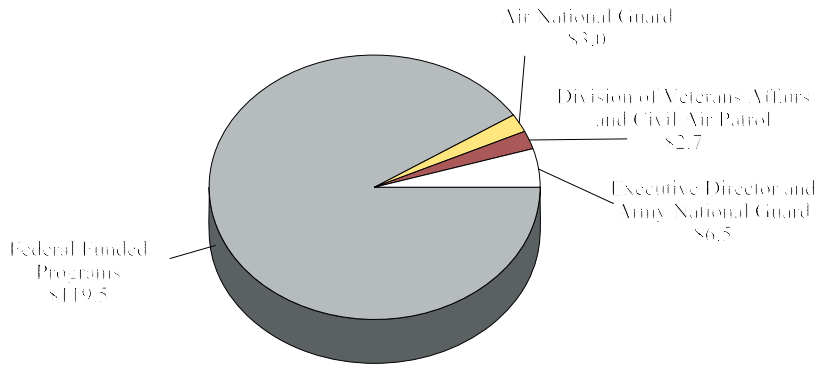
Department of Military and Veterans Affairs

Introduction

The Department of Military and Veterans Affairs consists of the Executive Director's Office, the Division of Veterans Affairs, the Army National Guard, the Air National Guard, and the Civil Air Patrol. The Adjutant General is the administrative head of the Department as well as the Chief of Staff of the Colorado National Guard. The Colorado National Guard is a federal and state military organization whose primary mission is to support the federal, state, and local governments in times of need.

The Department was appropriated about $131.5 million and 1,184.8 full-time equivalent staff for Fiscal Year 2006. The following graph shows the Department's operating budget by division for Fiscal Year 2006.

Department of Military and Veterans Affairs
Fiscal Year 2006 Appropriations
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

Tuition Assistance Program

The Colorado National Guard Tuition Assistance Program (Program) was enacted in 1979 to assist National Guard members with attending public institutions of higher education. According to Section 23-5-111.4, C.R.S., the program was intended to improve the National Guard by (1) encouraging enlistments, (2) enhancing the knowledge and skills of members, and (3) retaining membership. Under the program, any member of the Colorado National Guard, upon being accepted for enrollment at a designated higher education institution, can be eligible for paid in-state tuition totaling from 50 to 100 percent of total tuition costs. During Fiscal Year 2006 the Department expended $685,270 for the Tuition Assistance Program.

Statutes set forth several requirements that National Guard members must meet to receive tuition assistance. For example, the member:

- May not be a recipient of a full scholarship for tuition and fees.

- May not be drawing tuition from any other tuition assistance program funded by a private employer that, when combined with the assistance received under the Tuition Assistance Program, would exceed 100 percent of the tuition costs.

The Division of Military Affairs has established additional eligibility requirements for the Program. For example, a participating student's cumulative grade point average must remain at a 2.0 or better for continued tuition assistance eligibility, and any new member of the Colorado National Guard must have served six months and be eligible for enrollment at a designated participating institution of higher education in order to be eligible for tuition assistance.

During our audit we evaluated the Department's compliance with Tuition Assistance Program requirements. We reviewed a sample of tuition awards and payments made on behalf of 25 National Guard members during Fiscal Year 2006. We identified problems with payments made on behalf of 3 of the 25 members. Specifically, we noted the following:

- One recipient was awarded an amount that included both tuition and fees. Based upon the Department's interpretation of Tuition Assistance statutes, the Department informally established a policy that no more than 100 percent of the cost of tuition, excluding fees, could be awarded to a participating student. However, we found that the Department paid an amount totaling $484 for the total cost of tuition of $363 and fees of $121. As a result, the Department paid $121 in excess of the allowable amount. After our audit, the Department requested and received reimbursement of $121 from the institution.

- One recipient was awarded an amount based on the cost of out-of-state tuition rather than in-state tuition. The Department paid $3,500 in tuition assistance on behalf of the student based on the out-of-state tuition rate; however, the total in-state tuition rate was $2,223. As noted, state statutes allow only for the payment of in-state tuition rates. As a result, the Department paid $1,277 in excess of the allowable amount. After our audit, the Department requested and received reimbursement of $1,277 from the institution.

- The Department lacked adequate supporting documentation for one tuition payment totaling $1,230. According to documentation contained in the Department's files, the original amount authorized for payment was $1,127. We determined through additional testwork that the final payment made was appropriate because the member was a graduate student and eligible for the graduate tuition rate but the institution had incorrectly billed based on an undergraduate rate. However, the Department had not maintained proper documentation to support the payment of a higher rate.

Members of the National Guard requesting tuition assistance must submit an application to the Department's State Tuition Assistance Office. Department staff determine a member's eligibility based on the application and inform the student and the institution of the determination through an award letter. The institution must then bill the Department for the appropriate tuition amount and attach the bill to the award letter. Department staff are then responsible for comparing the information on the initial award letter with information provided by the institution and investigating any differences before authorizing payment. For example, differences may result from a change in the number of credit hours being taken by a member.

Based on our review, we determined that the Department's controls in this area should be strengthened. Specifically, the Department must ensure that it investigates discrepancies between member-provided and institution-provided data prior to issuing tuition payments to the institution. In addition, the Department must ensure that adequate supporting documentation for tuition payments is contained in participant files. Finally, the Department should formalize its current policy to disallow the payment of members' fees. By improving its controls over the Tuition Assistance Program, the Department can ensure that it is in compliance with state statutes and program participants are treated equitably.

Recommendation No. 17:

The Department of Military and Veterans Affairs should improve controls for processing applications and administering the Tuition Assistance Program to ensure compliance with all statutory and regulatory requirements by:

a. Reconciling information provided by member applicants with information provided by higher education institutions related to tuition payments, and identifying and resolving discrepancies prior to payment.

b. Maintaining adequate documentation to support amounts paid.

c. Formalizing current policy in regard to the payment of fees.

Department of Military and Veterans Affairs Response:

Agree. Implementation date: April 2007.

The Department will make every effort to resolve discrepancies prior to making payment by: (a) Providing documentation of changes of the billing in both the school file, and the individual file; (b) Referencing internet published tuition charges if available; and (c) Providing an instructional checklist to the institution. The Department will change current regulation to include verbiage to formulate the current policy of the Department to not pay fees.

Department of Natural Resources

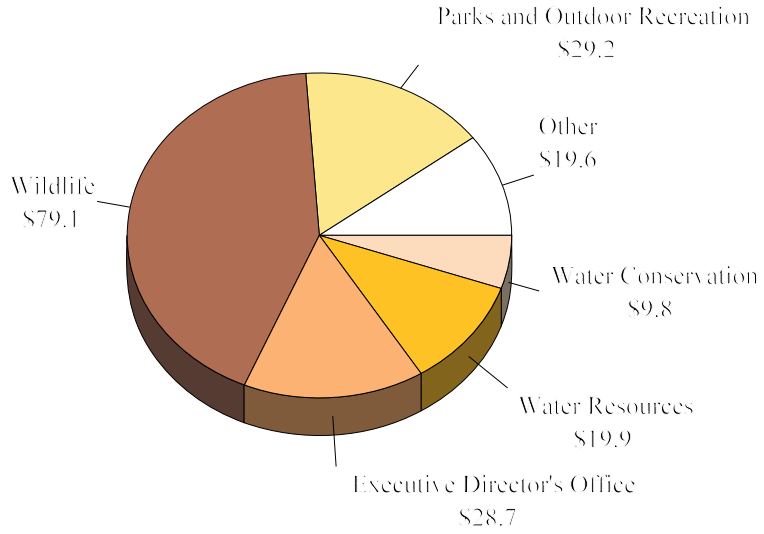
Introduction

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 comprises the Executive Director's Office, which is responsible for the administration and management of the overall Department, and the following eight divisions:

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

In Fiscal Year 2006 the Department was appropriated approximately $186.3 million with 1,546 full-time equivalent staff (FTE). The Department is primarily cash-funded. Revenue sources include hunting, fishing, and other licenses, as well as royalties, rents, and interest, among other sources. The following chart shows the Department's appropriations for Fiscal Year 2006.

Department of Natural Resources
Fiscal Year 2006 Appropriations by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

Controls Over Payroll Time Sheets

During Fiscal Year 2006 the Department spent about $88 million on salaries and wages for its appropriated FTE of 1,546. The Department uses the Payroll Review Certification form (PRC) in order for its divisions to verify that only bona fide employees are paid. Designated staff members within each of the divisions sign the PRC to attest that they have verified the employment of each employee contained on attached payroll reports and that based on their review, all employees are bona fide and payroll charges are reasonable and proper to the best of the staff member's knowledge. In order to ensure that each employee's time is accurately recorded and approved, the Department's policy also requires Department employees to enter their work hours into the Department's timekeeping system, KRONOS, and sign off at the end of the pay period. Every supervisor is required to review the employee's time sheet and apply an electronic approval to document the supervisor's knowledge of the employee's existence and performance of the hours entered.

During our Fiscal Year 2005 audit, we found that PRCs completed by staff within the Department's Division of Wildlife did not include a statement that the reviewer had verified the employment of each employee included in the attached payroll reports. As a result, we recommended that the Division of Wildlife strengthen its

controls over personnel and payroll activities by verifying employment of all personnel on the Division's payroll and properly completing the Payroll Review Certifications or having alternative procedures to ensure it pays only bona fide employees. The Division agreed with the recommendation and indicated that they use the sign-off and review process over time entry in KRONOS as a compensating control to ensure only bona fide employees are paid.

During our Fiscal Year 2006 audit, we reviewed 98 employee time sheets within the Department's nine divisions for the month of March 2006. We found 25 problems, or an error rate of 26 percent, with time sheet approvals at seven of nine divisions. Specifically, we found:

- Seven time sheets were not approved by the supervisor.
- Four time sheets were not signed by the employee.
- Fourteen time sheets were signed or approved by the employee and/or the supervisor prior to the end of the pay period.

Based on the results of our testing, the Department does not have adequate controls in place over payroll. The lack of adequate controls and supervision indicates an environment where errors and irregularities could occur and not be detected in a timely manner. In order to ensure that payroll is accurate and that only bona fide employees are paid, the Department must enforce its payroll policies and oversight by establishing a review process for required time sheet approvals and requiring appropriate payroll staff to complete Payroll Review Certification forms.

Recommendation No. 18:

The Department of Natural Resources should enforce its payroll policies and strengthen its controls over personnel and payroll activities by:

a. Reviewing time sheets to ensure they are signed off by the employee and approved by the manager at the end of each pay period.

b. Verifying employment of all personnel and ensuring that the Department pays only bona fide employees through the use of the Payroll Certification Form.

Department of Natural Resources Response:

a. Agree. Implementation date: March 2007.

Timesheets are used by certain employees who are not able to enter time into our KRONOS timekeeping system. We will review appropriate signature and approval process with all Department personnel.

b. Agree. Implementation date: March 2007.

We will instruct the Division of Wildlife to properly complete the Payroll Certification Form, with verification of the validity of all employees certified at a level within the Division where responsibility is maintained.

Capital Assets

In Fiscal Year 2006 the Department reported total capital assets of $138.3 million and construction in progress of about $42.9 million. Generally accepted accounting principles require that costs incurred for a capital project built or acquired by an entity that meets specified criteria and a cost threshold be recorded as an asset and depreciated over the asset's useful life rather than expensed during the period of the purchase. Qualifying projects are those determined to provide an economic benefit for future years. The Fiscal Procedures Manual (Manual) published by the Office of the State Controller specifically requires capital assets to be recorded at historical cost, including ancillary costs necessary to place the assets in their intended location and condition for use. The Manual also requires state agencies to review expenditures for their uncompleted capital construction projects at year-end and record, or capitalize, those costs meeting various capitalization thresholds provided in the Manual for various types of assets. For example, the Manual provides a $5,000 capitalization threshold for furniture and equipment and a $50,000 capitalization threshold for buildings and leasehold improvements. Assets with costs below the capitalization threshold should be expensed.

As part of our audit, we reviewed the Department's controls over capitalization of assets. We reviewed 41 payment vouchers processed by the Department's Division of Parks and Outdoor Recreation. We noted four instances totaling $193,612 in which payments made in March 2006 for the construction of buildings and leasehold improvements were not properly capitalized. Rather, these payments were expensed as building repairs and maintenance services. These expenditures should have been recorded as construction in progress in accordance with the Fiscal Procedures

Manual because the project expenditures exceeded the State's $50,000 capitalization threshold for buildings and leasehold improvements.

Department personnel indicate that the transactions noted were coded incorrectly by Division administrative staff in the State's accounting system, COFRS, but were not reviewed by any other personnel at the Division or by staff within the Department's central accounting section. According to Department procedures, staff within the Department's central accounting section should review transactions coded by Division staff to specific construction-related expenditure codes on a quarterly basis to ensure transactions are appropriately capitalized. However, the Department's procedures do not require a review of the appropriate usage of other expenditure codes. Therefore, staff would not routinely review payments coded as building repairs and maintenance services under its existing procedures. While we notified the Department of the coding errors at the end of the third quarter of Fiscal Year 2006 in time for their quarterly review, the Department did not perform a third-quarter reconciliation of construction expenditures or otherwise correct the errors at that time. The Department did, however, correct all four errors prior to fiscal year-end.

In order to ensure that costs are recorded appropriately and in accordance with generally accepted accounting principles, the Department must ensure that Division staff are adequately trained on the proper usage of expenditure accounts. In addition, the Department must enforce and expand its review procedures over recorded transactions and ensure that errors are corrected on COFRS in a timely manner. The review procedures should include a Division-level review of the appropriate usage of expenditure codes and a Department-level comparison of all construction-in-progress expenditures against the State's capitalization threshold to ensure assets are appropriately expensed and/or capitalized. Finally, the Department's central accounting section should review all expenditures incurred for Division of Parks and Outdoor Recreation capital construction projects in Fiscal Year 2006 to identify any additional costs that should have been capitalized and make necessary adjustments to COFRS.

Recommendation No. 19:

The Department of Natural Resources should improve controls over capital expenditures by:

a. Reviewing the expenditures related to capital projects incurred in Fiscal Year 2006 at the Division level to ensure that costs are appropriately capitalized as an asset rather than expensed on COFRS.

b. Enforcing the existing quarterly review procedure for transactions recorded on COFRS to identify and correct coding errors. This should include revising existing procedures to include a review of all expenditures related to future capital projects to ensure costs are expensed or capitalized in accordance with generally accepted accounting principles and state capitalization thresholds.

c. Providing adequate training to Division staff regarding the proper usage of expenditure accounts.

Department of Natural Resources Response:

a. Agree. Implementation date: Implemented.

This process was completed prior to year-end close for Fiscal Year 2006.

b. Agree. Implementation date: Implemented.

The secondary review is currently done as part of the reconciliation process. The current process is sufficient to find coding errors and specific object codes to be reviewed and will be review on an annual basis, just as the building maintenance code was added as a result of the auditors' interim work in Fiscal Year 2006.

c. Agree. Implementation date: Implemented.

Training is an ongoing exercise and capital asset issues are discussed at special training sessions during the year-end close planning. Training has been provided to our purchasing agents on the appropriate use of the capital object codes, and we have emphasized review of the object code charged prior to approving the encumbrance document on COFRS.

Department of Personnel & Administration

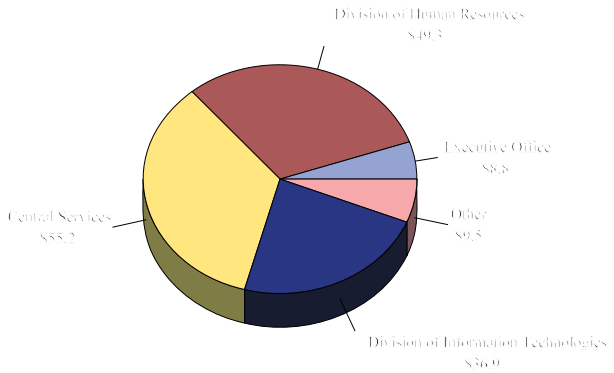
Introduction

The Department of Personnel & Administration's primary function is to support the business needs of state government. The Department administers the classified personnel system, which includes approximately 29,000 full-time employees across state government (excluding the Department of Higher Education), and provides general support services for other state agencies. The Department of Personnel & Administration includes the following divisions:

- Executive Office
- Division of Human Resources
- Personnel Board
- Central Services
- Finance and Procurement
- Division of Information Technologies
- Office of Administrative Courts

The Department was appropriated total funds of approximately $160 million and 542.3 full-time equivalent staff for Fiscal Year 2006. Approximately 5 percent of the funding is from general funds and 95 percent is from cash funds. Cash fund sources include, but are not limited to, vehicle and building rentals, copying, printing, graphic design, mail services, and computer services. The chart on the following page shows the operating budget by division during Fiscal Year 2006.

Department of Personnel & Administration
Fiscal Year 2006 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

Payroll Adjustments

During Fiscal Year 2006 the Department of Personnel & Administration expended approximately $29 million on salaries and wages. Department employees are paid on either a monthly or biweekly basis. Payroll staff for the Department's various agencies prepare routine payroll reconciliations to ensure that all adjustments to the payroll system are accurately reflected on the State's accounting system (COFRS). Reconciliations include the current regular payroll and any adjustments needed to reflect reductions or increases in employees' pay. Reductions may be due to leave taken without pay or disciplinary actions, and increases may be due to overtime pay, temporary pay for assuming the duties of a vacant position, and shift differentials.

We reviewed a total of 19 payroll adjustments and found problems with three adjustments, or an error rate of 16 percent. Each of the three adjustments resulted in an overpayment to an employee ranging from $13 to $111. The adjustment errors were caused by the following:

- In the first instance, Department staff calculated an adjustment using the incorrect number of working hours for the month. Department payroll staff did not make an adjustment to the employee's pay to correct the error after we identified it, because the employee was deceased.

- In the second instance, the Department staff manually increased the employee's time sheet by adding 6.25 hours. Although Department staff were unable to provide documentation to substantiate this adjustment, they

did not correct the error at the time of our audit, because they indicated they believed the pay was appropriate based on a verbal discussion with the employee's supervisor.

- In the third instance, Department staff calculated an adjustment using the incorrect hourly rate. Department staff reported that although this error was initially identified through their reconciliation process, the error was not initially corrected due to payroll staff turnover. The Department corrected the error after we identified it through our audit.

The Department currently has a review process for payroll adjustments. However, this review process failed to identify and/or correct the errors noted above.

While the amounts identified in our sample are small in terms of the Department's overall Fiscal Year 2006 operations, payroll is an inherently high-risk area. The lack of adequate controls indicate an environment where errors and irregularities could occur and not be detected in a timely manner, which could result in more significant problems. The Department should improve controls in this area to ensure that payroll is accurate.

Recommendation No. 20:

The Department of Personnel & Administration should strengthen controls over payroll by:

a. Ensuring adjustments are calculated correctly and documented appropriately.

b. Accurately reflecting these adjustments on the State's accounting system.

Department of Personnel & Administration Response:

Agree. Implementation date: February 2007.

During the time period tested by the auditors the Department experienced turnover in the staff responsible for reconciling payroll. Although the responsibilities were shifted to another staff member almost immediately, there was still a transition period during which staff learned the new duties. The Department will continue to evaluate its internal controls over payroll and look for improvements.

Capital Assets

Each department is responsible for ensuring that all capital assets purchased or constructed by the State are properly accounted for when acquired and during the construction process. In addition, the Office of the State Controller has established procedures for when expenditures should be capitalized. For Fiscal Year 2006 the Department managed over $158.5 million in capital projects. One of these projects includes the State Capitol Building Life Safety Upgrades. This project started in Fiscal Year 2003, and the Department anticipates a completion date of Fiscal Year 2009 with total costs of about $19.7 million. As of June 30, 2006, the expenditures that were capitalized for this project totaled about $12.2 million.

Generally accepted accounting principles require that costs incurred for a capital project that meets specified criteria and cost thresholds be recorded as an asset and depreciated over the asset's useful life rather than expensed during the construction process. The Fiscal Procedures Manual, published annually by the Office of the State Controller, specifically requires capital assets to be recorded at historical cost, including ancillary costs necessary to place the assets in their intended location and condition for use. These procedures also require state agencies to review expenditures for their uncompleted capital construction projects at fiscal year-end and record, or capitalize, costs for projects meeting the State's minimum $5,000 capitalization threshold as construction in progress.

As part of our Fiscal Year 2006 audit, we reviewed the Department's controls over recording expenditures related to capital construction projects and found that the Department did not properly capitalize engineering and architectural expenditures for the State Capitol project. Specifically, the Department expensed about $1.3 million in engineering and architectural expenses for that project from Fiscal Years 2003 through 2006 that should have been capitalized as construction in progress. The breakdown of costs by fiscal year is shown in the following table.

Department of Personnel & Administration State Capitol Building Life Safety Upgrades Engineering and Architectural Expenditures June 30, 2006	
Fiscal Year	**Expenditures**
2003	$239,104
2004	$442,958
2005	$340,415
2006	$277,514
Total	$1,299,991
Source: Department of Personnel & Administration data.	

The Fiscal Procedures Manual (Manual) requires state departments to review all costs incurred for capital construction projects prior to fiscal year-end in order to ensure that amounts previously recorded in construction in progress and current year expenditure accounts are properly reclassified if these costs meet the capitalization criteria. Department staff stated that they have a review process in place over capital expenditures, but they expensed the above costs because they represented architectural and engineering fees and the Department did not believe those types of costs should be capitalized. However, the Manual specifically states that architectural and engineering fees related to capital construction projects should be capitalized.

The Department should improve its review process over all future capital project expenditures in order to accurately expense and capitalize costs, as appropriate. Further, in order to ensure that expenditures related to capital construction projects are properly recorded on COFRS, the Department should review previously incurred expenditures for capital projects, especially architectural and engineering fees, to identify those costs that should have been capitalized previously, and make necessary adjustments to COFRS.

Recommendation No. 21:

The Department of Personnel & Administration should improve controls over capital assets by:

a. Ensuring that expenditures for all future capital asset projects are reviewed and recorded appropriately on COFRS in accordance with the State Fiscal Procedures Manual.

b. Reviewing expenditures related to the Department's capital projects incurred prior to Fiscal Year 2006, especially architectural and engineering fees, to identify those costs that should have been capitalized as an asset rather than expensed, and making the necessary adjustments to COFRS.

Department of Personnel & Administration Response:

Agree. Implementation date: June 2007.

The Department will work to ensure that all new capital asset projects are capitalized as appropriate. In addition, the Department will review all current projects to ensure that they are recorded appropriately.

Component Units

The Office of the State Controller (OSC) within the Department of Personnel & Administration is responsible for compiling the State's Comprehensive Annual Financial Report (CAFR). The OSC is required by accounting standards to identify component units of the state for inclusion in the financial report as part of compiling this report. Government Accounting Standards Board (GASB) Statement No. 14 defines component units as:

> Legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. . . . The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

To ensure that appropriate communication between component units and the primary governments occurs, the AICPA *Audit and Accounting Guide for State and Local Governments* states in part that strong internal controls may include "procedures to communicate financial reporting requirements and results between the primary government and each of its component units and their separate auditors . . . ." Annually, the OSC completes an analysis of all potential component units using the guidance from GASB statements. The OSC notified staff within the Governor's Office of Economic Development and International Trade (OEDIT) in May 2005 that the OSC was conducting an analysis of component units and that according to the OSC's analysis, the Venture Capital Authority (Authority), which was created in 2004 under Senate Bill 04-106, could potentially be a component unit of the State. Under enabling legislation for the Authority, the OEDIT is to "cooperate with the Authority and its staff in such administration." The OSC again contacted OEDIT staff in August 2005 with follow-up questions relating to its component unit analysis for the Authority. The OSC determined in October 2005 that the Authority, along with eight other entities, was a component unit of the State, and therefore, the OSC needed to include audited financial information for the Authority and other component units in the State's CAFR. However, the OSC did not formally communicate the status to the Authority or its external auditors in a timely manner.

The OSC does not have statutory authority to require component units of the State to undergo an annual financial audit and submit audited financial statements to the OSC for inclusion in the State's CAFR. Therefore, staff did not believe that they had the authority to require the Authority to undergo a financial audit and submit financial statements. However, in order to comply with standards issued by the Government Accounting Standards Board, the OSC must notify component units of their status and attempt to obtain audited financial statements.

In order to ensure that component units are notified of financial statement submission requirements in a timely manner and that audited financial statements are received by the OSC for inclusion in the comprehensive annual financial report, the OSC should institute a process that ensures that all component units are informed of financial reporting requirements and that component units' audited financial statements are requested to be submitted within a specified time frame.

Recommendation No. 22:

The Department of Personnel & Administration should ensure that the Office of the State Controller develops and implements formal procedures for communicating with all entities that are component units of the State to inform the component units of financial reporting requirements and to request audited financial statements in a timely manner.

Department of Personnel & Administration Response:

Agree. Implementation date: June 30, 2007.

The Department of Personnel & Administration agrees that the Office of the State Controller should develop and implement formal procedures for communicating financial reporting requirements to all entities that become component units of the State's financial reporting entity. The Office of the State Controller will develop the procedures by June 30, 2007, and implement those procedures when the next newly created entity qualifies as a component unit of the State.

Mainframe Controls

The State's mainframe computer houses information systems including the Colorado Financial Reporting System (COFRS), the official record of the State's financial information. Personnel in all state agencies regularly access the mainframe to record the financial transactions of their respective agencies in COFRS. Because the information stored in COFRS is of a critical and confidential nature, it is essential that access to it be protected and limited. Therefore adequate controls must be established and adhered to.

The State Controller oversees the State's financial system and has the responsibility for the integrity, accurate reporting, and use of the data. As such, the Controller approves user access to COFRS. Additionally, the Office of the State Controller provides financial information, issues fiscal policies for state agencies, and develops, implements, and monitors system-wide security guidelines and controls, among other duties. The Office of the State Controller's Fiscal Procedures Manual includes a statewide security policy for access to COFRS. Among the security policy's requirements are the controls that each state department, agency, and institution of higher education is responsible for implementing related to COFRS data security and integrity.

As the custodian of the State's financial system, the Department's Statewide Applications Financial Unit within the Division of Information Technologies has the responsibility for the operational management of the system and data. This includes analyzing and implementing requested system changes, and ensuring that appropriate backup and disaster recovery controls are in place at all times.

The State Controller has delegated COFRS security administration responsibilities to the state departments, agencies, and institutions of higher education that use

COFRS. Security administration responsibilities include ensuring compliance with user ID and privilege policies. According to the Fiscal Procedures Manual, access to COFRS may be revoked if users violate security policies. Additionally, the Delegated Security Administration Agreement between the Office of the State Controller and the delegated agencies states that if an agency controller is not adequately administering the responsibilities of the Agreement, the State Controller may void the agreement and assume responsibility for security administration of the agency.

We reviewed the statewide access and security controls related to the State's mainframe, and specifically COFRS, and found the Department needs to strengthen its controls in both areas. The areas in which the Department should improve security and access controls specifically over COFRS are described in the following section. Information about other mainframe security issues has been provided to the Department under separate cover. As part of our Fiscal Year 2007 audit, we will perform audit testwork to determine what actions the Department has taken to address all of the identified access and security issues.

User Access Controls

Employees seeking access to COFRS must fill out a formal Access Request form and include the required signature approvals. Employees are also required to sign and observe the Statement of Compliance for Computer Usage and Data Security. Access may be revoked if the user violates this Statement. As of August 2006, employees from a total of 22 state agencies and institutions had access to COFRS. Our audit included a review of all COFRS IDs in place as of August 9, 2006. We found the following:

- **Revocation of Access**. The statewide COFRS security policy specifies that a user's account will remain active until the user's employment relationship changes. That is, upon termination of employment or a change in job responsibilities that no longer necessitates COFRS access, individual user IDs are to be deactivated. On August 9, 2006, there were 2,976 active COFRS IDs assigned to state agency personnel. Of these 2,976 IDs, we found that 42 were assigned to individuals who were no longer employed by the State. The amount of time these IDs were active after the date of the employees' termination to the date of our review ranged from 2 weeks to 28 months. When an individual terminates his or her employment, the employee's supervisor is to notify the agency controller so that the user's COFRS ID can be deactivated. We found that agencies are not revoking access in a timely manner and the Department is not providing sufficient monitoring to ensure an ongoing level of effective security. Immediate

revocation of access is essential to the overall security of COFRS and the integrity of the financial data contained therein.

- **User ID ownership**. To ensure the appropriate level of system accountability and auditability, generally accepted information security standards stipulate that all users and their activity on IT Systems be uniquely identifiable. To achieve this, not only do all users need to be assigned an individual ID, but all IDs must also have an identified owner. During our review, we noted that three COFRS IDs had been issued by agencies for which no specific owner had been designated. These generic IDs can undermine the effectiveness of security because there is no individual accountability for the activity initiated through them. We found that in general, agency personnel are not aware of the risks related to the use of generic IDs. We also found that there is no specific guidance within the statewide security policy on the use of this type of ID.

- **User privileges**. Information security standards require that management maintain internal controls to ensure access privileges are appropriate for an employee's job responsibilities. To this end, the statewide security policy specifies that "access to COFRS is limited to only what the user needs to accomplish his/her job responsibilities." Additionally, the policy states that a single user cannot have the ability to both enter or correct data and approve payment voucher transactions, unless approved by the Office of the State Controller. The ability for a single individual to enter, correct, and approve transactions does not provide this requisite control. We noted that out of the 2,976 COFRS IDs, there were four users for whom multiple IDs had been assigned, allowing them to enter or correct payment voucher transactions and also approve the same transactions in the absence of additional review or authorization. None of these four users had received written approval from the Office of the State Controller for the incompatible access.

The control weaknesses we identified were not isolated to a few state departments. Rather, as the table below indicates, we found a lack of compliance with one or more security controls at a total of 16 different state departments, agencies, and institutions of higher education. Furthermore, this is not the first audit in which we have reported the need for improved controls over COFRS access. In the Statewide Single Audit for Fiscal Year 2005, as well as in standalone financial audits at agencies and higher education institutions for Fiscal Year 2005, we made a number of recommendations to individual agencies and institutions to strengthen their controls and comply with statewide policies and procedures over user access.

Colorado Financial Reporting System Access Controls as of August 9, 2006				
		Control Weaknesses Identified		
Agency/Institution	Number of IDs	Former Employees With User Access	Generic User IDs	Users With Incompatible Privileges [1]
Agriculture	15	1		
Education	48	2		
Health Care Policy and Financing	83	1		
Higher Education	237	3		1
Judicial	178	4		
Law	21	1		
Local Affairs	43			1
Natural Resources	420	18		1
Personnel & Administration	130		2	
Public Health and Environment	190	4		
Public Safety	164	2		
Revenue	131	2		
Transportation	447	3	1	1
Treasury	9	1		

Source: COFRS Access Control Tables.
[1] Users having ability to enter, correct, and approve payment vouchers.

At the time of our audit, the Office of the State Controller required each delegated agency to complete an annual Security Review and Certification. The Certification is a means of verifying the accuracy of each agency's authorized COFRS users and their respective levels of access.

Our findings indicate a need for the Department to increase its monitoring of agency controls over mainframe computer and COFRS access. This should include monitoring user access and employee terminations. Additionally, the Department should monitor policies that restrict the use of generic IDs.

Recommendation No. 23:

The Department of Personnel & Administration should strengthen its controls over the mainframe computer and COFRS by:

a. Monitoring for agency compliance with COFRS security policies, including those in place over multiple and generic IDs.

b. Implementing a process that will provide for the timely detection of changes in user employment status and ensure that access to COFRS is deleted immediately.

c. Immediately addressing mainframe security issues identified in the audit and provided to the Department under separate cover.

Department of Personnel & Administration Response:

a. Agree. Implementation date: December 2007.

The OSC expanded its review of incompatible profiles in November 2006 by reviewing the SEC12R "Potential Duplicate Users" on a monthly basis. The OSC was previously reviewing the SEC11R "Security Profiles" with Enter/Correct/Approve Rights monthly for incompatible access within a single user ID. Of the 4 instances noted, access for the Department of Local Affairs had been verbally approved, followed by written approval on October 20, 2006. Two instances of incompatible access resulted from changes to profiles to accommodate temporary changes in assignments. The administrators were not initially aware of the second ID, which in combination with the change in access to accommodate temporary duties, created the incompatible access. When the problems were identified, they were immediately corrected. For the final instance, although there was incompatible COFRS access, the ID to approve COFRS payment vouchers was not accessible by the individual because the underlying TOP SECRET ID had been suspended for inactivity.

The OSC will develop a process for monitoring generic IDs. It should be noted that although two of the instances noted by the auditors are not tagged in the system as model IDs, operationally they act as such. Model IDs essentially hold the parameters associated with a certain function, so that it does not have to be recreated for group of individuals requiring the

same exact access to perform a particular function. Model IDs cannot be accessed directly by an individual, but only through an individual TOP SECRET ID. OSC confirmed that there is no generic TOP SECRET ID associated with these two COFRS IDs in question. The third instance involves an ID that was created for the sole purpose of submitting batch jobs to the mainframe to run reports. The name of the ID was changed to reflect the name of the individual responsible for submitting the batch jobs.

b. Partially agree. Implementation date: May 2007.

The Department's Statewide Applications HR Unit within the Division of Information Technologies will develop a monthly report of terminated employees or employees who transfer to a different department. This report will be sent to the Department's Information Security Operations Center (ISOC). Staff within ISOC will identify those individuals who were assigned a Top Secret User ID and notify the Top Secret Administrator from the department of the terminated or transferred employee of this status change. It is the responsibility of the department whose employee is terminated or transferred to inactivate or delete the Top Secret User ID. If ISOC is the Top Secret Administrator for a department whose employee is terminated or transferred, the Top Secret User ID will be inactivated and the department's controller of the terminated or transferred employee will be notified. It is the responsibility of the department controller whose employee is terminated or transferred to inactivate or delete COFRS security. When a Top Secret ID is inactivated or deleted, access to COFRS is eliminated.

c. Agree. Implementation date: June 2007.

DoIT is currently working on project #179 which addresses the security issues identified by the auditors. The scheduled completion for project #179 is June of 2007.

Benefitsolver System Access Controls

Of the more than 60,000 employees of the State of Colorado, approximately 36,000 are eligible for employee benefits including medical, dental, and life insurance; flexible spending and health savings accounts; and disability and retirement plans. Statewide employee benefits are managed centrally by the Department of Personnel & Administration (DPA). That is, the Department acts on behalf of state employees

in negotiating group benefit plans, selecting providers, and entering into and monitoring plan contracts. Responsibility for the daily administration of individual employee benefits, however, is decentralized to the individual state departments, agencies, and higher education institutions. Benefit administrators and other designated staff within the departments, agencies, and institutions are responsible for entering and maintaining the data needed for state employees to become enrolled in and continue receiving benefits. For example, benefit administrators enter the initial data for new hires, verify benefit eligibility, obtain documentation to support benefit changes, and monitor for compliance with State Personnel Rules. At the time of our audit, more than 320 individuals statewide functioned as the primary or backup benefit administrators for their respective agencies.

In addition to agency benefit administrators, benefit-eligible state employees may also access information related to their individual benefits. Both benefit administrators and state employees use the State's electronic benefits system, Benefitsolver, to enter, review, and make changes. Benefitsolver is a service that the State of Colorado contracts for at an annual cost of $300,000. It is Internet-accessible making it possible for users to access it from anywhere in the world with the correct user ID and password. Security management for Benefitsolver, including adding and removing benefit administrator user IDs and granting access rights to data and files, is performed by the DPA Employee Benefits Unit (EBU).

As part of our audit, we reviewed the Department's access and security controls over Benefitsolver and found the following weaknesses:

- **Insufficient access restrictions.** Data contained on Benefitsolver is of a confidential nature and includes employee names, dependent names, birth dates, home addresses, and social security numbers. Benefit administrators should only have access to information related to the employees within their respective agencies. We found, however, that EBU had stored some employee data and employee-dependent data on Benefitsolver for which access is not appropriately limited. Therefore, any of the 322 Benefitsolver administrators and back-up administrators could read and download this information.

- **Revocation of Access**. Of the 322 users with active administrative access to Benefitsolver as of the time of our audit, 25, or about 8 percent, were no longer employed by the State, yet continued to have the ability to access the system. The amount of time these IDs were active after the date of the employees' termination to the date of our review ranged from 4 weeks to 18 months. Depending on the access rights originally granted, these former employees had the ability to view, add, delete, or modify state employee information contained within Benefitsolver. In addition, these former

employees still had the ability to download files containing private confidential information. Our audit also noted an additional 35 IDs for which we were unable to determine whether the ID owner was still employed by the State.

As the official owner and custodian of state employee benefit information, the EBU has responsibility for ensuring the overall integrity, security, and proper use of benefit-related data. While the EBU has required agencies to keep it informed of changes in employees' status, the EBU is ultimately responsible for implementing the necessary internal controls with which to properly safeguard and effectively monitor access to the data. Therefore, EBU's access controls should be designed to provide reasonable assurance that electronic information is protected against unauthorized modification, disclosure, and loss.

Recommendation No. 24:

The Department of Personnel & Administration should ensure the security of employee benefit information contained in Benefitsolver by establishing user administration procedural controls including:

a. Ensuring that agencies have access only to the information related to the employees within their respective agencies.

b. Disabling or deleting user accounts in a timely manner.

c. Performing periodic reviews of existing user access. The objective of this review should be to ensure users' access rights continue to be aligned with their responsibilities and to identify any unauthorized users.

Department of Personnel & Administration Response:

a. Agree. Implementation date: Implemented.

The Department's practice is to limit benefit administrators' access to confidential information related to the employees within their respective agencies. On one occasion, access to a report containing aggregate data was not appropriately limited because immediate action was required of the administrators. The aggregate report has been deleted from the system. In addition, the incident was discussed with staff and will not be repeated.

b. Agree. Implementation date: April 1, 2007.

Based upon the verification exercise for this audit, DPA staff are in the process of removing users who have terminated employment and revoking access of others who no longer need it due to a change in job duties or positions. Anticipated completion date is no later than April 1, 2007.

c. Agree. Implementation date: December 31, 2007.

The Department will improve the effectiveness of the ongoing process and is using several approaches. Staff is examining how to strengthen the existing process by exploring the feasibility of inserting the benefits administration system into the existing access process used by other statewide systems for termination of access, such as including the benefits administration system on the existing authorization form. Staff will also continue to send periodic reminders to the benefits and human resources community regarding access policy and process for the system. As soon as the Employee Benefits Unit is fully staffed, a more effective access control process will be completed. Efforts include investigating the feasibility of centralizing some of the functions and continuing to automate transactions so the need for manual intervention is reduced or eliminated and access can be more restricted. The target date for implementation of a better process is December 31, 2007.

Benefitsolver and CPPS Data

Payments made to insurance carriers for the cost of employee benefits and the corresponding employee payroll deductions are determined based on information from two separate and distinct systems: Benefitsolver, the State's outsourced benefit system since June 2003, and Colorado Personnel and Payroll System (CPPS), the State's payroll system. Benefitsolver stores data such as employee benefit eligibility status, specific benefit elections, and other demographic data for employees' spouses and dependents. CPPS stores demographic and pay data for state employees including employees' active or inactive work status. Beginning in July 2005, the Department has paid insurance carriers based on benefits data contained in Benefitsolver. Prior to that time the Department paid insurance carriers based on data contained in CPPS.

For employee changes other than terminations, CPPS and Benefitsolver are integrated systems. This means that information entered into one system is fed to the

other system. For terminations, the two systems are not integrated. This means that a change in an employee's employment status must be manually entered by the employee's agency benefit administrator into both systems. Recording a termination status into the payroll system ensures that a terminated employee does not continue receiving a payroll check. Recording the termination status in Benefitsolver ensures that the State does not continue paying insurance premiums, such as premiums for health coverage, for the terminated employee. Because the two systems are not integrated for employee terminations, it is important that internal controls are in place to ensure key pieces of data are kept synchronized on both systems. As noted earlier, the Department of Personnel & Administration is responsible for the management and administration of Benefitsolver and CPPS.

Our audit included a review of the Department's controls over data entry and data transmissions between the two systems as well as the Department's oversight of agency benefit administrators. We found that the Department does not have adequate controls in place to ensure that termination data in the two systems is synchronized or that audits required under the Department's contract with Benefitsolver are performed.

Specifically, we found the following:

Agency benefit administrators have not consistently entered employee termination data into both CPPS and Benefitsolver. The Department determined in 2005 that agency benefit administrators were not consistently entering benefit change information in both CPPS and Benefitsolver. At that time, the Department informed administrators of their responsibility to consistently enter employee record changes into both payroll and Benefitsolver. However, the Department did not require agency administrators to attend formal training sessions related to the proper use of Benefitsolver and compliance with key controls needed to retain data integrity between the two systems. Further, the Department did not complete a reconciliation of termination data in CPPS and Benefitsolver until May 2006, ten months after the Department began paying insurance providers based on Benefitsolver data. The reconciliation covered the time period of July 2005 through May 2006. The purpose of this reconciliation was twofold. First, the Department wanted to determine if the State had overpaid insurance premiums for individuals no longer employed with the State. Second, the Department wanted to determine if amounts being withheld as of May 2006 from current employees' pay for the employee portion of insurance premiums and amounts being paid by the departments for the employer portion of insurance premiums were correct. The Department determined that the State had overpaid a total of about $364,000 as of May 2006 to insurance carriers for individuals no longer employed by the State. These payment errors occurred because agency administrators made changes in CPPS to reflect the employees' terminations but did not make corresponding changes in Benefitsolver. The Department reported

that it was unable to recover any portion of the overpayment from insurance providers due to a statutory provision limiting recovery from insurance companies. Specifically, Section 10-16-103.5, C.R.S., requires an insurance policyholder to pay premiums for each individual covered under the policyholder's policy through the date that the policyholder notified the insurance provider that the individual is no longer eligible. Because the Department did not notify the insurance carriers through Benefitsolver of the employees' change in employment status, the State was liable for payment of the premiums.

For employee benefit deduction errors totaling an additional $66,600 relating to active employees, the Department instructed agency payroll administrators to make payroll adjustments to collect reimbursement for overpayments and to make corrections to payroll records to ensure correct amounts would be deducted going forward. The Department also delegated a full-time employee for the primary purpose of completing monthly reconciliations between CPPS and Benefitsolver on an ongoing basis. The Department staff reported that, through its monthly reconciliations prepared between June 2006 and November 2006, it identified approximately 100 to 300 employee records each month out of the approximately 41,000 total records within Benefitsolver that did not match the information contained within CPPS. The Department has instructed the affected agency payroll administrators to make payroll adjustments for those overpayments relating to active employees.

The Department has not conducted required insurability and eligibility audits. Under the Department's contract with Benefitsolver, the Department is to routinely conduct audits of employees' and their dependents' insurability and eligibility. We found that the Department has not conducted any such audits. While it is the responsibility of agency benefit administrators to review evidence of insurability and eligibility of spouse and dependent information prior to approving benefit election data for release into the Benefitsolver system, it is the Department's responsibility to verify that agency administrators are consistently performing these reviews.

Failure to conduct these audits means the Department lacks assurance that the insurability and eligibility of spouse and dependent information in Benefitsolver is accurate and complete. This could result in the failure to detect and correct errors and irregularities in a timely manner and ultimately result in the State paying benefits for ineligible individuals.

As the entity responsible for providing overall management, guidance, and oversight over the processing of benefits, the Department should ensure that benefit data is accurate and that information submitted to insurance carriers reflects beneficiaries' current eligibility status. Further, it is the Department's responsibility to ensure that payments made to insurance carriers are accurate and that the State does not overpay.

Therefore, the Department must implement internal controls to ensure that all data between CPPS and Benefitsolver is synchronized on a regular basis. This should include providing effective and ongoing training to benefit administrators and their back-up staff, continuing to investigate and resolve discrepancies through monthly reconciliations of data, and exploring automated ways in which data within the CPPS and Benefitsolver systems can be fully integrated. The Department must also ensure that it is in compliance with Benefitsolver contract requirements by conducting regular audits of employees' and their dependents' insurability and eligibility.

Recommendation No. 25:

The Department of Personnel & Administration should improve controls over the Benefitsolver system by:

a. Requiring agency Benefitsolver administrators and their back-up staff to attend training on requirements for the synchronization of employee data between the Colorado Personnel and Payroll System (CPPS) and Benefitsolver, as well as the validation of employee and dependent data entered into Benefitsolver.

b. Continuing to conduct monthly reconciliations of CPPS and Benefitsolver data and making adjustments to employee pay, as appropriate.

c. Exploring ways to automate the synchronization of employee termination information in the Colorado Personnel and Payroll System and Benefitsolver system.

d. Conducting insurability and eligibility audits on a regular basis.

Department of Personnel & Administration Response:

a. Partially agree. Implementation date: Implemented.

The Department has limited ability to compel agency staff to attend training, so the understanding of the systems depends on cooperation of the agencies to attend the training DPA provides. It should be noted that as Benefitsolver became the year-round benefits administration system on July 1, 2005, DPA conducted nine training sessions (in Denver, Fort Collins, Colorado Springs and Grand Junction) with 133 attendees during September and October of 2005.

Currently, denying access to the Benefitsolver system for administrators until they have attended training is not a viable option, as it would create an unmanageable workload for the Employee Benefits Unit within the Department. Again, we depend on the cooperation of the agencies and their HR offices to manage their staffs and their staffs' responsibilities.

As of February 2007, DPA has recently rolled out integrated training sessions for agency administrators that cover all aspects of employee benefits for the State, with one of the components being Benefitsolver training. The Department will continue to provide training on all aspects of employee benefits and is exploring different delivery methods (online, CD/DVD) to provide even greater access to the training.

b. Agree. Implementation date: Implemented.

The Department recognizes the importance of monthly reconciliations and will continue this practice.

c. Agree. Implementation date: Implemented.

The Department has only been using the Benefitsolver system as a full-time automated, rules-based benefits administration system since July 1, 2005. Before this, it was only used for the annual benefits Open Enrollment, and was used as substitute for the paper enrollment forms, saving employees about $300,000 in mailing costs annually. Prior to each of these Open Enrollment periods, CPPS fed Benefitsolver information on all benefit-eligible employees, creating a record for each employee that could then be changed by the employee for Open Enrollment. Each Open Enrollment, this information contained many discrepancies between what CPPS allowed throughout the year and the benefit rules placed into the Benefitsolver system, rules provided by the Department. This necessitated that the enrollment data be "scrubbed" and addressed prior to each Open Enrollment. These discrepancies were one of the major considerations in moving to a full-time, rules-based system on July 1, 2005. In addition to implementing this system, our other objectives in 2005 were the smooth transition to self-funding and the change to a fiscal year plan year. Once those objectives were met, the Department undertook a more comprehensive reconciliation to more effectively manage an on-going, rules-based system.

As of February 2007, the Department instituted another piece of automation. Termination information is now being sent from the CPPS system to the Benefitsolver system, with the Benefitsolver system

performing a termination of benefits based on this information. This is part of an effort to continually improve the automated functions of the system, within the limits of our budget.

d. Agree. Implementation date: June 2008.

A distinction must be made between a systems audit of the data in CPPS and Benefitsolver, primarily the termination data, and an audit of insurability and eligibility. As mentioned above in the response to recommendation (c), termination information is now being exchanged between the two systems. An audit of the information in the two systems prior to this exchange would not have been useful, since the primary reason for such an audit would have been the discrepancies in terminated employees. Until termination information was being exchanged, such an audit would be out of date the day after it was conducted. Now that this information is being exchanged, a useful audit can be conducted.

An insurability and eligibility audit attempts to determine the eligibility of employees' dependents for coverage under the State's plans. Such an audit is in the work plan for FY 2007-08. This type of audit presents a funding challenge, as such audits are typically conducted on a contingency fee basis, and such a basis is not practical in the State given how health, life, and dental is funded. This means that it will likely have to be performed on a fee-for-service basis, which can be more difficult for this type of audit.

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Department of Regulatory Agencies

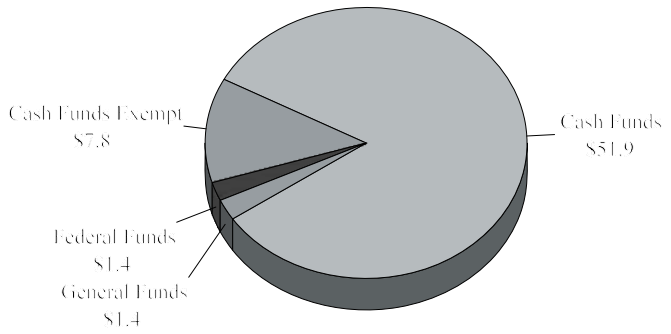
Introduction

The Department of Regulatory Agencies oversees various professions and industries, and includes the following:

- Executive Director's Office and Administrative Services
- Division of Banking
- Division of Civil Rights
- Office of Consumer Counsel
- Division of Financial Services
- Division of Insurance
- Public Utilities Commission
- Division of Real Estate
- Division of Registrations
- Division of Securities

The Department of Regulatory Agencies was appropriated $62.5 million and 525 full-time equivalent (FTE) staff for Fiscal Year 2006. Approximately 96 percent of the funding is from cash funds and cash funds exempt sources, as shown in the following chart.

Department of Regulatory Agencies
Fiscal Year 2006 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

Contributed Services Revenue Recognition

The Division of Insurance within the Department of Regulatory Agencies regulates the insurance industry and assists consumers with insurance issues. The Division performs examinations of insurance companies to determine compliance with Colorado insurance laws.

Under statute, it is the duty and responsibility of the Commissioner of the Division to protect consumers regarding all aspects of insurance and to regulate the insurance industry to ensure compliance with Colorado insurance laws. Statutes further state that the "commissioner shall rely on the advice and assistance of a duly constituted association of brokers in carrying out the purpose" of the Division. The Division used the Surplus Lines Association (SLA) for this purpose prior to July 2006. As of July 2006, the Commissioner of Insurance decided to discontinue the Division's current Memorandum of Understanding with SLA and to not contract with SLA in the future.

During Fiscal Year 2006 the Division implemented a new insurance licensing computer system. The Division reported that it did not have the funding available to hire a project manager to oversee the conversion to the new system or a staff member with adequate knowledge to fill this role. Therefore, it negotiated an agreement with the SLA for the SLA to pay up to $70,000 for the services of an independent project manager to implement the conversion to the new system at the Division. The Division entered into a contract directly with a staffing agency to provide project manager functions during the implementation of the new licensing system; however, the invoices for the project manager were submitted to the SLA for payment after they were reviewed and approved by the Division. The SLA then made payments totaling about $68,800 directly to the staffing agency on behalf of the Division. Statutes authorize the Commissioner of Insurance to approve an examination fee that the SLA can charge to surplus line brokers to reimburse the SLA for the cost of the SLA's activities that are conducted on behalf of the Division. Under the Division's agreement with the SLA, the SLA was to pay for the project manager with a portion of the examination fees it collected.

We found that the Division did not record any transactions relating to the project manager on its financial records and, therefore, circumvented controls established by the Legislature's appropriation process over agencies' spending authority. Under this process, all departments receive appropriations, and departmental expenditures are charged against specific appropriation codes set up in the State's accounting system, COFRS, to track each agency's utilization of its legally established spending authority. Further, accounting standards require that contributions of services shall

be recognized as revenue if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Therefore, the Division should have recorded contributed service revenue and contractor expenditures for the project manager. As a result of this lack of recorded transactions, the Division's revenue and expenditures were understated by nearly $69,000.

The Division should ensure that funds are spent in accordance with legally established appropriations. In addition, the Division should record expenditures on COFRS in accordance with generally accepted accounting principles.

Recommendation No. 26:

The Department of Regulatory Agencies should adhere to the appropriation process and generally accepted accounting principles by recording revenue for contributed services and related expenditures on COFRS.

Department of Regulatory Agencies Response:

Agree. Implementation date: July 2006.

The Department recognizes that its interpretation of the statutory directive for the Commissioner to rely on the assistance of the Association in Section 10-5-115, C.R.S., did not adhere to established Legislative controls for spending authority in the appropriation process as it relates to contributions of services. The Department acknowledges this finding and will ensure that its established internal controls for recording revenue for contributed services and related expenditures in COFRS and adherence to the appropriation process and generally accepted accounting principles will reflect this finding.

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Department of Revenue

Introduction

The Department of Revenue is responsible for managing the State's tax system. Tax collections totaled about $10.2 billion in Fiscal Year 2006. Of this amount, about $8.3 billion represents collections for the General Fund; the remainder represents collections made on behalf of entities such as local governments and for the Highway Users Tax Fund (HUTF). In addition, the Department is responsible for performing various other functions as follows:

- Administer the State Lottery, which grossed over $469 million in ticket sales in Fiscal Year 2006. Of this amount, about $126 million was available for conservation as well as for wildlife, parks, open space, and outdoor recreation projects.

- Act as a collection agent for city, county, Regional Transportation District (RTD), and special district taxes. The Department collected over $1.1 billion in taxes and fees on behalf of other entities.

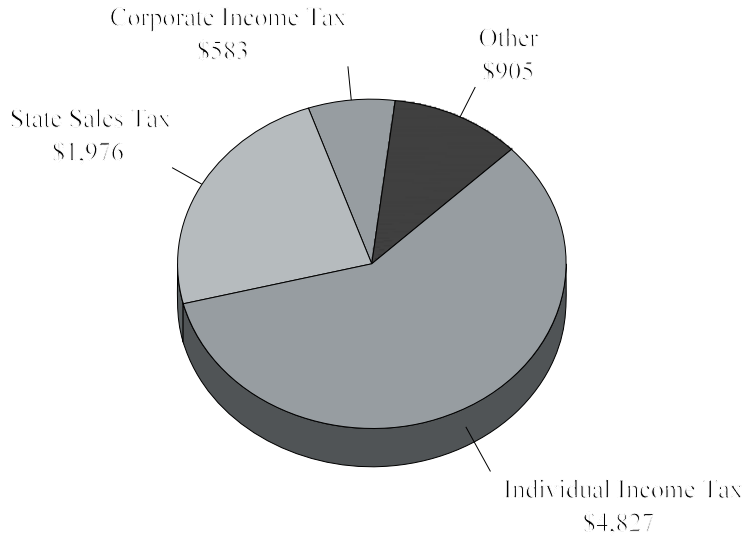
- Collect taxes and fees for the HUTF, which is primarily for the benefit of highway maintenance projects in the State. In Fiscal Year 2006, amounts collected for the HUTF totaled approximately $789 million.

- Regulate the limited stakes gaming activities in Cripple Creek, Black Hawk, and Central City. Adjusted gross proceeds totaled about $765 million during Fiscal Year 2006, on which the Limited Gaming Division collected about $106 million in gaming taxes.

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

- Operate the State's 20 Ports of Entry, which includes 10 mobile ports and 10 fixed ports.

Department of Revenue
General Fund Revenue Collections for Year Ended June 30, 2006
(In Millions)



Source: Department of Revenue, Fiscal Year 2006 Collections Report.

In Fiscal Year 2006 the Department was appropriated total funds of $541.8 million and 1,430 full-time equivalent staff (FTE). Approximately 15.3 percent of the funding is from general funds and 84.4 percent is from cash funds (including 2.2 percent comprised of monies from the Highway Users Tax Fund), and 0.3 percent from federal funds.

Compliance With Password Usage Policies

The Department's Information Technology Security Standards and Policy document provides guidelines for protecting the Department's data from unauthorized access, distribution, modification, or disclosure.

During our Fiscal Years 2004 and 2005 audits, we identified problems with Department employees' compliance with the password usage policy. In Fiscal Year 2004 we found that 12 out of 17 unattended computers were not properly secured and 7 out of 14 employees interviewed stated that they lacked the technical knowledge to activate password protection, did not comply with Department policy prohibiting unattended computers to be left logged on and unprotected, and/or stated

they did not understand the policy as written. As a result of our findings, the Department revised the standards and policy document in March 2005 to clarify the password usage policy. The revised password usage section addresses the standard use of passwords, time-out intervals for inactivity, and actions to be taken to secure computer systems when left unattended. Unattended computers must either be locked, password protected through the screensaver function, or turned off. However, in Fiscal Year 2005 we continued to note problems with security of unattended computers and employee knowledge of password policies.

During our Fiscal Year 2006 audit, we again evaluated compliance with the Department's password usage policy and continued to find problems. We reviewed 32 computers located in the State Annex Building. Of these 32 computers, 7 were unattended and 25 were attended. We found that:

- One of the seven unattended computers was not properly secured. The computer was not locked and the password-protected screensaver was not enabled.

- Three out of 25 attended computers did not have the password- protected screensaver enabled, or the screensaver was set to activate after a time limit greater than 15 minutes of inactivity. The Department policy requires that employees should activate the password-protected screensaver after 15 minutes of inactivity to secure confidential taxpayer information if an employee forgets to lock the computer, especially during brief absences during the work day. The three employees with the computers in violation of the password-protected screensaver stated they were not aware of the Department's password usage policy.

The Department is responsible for protecting taxpayer and other confidential information from unauthorized access. Therefore, it must continue to improve controls in this area to help ensure that data are not compromised and employees are adequately trained on Department security policies.

Recommendation No. 27:

The Department of Revenue's Information Technology Division should continue to improve the Department's compliance with the Security Standards and Policy document to prevent unauthorized access to the Department's network and confidential information by:

a. Requiring employees to use a password-protected screensaver set to activate after no more than 15 minutes of inactivity.

b. Training employees on the importance of password protection and securing their computers.

Department of Revenue Response:

a. Agree. Implementation date: Implemented.

In addition to previous steps taken by the Department to improve password protection for its workstations, the Department's IT Division now centrally controls the password protection feature on most workstations. However, due to age, about 7 percent of the Department's workstations do not have the ability to prevent manual change to these configurations. The Department plans to procure replacements for these legacy workstations in 2007 as a part of its normal replacement program. Each of the four workstations identified by the auditors has already been replaced. Additionally, when workstations are procured, all are preconfigured prior to deployment to prevent the user from being able to modify the Department's standard password protection settings.

b. Agree. Implementation date: Implemented.

To improve employee understanding of the importance of password protection and securing their workstations, the Department sent reminders to all personnel by broadcast e-mail and updated its password use policy to clarify requirements, to reiterate the availability of help desk personnel if needed, and to remind supervisors of their responsibility to review the policy with their employees and periodically confirm that all workstations in their areas have the required password settings. On an ongoing basis, the Department's IT Division plans to periodically check workstations to ensure compliance with the Department's password policy, and will send broadcast e-mails to all staff as needed to maintain employee awareness of the importance of workstation security. In addition, new employees will continue to sign a statement of compliance during new employee orientation attesting to their understanding of data security and password requirements for all employees.

Office of the State Treasurer

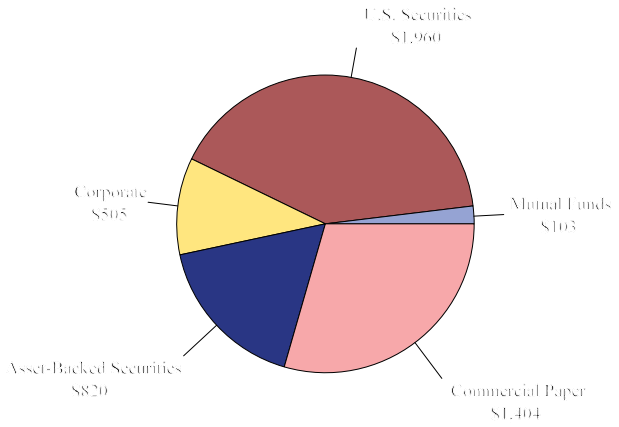
Introduction

The Office of the State Treasurer (Treasury) is established by the State Constitution. The Treasurer is an elected official who serves a four-year term. The Treasury 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:

Colorado Treasury Pool Portfolio Mix
As of June 30, 2006
(In Millions)



Source: Office of the State Treasurer records.

In Fiscal Year 2006 the Treasury was appropriated approximately $308.2 million and 26 full-time equivalent staff. The Treasury receives approximately 9 percent of its funding from general funds; 90 percent from cash funds exempt, and 1 percent from cash funds.

The following was prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2006 audit work at the Treasury.

Compliance with Colorado Funds Management Act

The Colorado Funds Management Act (the Act) under 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. The following discussion provides information about the Treasurer's July 1, 2005, issuance of $700 million in General Fund Tax and Revenue Anticipation Notes (hereafter referred to as the General Fund Notes) and the July 12, 2005, issuance of $225 million in Series A Education Loan Program Tax and Revenue Anticipation Notes and the December 13, 2005, issuance of $190 million in Series B Education Loan Program Tax and Revenue Anticipation Notes (hereafter referred to as the Education Loan Program Notes).

Terms and Price

The General Fund Notes have a maturity date of June 27, 2006, and the Series A and Series B Education Loan Program Notes have a maturity date of August 7, 2006. Neither is subject to redemption prior to maturity. The maturity date of the General Fund Notes complies with the Act, which requires the maturity date to be at least three days prior to the end of the fiscal year. The maturity date of the Education Loan Program Notes complies with House Bill 03-1274, which allows these TRANS to mature any date on or before August 31 of the fiscal year immediately following the fiscal year in which the Education Loan Program Notes were issued. In addition, according to HB 03-1274, on or before the final day of the fiscal year in which the Education Loan Program Notes are issued, there shall be deposited, in one or more special segregated and restricted accounts and pledged irrevocably to the payment

of the Education Loan Program Notes, an amount sufficient to pay the principal and interest related to the Education Loan Program Notes on their stated maturity date.

State of Colorado
Details of the General Fund and
Education Loan Program Note Issuances
For the Fiscal Year Ended June 30, 2006

	General Funds Notes	Education Loan Program Notes Series A	Education Loan Program Notes Series B
Date of Issuance	July 1, 2005	July 12, 2005	December 13, 2005
Issue Amount	$700,000,000	$225,000,000	$190,000,000
Denominations	$5,000,000	$5,000,000	$5,000,000
Face Interest Rate	3.75-4.0%	4.0-4.50%	6.25%
Premium on Sale	$8,033,000	$3,546,750	$3,178,700
Net Interest Cost to the State	2.665%	2.745%	3.678%

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 net 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 General Fund Notes are payable solely from any cash income or other cash receipts recorded in the General Fund for Fiscal Year 2006. General Fund cash receipts include those that are subject to appropriation in Fiscal Year 2006 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 Treasurer records monies reserved to pay the principal and interest of the Notes in the 2005 Note Payment Account on the State's accounting system. 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 2005 Note Payment Account.

If the balance in the Account on June 15, 2006, is less than the principal and interest of the General Fund Notes due at maturity, the Treasurer must deposit into the Account all general fund revenue then available and borrow from other state funds until the balance meets the required level. At maturity, on June 27, 2006, the Account balance was sufficient to pay the principal and interest without borrowing from other state funds.

According to HB 03-1274, interest on the Education Loan Program (ELP) Notes is payable from the General Fund. Principal on the ELP Notes is payable solely from the receipt of property taxes received by the participating school districts on and after March 1, 2006, that are required to be deposited to the general fund of each school district. Statutes require the school districts to transfer funds for the entire principal on the ELP Notes into the State Treasury by June 25, 2006. The school districts completed these transfers and the State Treasurer used these funds to repay the principal on the ELP Notes.

If, on June 25, 2006, the balance in the Education Loan Program Notes Repayment Account is less than the principal of the ELP Notes at maturity, the Treasurer shall deposit from any funds on hand that are eligible for investment an amount sufficient to fully fund the ELP Account. On June 25, 2006, the balance in the Education Loan Program Notes Repayment Account was sufficient to fund both the Series A and Series B ELP Notes at maturity and no additional deposits from other funds were necessary.

The amount due at maturity for the General Fund Notes was $726,366,250, consisting of principal of $700,000,000 and interest of $26,366,250. The amount due at maturity for the Series A ELP Notes was $234,166,666, consisting of principal of $225,000,000 and interest of $9,166,666. The amount due at maturity for the Series B ELP Notes was $197,718,750, consisting of principal of $190,000,000 and interest of $7,718,750. To ensure the payment of the General Fund and ELP Notes, the Treasurer has agreed to deposit pledged revenue into both the General Fund Notes and ELP Notes Repayment Accounts in order that the balance on June 15, 2006, and June 25, 2006, respectively, will be no less than the amounts to be repaid. The Note agreements also provide remedies for holders of the Notes in the event of default.

Legal Opinion

Becker Stowe & Bieber LLP and Kutak Rock LLP, bond counsels, 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 General Fund and Education Loan Program 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 General Fund and Education Loan Program Note agreements allow the Treasurer to invest the funds in the General Fund and Education Loan Program Notes Repayment Accounts in eligible investments until they are needed for Note repayment. Interest amounts earned on the investments are credited back to the Accounts. 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 General Fund Notes are being issued to fund the State's anticipated general fund cash flow shortfalls during the fiscal year ending June 30, 2006. The proceeds of the sale of the General Fund Notes were deposited in the State's General Fund. Note proceeds will be used to alleviate temporary cash flow shortfalls and to finance the States daily operations in anticipation of taxes and other revenue to be received later in Fiscal Year 2006.

The Education Loan Program Notes are issued to fund a portion of the anticipated cash flow shortfalls of the school districts during the State's fiscal year ending June 30, 2006. The net proceeds of the sale of the Notes will be use to make interest-free

loans to the school districts in anticipation of the receipt of property tax revenue by the individual districts on and after March 1, 2006, to and including June 25, 2006.

Additional Information

The General Fund Notes and the Education Loan Program Notes were issued through competitive sales. A competitive sale involves a bid process in which notes are sold to bidders offering the lowest interest rate.

The issuance of the Notes 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 Office of the State Treasurer is responsible for monitoring compliance with the arbitrage requirements to ensure that the State will not be liable for an arbitrage rebate.

State Expenses

The State incurred expenses as a result of the issuance and redemption of the TRANS. These expenses were approximately $330,000 in total for the General Fund and both Series A and Series B Education Loan Program Notes. The 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.

No recommendation is made in this area.

Subsequent Events

On July 6, 2006, the Treasury issued $650 million in General Fund Notes with a maturity date of June 27, 2007. The maturity of the General Fund Notes complies with the Act. The notes carry a coupon rate of 4.5 percent to 4.75 percent and were issued with a premium of $4.5 million. The total due at maturity includes $650 million in principal and $28.5 million in interest.

On July 11, 2006, the Treasury issued $145 million in Education Loan Program Notes with a maturity date of August 3, 2007. The Treasury made an interim payment of $616,250 on August 15, 2006. This payment was made from the General Fund in accordance with statute. The notes carry a coupon rate of 4.5 percent and were issued with a premium of $1.0 million. The total due at maturity includes $145 million in principal and $6.3 million in interest.

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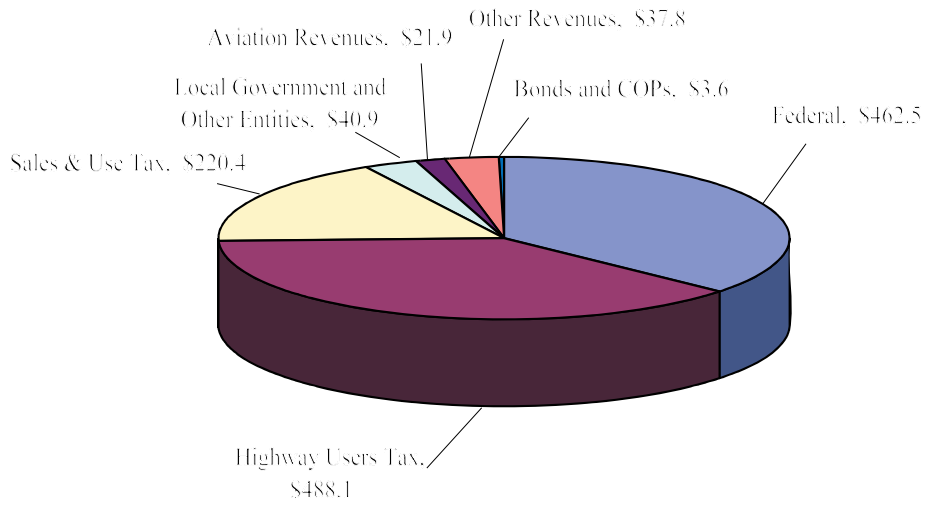
Department of Transportation

Introduction

The Colorado Department of Transportation is responsible for programs that impact all modes of transportation. The State Transportation Commission, composed of eleven members appointed by the Governor and confirmed by the Senate, governs its operations.

In Fiscal Year 2006, about 68 percent of the Department's expenditures were related to construction. Financing for construction and other expenditures comes from the Federal Highway Administration (FHWA), the Department's portion of the State Highway Users Tax Fund (i.e., the State Highway Fund), local entities and aviation-related taxes. The Department also receives other federal monies that are passed through to local governments and other entities for highway safety and transportation improvement programs. In addition, the Department recorded interest earnings of $4.2 million on Transportation Revenue Anticipation Notes (TRANS) proceeds during Fiscal Year 2006. The Department was appropriated about 3,307 full-time equivalents for the Fiscal Year 2006. The Department's Fiscal Year 2006 revenue, according to Department records, totaled $1.275.2 million as shown in the following chart.

Department of Transportation
Fiscal Year 2006 Revenue by Source
(In Millions)



Source: Department of Transportation records.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2006 audit work at the Department of Transportation.

Capital Asset Procedures

The Department had capital assets of $11.7 billion as of June 30, 2006, which included construction-in-process of $1.1 billion. As part of our Fiscal Year 2006 audit, we reviewed the Department's controls over the accounting and reporting of capital assets and performed procedures to test the year-end balances and changes in capital asset balances. These controls were reviewed during audit account reconciliation procedures during the Fiscal Years 2004 and 2005 audits, and in both years several problems with account reconciliations were identified. In both Fiscal Year 2004 and 2005 the Department agreed to implement adequate controls over year-end reconciliations. Specifically, the Department agreed with the Fiscal Year 2005 recommendation and stated that "schedules will be established for the review and reconciliation of accounts with the proper level of review to ensure that problems are resolved in a timely manner" and indicated

that the implementation date would be June 2006. However the following adjustments were proposed by either the Department or BKD, LLP to correct capital asset account balances and the recording of capital asset transactions:

- Three prior period adjustments were proposed by the Department to increase construction-in-process by $101,701,100, increase land by $10,217,521, increase accumulated depreciation by $14,004,752 and increase net assets by $97,913,869 as of July 1, 2005, for the purpose of reporting transactions in the proper accounting period. These transactions were incorrectly reported in Fiscal Year 2005.

- One prior period adjustment was proposed by the Department for $78,505,613 to decrease construction-in-process balances and net assets as of July 1, 2005, to expense items that were below the Department's capitalization threshold that were erroneously capitalized in Fiscal Year 2005.

- Two prior period adjustments were proposed by the Department for $20,269,911 and $17,194 to increase construction-in-process balances and net assets as of July 1, 2005, to record Colorado Springs Metro Interstate Expansion (COSMIX) additions for Fiscal Year 2005 and Fiscal Year 2004, respectively, that were not recorded in those periods. COSMIX is a project to widen I-25 to three lanes in each direction along a 12-mile stretch in Colorado Springs, Colorado, and is expected to be completed in 2007.

- A prior period adjustment was proposed by BKD, LLP for $179,058,575 to decrease Fiscal Year 2006 expenditures and decrease net assets as of July 1, 2005, to correct a Fiscal Year 2006 Department adjustment entry that incorrectly increased Fiscal Year 2006 expenditures and decreased construction-in-process for Fiscal Year 2005 expenditures that were capitalized but were below the capitalization threshold .

- A prior period adjustment was proposed by BKD, LLP for $5,956,937 to increase infrastructure balances and net assets as of July 1, 2005, for a disposal that did not occur until Fiscal Year 2006, but was recorded in both Fiscal Years 2005 and 2006. The actual disposal was for only $1,020,606 in Fiscal Year 2006, thus an adjustment was required to reverse the amount recorded in Fiscal Year 2005.

- An adjustment was proposed by BKD, LLP for $6,080,090 to increase infrastructure and decrease expenses for a Fiscal Year 2005 land abandonment that was written-off in both Fiscal Year 2005 and Fiscal Year 2006, thus duplicating its removal from infrastructure.

- An adjustment was proposed by BKD, LLP for $884,525 to increase infrastructure and decrease expenses to reverse a disposal of infrastructure that was recorded in Fiscal Year 2006, but had not been completed as of June 30, 2006.

- Adjustments were proposed by the Department for $25,193,142 to decrease construction-in-process and to increase expenditures by $13,006,274 for the COSMIX project and $12,186,868 for the TREX project in Fiscal Year 2006 were required for items capitalized that were below the Department's capitalization threshold and thus should have been recorded as expenditures.

The errors noted above were all corrected by the Department for Fiscal Year 2006. The errors occurred for several reasons. First, the Department performs capital asset inventory reconciliations for construction-in-process, land and buildings only at year end, rather than periodically during the year. The Department does not maintain a roll forward of capital asset balances showing the beginning of the month asset balances, actual additions and deletions during the month, and end of the month balances that reconciles to the general ledger. Rather, a physical inventory is conducted annually and capital asset balances are adjusted to the physical inventory amounts. Second, the period in which a capital asset transaction, such as an addition or disposal, is recorded is often determined by when it is reported in the minutes of the Transportation Commission rather than when the transaction is consummated or closed, as required under generally accepted accounting principles. Third, individuals without accounting training are making accounting decisions with respect to whether or not an item is capitalized or expensed and the class code assigned to the assets. For example, during their annual examination of capital asset inventories for which they are responsible, regional business managers examine class codes of all capitalized assets and often change an asset's class code, which often changes the depreciable life of the asset in the Department's capital asset software. This changes the amount of depreciation expense calculated and reported, thus requiring the finance department of the Department to recalculate depreciation expense. Specifically, an adjustment was recorded by the Department to record an additional $317,000 depreciation expense to correct the impact of the class codes changes made by non-accounting staff in the depreciation system.

When monthly roll forwards of capital asset balances are not prepared, these accounts cannot be reviewed for accuracy and, without sufficient asset addition and deletion information, differences between the detail capital asset information and the corresponding general ledger account balances cannot be identified, researched and resolved in a timely manner. Additionally, additions and disposals to capital assets should be evidenced by disbursement documents, invoices, contracts or other original supporting documents, and the transaction

should be reviewed by an individual other than the individual recording the transaction to ensure that the transaction is recorded in the proper accounting period, in the proper amount and in the proper account. Lastly, accounting decisions regarding the proper recording of capital asset transactions should be made by the Department's accounting personnel rather than business managers or others who do not possess the proper accounting background or training necessary to accurately evaluate and record such transactions.

We believe these control deficiencies represent a material weakness in internal control over financial reporting. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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. 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 Department's ability to record, process, summarize, and report financial data to the State consistent with the assertions of management in the financial statements.

Recommendation No. 28:

The Department of Transportation should implement adequate controls over capital asset transactions and balances by:

a. Preparing a monthly roll forward report of capital asset transactions that shows beginning of the month asset balances, additions and deletions during the month, and end of the month balances.

b. Establishing a process in which the monthly roll forward report of capital asset transactions is reviewed and approved by an individual other than the preparer, reconciled to the general ledger, and any differences between the roll forward and the general ledger are identified, researched and resolved each month. The reviewer should also verify that all additions and deletions for the month agree to the underlying documentation to ensure that adequate support exists for the transaction, the transaction is recorded in the proper accounting period, the amount is correct, and the account classification is accurate and appropriate.

c. Assigning the responsibility for determining when and how a capital asset transaction is recorded to Department accounting personnel rather than

regional business managers. If the Department believes it necessary for the regional business managers to initiate the recording of a capital asset transaction, procedures should be established that require accounting staff to review and approve such transactions prior to being recorded in the general ledger.

Department of Transportation Response:

a. Agree. Implementation date: June 2007.

With the conversion to Systems Applications and Products in Data Processing (SAP) in Fiscal Year 2007, the Department is now including a reconciliation of construction-in-process (Assets Under Construction or AUC) in SAP in its monthly capital asset reconciliation process. A roll-forward report is prepared for all asset classes, showing beginning asset balances, additions, deletions, transfers, and ending balances.

b. Agree. Implementation date: June 2007.

The Asset Management Accountant is tracking the changes in AUC on a monthly basis. The Asset Management Accountant will maintain reconciliation records, including a roll-forward spreadsheet and SAP documentation showing the sub-ledger and the general ledger are in balance, and will agree the spreadsheet to the underlying documentation. The Department Controller or her designee will review the reconciliation on a monthly basis.

c. Agree. Implementation date: June 2007.

The Department believes that the prior period adjustments recorded to construction-in-process in Fiscal Year 2006 and outlined in the background discussion preceding this recommendation are a direct result of two issues:

1. Adjustments to construction-in-progress (now referred to as AUC) were not recorded when the Department changed its infrastructure capitalization policy to the modified approach, an issue identified in prior year audits.

2. Incorrect and/or incomplete information had been received from the regional business managers.

In order to reduce the possibility of these two issues being a problem in the future and to address this segment of the recommendation, the Department's corrective actions are outlined below.

When a new project is set up in SAP, the Asset Management Accountant reviews the project coding and consults with the engineer and business manager to determine if the construction project will add capacity and/or improve the efficiency of the existing infrastructure system. Should the project qualify for AUC, the Asset Management Accountant will maintain the settlement rules in SAP to settle the expenditures to AUC on a monthly basis. The project is then also added to the roll-forward spreadsheet.

With the implementation of SAP in Fiscal Year 2007, each addition to AUC can and will be traced to its original document and project by the Asset Management Accountant. The SAP project system captures project costs by phase. The settlement process captures the project expenditures for the period in each phase and records the expenditure in the AUC sub-ledger and the general ledger. This ensures that all qualified costs are captured and all additions to AUC can be tied to the supporting documents.

Expense Report Control

The Department currently has processes in place to reimburse employees for expenses that they incur on behalf of the Department. During performance of auditing procedures designed to review approved expense reports for sufficiency of supporting documentation and evidence of approvals, one out of the ten expense reports selected for review could not be located. The report that could not be located was for expenses incurred by a member of upper management within the Department reimbursed in the amount of $375.

Adequate internal controls require that sufficient documentation to support expense reimbursements be obtained prior to paying such expenses and be retained for a period of time necessary to meet state and Internal Revenue Service (IRS) retention requirements. Failure to maintain expense reports in the Department's files creates potential IRS reporting issues for the Department and the individual and could result in adverse public relation issues in the event that the reimbursed expenses are ever questioned.

Recommendation No. 29:

The Department of Transportation should improve controls over reimbursements to employees by ensuring that appropriate supporting documentation is obtained and reviewed by accounting personnel prior to issuing payment for any reimbursement requests and maintaining this documentation for the required period.

Department of Transportation Response:

Agree. Implementation date: March 2007.

The Department does not process any payments for reimbursements to employees unless the supporting documentation complies with State Fiscal Rules. The Department is in the process of implementing additional control procedures for filing and retrieving voucher documentation.

Top Secret Reports

During our inquiries of Department management regarding controls related to information technology security administration, we noted that the Department is not reviewing the "Security Activity/Incidents Report" generated from the Department's Top Secret Security (CA-TSS) software. These reports track all occurrences of potential security breaches, including similar violation events originating from the same source, violations attempted against a secure or sensitive file and other high risk events as defined by the CA-TSS Administrator. Reviewing the report helps mitigate the risk that unauthorized parties gain access to view and alter critical data or program files.

By not performing these required monitoring activities, the Department fails to meet the State's "Top Secret Security Administration" policy requirements, which are intended to help safeguard data recorded on the State's information systems.

Recommendation No. 30:

The Department of Transportation should ensure that the Security Administrator or his or her designee review the Top Secret "Security Activity/Incidents Report" at least weekly to identify high risk or suspicious events as outlined in the State's policy. Any identified events or errors should be investigated and resolved, and the documentation of the resolution should be filed along with the report in a secure location.

Department of Transportation Response:

Agree. Implementation date: March 2007.

Although the Department is now using SAP to account for all of its business transactions, the Department controller will review the Security Activity/Incidents Report on a weekly basis.

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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. Please refer to the introduction in the Department of Health Care Policy and Financing chapter within the Financial Statement Findings section for additional background information.

The following comments were prepared by the public accounting firm of BKD, LLP which performed the Fiscal Year 2006 audit work at the Department of Health Care Policy and Financing.

Eligibility Determinations for Federal Programs

In Colorado, the responsibility for determining recipient eligibility for medical or public assistance benefits is shared between the State and the counties. Counties are responsible for administering the benefit application process, entering the required data for eligibility determination, and approving the eligibility determinations. For Medicaid, Food Stamps, and Temporary Assistance for Needy Families (TANF), individuals and families apply for benefits at their local county departments of human/social services. For the Medicaid program, eligibility determinations can take place at county departments of human/social services as well as at Medical Assistance (MA) sites. The State is responsible for supervising the counties' administration of medical and public assistance programs including Medicaid, Children's Basic Health Plan (CBHP), Food Stamps, and TANF (administered in Colorado as Colorado Works). The Department of Health Care Policy and Financing (HCPF) is the state agency responsible for administering the Medicaid and CBHP programs, while the Department of Human Services (DHS) is responsible for administering the TANF/Colorado Works and Food Stamps programs.

Colorado Benefits Management System

On September 1, 2004, the Department of Human Services and the Department of Health Care Policy and Financing jointly implemented the Colorado Benefits Management System, or CBMS. CBMS was designed to improve the accuracy and timeliness of eligibility determinations for programs including TANF/Colorado Works, Food Stamps, and Medicaid. Effective June 1, 2005, the Governor issued an Executive Order to establish the *Governor's Office of the Colorado Benefits Management System.* According to the Executive Order, the Office of CBMS is to provide common oversight and coordination of the state management of CBMS.

During our Fiscal Year 2005 Single Audit and financial audit testing at HCPF and DHS, we performed testing to assess both Departments' internal controls and compliance with respect to federal laws and regulations. Our testing specifically included determining the Departments' compliance with federal Medicaid, TANF, and Food Stamps regulations after CBMS implementation. For example, we reviewed eligibility determinations and benefit payments made after CBMS implementation to ensure that payments were made only to or on behalf of eligible beneficiaries and in accordance with state and federal program guidelines, and that data were correctly entered into CBMS by county and Medical Assistance site staff.

Under the federal Single Audit Act and federal Office of Management and Budget (OMB) *Circular A-133,* a material weakness is defined as 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, such as Medicaid, Food Stamps, or TANF, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Based on our Fiscal Year 2005 audits of the two Departments, we identified material weaknesses in the Departments' internal controls over compliance with eligibility determinations for the Medicaid, Food Stamps, and TANF programs.

During our Fiscal Year 2006 audits of DHS and HCPF, we again performed testing to determine the Departments' compliance with grant requirements for the three programs. We also performed follow-up testing to determine the Departments' progress in implementing numerous recommendations from our Fiscal Year 2005 audit, including problems noted during that audit with remaining Medicaid, CBHP, Food Stamps, and TANF/Colorado Works cases requiring additional data entry into CBMS and outstanding unprocessed cases that exceeded federal and state processing guidelines.

Based on the number and significance of our findings during our Fiscal Year 2006 audit, we again determined that the Departments have material weaknesses in their internal controls over compliance with eligibility determinations for the Medicaid, Food Stamps, and TANF/Colorado Works programs. Specifically, for Medicaid, we found that 23 of the 51 payments in our sample (45 percent of payments sampled) contained at least one error; for the 23 payments containing errors, we identified questioned costs of $36,590 out of the total sampled costs of $100,838 (36 percent of costs). For Food Stamps, we found that 11 of the 60 payments in our sample (18 percent of payments sampled) contained at least one error; for the 11 payments containing errors, we identified questioned costs of $933 out of the total sampled costs of $10,809 (9 percent of costs). For TANF/Colorado Works we found that 23 of the 60 payments in our sample (38 percent of payments sampled) contained at least one error; for the 23 payments containing errors, we identified questioned costs of $4,540 out of the total sampled costs of $13,820 (33 percent of costs). Significant error rates such as these indicate a substantial risk of over- or underpayments. From a state perspective, the risk is significant because federal recoveries for disallowed costs could be substantial.

The results of our specific testing of the Medicaid and CBHP programs are discussed below. The results of our testing over Food Stamps and TANF are contained in the Department of Human Services chapter of the Federal Awards section of this report.

Case Cleansing Issues

Upon implementation of CBMS, county department of human/social services staff were required to enter additional data into CBMS that had not been required under the previous systems. Although information in the former systems was converted into CBMS, additional eligibility data that formerly had only been maintained in case files had to be entered in order for CBMS to function properly. As a result, existing information for each case that was active as of September 1, 2004, had to be reviewed, and county staff had to enter the additional information into the new system. This review and data augmentation process has been commonly referred to as "case cleansing."

In August 2004, prior to the implementation of CBMS, DHS issued an administrative order that after the conversion to CBMS, benefits were to continue to be paid to recipients who were eligible at September 1, 2004, until their cases were "cleansed" by county staff. A court order issued by the Denver District Court in December 2004 reinforced the order, requiring the State to continue to issue benefits to recipients whose cases required cleansing "until further Order of the Court." The number of cases requiring cleansing was reported by the State to total 380,312 cases in September 2004. The court order included a larger total in December 2004, stating, "Plaintiffs presented evidence that this number is over 600,000." HCPF and DHS

reported that as of March 2006, the number of cases requiring cleansing had been reduced to 2,700.

We found during our Fiscal Year 2006 audit that while the Departments have further reduced the number of cases requiring cleansing, over 1,000 cases still required cleansing almost two years after CBMS implementation. Specifically, the Departments report that as of August 2006, 1,327 cases still required case cleansing. Medicaid and CBHP cases accounted for 1,065 of the 1,327 cases, as shown in the following table:

Medicaid and Children's Basic Health Plan
Cases Requiring Cleansing as of August 2006

Program	**Total**
Medicaid	797
Children's Basic Health Plan (CBHP)	268
Total Cases Requiring Cleansing	**1,065**

Source: OSA Analysis of the CBMS Conversion Case Program Flag Summary Report.

Therefore, these cases remained under the court-ordered benefit freeze, and these recipients may have continued to receive benefits based on their eligibility status as of September 1, 2004.

The federal government could disallow reimbursements the State has received for the federal share of benefit payments made to ineligible individuals. Therefore, the Department should work with the county departments of human/social services to ensure all remaining cases are cleansed as soon as possible.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Insurance Program, Medicaid Cluster; Eligibility.)

Recommendation No. 31:

The Department of Health Care Policy and Financing should ensure that remaining backlogs of Medicaid and Children's Basic Health Plan cases on CBMS that require cleansing are eliminated as soon as possible.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: April 1, 2007.

The Department analyzed the remaining cases and identified that 18 county offices have achieved a 100 percent completion rate and only four counties have a 98 percent or less completion rate. However, the Department agrees that these remaining cases should be cleansed and the current eligibility be determined. Each county or medical assistance site will be sent its own list of cases that fall under "non-cleansed or freeze flag" category. This project will be completed by April 1, 2007.

Timely Processing of Cases

Federal and State regulations require that benefit applications for the Medicaid, Children's Basic Health Plan (CBHP), Food Stamps, and TANF/Colorado Works programs be processed in a timely manner. These processing requirements vary by program. Specifically, TANF/Colorado Works, CBHP, and a majority of Medicaid applications are to be processed within 45 days. Medicaid applications for beneficiaries with disabilities need to be processed within 90 days. Food Stamps applications must be finalized within no more than 30 days after initial application; expedited Food Stamps applications must be processed within seven calendar days. DHS and HCPF are able to track processing timeliness through CBMS.

During our Fiscal Year 2005 financial audit, we reviewed data relating to the county departments of human/social services' processing of cases within federal processing time frames. Case processing data subsequent to CBMS implementation indicated that counties were facing difficulties with processing cases within required deadlines. The Denver District Court Order issued in December 2004 required the Departments to reduce the out-of-compliance cases totaling over 29,000 from November 30, 2004, by 40 percent (i.e., to about 17,600) before February 28, 2005, and thereafter to reduce each program area's out-of-compliance cases by 40 percent ". . .until substantial compliance with federal and state law is achieved." During our Fiscal Year 2005 audit, the Departments reported that the unprocessed cases in CBMS exceeding processing guidelines had been reduced to about 9,500 by February 28, 2005, and to 4,600 as of June 30, 2005.

We found during our Fiscal Year 2006 audit that the Departments continue to face difficulties with processing new cases within federal and state program processing deadlines. In fact, the number of out-of-compliance new cases for the Medicaid,

CBHP, Food Stamps, and TANF/Colorado Works programs at the end of our audit exceeded the June 30, 2005 figure. Specifically, cases exceeding processing guidelines as of October 23, 2006, totaled over 6,500. CBHP and Medicaid cases accounted for 4,399 of the 6,507 cases as shown in the following table:

Medicaid and Children's Basic Health Plan Cases Exceeding Processing Guidelines as of October 23, 2006

Program	**Total**
Children's Basic Health Plan (CBHP)	2,684
Medicaid[1]	1,715
Total Cases Exceeding Processing Guidelines	4,399

Source: OSA analysis of the CBMS Exceeds Processing Guidelines Report.
[1] Medicaid long-term care cases were not required to be reported to the District Court and are not represented in the breakdown above.

Overall, 45 percent of the total Medicaid, CBHP, Food Stamps, and TANF cases that exceeded processing deadlines in October 2006 were more than 60 days past the applicable deadline.

As noted in the table, Medicaid long-term care cases were not included in the Department's required reporting to the District Court. Under federal Medicaid regulations, applications for individuals applying for Medicaid on the basis of disability must be processed within 90 days. CBMS reporting currently provides the Department data on the number of long-term care cases not processed within 60 days or more. As of October 31, 2006, Medicaid long-term care cases exceeding 60 days totaled 392. The Department should monitor these cases to ensure processing guidelines are not exceeded.

Applications that are not processed in a timely manner can lead to significant financial impacts on Medicaid providers because they cannot bill Medicaid for services provided and the potential recipient likely cannot afford to pay for the services. Processing delays also prevent program applicants from receiving needed Medicaid or financial assistance. Further, the Department risks fiscal sanctions from the federal government for noncompliance with federal regulations. The Departments should work with the county departments of human/social services to ensure that processing guidelines are met for all federal programs.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Insurance Program, Medicaid Cluster; Eligibility.)

Recommendation No. 32:

The Department of Health Care Policy and Financing should ensure that Medicaid and Children's Basic Health Plan cases are processed within federal guidelines.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Ongoing.

The Department has a designated unit to research the Exceeding Processing Guidelines (EPG) report that is generated weekly from CBMS. EPG cases are individually reviewed; information about the EPG cases are sent to designated eligibility site contacts and the eligibility sites are asked to resolve the issues that are causing the case to remain in a pending status. As of January 2007, there are currently 1,661 Medicaid cases and 2,522 Children's Basic Health Plan cases on the exceeding processing guidelines cases report. However, there are many cases reported in the total that are not truly exceeding processing guidelines. Some cases do not have complete information from clients; therefore they are not subject to the federal guidelines. Other cases do have corresponding cases open with different identification numbers. Therefore, these numbers are inflated above what is truly exceeding federal guidelines.

In addition to assisting with resolving EPG cases, the Department's personnel provide one-on-one instructions to eligibility site workers when necessary to move the case out of the pending status and complete the application process. Department personnel also identify any systematic issues that may be resolved with additional training and statewide communication.

Eligibility Oversight

During Fiscal Year 2006 the Department expended over $3.2 billion in state and federal funds for the Medicaid program. In the beginning of Fiscal Year 2005 the Department discontinued using older eligibility determination systems and replaced them with the Colorado Benefits Management System (CBMS). The eligibility determinations are transferred via interface from CBMS to the Medicaid Management Information System (MMIS) which is responsible for processing specific claims from providers for beneficiaries and paying those claims. Colorado

Trails tracks Medicaid eligibility for children within the Department of Human Service's (DHS) Child Welfare programs, including those within foster care homes and residential treatment centers. CBMS tracks Medicaid eligibility for all other individuals. CBMS is jointly managed by DHS and HCPF.

In addition to the work performed on the Department's financial statements, we reviewed the Department's compliance with federal requirements for determining the eligibility of individuals who receive benefits and the providers who receive reimbursements under the Medicaid program. For the current year we selected a sample of 60 Medicaid and 30 CBHP expenditures. The 60 Medicaid expenditures included 51 cases related to eligibility under the Medicaid program. The other nine are other program expenditures that were not payments to providers for specific beneficiaries, therefore, eligibility testing for these expenditures was not required. The 30 CBHP expenditures contained 10 payments for beneficiaries whose eligibility we tested. The other 20 expenditures were other program expenditures that were not payments to providers for specific beneficiaries, therefore, eligibility testing for these expenditures was not required.

There continues to be significant issues in the usage and processing of eligibility of beneficiaries within the CBMS system. Our sample found that 23 of the 51 Medicaid cases had at least one error (45 percent). The exceptions represented questioned costs totaling $36,590 out of a total sample of $100,838. In the CBHP sample, 7 of the 10 cases tested had at least one error (70 percent), totaling $602 out of our total CBHP sample of $890. The errors included the following:

- In 12 of the Medicaid cases tested, supporting information could not be provided to verify that the beneficiary was eligible for benefits, or we found that the beneficiary should not have been determined eligible for benefits on the basis of the information provided.

    - In seven cases, verification of documentation was not available from the county although CBMS showed that these required verifications were performed. Examples of these missing verifications include: verification of income, assets, pregnancy, residence in a long-term care facility among others. We believe documentation should be maintained by the county to prove the verification occurred. In one of these seven cases the beneficiary had third party insurance which was documented in the case file, however, this was never recorded in CBMS or MMIS. When a claim is submitted, the third-party insurance should pay first before Medicaid if the service is covered by the insurance provider.

    - In two cases, eligibility had ended or should have ended based on documentation in the file but claims continued to be paid. In one instance, the case was open as of our testing date in August 2006 but

should have closed in November 2005. The other case was not closed for five months after the end of eligibility. In these cases, the case worker recorded incorrect information or did not record information into CBMS. In addition, in one of these cases, the beneficiary's social security number recorded in CBMS did not agree to the physical documentation in the file.

- In two cases, the applications or eligibility redetermination documentation was not provided by the county.

- In one case, the county stated that the case file was not available because the beneficiary qualified under a program that did not require a case file, however, the beneficiary did not qualify under this program based upon the information available in CBMS.

- The other 11 Medicaid cases had various errors that related to recording information in and using CBMS and case file documentation supporting the beneficiary's eligibility. The Medicaid State Plan does not require this physical documentation of verifications to be kept; however, according to the federal Medicaid rules all required documents to support eligibility must be available for review to verify eligibility.

  - In six of the 11 cases, information was received and placed in the case file but not recorded in CBMS.

  - In the other five cases, CBMS documented that the social security card was verified and that citizenship was verified; however, no documentation was provided in the case file.

Under federal regulations the caseworker is required to obtain verification of identification for Medicaid and CBHP applicants. Federal regulations require that certain information be kept to document the beneficiaries' eligibility. In our Fiscal Year 2005 audit, we recommended that the Department require counties to maintain copies of required documents within the case files, and the Department agreed with the recommendation.

The state Departments of Human Services, Health Care Policy and Financing, and the Office of CBMS have implemented required trainings for anyone who has access to CBMS. However, due to the issues that were noted in prior years, which are similar to the findings above, and also the significant number of caseworker errors noted this year, these trainings do not appear to be adequate. The responsibility for training resides with the State and the local counties who employ the caseworkers that use CBMS on a daily basis. During Fiscal Year 2006, the Department of Human Services had the administrative authority over the counties for Medicaid eligibility

determinations. During the 2006 session the legislature passed Senate Bill 06-219, which is effective July 1, 2006. The bill assigned the Department of Health Care Policy and Financing direct administrative authority over the counties for the Medicaid program, including full responsibility to supervise the Medicaid eligibility determination process.

We noted in our Fiscal Year 2005 audit and again in our 2006 audit that an accurate audit trail is not maintained in CBMS. This is in part the cause of the errors noted above where caseworkers can delete historical eligibility information in CBMS. As we noted in the Fiscal Year 2005 audit, it is essential that the Department develop an adequate audit trail within CBMS in order to determine when the beneficiary was eligible and whether the qualifying criteria to determine eligibility were met. An effective audit trail would also assist the Department in establishing adequate internal controls over eligibility and provide quality control over eligibility determinations.

(CFDA Nos. 93.767, 93.775, 93.777, 93.778; State Children's Insurance Program, Medicaid Cluster; Eligibility.)

Recommendation No. 33:

The Department of Health Care Policy and Financing should improve controls over eligibility determination for the Medicaid program by:

a. Establishing an effective means for documenting and substantiating beneficiary eligibility determinations for each paid claim. The goal should be to eliminate the need for manual interventions to recreate determinations as of the historical date of service. There should be an audit trail within the system that identifies beneficiaries' eligibility during the period of past claims paid, even in instances where current information is different or where a redetermination has been made.

b. Reviewing eligibility data in CBMS for accuracy and consistency with source and certified documentation via scanned or copied documentation maintained in the files.

c. Requiring counties or Medical Assistance sites to maintain copies of verification documents.

d. Evaluating the training program that the State currently has in place and determining where improvements can be made to reduce the number of caseworker errors that are being repeated.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: The completion date for this recommendation is dependent upon the Office of CBMS' prioritization and resource allocation.

   CBMS has many features and functions that are used to track case file changes. HCPF agrees that a more accessible archive mechanism will eliminate the need for manual interventions to recreate eligibility determination history. A Change Request to implement this recommendation was submitted to the Office of CBMS in March 2006. The Change Request is pending Office of CBMS prioritization and resource allocation.

b. Agree. Implementation date: Ongoing.

   The Department's Medicaid Eligibility Quality Control Unit currently reviews data in CBMS for accuracy and consistency with the information contained in the case file. In addition, effective approximately May 2007 the Department's Payment Error Rate Measurement program will also compare the eligibility information contained within CBMS with the information contained in the case file.

c. Agree. Implementation date: Ongoing.

   Pursuant to 10 CCR 2505-10-8.105.5, the Department requires counties and medical assistance sites to maintain copies of documents that require verification. Information that the applicant/beneficiary provides which are accepted per rules as self attestation are verified via a signed application or re-determination packet. Therefore, attestation of a social security number and United States citizenship status will be found in the physical case file on the signed application or re-determination packet. No physical copy of a social security card or proof of a United States citizenship is required to be maintained in the physical case file during the audit period.

d. Partially agree. Implementation date: Ongoing.

   Training on basic data entry for CBMS cases is conducted by the Office of CBMS and not the Department. County supervisors or trainers are responsible to conduct quality assurance on each CBMS user to ensure data entry accuracy. The Department works directly with counties and

medical assistance sites in resolving cases exceeding processing guidelines where data entry errors are the direct cause of the cases remaining in a pending status. This type of training allows one-on-one training where the CBMS users are provided the steps to correct the errors. If there is a common error discovered by the Department, a detailed process is created and distributed to resolve and prohibit the data entry error. However, the Department agrees that an evaluation of training is necessary, and the Department will request the Office of CBMS to look into this request.

Eligibility Quality Control

One of the federal compliance requirements of the Medicaid program is that the State implement procedures to safeguard against unnecessary utilization of care and services. In order to fulfill this requirement the Department has implemented two different programs. The first is the Department's Medicaid Eligibility Quality Control (MEQC) unit. This program performs reviews that are approved by the Centers for Medicare and Medicaid Services, within the federal Department of Health and Human Services, which are focused on a specific issue and performed on a six-month cycle. We determined that the Department is fulfilling its requirements under the MEQC requirements.

The other program is a federally-sanctioned pilot program called Payment Error Rate Measurement (PERM). The testing requirements for the PERM project have been contracted to an outside party. During the 2005 calendar year, the contractor selected 50 beneficiaries from Medicaid and 50 from CBHP to verify eligibility and payments made to or on behalf of those beneficiaries. The contractor's 2005 calendar year report documented problems encountered determining historical eligibility, and due to these difficulties the contractor did not complete 12 of the Medicaid and 24 of the CBHP eligibility cases selected for testing. The Department did not follow up on these cases due to lack of funding and did not believe that it was feasible to pursue additional efforts to attempt to discover the necessary information on these cases. As a result, the Department did not meet the program requirements. It is crucial that the Department monitor the work of all contractors to ensure program monitoring requirements are met. The PERM program is important since it is the Department's method for monitoring eligibility determinations and the accuracy with which eligibility is being determined for Medicaid and CBHP. Similar to the previous finding, this raises concerns about the effectiveness of the Department's controls over eligibility determinations and whether payments are being made only for eligible beneficiaries.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Insurance Program, Medicaid Cluster; Special Tests and Provisions, Utilization Control and Program Integrity.)

Recommendation No. 34:

The Department of Health Care Policy and Financing should follow up on any uncompleted cases for the PERM project and take action necessary to verify that the contractor completes the testing for the PERM project. The Department should ensure that the PERM project is completed, federal requirements for verifying the accuracy of eligibility determinations are fulfilled, and the causes for any eligibility errors identified in the PERM project are addressed.

Department of Health Care Policy and Financing Response:

Disagree. Implementation date: Not applicable.

The Department disagrees with this recommendation because the PERM project referred to above was a pilot program that was granted funds by the federal government. There was not sufficient funding to allow for follow-up on the outstanding cases. It was acceptable to the Centers for Medicare and Medicaid Services to mark these cases as being unable to confirm the determination for reporting purposes. The Department is currently implementing the state-funded PERM eligibility verification reviews this year pursuant to federal requirements and will be following up on all cases. This is the appropriate place to focus Department resources.

Auditor's Addendum:

This recommendation addresses the fact that the Department did not complete its federally-sanctioned PERM pilot project and, therefore, was unable to determine if payments made to or on behalf of 36 of the 100 beneficiaries in the sample were appropriate. Further, the Department was unable to provide us with adequate documentation to support its assertion that the Department's failure to complete the testing was acceptable to the Centers for Medicare and Medicaid Services. Since this project was the Department's method for monitoring the accuracy of eligibility determinations for Medicaid and CBHP, we continue to have concerns about the effectiveness of the Department's controls over eligibility determinations.

Outpatient Hospital Cost Report Review

As the State's Medicaid agency, the Department is required under federal Medicaid rules to pay for qualifying hospital services through the use of rates that are reasonable and adequate to meet the costs incurred by efficiently and economically operated providers. During Fiscal Year 2006 the Department expended $123 million for hospital services. The Department is required to review uniform cost reports for each participating provider. These cost reports are used to establish Medicaid payment rates and are based on each participating providers' Medicare cost reporting forms. The Department must also periodically audit the financial and statistical records of participating providers. The specific audit requirements are established by the Medicaid State Plan (42 CFR Section 447.253).

In Fiscal Years 2002 and 2003, we identified backlogs in the Department's audits of hospital cost report data. This backlog appears to be due to inaccuracies in the Department's summary of Medicaid claims paid data runs for service dates as far back as 1998. During our follow-up in Fiscal Year 2004, the backlog was anticipated to be resolved in 2005 by the Department's fiscal intermediary, Parrish Moody & Fikes. In April 2005, the fiscal intermediary and the Department became aware of additional inaccuracies in the Department's data reports for service dates as far back as 1998 in addition to the errors that were discovered in Fiscal Years 2002 and 2003. Due to the complexity of the inaccuracies it took the Department a significant amount of time to generate corrected reports. As a result, the number of audits of hospital cost reports not completed continued to grow in Fiscal Year 2005 and 2006. With another year lag, additional backlog is created. The backlog has grown from approximately 50 cost reports at June 30, 2004, to 108 cost reports at June 30, 2005, and as of June 30, 2006 to 126 cost reports. As a result of the backlog, the Department does not know if it has funds due from providers or if it owes funds to providers that are not reflected in the Department's financial statements. This issue has been outstanding for five years and due to the large dollars involved, could result in significant adjustments.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions-Inpatient Hospital and Long-Term Care Facility Audits.)

Recommendation No. 35:

The Department of Health Care Policy and Financing should take necessary action to ensure accurate Medicaid claims paid data runs on hospital cost data are generated on a timely basis and that required audits of cost report data are performed timely.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Half the current backlog completed by June 30, 2007; remainder cleared and completed by June 2008.

During Fiscal Year 2006, the Department took the necessary action to ensure that the Department's summary of Medicaid claims data runs produced by the Medicaid fiscal agent, ACS, were corrected and accurate. Report revisions were completed in June 2006 and all requested Cost Settlement re-runs were completed in early August 2006. All reports are being delivered to the auditor on time. Since the data runs were corrected, the Department has been working with the Department's contracted auditor to ensure that the audits of cost reports are performed timely. At the end of Fiscal Year 2006, there was a backlog of 243 reports for cost reports covering 1998-2002. Currently, that backlog has been reduced to 163 for cost reports covering 2000-2002. The 1998 and 1999 backlogged cost reports have been cleared and completed. Additionally, the Department contracted auditor has stated that the data runs are the most accurate seen in many years and the amount of time required for each audit has been reduced. The auditor will have half the current backlog cleared and completed by June 30, 2007 and the remaining backlog cleared and completed in Fiscal Year 2008.

Provider Eligibility Documentation

The Department is responsible for verifying that the providers who are providing services to Medicaid beneficiaries are licensed to participate in the Medicaid program in accordance with federal, state and local laws and regulations, and that they are making the necessary disclosures to the State. Currently, the process of updating information for the providers and the verification of up-to-date licenses is manual. One of the ways in which the Centers for Medicare and Medicaid Services (CMS) have planned to simplify this process is by implementing the National Provider Identifier (NPI). The purpose of the NPI is to simplify electronic transactions and communications by having one standard identifier system for identification of each provider. This system would reduce the need for manually updating provider records such as licensure verification, sanctions and general information about the provider into the State's Medicaid Management Information System (MMIS) by having the system update this information from the NPI. Oversight agencies, such as the Department, would still have the responsibility to update this information in NPI. In accordance with the May 6, 2005, letter from CMS, the Department will be required to use NPI by May 23, 2007.

During our review of provider eligibility we noted that four (hospitals and other general medical care providers) out of ten providers did not have updated licenses recorded in MMIS. These providers had current licenses and the Department was able to provide the licenses when requested. These licenses, however, were not readily available and the Department had to do research to locate them. The Department has procedures in place to determine that most providers are reviewed for current licenses on a regular basis, however, hospitals do not fall within this group because hospital licenses are tracked on a different system. In addition, hospitals are required to submit transmittals (documentation showing any changes in status) to the Department when changes occur. If the transmittal received by the Department documents a sanction against the hospital or another issue such as the loss of license, then the Department would need to manually make the appropriate changes to the MMIS.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions-Provider Eligibility.)

Recommendation No. 36:

The Department should develop and implement a plan to automate the process for updating licenses for providers in the Medicaid program.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: July 2008.

The Department will work with the Division of Insurance (DOI) in the Department of Regulatory Agencies (DORA) and the Department of Public Health and Environment (DPHE) to obtain an automated license update capability. Until that can be achieved, the Department will continue its current manual processes for those licenses maintained by DOI and DPHE. The Department will continue to utilize its current automated license update process for those provider types maintained through DORA's ALISON (Automated Licensure Information System Online), which has resulted in significant efficiencies in license validation.

Regarding some of the narrative provided by the auditor in regards to the use of the National Provider Identifier (NPI) for license verification; the Department is unaware that the Centers for Medicare and Medicaid Services (CMS) has identified the linking of license verification to NPIs as an NPI objective. CMS has not defined a mechanism to provide data from the NPI

national registry at this time (45CFR Part 162). Additionally, the NPI is required by federal regulation for a subset of Medicaid provider types. Not all providers are licensed by the State, and not all providers will have NPIs.

Payments for Claims on Behalf of Dual Eligible Beneficiaries

The Department is responsible for ensuring Medicaid payments are properly applied for services provided to dual eligible beneficiaries. Dual eligible beneficiaries are those beneficiaries who are eligible for both Medicare and Medicaid benefits. For claims filed on behalf of dual-eligible individuals, under federal regulations the Medicare Program is the primary payer and the Medicaid program is the payer of last resort. In response to a request to the State Auditor from the Joint Budget Committee in February 2006, our audit included a review of whether the Department was appropriately billing the Medicare program prior to paying claims from the Medicaid program for claims filed on behalf of dual eligible beneficiaries. The request was specifically concerned with how dual eligible claims for wheelchairs and related repairs and equipment were handled.

To determine if the Department was first billing Medicare for these claims, as part of the Fiscal Year 2006 audit we reviewed a detailed listing of dual eligible wheelchair and related Medicaid payments, which totaled about $2.3 million for the fiscal year. Our analysis of this data indicated that the Department is at risk for issuing Medicaid payments in these cases prior to billing the Medicare program. Specifically, our analysis found that in some instances the procedure code for wheelchairs and related services had not been designated as a Medicare-covered procedure. As a result, the edits in MMIS were not set to deny these claims for Medicaid and to require billing for third party liability insurance coverage—in this case, Medicare. In reviewing the data, it was determined that the Department last updated the Medicare-coverage indicator for this procedure code in July 2002 and that this setting applied to claims with dates of services beginning January 1, 1998 or later.

On the basis of our analysis of the $2.3 million in claims in our sample for Fiscal Year 2006, we determined that the minimum estimated Medicaid dollars at risk for dual eligible wheelchair and related claims is approximately $970,000 ($485,000 federal share). The minimum estimated Medicaid dollars at risk represents those claims in which the procedure code had not been designated as a Medicare-covered procedure.

The Department should identify and recover any Medicare payments that should have been received for wheelchair and related claims paid on behalf of dual eligible beneficiaries and develop procedures to ensure Medicaid is the payer of last resort for these claims, including updating MMIS procedure codes and edits for Medicare-covered services on a regular basis.

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

Recommendation No. 37:

The Department of Health Care Policy and Financing should ensure that Medicare is the primary payer on claims processed through MMIS for dual eligible Medicaid recipients by:

a. Reviewing the Medicaid claims identified during the audit as potentially eligible for Medicare reimbursement and billing Medicare as appropriate. In addition the Department should investigate and resolve similar claims paid prior to Fiscal Year 2006 that should have been billed to Medicare.

b. Reviewing the procedure codes and edit settings for claims on behalf of dual-eligible recipients and ensuring that Medicare is identified as the primary payer as appropriate.

c. Updating MMIS for any procedure code changes issued by Medicare on a regular basis.

Department of Health Care Policy and Financing Response:

a. Partially agree. Implementation date: By July1, 2007, the Department will research the two options noted in our response.

   The Department agrees to review the Medicaid claims identified during the audit as potentially eligible for Medicare reimbursement and further investigate the feasibility of recovery from Medicare directly or through other recovery methods. This would be a labor-intensive activity. Any potential reimbursement the Department could expect would be minimal as Medicare does not tend to cover the more expensive wheelchairs that the Department authorizes for Medicaid only beneficiaries.

   There is a federal two year time limit for states to claim federal financial participation so the Department could go back 24 months from the

current quarter to bill Medicare for any claims that have not been submitted. It would not be possible for the State to recoup payments from Medicare for any claims older than two years.

A federal waiver to "pay and recover" or "pay and chase" wheelchair claims for dual eligible beneficiaries cannot be implemented retroactively. That leaves only two other options. One option would require the Department to retract all previous payments, require the providers to bill Medicare directly, and then only pay those claims that were denied by Medicare. This option would be financially detrimental to the provider community. The other option would require the Department to enroll as a provider with Medicare's Durable Medical Equipment Regional Contractor (DMERC). Any request for enrollment by the Department would need to be approved by the Division of Medicare Operations at the Centers for Medicare and Medicaid Services. The Department will research these two options.

b. and c. Agree. Implementation date: July 2007.

Currently, as Healthcare Common Procedure Codes are released by the Centers for Medicare and Medicaid Services, codes subject to Medicare reimbursement for dually eligible beneficiaries are identified and loaded into the Medicaid Management Information System (MMIS). This was not practiced consistently in the past. All wheelchair and wheelchair accessory codes in the MMIS will be reviewed and updated as necessary to accurately reflect possible Medicare reimbursement for dually eligible clients.

Overview of the Medicaid Community Mental Health Services Program

Background

In 1995, in an effort to reduce costs and improve service quality and delivery, Colorado transitioned from a fee-for-service payment system to a managed care payment system for mental health services provided to Medicaid recipients. Initially, this transition occurred in 51 of Colorado's then 63 counties, and by 1998, it was extended to all Colorado counties. Under a managed care payment and service provision system, the State enters into an agreement to pay a managed care organization a flat monthly rate for every person eligible for Medicaid within a

designated geographical area. In return, the managed care organization agrees to provide all medically necessary mental health services to any Medicaid recipient (who are referred to as members of the managed care plan) in that area needing services. In contrast, under a fee-for-service arrangement, the State pays each service provider for every mental health service covered by Medicaid that is provided to a Medicaid recipient.

During Fiscal Year 2006 the Office of the State Auditor conducted the *Medicaid Mental Health Rates, Performance Audit*, Report No. 1754, dated November 2006. The comments below were contained in that report.

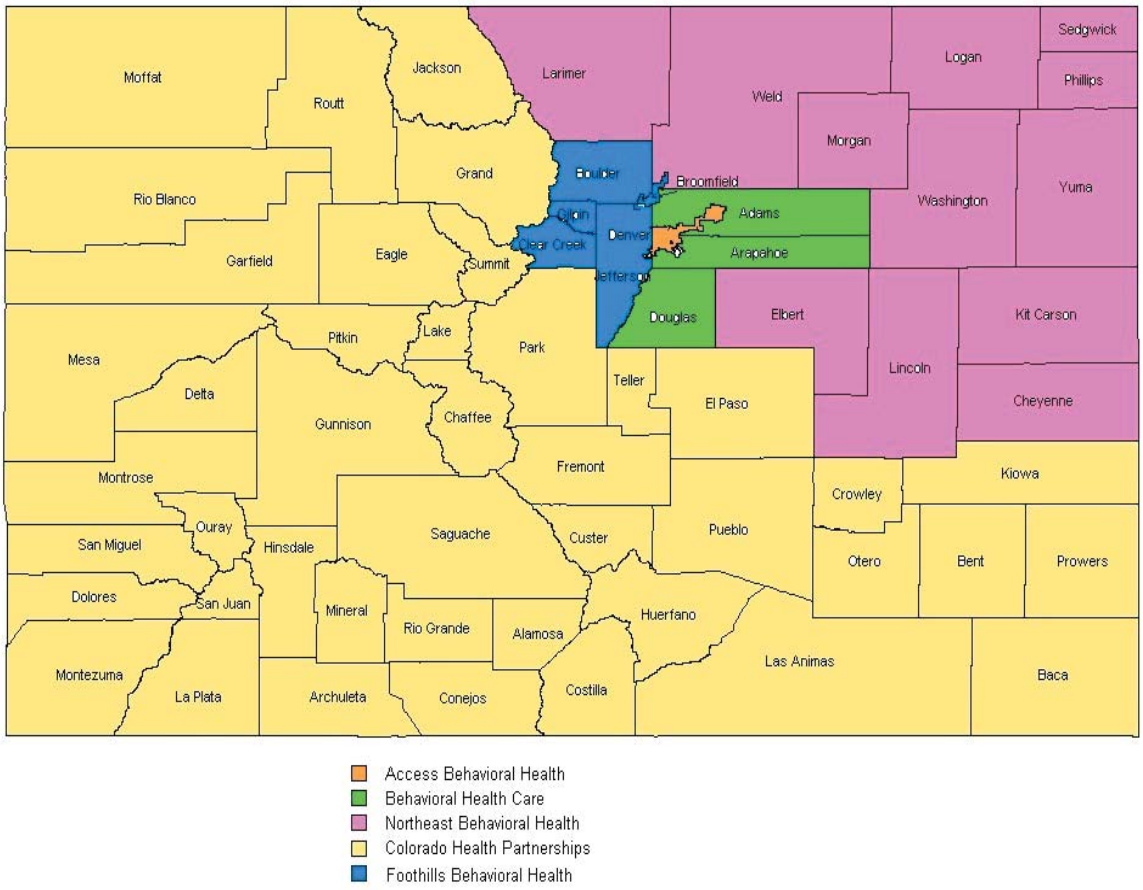
Medicaid Community Mental Health Services Program

Colorado's Medicaid Mental Health Service system currently includes five managed care organizations referred to as Behavioral Health Organizations (BHOs). The Department of Health Care Policy and Financing (Department) selects BHOs through a competitive bidding process and the Department contracts with successful bidders to provide all medically necessary mental health services to covered Medicaid members living in the BHOs' geographical service area. The Department pays each BHO a capped monthly amount, or capitation rate, for each Medicaid member within the BHO's service area. These rates are differentiated based on the member's Medicaid eligibility category. In other words, the Department pays the BHOs flat monthly rates for each of the five eligibility categories (Elderly, Disabled, Children, Adults, and Foster Care).

The BHOs provide mental health services through a provider network that includes inpatient hospitals, services purchased from "external" providers, and services purchased from "internal" providers. The internal provider network consists of the specific Community Mental Health Centers (CMHCs) in the BHO's geographic service area. The BHOs' external provider networks include residential treatment facilities, non-CMHC community-based agencies, independent physicians, and independent mental health professionals. BHOs are required by contract to provide a comprehensive network of providers and to hold all providers to the same standards and levels of oversight. The Department reports that it purposely eliminated the use of the terminology internal and external network providers from the BHO contract language in 2004 in order to discourage the BHOs from distinguishing between internal and external providers. However, BHOs must report on services provided by internal and external providers in accordance with the Mental Health Services Accounting & Auditing Guidelines and the internal and external provider service categories continue to drive the BHOs' business operations.

Therefore, we refer to the providers as "internal" and "external" throughout this report. A map of the BHO service areas follows.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Behavioral Health Organization Regional Map
January 2005 to Present



All of the BHOs have sub-capitation agreements with the CMHCs, which require that the CMHCs provide medically necessary mental health services for a fixed payment amount for all Medicaid members in need of CMHC services, regardless of the number served. Unlike the BHOs' monthly per member capitation rates, the BHO contracts with CMHCs to provide services to all members for a single amount. Each of the CMHC's payment amounts are based on the CMHC's overall anticipated costs, and payments are not differentiated by eligibility category. This effectively transfers much of the BHO's financial risk to the CMHCs, although from the State's perspective, the BHO remains contractually responsible for ensuring that all

medically necessary mental health services are provided within the rate paid to the BHO by the State. For those services provided by external providers, BHOs typically pay on a fee-for-service basis for any mental health services obtained.

The managed care structure of the State's Medicaid Community Mental Health Services Program is somewhat unique from that seen in other states with respect to the relationships between the BHOs and the CMHCs. Depending upon the BHO, the CMHCs exercise a controlling interest in each of the BHOs (to different degrees, based on ownership and governance structures). Specifically, four of the five participating BHOs are owned by the CMHCs that provide services to their respective BHO as part of the BHO's internal network. In the case of the fifth BHO, the CMHC is directly involved as a board member of the BHO, but it is not an owner. In other words, the CMHCs that function as the internal network service providers own and/or control the operations of the BHOs or managed care organizations. At all five BHOs, the executive directors or chief executive officers of the participating CMHCs serve as board members.

As discussed later in this report, this arrangement has allowed CMHCs to function with more autonomy and less oversight by the BHO than is typically the case in states with Medicaid mental health managed care plans. In other states, including Arizona, Connecticut, Massachusetts, New Mexico, Pennsylvania, and Washington, among others, the managed care organizations are usually owned and operated by a non-provider entity that maintains a higher degree of independence from its network providers than is seen in Colorado. There are, however, other states, such as Utah and some parts of Florida, where the BHO-like entities are owned by the service providers.

Information for the last five state fiscal years on total capitation payments, eligibility, and number of services provided follows.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Capitation Payments, Number of Members, Number of Individuals Served, and Number of Services Provided
State Fiscal Years 2002 - 2006

	2002	2003	2004	2005	2006
Medicaid Mental Health Capitation Payments (In Millions)	$148.9	$144.7	$146.3	$149.3	$164.8
Number of Medicaid Members[2]	292,000	314,000	348,000	388,000	383,000
Number of Individuals Served[2]	42,000	38,000	38,000	45,000	Not Available[1]
Number of Services Provided[3]	1,200,000	1,300,000	1,100,000	1,100,000	Not Available[1]

Source: Department of Health Care Policy and Financing
[1] Fiscal Year 2006 data for the number of individuals served and number of encounters will be available in March 2007.
[2] Figures rounded to nearest thousand.
[3] Figures rounded to nearest one-hundred thousand.

Changes in the Medicaid Community Mental Health Services Program

Over the past 12 years since managed care was implemented in Colorado for Medicaid mental health services, there have been a number of federal- and state-level changes to the program. These changes are discussed below.

Evolving Federal Standards – The Centers for Medicare and Medicaid Services (CMS) has increased accountability for managed care operations in Medicaid programs over the past several years. First, in August 2002 CMS revised requirements for calculating rates in managed care programs by removing the upper payment limit requirement. This limit required managed care spending to remain the same or lower than the projected fee-for-service levels. As many states moved to Medicaid managed care, the historical fee-for-service data used to project the upper payment limit became outdated. As the fee-for-service data became outdated, the validity of this limit became a concern and CMS modified federal regulations to eliminate the upper payment limit and instead require that rates be actuarially sound. Revisions to the federal regulations became effective in August 2003. In order for the rates to be actuarially sound, the rates paid to the managed care organization or BHO must be sufficient to cover the cost of services. Second, the Balanced Budget

Act of 1997, also implemented in August 2003 under 42 CFR 438, required states to implement External Quality Review (EQR) standards for quality, timeliness, and access of the health care services furnished to Medicaid recipients by managed care organizations. Third, as part of the new regulations governing rates, in August 2003 CMS began to require a State Medicaid Agency operating a managed care program under a 1915(b) waiver, such as Colorado's, to track and determine payment rates for services covered under the State Medicaid Plan separately from payment rates and services covered under Section 1915(b)(3) of the state's managed care waiver. Section 1915(b)(3) services are those services provided in addition to State Medicaid Plan services as a result of savings achieved from operating a managed care program, rather than a fee-for-service program. Finally, the Deficit Reduction Act of 2005 (enacted in February 2006 as P.L. 109-171) required states to more closely scrutinize specific service types, including case management and targeted case management. CMS expects to promulgate rules related to the Deficit Reduction Act in late 2006.

State Oversight and Program Organization – Effective July 1, 2004, Colorado moved its Medicaid Community Mental Health Services Program from the Division of Mental Health within the Department of Human Services to the Department of Health Care Policy and Financing. Additionally, Colorado's network of managed care organizations was consolidated in the last bid cycle from eight BHOs in 1998 (previously referred to as Mental Health Assessment and Service Agencies, or MHASAs) to only five as of January 1, 2005. This consolidation involved significant changes in the BHO service areas and provider networks.

Effectively, Colorado has had a managed care program for Medicaid mental health services for nearly 12 years. However, significant changes in federal regulation and the State's structure of the Medicaid Community Mental Health Services Program since 2002 have pushed BHOs to develop more formal structures and processes for oversight. As a result, the changes in BHO infrastructure and the BHOs' responses to these changed standards are relatively recent.

Medicaid Mental Health Rates

In 1998, the Colorado Office of the State Auditor released an audit of Medicaid Capitation for Mental Health Services. This audit identified a number of concerns, including concerns regarding wide variances in per member per month rates paid to different BHOs for the same categories of Medicaid members. As an example, the Fiscal Year 1997 monthly rate paid to one BHO for members in the eligibility category of Children in Out of Home Placements (Foster Care) was $184/month while another BHO received $694/month for members in the same category, a difference of over 275 percent. Other eligibility categories demonstrated differences between the highest and lowest BHO payment rates ranging from 109 percent to 296 percent. The Department of Human Services, which was responsible for the

Medicaid Community Mental Health Services Program at the time of the 1998 audit, was not able to provide justification for the wide variation in rates. Widely disparate rates provide the appearance that rates are not equitable among service populations and service regions. Additionally, these disparities could result in significant variations in the level of mental health services that Medicaid members receive. Since the 1998 audit, the Departments of Human Services and Health Care Policy and Financing have taken a number of actions in an attempt to smooth the variance among rates, including consolidating the number of BHOs and having an actuary certify the soundness of rates paid to the BHOs.

Historically, the main factor affecting the development of managed care mental health rates in the early years of the Medicaid Community Mental Health Services Program was the then-existing federal requirement regarding the upper payment limit under 42 CFR 447.361. In response to the federal requirement, Section 25.5-5-408, C.R.S. (formerly Section 26-4-119, C.R.S.), was enacted effective July 1997, which required that all managed care programs cost no more than the equivalent fee-for-service program. Section 25.5-5-408(1)(b), C.R.S., specifically states that "under no circumstances . . . shall the state department pay a capitation payment to an [Managed Care Organization] that exceeds ninety-five percent of the direct health care cost of providing these same services on an actuarially equivalent Colorado Medicaid population group . . . ."

Although CMS eliminated the upper payment limit in 2002, state statute remains unchanged. We found during the current audit that as a result of the statutory requirement, the Department continues to base 70 percent of the managed care mental health rates on historical fee-for-service data from 1998 projected forward to present. In other words, the rates currently paid to the BHOs are determined using a weighted average approach with 70 percent of the rate derived from the original 1998 capitation rates (based on fee-for-service data) projected forward and 30 percent of the rate based on more recent "encounter" or service data. Effectively this means that the rate differences identified in the 1998 audit continue to be built into the rates currently paid by the State to the BHOs, and subsequently paid by the BHOs to the Community Mental Health Centers that provide the majority of mental health services to Medicaid members. The current audit found that rates continue to reflect disparities similar to those that occurred at the outset of the program 12 years ago, with some lessening due to the consolidation from the previous eight BHOs to the current five and the actuarial certification of the BHO rates. The implications of this continued practice of primarily basing rates on historical fee-for-service data are discussed throughout this report, most specifically in the concluding section focused on rate setting.

Audit Scope

The purpose of the *Medicaid Mental Health Rates* audit was to: (1) review and assess Colorado's current rate setting methodology for the Medicaid Community Mental Health Services Program to identify limitations in the current methodology and components used in the methodology and to make recommendations for future improvements to rate setting and (2) conduct a comprehensive review of each BHO's infrastructure for managing service utilization and quality. This included assessing the controls in place at the BHOs to ensure that services provided are medically necessary, determining whether access to services has been limited inappropriately by the managed care approach to service provision, and evaluating whether services are reported accurately to the State. The State Auditor contracted with Mercer Government Human Services Consulting (Mercer) to conduct the audit. During the audit, we requested and reviewed policies and information from each BHO for an initial desk review related to utilization management practices, service encounter tracking and reporting, quality management systems and controls, and customer service. We also reviewed service utilization reports based on Fiscal Year 2005 data, since Fiscal Year 2006 data have not been fully compiled as of the time of this report. We visited each of the five BHOs and conducted interviews with staff at all levels of the BHO organization and similar interviews with the executive directors/chief executive officers of all of the participating CMHCs to augment the information obtained through the desk review. Finally, we reviewed audited financial data from each BHO.

Service Utilization and Quality

Overview

Managed care is a system of delivering health care services that influences their accessibility, quality, and cost. Early attempts at managed care primarily focused on reducing costs by negotiating discounted fees with providers and conducting utilization reviews of high cost inpatient services such as inpatient hospital treatment, emergency room treatment, or residential treatment. As the managed care industry evolved, however, the focus shifted from cost containment to quality management, specifically the expectation that the right mix of services will provide the best medical outcome for the member at the most effective cost. The changes in federal regulatory oversight of Medicaid managed care organizations discussed in the previous sections formally initiated such a shift in the Medicaid program beginning in 2002. In response to these industry and federal regulatory changes, today's managed care programs should be designed to measure and influence program performance on the basis of critical indicators, such as individuals' access

to affordable, high quality providers and improvement in the health care status of members.

In Colorado, the Department of Health Care Policy and Financing (Department) contracts with five Behavioral Health Organizations (BHOs) to "… provide or arrange for the provision of all medically necessary covered mental health services" for all individuals enrolled in Medicaid in the BHO's geographical service area. The BHO contracts also specify that the BHOs should maintain a "comprehensive provider network." The Department reports that it purposely eliminated the use of the terminology "internal" and "external" network providers from the BHO contract language in 2004 to discourage the BHOs from distinguishing between internal and external providers. The Department's intent is that each BHO develop a comprehensive provider network in which provider services are appropriately managed and available to all members needing services, and that the BHOs hold all providers to the same standards and levels of oversight. However, we found that the business practices of the five BHOs and ongoing reporting requirements (i.e., the Mental Health Services Accounting & Auditing Guidelines) continue to distinguish between internal Community Mental Health Center (CMHC) providers and external or non-CMHC providers. Differences between the two groups of providers are most apparent in the way that the BHOs pay the providers and the degree to which the BHOs oversee provider utilization. To pay for all medically necessary covered mental health services, each BHO receives a flat rate per month for each Medicaid member living in the BHO's geographical service area, regardless of how many individuals actually seek services. These rates are differentiated based on the member's Medicaid eligibility category. In other words, the Department pays the BHOs flat monthly rates for each of the five eligibility categories (Elderly, Disabled, Children, Adults, and Foster Care). Regulations at the federal level for managed care programs such as Colorado's Medicaid Community Mental Health Services Program include rigorous expectations for ensuring the medical necessity of care provided. While the federal External Quality Review requirements under 42 CFR 438 include process measures related to medical necessity and utilization management (i.e., how a managed care organization controls an individual's access to services), compliance with these process requirements is not in and of itself sufficient to ensure that care is medically necessary. Therefore, both the integrity of state Medicaid systems and the ability of states to demonstrate medical necessity in the face of heightened federal scrutiny require managed care programs to maintain comprehensive and rigorous monitoring systems to ensure that medically necessary services are delivered and that quality care is accessible.

In our review of multiple states' managed care operations, we observed a number of components that represent industry standards and best practices and should be present in a managed care organization's utilization management program. These components include the following:

Prior authorization should be conducted for all intensive levels of care, including inpatient, residential, day treatment, intensive case management, and home-based services. Individuals generally should not receive care at these levels without a formal review by clinical care managers operating under the direction of the BHO's medical director.

Medical records should be reviewed regularly to determine whether any levels of care not subject to prior authorization are medically necessary. This should include routine review of statistically valid samples of medical records for individuals receiving services that are not prior-authorized.

Utilization data should be analyzed regularly to monitor utilization trends by level of care and across providers. Aggregate data on utilization should be reviewed regularly by clinical managers (including the medical director) to analyze and monitor utilization trends by level of care and across providers. In addition, service utilization by individual member should be monitored against specific criteria. Utilization patterns outside of established criteria ranges should trigger additional reviews of specific individual cases to protect against over- or under-utilization.

Clinical staff making utilization management decisions should be formally supervised. This should include formal face-to-face supervision by the medical director and senior clinical staff, formal training opportunities specifically designed to improve the quality of clinical staff's utilization management activities, monitoring of inter-rater reliability for utilization management decisions (where the reliability, or consistency, of utilization decisions is measured across clinical care management staff using standardized clinical case examples), and blind monitoring to observe and document clinical care management staff's customer service skills and ability to apply the published medical necessity criteria of the BHO (blind monitoring refers to observation of staff making utilization decisions when the staff member is not aware that they are being observed). On a day-to-day basis, medical directors and their senior clinical staff should be involved in training, supervision of staff involved in utilization management, provider audits, performance management of the clinical department, and the review of complex clinical cases.

Medical directors and the medical management department of a managed care organization should be involved in strategic planning and executive oversight, as well as leadership of day-to-day clinical operations. The medical director should play a key role or chair committees overseeing utilization management, quality, and credentialing activities. In addition, the medical director should have ultimate authority over the development and oversight of clinical policies, procedures, and practice protocols; staff development and

training; provider communications and training; and all medical necessity determinations.

Medical directors should be involved in fiscal planning and review of fiscal performance. Clinical decisions should not be driven by fiscal performance as the managed care operation is at its core a clinical operation. However, the medical director should have input into how clinical program needs and changes will influence fiscal performance and perform ongoing reviews of utilization trends and financial reports to monitor information about the performance of the managed care program. For example, spikes in rates of inpatient or residential care can highlight the need for the medical director to initiate additional review processes or community-based program development.

During our review of Colorado's Medicaid Community Mental Health Services Program, we evaluated the Department's oversight of the BHOs and whether the BHOs have the above components in place as part of their utilization management and monitoring for their respective provider networks.

BHO Utilization Management Practices

Utilization management is a central component of managed care. It should consist of a comprehensive approach that is based on data analysis and that targets oversight toward high cost and complex cases across levels of care more broad than just monitoring inpatient services. In addition, utilization controls should be augmented by network management, care management, medical management, case management, and other clinical programs that are focused on improving access to and quality of care. Utilization management includes monitoring for both over- and under-utilization of care. Over-utilization occurs when a managed care organization provides more services than are medically necessary or delivers services that do not provide an increased health benefit. Under-utilization occurs when a managed care organization or service provider does not provide the services needed to appropriately treat the member's diagnosed condition.

The Department manages Medicaid mental health services and associated expenditures through capitated arrangements with the BHOs in which each BHO agrees to provide all medically necessary care to Medicaid members for a fixed payment per member per month. This payment differs based on the eligibility category of the Medicaid member. In turn, the BHOs manage the services of their CMHC internal provider networks through sub-capitated arrangements in which the CMHC agrees to deliver all medically necessary services to Medicaid members in need of CMHC services for a fixed amount based on anticipated costs, not member months or rate categories. The BHOs pay providers in their non-CMHC external provider networks, including both inpatient providers and additional community-

based providers, on a fee-for-service basis. Capitation arrangements, such as those between the State and the BHOs and between the BHOs and the CMHCs, are intended to limit financial risk to the State and the BHOs that result from over-utilization of services. However, capitation arrangements can provide a false sense of security that all services provided are medically necessary.

For example, three of the five BHOs stated that it was not necessary for them to conduct utilization management oversight activities over their internal provider network (i.e., the CMHCs) because all CMHCs are subject to sub-capitation arrangements, and therefore are at financial risk for their own utilization of services. Additionally, although there is some onsite evaluation of utilization management provided through the Department's External Quality Review process, this process does not encompass a review of all industry standard utilization management procedures. Therefore, the Department does not have a comprehensive program for systematically monitoring utilization management across all BHOs.

While it is true that the BHOs and the CMHCs have a strong incentive not to over-utilize care and spend more on care than their capitated arrangements allow, this is not the same as ensuring that care provided is medically necessary or results in a beneficial outcome. Without active review of the care provided by CMHC providers, BHOs would have difficulty demonstrating that care delivered by the CMHCs is medically necessary or that services provided are efficient and effective in addressing the member's health care needs. Additionally, capitation arrangements provide strong financial incentives for BHOs and CMHCs to limit service expenditures in order to stay within their sub-capitated contracts, and as a result, there is a risk that BHOs and CMHCs may limit access to services or provide a lower level of care than is medically necessary. Therefore, it is important for the Department to monitor the BHOs' utilization management practices.

We reviewed the Department's oversight of BHO utilization management, and we conducted comprehensive reviews of BHO utilization management policies, procedures, and practices through a desk review and follow-up on-site visits with each of the five BHOs. At each BHO, we conducted interviews with BHO care managers and utilization managers, medical directors, and quality improvement staff. The results of these reviews were compared to the 10 separate utilization management practice components summarized earlier that represent the industry standards and best practices observed in our review of Medicaid mental health managed care operations in numerous states. Because the BHOs have different utilization management practices for their internal and external provider networks, we analyzed the BHOs' practices for managing each network separately. We found that the Department has not set standards or contractual requirements for the BHOs to conduct utilization management activities beyond those required by the External Quality Review process. As discussed, the utilization management aspects of the External Quality Review procedures are not adequate to ensure services provided are

medically necessary. Additionally, we found that the Department needs to conduct proactive oversight and monitoring of the BHO's utilization management practices. Further, we found that although the BHOs actively monitor utilization in their external provider networks, generally the BHOs are not conducting adequate utilization management of the services provided by their internal provider networks.

It is critical that the BHOs conduct adequate utilization management reviews of internal network providers because the majority of expenditures of the Medicaid Community Mental Health Services Program are for services provided by the CMHCs. For example, depending upon the individual BHO, the percentage of total BHO expenditures incurred through the CMHC internal provider networks was between 64 percent and 86 percent of the BHO's total expenditures for Fiscal Year 2005. When looking at BHO expenditures for medical services only, the amount of medical service expenditures incurred by internal network providers for Fiscal Year 2005 was as high as 95 percent, as demonstrated by the following table.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Behavioral Health Organization (BHO)
Comparison of Medical Spending
Internal versus External Provider Network
Fiscal Year 2005
(In Thousand's)

BHO	Internal Provider Network (CMHC) Expenditures	Internal Provider Network (CMHC) Percent of Total Medical Expense[1]	External Provider Network Expenditures	External Provider Network Percent of Total Medical Expense	Inpatient Medical Expenditures	Total Medical Expense
1	$18,400	67%	$5,300	19%	$3,800	$27,500
2	$26,600	89%	$300	1%	$3,100	$30,000
3	$9,700	95%	$200	2%	$300	$10,200
4	$11,200	84%	$1,000	7%	$1,200	$13,400
5	$20,900	89%	$1,500	6%	$1,000	$23,400
Total	**$86,800**	**83%**	**$8,300**	**8%**	**$9,400**	**$104,500**

Source: Mercer analysis of information in BHO audited financial statements for Fiscal Year 2005.
[1] Based on category of spending as a percent of total Medical Expense for Fiscal Year 2005.

Overall, our review found that although the BHOs use 9 of the 10 standard utilization management practice components to manage their non-CMHC external provider networks, the majority of BHOs use only one of the utilization management practices to oversee their internal provider networks. Therefore, BHOs generally lack

adequate monitoring procedures to oversee the appropriateness of the majority of their expenditures. Specifically, we found:

- None of the five BHOs currently require that CMHCs receive prior authorization to deliver intensive services to patients such as residential, day treatment, intensive case management, or home-based services.

- None of the five BHOs regularly review CMHC service encounter data (i.e., data on actual treatments and services provided to members) to identify cases that meet criteria that should trigger additional reviews by the BHO for possible over- or under-utilization by the CMHC. One BHO is in the process of implementing a method that monitors aggregate levels of service delivery by its CMHC, but the BHO does not review individual cases identified through this process for appropriateness of care. Aggregate-level reviews will not address problems at the individual case level.

- Only one of the BHOs actively monitors and analyzes data on services delivered at an aggregate level and by different levels of care for CMHC providers.

- Three of the five BHOs limit the roles of their medical directors in terms of direct oversight of CMHC care to those instances in which CMHC providers have denied care to Medicaid patients. The medical directors of these three BHOs also serve as CMHC medical directors, and therefore they are involved more broadly in the oversight of care delivery at their CMHCs. However, because in these instances the CMHCs own the BHOs, our concern is that the medical directors perform their oversight of CMHC care delivery from the perspective of the CMHC, not the BHO. Only two BHOs employ medical directors who are not also CMHC staff. In these two cases, the BHO medical directors participate more actively in broader oversight of utilization management activities with respect to services provided by the CMHCs, including chairing the BHO utilization management committee and being involved in data-driven medical management.

- None of the BHOs perform regular, formal supervision of CMHC staff making utilization management decisions for the internal provider network. One BHO does require that the CMHC self-report on delegated utilization management activities that include inter-rater reliability reporting, but these self-reports are not audited.

- All five BHOs delegate responsibility for utilization management to the CMHCs for services provided through the internal provider network, and three BHOs also delegate prior authorization of all inpatient services to the CMHCs. While four of the five BHOs have formal delegation agreements in

place with their CMHCs outlining the specific terms of the responsibilities delegated to the CMHCs, only one of these four BHOs conducts any formal monitoring of how the CMHC carries out the delegated utilization management activities. Even this BHO's efforts include only self- reported results without direct monitoring by the BHO.

While comprehensive medical record audits are conducted as part of the required External Quality Review process, these audits do not include assessment of whether the level of care delivered is medically necessary. Without formal and direct monitoring of the medical necessity determinations made by CMHCs with delegated utilization management responsibilities, there is no mechanism in place to ensure that the CMHCs carry out their contractual obligations for managing utilization. In other words, the CMHCs are responsible for overseeing their own utilization management, with essentially no external oversight by the BHOs of these utilization management processes.

In addition to following the standard protocols for managing utilization discussed above, managed care organizations should specifically monitor for under-utilization. Our review found that BHOs rely on a reactive system of oversight for under-utilization. Specifically, if a Medicaid member seeks care, and the member protests either the provider's denial of care or the level of care that the provider recommends, then this action must be documented and reviewed by the BHO medical director. This process is a direct requirement of the federally-mandated External Quality Review regulations effective in August 2003, and all five BHOs have implemented such a process. The problem with relying solely on this approach is that the BHO will only identify potential instances of under-utilization if the member actively disagrees with the service provider's care decisions. If too little care is provided and the member does not know either that the level of care is inappropriate, or the member is not able or willing to tell the provider that they disagree with the care plan, then the under-utilization will not be identified. Given the vulnerability of many mental health service recipients and the technical nature of many mental health services, relying solely on the recipient to identify all instances of limited or inadequate access to care is not a reliable means of monitoring for under-utilization. This reactive approach could have implications for the adequacy of the care provided and ultimately result in high costs of care in the long-run through increased crisis intervention services, such as emergency room and inpatient treatment that result from a lack of more routine care.

As part of the development and implementation of a comprehensive system of utilization management, the BHOs should follow specific standards to proactively monitor for under-utilization. We found that neither the Department nor any of the

BHOs actively monitor for under-utilization by their CMHC providers. The Department should work with the BHOs to develop standards and practices based on the following indicators to identify potential under-utilization by providers.

- **Missed Appointments.** BHOs should have processes in place to identify members that discontinue care prematurely, with particular attention to needed outreach for members at higher risk. For example, any member missing follow-up appointments post-discharge from episodes of 24-hour care or otherwise missing three or more outpatient appointments of any type could trigger review by a BHO care manager. In addition, any active authorization for which care has not been delivered in a 60-day period could be identified for review.

- **Readmission Rates.** BHOs should identify members at the individual member level (not just in aggregate) that are readmitted to inpatient or residential care within 7 and 30 days of discharge. Any cases readmitted in these time frames could trigger a special review.

- **Crisis Service Use.** Crisis services are by their nature responses to situations that are out of control. While many people need repeated crisis support, this can also be a sign of inadequate care planning or ineffective or inadequate service availability. BHOs should have processes in place to detect and trigger a review of members using a high level of crisis services. For example, BHOs could conduct a special review of any cases where four or more crisis services are used by a member within a 30-day period.

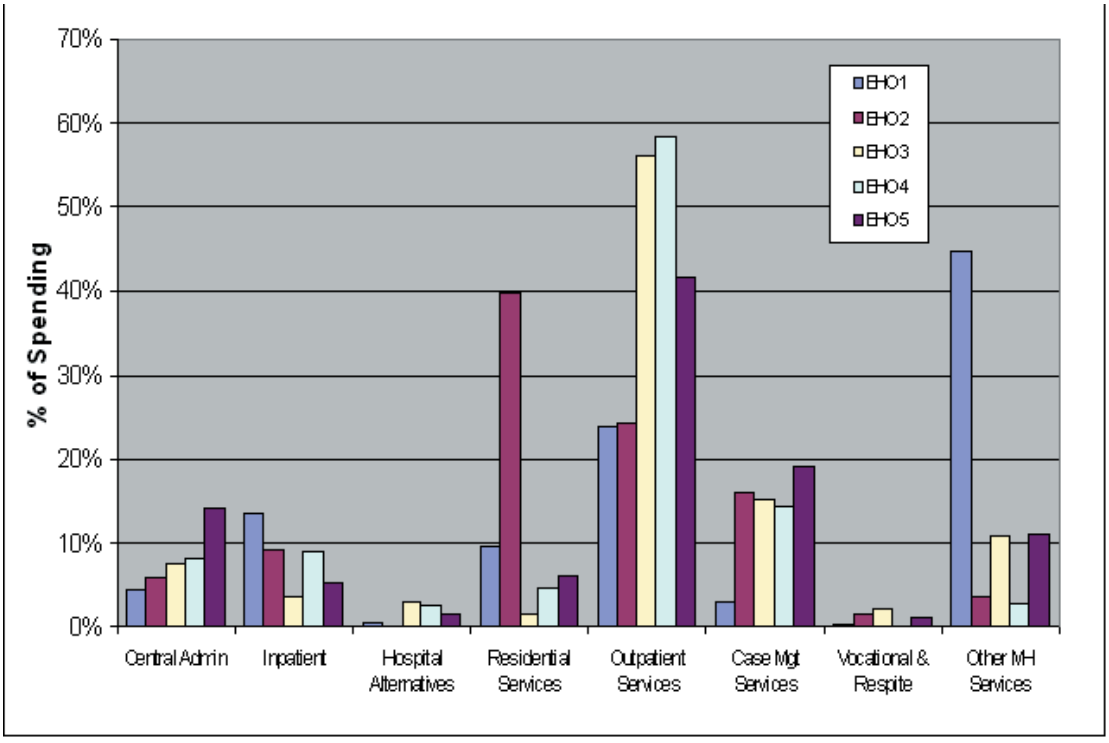
- **Under-Utilization at Any Level of Care.** Once services across levels of care are actively monitored by BHOs, service usage can be summarized and ranked from highest to lowest, and criteria related to the expected level of service use for each defined level of care can be developed. Any individuals receiving a level of service that is significantly below the average use for a given level of care could trigger a review by the BHO. A similar standard could also be developed for over-utilization.

- **Quality of Care Concerns.** Any case involved in a sentinel event or critical incident, such as a suicide, homicide, member injury, or allegation of abuse or neglect, should be reported by network providers to the BHO and trigger additional review.

Similar to the arrangement under the fee-for-service system that existed in Colorado prior to the implementation of managed care in 1995, our audit found that for the most part CMHCs continue to make decisions about the level of care that is to be provided with very little external oversight of the appropriateness of their care decisions by the managed care organizations, or BHOs. One of the possible effects

of such a lack of oversight of utilization management by the BHOs can be seen in the graph below. The graph shows spending across functional areas by BHO, including several types of clinical levels of care. There is wide variability in the use of some types of clinical services. For example, in the case of one BHO, Residential Services represent approximately 40 percent of its total spending, while all other BHOs incurred 10 percent or less of their total spending for Residential Services. Significant ranges among BHO spending can be seen for Outpatient Services and Other Mental Health Services as well. While there may in fact be medical justification for such widely varying utilization patterns, without adequate oversight of service utilization, both the Department and the BHOs will have difficulty demonstrating that such use is medically necessary or beneficial.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Expenditures by Functional Area
Across All Eligibility Categories - By BHO
Fiscal Year 2005



Source: Mercer analysis of Fiscal Year End 2005 Supplemental Schedules from the BHOs' financial statements and Independent Accountants' report.

Managed care practices are evolving across the country, and Colorado is not alone in having gaps in its system for overseeing utilization and medical necessity. We found evidence that many of the BHOs have taken initial steps to redesign and increase the rigor of their utilization management processes since the start of their new contracts with the State beginning midway through Fiscal Year 2005 (January 1, 2005). Generally, these improvements have been to increase the independence of financial and managerial oversight of the BHOs from the CMHCs, separating out more formally the ownership and management structures of the BHOs. As mentioned previously, the BHOs are generally owned or operated at various degrees by the CMHCs. After the 2005 contracts were in place, one BHO spun-off its managed care functions from its CMHC to an entirely new entity in order to increase independence in the BHO's oversight of the CMHC. Two other BHOs split more formally from their CMHC owners, naming executive directors who were independent of the CMHCs and formalizing distinctions between their utilization management programs and the CMHCs' clinical management. These BHOs also restructured to have chief financial officers who are independent from the CMHCs, further formalizing boundaries between the CMHCs and the BHOs. All five BHOs had implemented targeted provider monitoring and oversight in response to federal External Quality Review requirements.

While all of these changes are movement in the right direction, additional separation of authority between the BHOs and their CMHC providers is needed in the area of utilization management. Specifically, to remove real or perceived conflicts of interest between the BHOs and the CMHCs and to improve the BHOs' ability to function as managed care organizations, the Department should require BHOs to more directly and transparently manage utilization of services by the CMHCs. Without more formal separation, the CMHCs are in effect managing themselves, and there is little assurance that the CMHCs are managing care in a way that ensures the best interests of the State or that the individuals served by the CMHCs are adequately protected.

To accomplish this, the BHOs should significantly increase their utilization management activities to ensure that the appropriate level of medically necessary care is being provided to members served through their CMHC provider networks. Furthermore, utilization management is critical to ensure the validity of encounter data upon which the new rate setting methodologies proposed later in this report are based. Without adequate utilization management and oversight of the clinical care provided by CMHCs, encounter data used in the rate setting process will not be based on the medical needs of the Medicaid populations to be served, and will likely perpetuate disparities in the services provided and rates paid to providers with different utilization practices. In addition to the utilization management procedures required by the External Quality Review process, the Department should require the BHOs to comply with additional, industry-standard utilization management procedures and ensure consistent management of service utilization among the

BHOs. As part of developing a comprehensive utilization management strategy, the Department should continue working with the BHOs to eliminate distinctions between internal and external providers. The strategy should provide the BHOs flexibility to tailor oversight approaches to high volume providers and maintain the capacity for BHOs to monitor utilization by provider.

Given the timing requirements for rate setting, it is critical that the Department take action on this immediately. For example, if the Department is able to have improved utilization management procedures in place within the current fiscal year (Fiscal Year 2007), the first full year of encounters subject to these procedures will be those in Fiscal Year 2008, which will drive rate setting activities in Fiscal Year 2009. The rates will not be implemented until Fiscal Year 2010. The Department should incorporate requirements for minimum utilization management into its contracts with all BHOs that participate in the State's Medicaid Community Mental Health Services Program, monitor the BHOs for compliance to the requirements, and take appropriate action if BHOs do not adhere to the requirements.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 38:

The Department of Health Care Policy and Financing should improve utilization management in the Medicaid Community Mental Health Services Program by:

a. Requiring the BHOs to disclose the nature and extent of their financial and organizational relationship with the CMHCs to the Department annually.

b. Reviewing the ownership and governance relationship between the CMHCs and the BHOs to ensure that oversight of utilization management is sufficiently transparent and accountable given the potential for conflicts of interest between the CMHCs and BHOs.

c. Working with the BHOs to develop requirements for a minimum set of utilization management procedures and incorporating these requirements into the State's contracts with the BHOs in order to supervise the activities of all providers, whether part of the BHO's internal or external provider networks. The distinction between "internal" and "external" providers should be eliminated, although BHOs should be allowed to implement tailored oversight approaches for high volume providers, such as the CMHCs, and maintain the capacity to monitor utilization by provider. Procedures should include standard protocols that monitor for both over- and under-utilization. In addition, since industry standards for utilization management will continue

to evolve, the Department should implement a process for monitoring the adequacy of these minimum practice standards and updating them as needed over time. This process should involve BHOs, as well as periodic reviews of practices employed by other states.

d. Requiring BHOs to establish formal delegation agreements when delegating utilization management functions to any agency, especially their providers. Such agreements between the BHOs and any delegated entities (CMHCs or other organizations) should be reviewed and approved by the Department prior to the BHOs' execution of the agreement. Formal agreements to delegate utilization management should require the providers to furnish annual reports on utilization management procedures conducted and the documented results of those procedures. Delegation of utilization management functions should supplement but not replace utilization management activities conducted by the BHOs.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: July 2007.

   The Department will require the BHOs to disclose the nature and extent of their financial and organizational relationship with the CMHCs to the Department by March 2007 and annually and incorporate this requirement into the BHO contracts by July 2007.

b. Agree. Implementation date: July 2007.

   The Department will review the ownership and governance relationship between the CMHCs and BHOs to ensure that oversight of utilization management is sufficiently transparent and accountable. Where BHOs do not establish or maintain oversight of utilization management functions, corrective action will be required.

c. Agree. Implementation date: October 2007.

   The Department will work with the BHOs to develop requirements for a minimum set of utilization management procedures for overseeing the activities of both CMHC and non-CMHC providers and incorporate these requirements into the BHO contracts. Procedures will include standard protocols for monitoring over- and under-utilization. The Department will work with the BHOs to implement processes for monitoring the

adequacy of utilization management practice standards and updating them as needed over time.

d. Agree. Implementation date: December 2007.

The Department will require BHOs to establish formal delegation agreements when delegating utilization management functions. Such agreements between a BHO and any delegated entity will be reviewed and approved by the Department prior to the BHO's execution of the agreement. Formal delegation agreements for utilization management will require delegated providers, which may include CMHCs, to report utilization management activities and results of procedures. Delegation of utilization management functions will not replace oversight of utilization management activities by the BHOs.

Financial and Quality Performance

Monitoring financial reports and quality performance measures is a key component to understanding the actual cost of delivering care, the financial condition of each BHO, and the quality of care offered through the BHOs. Many states have implemented financial and quality performance measure reporting requirements for their health plans to obtain cost and financial information on a quarterly basis. Financial reports reflect data such as administrative spending and the overall profit or loss experience of a BHO, which cannot be determined simply by a review of encounter data. Analysis of cost and financial information also complements the review of encounter and utilization statistics to support the rate setting process and allows the State Medicaid Agency to conduct additional monitoring of BHO performance. Once cost data and supporting details are collected, a comparison between BHOs can be performed to identify differences in costs, including analysis of costs per person by functional area, category of spending, or eligibility category. Similarly, cost information, service encounter information, and quality performance measures can be used in tandem to identify the most cost-effective way to deliver high quality care. We found that the Department needs to improve its financial and quality performance monitoring of the Medicaid Community Mental Health Services Program by developing specific financial and quality performance indicators.

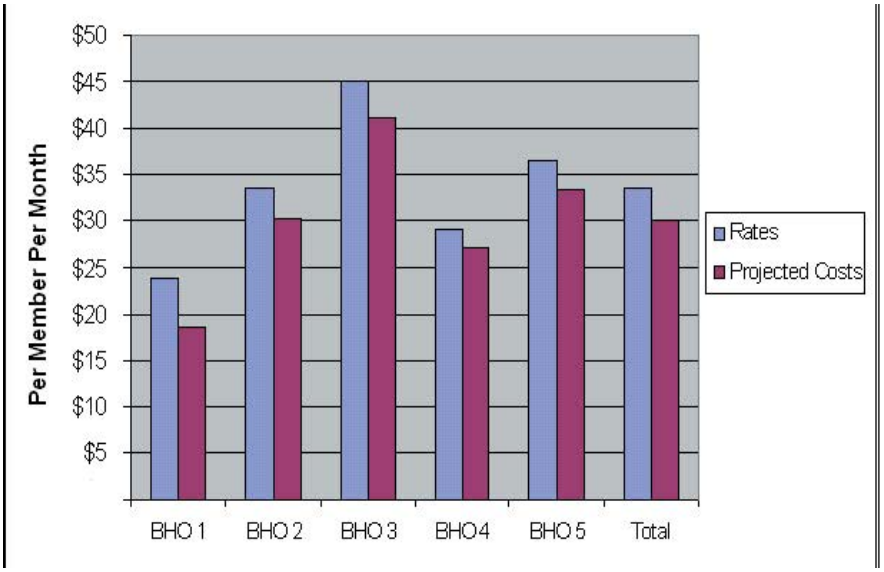
To obtain an understanding of the BHOs' financial information, we performed a desk review of the Fiscal Year 2005 audited financial statements and followed up on this review during on-site visits at each BHO. Additionally, we reviewed data supplied by the Department on the number of member months for each BHO; these data represent the number of Medicaid members in each BHO's geographical area on a monthly basis, which is useful for performing comparisons between BHOs on a per

member basis. We performed a number of analyses related to the BHOs' financial performance. These types of comparisons would be useful for the Department to incorporate into its future monitoring of BHO performance and into contracts with the BHOs. In addition, this type of analysis would assist the Department in addressing questions from stakeholders on rate parity among BHOs and in identifying BHO-specific service and cost issues that may warrant further investigation or intervention.

With respect to the graphs that follow, it is necessary to point out that these graphs are provided as examples that illustrate the types of analysis that would be beneficial for the Department to perform. Given the lack of consistency and other discrepancies described previously regarding how encounter data are reported by BHOs and how the Department prices encounters, information in the graphs cannot be relied upon as a basis for firm conclusions regarding BHO performance.

First, we compared Fiscal Year 2007 rates to Fiscal Year 2007 projected costs by BHO. We projected Fiscal Year 2007 expenditures by trending Fiscal Year 2005 audited BHO expense data at the 3.85 percent cost-of-living rate used by the Department's actuary, PricewaterhouseCoopers, LLC during their certification of the 2007 rates. This analysis was performed to demonstrate how the Department could use financial data and project it forward to assess whether individual BHOs would be likely to break even, make, or lose money on a per member per month basis in the year ahead. For all BHOs, this graph shows that the Medicaid mental health rates paid per person (per member month) are expected to exceed the projected cost per person of providing Medicaid mental health services. Additionally, these data show that the profit margin of BHO #1 is higher than that of the other BHOs. This type of analysis would be useful in helping the Department to identify situations where adjustments in rates may be warranted, or where rates and costs at a particular BHO require further investigation.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Comparison of Rates and Projected Costs[1]
Across All Eligibility Categories - By BHO
Fiscal Year 2007



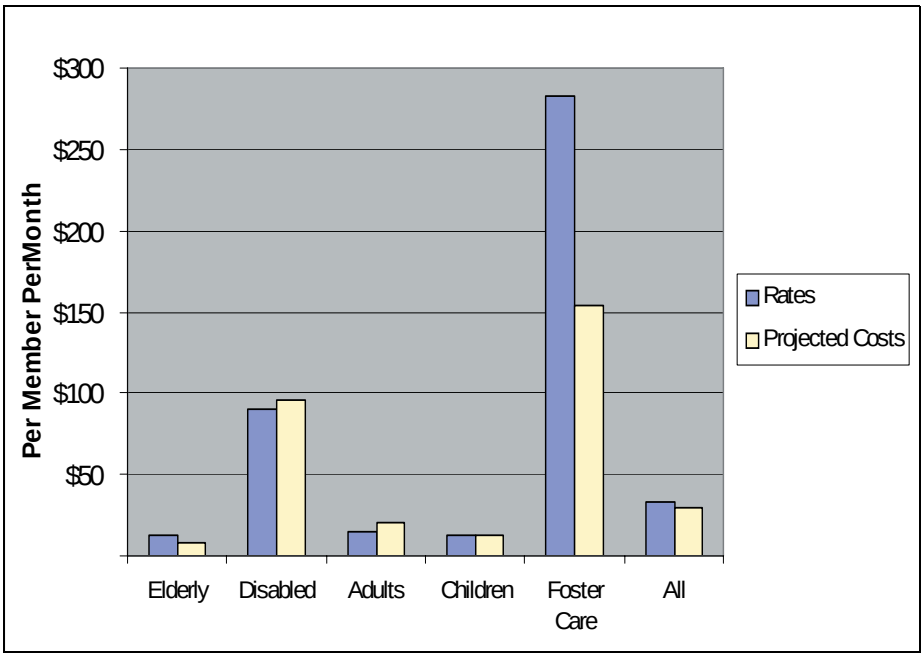
Source: Mercer analysis of Fiscal Year End 2005 Supplemental Schedules from the BHOs' financial statements and Independent Accountants' report and analysis of Final Rates for Fiscal Year 2007 and Fiscal Year 2007 Per Capita Costs from Pricewaterhouse Coopers' Actuarial Certification of Department rates.

[1]Totals across all BHOs and all eligibility categories are weighted averages based on actual Fiscal Year 2005 BHO member months. Cost data by eligibility category does not include a pass-through amount of approximately $11.6 million paid to one BHO under the Goebel lawsuit settlement during Fiscal Year 2005. Projected costs are taken from Fiscal Year 2005 BHO expense data trended at the 3.85 percent cost-of-living rate; this is consistent with the method used by PricewaterhouseCoopers LLP in its certification of rates performed under contract with the Department of Health Care Policy and Financing. Cost data for BHO #3 and BHO #5 are for the second half of Fiscal Year 2005 only and are trended from that point.

Second, we compared Fiscal Year 2007 rates and Fiscal Year 2007 projected costs by eligibility category. This comparison shows that the rates paid on a per member per month basis by eligibility category do not appear to cover the costs per member for all categories, except for the Elderly and Foster Care eligibility categories. This could mean that rates paid for services in this category do not align with costs for that eligibility category, and that the Foster Care rates may be subsidizing the care for other eligibility categories. Again, this representation could be inaccurate because of the problems with reporting of encounters by the BHOs discussed earlier. However, if this analysis is substantiated with valid encounter and cost data, it could

indicate a need to realign rates. These types of discrepancies warrant further investigation and monitoring because CMS requires that managed care rates be actuarially sound. This means that the rate paid must be appropriate for the specific population that the rate is intended to cover. Furthermore, one rate should not subsidize the services provided under another eligibility category.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Comparison of Rates and Projected Costs
Across All BHOs - By Eligibility Category
Fiscal Year 2007

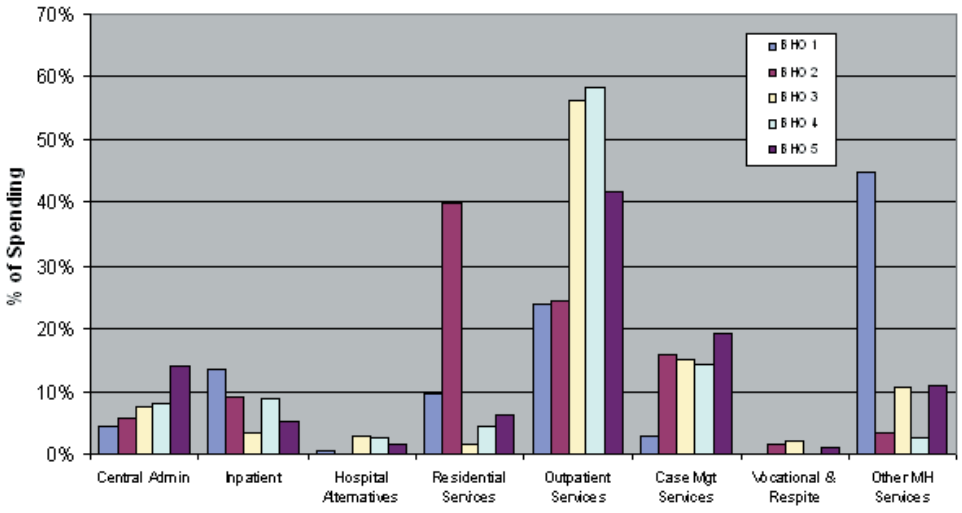


Source: Mercer analysis of Fiscal Year End 2005 Supplemental Schedules from the BHOs' financial statements and Independent Accountants' report and analysis of Final Rates for Fiscal Year 2007 and Fiscal Year 2007 Per Capita Costs from Pricewaterhouse Coopers' Actuarial Certification of Department rates.

Third, we compared Fiscal Year 2005 spending, as a percent of total spending by functional area for each BHO. This analysis shows that BHO #2 reported significantly higher spending on Residential Services per member per month as compared to BHO #3, which had lower spending on Residential Services and higher spending on Outpatient Services. In addition, BHO #3 reported the lowest Inpatient costs when compared to the other BHOs. These types of disparities in service protocols warrant additional follow-up by the Department to evaluate potential differences in client outcomes for different types of services, such as the use of

Residential Services versus Outpatient Services. Additionally, this analysis shows that BHO #5 had the highest percent of spending (14.2 percent) for Central Administration and is the only BHO to exceed the nine percent administrative assumption factored into the rates. BHO #1 has the lowest percent of spending (4.3 percent) for Central Administration, well below the nine percent assumption. Both situations warrant further investigation. This type of reporting and analysis can be used to identify how BHOs are allocating resources and eventually to link with whether a particular type of service protocol might result in better health outcomes for members. Such analysis can be used to support continuous improvement and best practices among the BHOs through policies that reward service protocols that provide the most cost-efficient, quality outcomes.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Expenditures by Functional Area
Across All Eligibility Categories - By BHO
Fiscal Year 2005



Source: Mercer analysis of Fiscal Year End 2005 Supplemental Schedules from the BHOs' financial statements and Independent Accountants' reports.

In addition to monitoring financial reports, the Department should monitor quality performance measures. Standards for measuring the quality of care provided by managed care organizations have evolved considerably since the advent of Medicaid mental health managed care in Colorado. Specifically, the National Committee for Quality Assurance (NCQA) and other states, such as Pennsylvania, have developed

quality performance measures for managed care systems. Quality performance measures developed include:

- Inpatient utilization in terms of admissions per 1,000 members, days per 1,000 members, average length of stay (in aggregate and with breakdowns by standard age groups).

- Outpatient utilization in terms of visits per 1,000 members (in aggregate and with breakdowns by standard age groups).

- Readmissions to inpatient settings within 7 and 30 days.

- Follow-up appointments at 7 and 30 days after discharge from inpatient treatment.

- Emergency room use, including visits per 1,000 members and proportion of visits that result in an admission (in aggregate and with breakdowns by standard age groups).

- Target penetration rates – or targeted percentage of the Medicaid population that seeks and receives services (in aggregate and with breakdowns by standard age groups).

States and health plans that have instituted standard performance measures like these must then collect baseline data on which to base the performance standards specific to their state's Medicaid plan and system. States vary considerably in their Medicaid benefit design and provider capacities, and sometimes also vary across state regions, so performance standards must be tailored to each state's specific circumstances.

In reviewing the quality reporting systems of the BHOs, we found that BHOs were in almost all cases tracking some of the above performance measures for their own use and, in the case of three BHOs using a common subcontractor to process encounters, comparing trends across the respective BHOs. However, we found that BHOs were not systematically reporting industry-standard performance reporting measures to the Department. Furthermore, the Department has not established (1) consistent standards for BHOs to calculate these measures, or (2) standardized statewide reporting requirements that BHOs should use to report these measures. We found that while many of these measures were included in quality indicator reports or External Quality Review findings submitted to the Department, the measures are not reported in a standardized format for comparison across BHOs. For example, all BHOs track inpatient utilization in some manner, but some perform this analysis in terms of number of visits per member and others track inpatient utilization on an aggregate basis. Additionally, four BHOs track usage of allocated adult state hospital beds at the individual level (though not in aggregate), and one BHO does not

track adult use of state hospital beds at all. All BHOs track penetration rates, which are rates that measure the percentage of all members that receive services; however, some do so only in aggregate and others do so only by child and adult age groups. We did not identify any apparent barriers to reporting these types of data consistently across BHOs. However, in the absence of Department-promulgated requirements for BHOs to report on industry-standard performance measures, BHOs will naturally vary in their reporting approaches.

To develop a process for standard reporting for key financial and performance measures, the Department should perform a systematic review of existing financial reporting requirements and review financial and performance reporting standards used by leading managed care states. The Department should then discuss reporting options with representatives from the BHOs to identify a minimum set of standard financial and performance reporting requirements. The examples of analysis and reporting in this section provide information on the types of financial analysis and performance reporting measures used by the leading managed care states that we have reviewed. The measures chosen by the Department and BHOs should reflect the performance areas the State is targeting and the most reliable way to track them. Furthermore, the Department should develop processes to regularly review standard financial and performance reporting processes and regularly update those processes to ensure their reliability and relevance, as standards and systems evolve over time. As financial and performance reporting becomes more consistent and comparable among the BHOs, the Department should work to incorporate such measures into the rate setting process.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 39:

The Department of Health Care Policy and Financing should improve reporting and analysis of financial and performance information related to the Medicaid Community Mental Health Services Program by:

a. Reviewing existing financial and clinical performance measures reported by the BHOs to ensure the data elements are reported consistently across the BHOs.

b. Developing standardized financial reports and performance measures that reflect key aspects of the Medicaid Community Mental Health Services Program and are consistent with nationally recognized measures. The Department should require all BHOs and their provider networks to submit

standardized reports on a periodic basis and incorporate these requirements into the State's contract with each BHO.

c. Implementing periodic analysis of information reported by BHOs and their provider networks, including analysis of rates versus actual reported costs, detailed per member per month cost analysis by spending and eligibility category, rates by eligibility category, and clinical quality performance indicators. This analysis should be used as a basis for identifying areas in which to conduct further investigation and appropriate action, as well as to support the rate setting process.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: Ongoing.

   The Department will continue to work with the BHOs to ensure consistency in the existing clinical performance measures.

b. Agree. Implementation date: July 2008.

   The Department will develop additional standardized financial reports and performance measures by July 2007 that reflect key aspects of the Medicaid mental health program and are consistent with nationally recognized measures. The BHOs will need to modify data systems for reporting additional clinical measures. This will be accomplished by September 2007. These reports will be submitted to the Department on a periodic basis and the reporting requirements will be incorporated into the BHO contracts. Additional clinical measures will be finalized for routine reporting by July 2008.

c. Agree. Implementation date: July 7, 2007.

   Periodic analysis of information reported by the BHOs will begin. The Department will implement periodic analysis of information reported by the BHOs and use this analysis as a basis for identifying areas in which to conduct further investigation and appropriate action.

Telephone Access to BHOs

BHOs maintain telephone access lines that enable the Medicaid members they serve to contact a BHO at any time of day to access needed mental health services. The access lines are staffed 24 hours per day, seven days per week by either clinicians or non-clinicians with experience and training in behavioral health issues. If non-clinicians are used, federal regulations require that there be immediate access to a licensed, clinical staff member for calls to the BHO requiring clinical assistance. These standards are specific to calls made to the BHO's primary access line. Providers such as CMHCs may also provide their own access lines, but these federal standards pertain only to the primary BHO telephone line.

To ensure that member calls are answered quickly, BHOs should provide adequate staff resources to handle the volume of calls. Based on our review of Medicaid mental health managed care plans in other states, staff-to-member ratios vary depending on the plan's covered services, volume of users, managed care program requirements, and call volume. Typically, plans have one staff member answering calls for between 7,500 and 25,000 covered members depending on the Medicaid plan.

Most leading managed care organizations monitor call performance to their primary access line on a weekly basis and report call performance statistics to their state oversight agency at least quarterly. These reports assess performance on key indicators, such as average speed of answer, percent busy, call abandonment rates, and average length of calls for individual staff and clinical teams. Many states have implemented performance guarantees with associated penalties if the managed care organization is not able to meet defined performance standards on key call statistics. Based on our reviews in other states, typical performance thresholds include average time to answer of 30 seconds, less than 3 to 4 percent abandonment rates, and zero percent busy. In addition to call responsiveness statistics, well-run managed care organizations conduct blind call monitoring, where senior clinicians or managers conduct live monitoring of staff that take calls to assess the appropriateness of information provided, referrals made, and customer service. Results of the blind monitoring and call performance statistics should be reviewed with staff as part of the managed care organization's regular supervision activities.

We found that only two BHOs operate telephone access monitoring systems that reflect the industry standards described above. The other three BHOs neither conduct blind monitoring nor collect call statistics for their primary access lines. As a result, the three BHOs without monitoring systems cannot ensure that individuals seeking mental health assistance through the primary access lines receive appropriate customer service. In the mental health services field, it is critical that a person calling his or her managed care organization for assistance be helped quickly and

appropriately without having to make multiple inquiries or call back due to busy lines or dropped calls. Particularly in the area of mental health services, poor service by the managed care organization risks failure to respond adequately to an individual experiencing a serious, life-threatening crisis.

To ensure adequate responsiveness of BHO primary access lines, the Department should specify performance standards, such as abandoned or dropped call rates under 3 percent, average time to answer under 30 seconds, and no busy signals, as well as require automated systems for monitoring such performance. To ensure the quality of calls received, standards should also require that BHOs regularly conduct systematic blind monitoring of customer service staff call quality, with more frequent monitoring for new staff or staff that are not meeting performance requirements. To ensure accurate reporting, the Department should develop a standard format for BHOs to use when tracking and reporting on telephone access. These requirements would need to be incorporated into contracts with the BHOs, along with penalties for noncompliance.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 40:

The Department of Health Care Policy and Financing should ensure adequate performance of telephone access lines maintained by BHOs by identifying performance standards such as those discussed above. These standards should be incorporated into BHO contracts, along with penalties for noncompliance.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: January 2008.

The Department will require BHOs to have automated systems for monitoring telephone access. Performance standards, such as those discussed in the report, will be identified by the Department and incorporated into BHO contracts. Telephone access line performance standards will be added by July 2007 to the access to care reporting currently in place. To monitor BHO performance, the Department will establish a standard format for BHOs to use in tracking and reporting key telephone call statistics to the Department. Fully operational BHO telephone monitoring systems and reporting requirements will be completed by January 2008.

The Department has existing language in the BHO contracts for remedial actions and sanctions (Section IV) and requires submission and successful completion of a corrective action plan when performance standards have not been met. These actions and sanctions will apply to telephone access standards.

Third Party Payers

Under federal regulations, Medicaid is the payer of last resort. Accordingly, State Medicaid programs are required by 42 CFR 433.135 through 433.148 to identify and recover liabilities owed by third party payers, such as private insurance companies, Medicare, or prepaid benefit plans. In other words, if a Medicaid member has private insurance that pays for mental health coverage, the private insurance benefits should be exhausted prior to services being paid for by the Medicaid mental health services program. Under Colorado's Medicaid Community Mental Health Services Program, the Department pays a capitated Medicaid mental health payment to each BHO for all Medicaid clients living in the BHO's designated service area. As part of this arrangement, the BHO agrees to provide all medically necessary mental health services to all members that seek care. As a result, the BHOs incur the actual medical costs, and therefore are responsible for third party recoveries.

For Colorado's Medicaid Community Mental Health Services Program, the BHO contracts require that the BHOs implement systems and procedures to identify potential third party payers and that, on a monthly basis, the BHOs notify the Department's Fiscal Agent (i.e., the entity the Department contracts with that is responsible for processing all Medicaid claims for payment) of any third party payers. The BHOs are required to actively pursue and collect from third party payers and provide quarterly reports to the Department on all recoveries made. The BHOs are allowed to retain all amounts recovered.

However, we found that the Department needs to improve its monitoring of BHO third party liability recovery efforts to ensure that the BHOs are complying with their contractual requirements and that recovery efforts are maximized. Additionally, the Department needs to require the BHOs to monitor the third party liability recovery efforts of all providers. Our site visits revealed that third party recovery efforts by the BHOs center only on the claims they directly pay through the external provider network (i.e., fee-for-service claims). This means that the BHOs are not monitoring third party recoveries on payments made to internal network providers. As shown earlier, our analysis indicates that BHOs spend between 67 percent and 95 percent of their total medical expenses on internal provider network services, or services provided by or through the CMHCs. Without adequate third party recovery efforts

by the BHOs and their providers, capitation rates could be slightly higher due to increased provider costs that are not off-set by third party recoveries.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 41:

The Department of Health Care Policy and Financing should work with the BHOs to improve processes for identifying third party payers and recovering payments in its Medicaid Community Mental Health Services Program by:

a. Ensuring compliance with BHO contracts by reviewing and assessing the adequacy of BHO procedures for identifying and recovering from third party payers and ensuring that third party recovery efforts are adequate for services provided through both the internal and external provider networks.

b. Requiring BHOs to actively monitor the third party recovery efforts of all providers.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: January 2008.

The Department will review and assess the adequacy of the BHOs' third party recovery procedures for both the CMHC and non-CMHC providers within their networks. Where the Department finds BHO processes and procedures to be inadequate, corrective action will be required.

b. Agree. Implementation date: January 2008.

The Department will require the BHOs to actively monitor the third party recovery efforts of all providers. The Department will monitor BHO third party recovery activities on a quarterly basis and revise reports as needed to ensure that BHOs are monitoring both CMHC and non-CMHC provider third party recovery activities.

State Hospital Beds

In total, the CMHCs manage the use of 155 adult inpatient beds at the Colorado Mental Health Institutes at Fort Logan and Pueblo. The State General Fund pays for beds managed by the CMHCs. There are also children, adolescent, and geriatric inpatient beds at the Colorado Mental Health Institutes that are not allocated for the use of the CMHCs, but are instead purchased by the Department's Medicaid program (including the Medicaid Community Mental Health Services Program), or otherwise used on an as-needed basis. The allocated adult inpatient resources are available for all Colorado residents in need of them, whether or not they have Medicaid coverage. In turn, CMHCs are responsible for managing this resource for all populations of individuals needing service, whether individuals are Medicaid recipients or not. The CMHCs' use of these beds must be maintained within the allocated levels. For adults ages 21 to 64, Medicaid cannot pay for inpatient stays in state-allocated hospital beds because of Medicaid program restrictions on paying for adult hospital care in what are termed "Institutes of Mental Disease" or IMDs. While state hospital resources can be purchased by Medicaid for children and older adults, they cannot be purchased for adults ages 21 to 64. However, it is allowable for the BHOs to use Medicaid funds to pay for inpatient mental health treatment in community or in general hospital settings, such as Denver Health Medical Center, the University of Colorado Hospital, and other general hospitals offering inpatient mental health treatment across the State.

Currently, BHOs differ dramatically in their use of allocated adult state hospital resources for Medicaid recipients within the Medicaid Community Mental Health Services Program. One BHO does not track use of these resources and relies fully on CMHCs to manage their use. On the other hand, another BHO currently provides nearly all of its inpatient care for adults using its CMHCs' allocated adult beds. Other BHOs fall in between. One BHO has formally divided its allocation based on historical use patterns, with the CMHC managing a portion and the BHO managing a portion.

There are two competing primary interests governing the use of these allocated state hospital resources that the State must balance. On the one hand, allocated adult state hospital beds are an important resource for the State's non-Medicaid individuals. Therefore, excess use by the BHOs for its Medicaid members may reduce the availability of these resources to non-Medicaid populations. On the other hand, under-use by the BHOs of the state hospital beds for their Medicaid members could result in higher costs to Medicaid. This could occur because BHOs that use non-state hospitals to provide inpatient services must pay for the costs of this care out of their Medicaid rates.

For example, a BHO that uses primarily non-state beds would show greater overall inpatient costs related to its Medicaid population because the BHO is paying for these services out of its capitation payment, while another BHO that uses primarily state hospital beds would show a lower level of costs for inpatient services because the State, and not the BHO, pays for inpatient stays in these state-allocated beds. This would tend to increase Medicaid rates for BHO areas that did not use state allocated hospital resources, relative to rates in those areas that did make use of them. Current data on adult bed allocations and their use by BHOs is not available because BHOs do not consistently track this information. Past analyses of Colorado Mental Health Institute utilization by BHOs has suggested that many BHOs increased their use of allocated adult beds for Medicaid recipients post-capitation.

Each region of the state has developed its own system for managing its allocation of state hospital resources. Some CMHCs agreed in past years to reduce their state hospital adult inpatient allocation to shift funding from closed state hospital units to acute treatment units and inpatient resources within their geographical service areas. Others responded to the build up or loss of community inpatient resources by adjusting the proportion of allocated state hospital resources used by their Medicaid and non-Medicaid populations. However, accountability for changes and variability in the use of state hospital resources over time remains an important area regarding quality of care and access to services for Medicaid and non-Medicaid populations alike.

In addition to the minimum set of standards for utilization monitoring discussed earlier, the Department should require BHOs to track their use of allocated state hospital beds for adults. Such data are important for managing the care of individual Medicaid recipient members using these resources. The data can also be used to track the amount of adult state hospital bed usage by each BHO. The Department of Health Care Policy and Financing should compare state hospital bed usage over time and across BHOs to monitor for differential use. Based on this information, the Department should consider whether BHOs are making appropriate use of adult state hospital bed allocations for Medicaid members. The Department should also share this information with the Department of Human Services for broader monitoring of the overall adequacy of adult state hospital allocations. It should be noted that differential use is not necessarily problematic, but the Department of Health Care Policy and Financing should ensure that such variation in use is justified by the BHOs and that the BHOs' approaches fit with the overall goals and expected outcomes for the Medicaid Community Mental Health Services Program.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 42:

The Department of Health Care Policy and Financing should require BHOs to monitor and report on the use of allocated state mental health hospital beds by Medicaid members. The Department should monitor trends in usage over time, determine whether BHOs are making appropriate use of adult state hospital bed allocations for Medicaid members, and share this information with the Department of Human Services for broader monitoring of the overall adequacy of adult state hospital allocations.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: July 2007.

The Department will require BHOs to monitor and report their utilization of allocated state mental health hospital beds by Medicaid members using a standardized format developed by the Department and the BHOs. The Department will utilize BHO reports to monitor trends in usage of state bed allocations. The Department will share the obtained information with the Department of Human Services Division of Mental Health for broader monitoring of the overall adequacy of adult state hospital bed allocations.

Rate Setting

Overview

Under a Medicaid managed care program, states must develop monthly capitation rates (i.e., flat payment rates) on a per member basis that are used to make payments to managed care organizations. In turn, managed care organizations are responsible for providing medically necessary care to Medicaid members within their designated areas. In the case of Colorado's Medicaid Community Mental Health Services Program, the Department of Health Care Policy and Financing (Department), along with its contracted actuarial firm, develops capitation rates that are used to make payments to participating managed care organizations, referred to as Behavioral Health Organizations (BHOs). These rates are differentiated based on the member's Medicaid eligibility category. In other words, the Department pays a flat monthly rate to the BHOs for each of the five eligibility categories (Elderly, Disabled, Children, Adults, and Foster Care). To operate a Medicaid managed care system, the

State of Colorado must comply with federal regulations on rate setting as well as any applicable state statutes.

Prior to 2002, the federal Centers for Medicare and Medicaid Services (CMS) imposed an upper payment limit on all Medicaid managed care programs which required that managed care programs cost no more than an actuarially equivalent fee-for-service program. As such, Colorado statute, Section 25.5-5-408, C.R.S., was enacted to comply with this federal requirement by stipulating that under no circumstances, including competitive bidding, shall the state department pay a capitation payment to a BHO that exceeds 95 percent of the direct health care cost of providing these same services to an actuarially equivalent Colorado Medicaid population group. In effect, this requirement has tied capitation rates to historical fee-for-service rates, without permitting full consideration of the actual costs of providing an appropriate mix of services in a managed care environment.

Effective August 2003 CMS repealed the upper payment limit regulation, replacing it with a requirement that all managed care rates be actuarially sound. One of the contributing factors to the change in regulation was CMS' concern that fee-for-service utilization data were outdated and no longer meaningful for states with long-standing managed care programs, such as Colorado's Program. This effectively removed the requirement that rates be based on historical fee-for-service data and gave states flexibility to use alternative data sources, including BHO service encounters (i.e., data that tracks services or treatments provided by the BHO). However, the State has not changed its laws to reflect the removal of the federal upper payment limit requirement. Since 2003, the Department has based between 70 and 100 percent of its Medicaid mental health capitation rates on projected fee-for-service data. Fee-for-service data used in rate setting are based on projections of fee-for-service information from 1995 or 1998, depending on when the region converted from a fee-for-service to managed care system of providing services.

The Office of the State Auditor conducted the Medicaid Capitation for Mental Health Services Performance Audit dated October 1998 in response to questions about capitation rates. The 1998 audit raised significant concerns about the Department's use of historical fee-for-service data in its rate setting process. The basis for these concerns is that once all mental health services are provided through a managed care system, fee-for-service data for the mental health population no longer exists, and therefore the assumptions used to project the historical fee-for-service data forward cannot be validated. Furthermore, basing managed care rates solely on fee-for service data perpetuates the differing service protocols that existed in a fee-for-service environment and incorporates them into the capitated rates.

Our current audit found that many of the same concerns identified in 1998 continue to exist, including the disparities among rates paid to BHOs. For example, in both the Disabled and Adult eligibility categories the difference between the highest and

lowest rates paid to BHOs in Fiscal Year 2007 is more than 100 percent. While these disparities are an improvement from the more than 200 percent disparities seen in the 1997 rates during the prior audit, such disparities provide the appearance that rates are not equitable among service populations and service regions, that the cost of service in some areas may not be reasonable, and that there could be problems with the accuracy and completeness of service encounter data reported by the BHOs. These disparities also raise concerns that rates for a given eligibility category may not be actuarially sound. If these disparities are not addressed, CMS could question the rates or disallow certain Medicaid expenditures for federal reimbursement in the future.

The Office of the State Auditor contracted with Mercer Government Human Services Consulting to review the Department's current rate setting methodology and its underlying components, including service encounter data, and utilization management at the BHOs to determine if Colorado's current rates are based on valid encounter data and appropriate controls are in place at the BHOs to ensure that services provided are medically necessary. Additionally, the Office of the State Auditor asked Mercer to provide information on improvements Colorado could make in its future rate setting processes to ensure rates are equitable.

Previously, we discussed significant problems with the utilization management practices and monitoring of the BHOs that raise concerns about whether all care provided is medically necessary, and additionally, about whether all medically necessary care is provided. We will now discuss general guidelines for rate setting which describe the components of an appropriate rate setting process. Additionally, we discuss problems we identified with encounter data and the fee schedules the Department uses to price those encounters. We also describe problems identified with Colorado's current rate setting methodology and provide some information on future improvements Colorado should consider in its rate setting process. If Colorado's future managed care rates are to be equitable and acceptable to CMS, the Department will need to ensure that services provided are medically necessary and provide an appropriate level of care. Additionally, service encounter data and the fee schedules used to price that data must be validated and based on reasonable and appropriate rates for service.

General Guidelines for Rate Setting

Federal regulation requires rates for Medicaid managed care programs to be certified as actuarially sound. Actuarially sound rates are defined by CMS as rates that are appropriate for the populations covered and the services furnished under a managed care contract. To assist states and actuaries, CMS has produced a rate setting guideline, which outlines key considerations in the development of actuarially sound

Medicaid managed care rates. The general guidelines for the underlying components of an actuarially sound rate setting methodology include the following concepts.

- Utilization data should be specific to the Medicaid population and services covered under the managed care program. Utilization data should contain information on the actual services delivered to the Medicaid population. These data can serve as the base information to perform the rate calculations. Utilization data may be from a state's fee-for-service system or the BHO managed care encounter data system. Regardless of the source, the data should be recent and free from material omissions.

- Service cost assumptions should be appropriate for the Medicaid population. Service cost assumptions are necessary to assign a fee to each encounter collected for rate setting. The service costs should represent a reasonable, attainable Medicaid fee for each type of service delivered. The fees should be consistently developed across the state and reflect a reasonable and appropriate rate for each procedure delivered.

- Rating categories should consider differences in cost related to age, gender, Medicaid eligibility category, and locality or region. Rating categories must be designed to calculate differential rates for populations with differences in service utilization and per capita costs. For example, children in foster care may need a greater volume of services and be more expensive per person to serve than individuals in the elderly age category. This increases the predictability of the rates and allows for adjustments in the overall payments to the BHO, when there are changes in the enrolled population served by the BHO.

- Projection assumptions should be reasonable and consistent with generally accepted actuarial principles and practices. After summarizing the historical utilization and cost data into rating categories, the data must be projected into the contract period to reflect medical inflation, any changes to the covered services or populations, and an appropriate factor for the cost of BHO administration. Managed care rate adjustments may be necessary to ensure the underlying utilization data represent efficient service delivery under managed care. In other words, inefficient service practices and resulting costs should not be built into the rate setting structure. The application of these assumptions results in a projection of an actuarially sound rate range for each rating category.

Although Colorado's rate setting methodology generally meets these guidelines and has been accepted by CMS in the past, there are a number of the above components that need to be improved. Areas for improvement include the validity of the encounter data, the service cost assumptions or fee schedules used to price the

encounter data, and development of a rate setting methodology based on validated and appropriately priced encounter data.

Encounter Data

In a statewide managed care system that has been in place for over 10 years, such as Colorado's, recent historical fee-for-service data for mental health services are not available. As a result, encounter data should be used to assess the actual Medicaid reimbursable services provided to the individuals covered under the managed care program. CMS recommends using encounter data to set capitated rates for managed care programs in Medicaid where recent fee-for-service data are not available. Therefore, the encounter data reported must be accurate, consistent, and complete to provide a valid basis for determining appropriate capitation rates.

In addition, valid encounter data allow the Department to perform meaningful analysis and comparison of service utilization and costs among BHOs and provider groups.

Encounter data should contain records with the specific details of the services provided to Medicaid members. An encounter should identify the type of service delivered (e.g., individual therapy) using standard procedure codes required by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), the date and duration of the service, the provider of the service, the Medicaid recipient, and other details. The information contained in the encounter records should originate at the individual provider level to ensure validity. The provider submits the record with the information outlined above to the BHO and the BHO in turn submits a copy of the record to the Department in the form of an encounter. Recording the service at the provider level ensures that the encounter is an accurate representation of the service delivered.

The Department reports that it has developed a list of covered services and associated HIPAA-compliant procedure codes and service definitions. This list provides instructions on how BHOs are to code and report State Medicaid Plan services, as well as 1915(b)(3) services. (The 1915(b)(3) services are services offered in addition to the services provided through the State Medicaid Plan, such as assertive community treatment, respite care, and drop-in centers.) However, the BHOs determine service reporting procedures for their providers. We reviewed the service encounter reporting procedures that the BHOs require their providers to adhere to and found that four of the five BHOs do not currently require their Community Mental Health Center (CMHC) providers to submit encounter data using HIPAA-compliant codes. These four BHOs allow the CMHCs to report encounters using various self-developed procedure codes. The BHOs then convert these procedure codes to HIPAA compliant codes using individual "crosswalks" they have

developed in order for encounter data to be reported to the State. Additionally, while the Department, through its External Quality Review process, requires BHOs to perform chart reviews to verify the accuracy of services reported, these reviews do not sufficiently ensure that (1) the crosswalks used by the BHOs correctly convert CMHC-specific service codes to the HIPAA-compliant codes required by the State, or (2) the different crosswalks used by the CMHCs convert service codes in a consistent manner. As a result, the CMHCs that provide the vast majority of the services within the Medicaid Community Mental Health Services Program likely do not report encounter data consistently to the BHOs or the Department. Consequently, it is difficult to conduct meaningful analysis of service utilization on a statewide basis. Specific examples of problems BHOs and CMHCs reported with encounters include:

- **Inconsistent coding**. The BHOs' processes of converting CMHC procedure codes to HIPAA-compliant codes raise significant concerns regarding the validity of the data received by the Department, and nearly all of the stakeholders interviewed during the audit cited service encounter coding inconsistencies as a major limitation in the usefulness of Colorado's encounter data. For example, we found that a 45-minute individual therapy encounter at one BHO is reported as a single encounter, whereas at another BHO it is reported as three separate 15-minute encounters. Another BHO reported tracking such encounters and reporting them to the State using both approaches. That is, some individual therapy encounters were reported as single encounters regardless of the duration of the encounter and others were reported as multiple encounters.

- **Incomplete data**. Due to sub-capitation arrangements between the BHOs and CMHCs, the encounter data submitted to the Department may not reflect all services provided. This is due to the financial nature of these contracts between the BHOs and CMHCs. Under sub-capitation arrangements, the CMHCs are paid a fixed amount to provide CMHC services in their respective regions, based on overall anticipated costs, which are not differentiated by eligibility category. This rate is not dependent upon the actual number of services the CMHCs provide. While this is an acceptable reimbursement arrangement under managed care, sub-capitated providers do not have strong incentives to submit complete encounter data to the BHO because the encounters do not impact the CMHCs' immediate reimbursement. Without strong monitoring, these arrangements can lead to underreporting of actual services delivered and potentially erroneous conclusions about service delivery. Also, as mentioned previously, Colorado offers services in addition to its State Medicaid Plan services through Section 1915(b)(3) of its Medicaid managed care waiver program, such as assertive community treatment, respite care, and drop-in centers. Throughout this report these services are referred to as 1915(b)(3) services. For rates set

through Fiscal Year 2007, adequate encounter data for 1915(b)(3) services were not available. However, the Department reports that encounter data for 1915(b)(3) services will be available for the calculation of Fiscal Year 2008 rates.

- **Potential miscoding.** In the case of the four BHOs that re-code CMHC-reported encounters from local codes to HIPAA-compliant codes, there is a risk that codes could be manipulated; which could affect rates. This includes both the risk of unintentional changes that lead costs to be computed incorrectly, as well as the risk of intentional up-coding to claim that more expensive services were delivered than was the case. While our audit did not identify any instances of intentional up-coding, it remains a risk in any system that converts the original procedure codes assigned by the service provider at the point of service delivery.

Allowing the BHOs to convert data submitted by providers raises the risk that reported data are inaccurate and inconsistent and greatly increases the need for monitoring by the State. Specifically, if the State continues to allow BHOs to use crosswalks to convert service encounter data reported by CMHCs and other providers, the Department will need to expand its current review program to ensure that converted data are accurate and complete, and that various crosswalks used by the CMHCs convert service data to HIPAA-compliant codes in a consistent manner. This review would need to verify service encounter coding against member medical files through chart reviews and trace information on the services provided through each of the reporting and conversion processes until the data reach the State.

Many other states have gone beyond the development of basic lists of covered services and procedure code definitions and have created comprehensive encounter data reporting manuals. These manuals provide explicit instructions for BHOs and providers on the definition of services covered under the managed care contract and how to report services in HIPAA-compliant coding formats. In order to move forward with recommendations discussed later in this report and eliminate some of the disparities in Medicaid mental health managed care rates, the Department should address problems with encounter data by (1) performing a detailed review of current encounter data to determine its validity and to correct errors identified, and (2) developing and implementing a standard encounter reporting process that requires providers to code future encounters at the point of service delivery using HIPAA-compliant procedure codes. These manuals may be developed by internal state staff if resources are available, or contracted vendors with encounter data reporting expertise. The detailed instructions provided by the manual can provide states a standard against which to direct and monitor providers to ensure that service delivery is consistently tracked and reported statewide.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 43:

The Department of Health Care Policy and Financing should ensure that encounter data for the Medicaid Community Mental Health Services Program from the BHOs and other providers are reliable and valid for rate setting purposes by:

a. Conducting data analysis to determine the validity of current BHO and other provider encounter data.

b. Implementing a process for monitoring encounters reported by service providers and BHOs to ensure that encounters are reported consistently and accurately. This process should include review and comparison of service encounter information in members' medical files with service encounter information reported to the BHOs and, subsequently, to the State.

c. Establishing a process to address and resolve discrepancies identified in the BHOs' tracking and reporting of encounter data as a result of these activities. This process should include, but not be limited to, correcting the data so that it can be used in the rate setting process.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: July 1, 2008.

   The Department will modify the External Quality Review Organization Request for Proposal to include an encounter data validation study for each BHO. The study will include a statistically valid sample of data submitted by each BHO and include medical records from all provider groups.

b. Agree. Implementation date: January 30, 2007.

   The Department will implement a process to ensure that encounters are reported consistently and accurately by comparing encounter data reported to the Department with members' medical records on a periodic basis.

c. Agree. Implementation date: December 30, 2007.

The Department will use its current corrective action process to address encounter data discrepancies identified as a result of the encounter monitoring in 43a and 43b above.

Recommendation No. 44:

The Department of Health Care Policy and Financing should develop a standardized encounter reporting manual for the Medicaid Community Mental Health Services Program to ensure all services are coded by the service provider, at the point of service, in accordance with HIPAA-compliant procedure codes and to ensure the accuracy and consistency of encounter data reported. This manual should provide detailed instructions on the submission of encounter data by BHOs, as well as reporting requirements for the BHOs' internal and external network providers. Once the manual is complete, all service providers should be required to report encounters to BHOs using HIPAA-compliant codes. The use of crosswalks by BHOs to recode local CMHC coding should be eliminated. The Department should incorporate these data reporting requirements for BHOs and their providers into its contracts with the BHOs.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: July 2008 assuming the necessary resources are made available in Fiscal Year 2008.

The Department of Health Care Policy and Financing continues to work with the BHOs on the submission of HIPAA-compliant encounter data to the Medicaid Management Information System (MMIS). The Department does not have the resources to develop a standardized encounter reporting manual to ensure all services are properly coded by the service provider. To fully implement this recommendation, the Department would need additional resources from the General Assembly, which would be used to hire a contractor to develop the standardized encounter reporting manual. Implementation of this recommendation will require additional funding. Therefore, the request for funding will go through the standard budgeting process.

The earliest the Department would expect legislative action would be the 2007 session of the General Assembly. Assuming the necessary resources are made available in Fiscal Year 07-08, the Department will incorporate in its contracts with the Behavior Health Organizations effective July 2008

these data reporting requirements, including the use of HIPAA-compliant codes at the point of service and the elimination of any crosswalks used to recode local Community Mental Health Centers' services.

Fee-for-Service Pricing Schedule

Federal regulations in 42 CFR 438.6(c) require State Medicaid Agencies to establish capitation rates that use fully documented actuarial methods. When relying on encounter data to set capitation rates, the State must determine the appropriate fee to attach to each service delivered to estimate the cost of providing services. The intent of the encounter pricing is to assign a reasonable and appropriate fee for each procedure delivered, and to use this information to determine an actuarially sound capitation rate. Several sources of fee information are available for the Department to use for pricing encounter services, and these sources are briefly discussed below.

- **State Medicaid Fee Schedule**. This schedule is developed and maintained by the Department and is used to pay claims through the fee-for-service system. These schedules can become outdated as programs move to managed care and the volume of fee-for-service claims decreases. The validity of these fee schedules may diminish if the fee-for-service claims represent a very low proportion of expenses to the mental health budget, as well as a low revenue amount to contracted providers. The Department could not report when the last comprehensive review of the State Medicaid Fee Schedule for mental health services was completed.

- **Medicare Fee Schedule**. Medicare also publishes a fee schedule for the services covered under that program. Many commercial insurers negotiate provider fees as a percentage of Medicare fees. The Medicare program does not cover many mental health services; therefore, many of the procedures provided by the Colorado Medicaid Community Mental Health Services Program are not contained in this fee schedule.

- **Provider Cost Report**. For CMHC services, the Department collects cost report information from the CMHC providers. These reports outline the providers' cost for each service delivered; however, these costs do not necessarily reflect the cost of efficient service delivery.

- **Hospital Rate Schedule**. Similar to the Medicaid fee schedule, the Department also maintains a fee schedule for hospitals. Since the Department pays a significant amount to hospitals annually, these schedules are updated frequently.

- **BHO Fee Schedules**. For external providers, each BHO has negotiated fees with its external provider network. These schedules provide an additional source of mental health costs for individual services provided in each Medicaid region.

- **Other States' Medicaid Fee Schedules.** These schedules would provide comparative information on fees paid in other state programs. With the implementation of standard coding under HIPAA, the services should be more comparable across states.

For rate-setting purposes, the Department uses several approaches to price the encounter data received from the BHOs. First, the Department determines if the service was provided by a CMHC. If so, the Department prices the encounter using information from the most recent CMHC cost report. The CMHCs provide annual audited financial statements and supplemental schedules, including a cost report that demonstrates the cost to that CMHC of providing various types of mental health services. Second, for services not provided by the CMHCs or not on the CMHC fee schedule, the Department prices the encounters according to the State Medicaid fee schedule. Third, for inpatient services, the encounters are priced according to the State's hospital rate schedule. Finally, for the additional 1915(b)(3) services provided by the BHOs, the Department did not have sufficient encounter data to assign fees to the individual services for rates calculated through Fiscal Year 2007. Instead, the Department relied on the actual BHO expenses for these services as reported annually by the BHOs in their audited financial statements and supplemental reports. The Department reports that encounter data for 1915(b)(3) services will be available for the Fiscal Year 2008 rate setting cycle. For future rates, the Department will need to assign fees for each of the 1915(b)(3) services reported in the encounter data.

Of particular concern in the pricing methodology is the Department's direct incorporation of the CMHC cost reports into the pricing of encounter services. The CMHCs' unit cost data are based on the CMHCs' audited financial statements and state-designed supplemental schedules. Although these data are audited, this does not ensure the reported unit cost represents a reasonable and efficient rate for the service delivered. The Department of Human Services uses these cost reports to develop separate fee schedules for each CMHC. The Department of Human Services then provides the CMHC fee schedules to the Department of Health Care Policy and Financing. This results in up to 17 different rates for the same type of service across the 17 CMHCs. As illustrated below, the fees for the most frequently used CMHC procedures vary widely across the State.

Department of Health Care Policy and Financing
Medicaid Community Mental Health Services Program
Fee Schedule
Fiscal Year 2007

Service Description	Procedure Code	Lowest CMHC Fee	25th Percentile	50th Percentile	75th Percentile	Highest CMHC Fee	Medicaid Fee Schedule
Individual Psychotherapy (20-30 Minutes)	90804	$35.93	$86.00	$113.21	$129.10	$157.69	$39.19
Individual Psychotherapy (45-50 minutes)	90806	$113.73	$142.43	$164.18	$181.84	$190.45	$59.29
Group Psychotherapy	90853	$30.90	$51.09	$81.97	$119.13	$131.84	$4.20
Case Management	T1016	$36.17	$51.45	$71.34	$82.41	$98.95	$8.03

Source: Mercer analysis of Community Mental Health Fee Schedule provided by the Department of Health Care Policy and Financing.

This table outlines the range of fees currently paid to the CMHCs. To illustrate the differences, we selected four highly used procedure codes: individual psychotherapy (20–30 minutes), individual psychotherapy (45–50 minutes), group psychotherapy, and case management. We have included percentiles to help aggregate the comparison across the 17 CMHCs. For instance, the 25th percentile indicates that 25 percent of the CMHCs have a fee below this value for a particular procedure. For each of the top procedures included in the table, differences between the CMHCs' fees are dramatic. For group psychotherapy, the lowest CMHC fee is $30.90 per unit, which is about one-fourth the fee of the highest CMHC. These differences are not isolated to a single outlier highest or lowest CMHC. For example, for group psychotherapy, 25 percent of the CMHCs have fees below $51.09 and another 25 percent have fees above $119.13. This analysis suggests the fee differences by CMHC contribute significantly to the overall capitation rate disparity among the BHOs.

The Department's current pricing methodology perpetuates broad rate disparities and possible inefficiencies across the State of Colorado. Relying on each CMHC fee schedule creates a cost-based reimbursement system that may not reflect reasonable costs for services provided. Furthermore, these practices potentially finance provider inefficiencies and may distort the underlying costs of providing services. In addition, the Department was unable to report when the last comprehensive review of the State Medicaid fee schedule for mental health services was completed. As a result, it is

very likely that the State's Medicaid mental health fee schedule does not reflect the current costs of care.

For the State to develop a future rate setting methodology based entirely on encounter data, as discussed later in this report, it is critical that encounters be priced on the basis of current fee schedules that represent reasonable and appropriate rates for services that are provided. Such a fee schedule would assign a reasonable fee to each encounter and not necessarily reimburse providers for their full cost of care. This would drive providers to be more efficient and create more equitable financing of mental health care in Colorado.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 45:

The Department of Health Care Policy and Financing should initiate a cost study to assess and verify the fee schedule used to price encounters in the Medicaid Community Mental Health Services Program. The evaluation should be based on HIPAA-compliant coding to allow for more accurate comparison to other states' fee schedules. If the study incorporates provider cost report data, the Department should analyze additional fee information to ensure the fees reasonably reflect the best value for services. The study should result in a standard mental health fee schedule that is reflective of reasonable and appropriate rates. The Department should also implement a process to ensure that the fee schedule is updated periodically to reflect changes in the rates over time.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: July 2008, assuming the necessary resources are made available in Fiscal Year 2008.

The Department does not have the resources to initiate a cost study to assess and verify the fee schedule used to price encounters in the Medicaid Community Mental Health Services Program. To fully implement this recommendation, the Department would need additional resources from the General Assembly, which would be used to hire a contractor to perform the cost study and develop a standard mental health fee schedule. Implementation of this recommendation will require additional funding. Therefore, the request for funding will go through the standard budgeting process.

The earliest the Department would expect legislative action would be the 2007 session of the General Assembly. Assuming the necessary resources are made available in Fiscal Year 2008, the Department will incorporate the resultant standard mental health fee schedule into the rate setting methodology and implement a process to ensure that the fee schedule is updated periodically to reflect changes in the rates over time.

Current Rate Setting Methodology

To obtain an understanding of the current rate setting methodology, we reviewed actuarial certifications prepared by independent actuarial firms under contract with the Department. These certifications support capitation rate development over the past two years. In addition, we conducted a survey of the five BHOs as well as the Department to gain a better understanding of rate setting and any limitations of the current methodology. Finally, we analyzed recent financial information submitted by the BHOs to understand current rates, and we interviewed the executive directors and chief executive officers of the five BHOs and their 17 sub-contracted CMHC providers to understand the historical basis underlying the rates. Relevant findings discussed earlier in this report, such as the lack of standardized encounter reporting in HIPAA-compliant formats and the broad-based failure to ensure the medical necessity of services delivered by CMHC providers, were also incorporated into our analysis of the methodology.

Currently the Department, along with its contracted actuarial firm, calculates capitation rates based on data from two primary sources of information. These sources consist of the Historical Rate Component (comprising 70 percent of the rate) and the Encounter Based Rate Component (comprising 30 percent of the rate). Each data source is described below in terms of the general rate setting guidelines discussed earlier.

Historical Rate Component

- **Utilization Data Source**. Originally, capitated rates were based on either 1995 or 1998 fee-for-service data, depending on when the mental health managed care program began in each region. The fee-for-service data was priced using the State's Medicaid Fee Schedule to arrive at a capitated rate. Medicaid mental health capitation rates since that time have been based on these original rates, projected forward and adjusted for cost-of-living, programmatic changes, and an implicit administrative load for the BHO (meaning during the fee-for-service payment system, the BHOs had to finance administration out of the fee-for-service payments received).

Therefore, the historical rate component does not reflect current service utilization.

- **Service Cost Assumptions**. By using the 1995 or 1998 Medicaid fee schedule, the service cost assumptions from those time periods are reflected in the underlying data. These cost assumptions have not been updated since the initial rate setting. This is one of the limitations of the Historical Rate Component.

- **Rating Categories**. The historical rates by eligibility category and region are used for this data source. Essentially, when managed care was implemented for the Medicaid Community Mental Health Services Program in 1995 or 1998, different rates were developed for different categories of Medicaid eligibility, including Elderly, Disabled, Children, Adults, and Foster Care. Differences in the rates were primarily driven by differences in historical costs. Differences in rates paid by rating category have also been projected forward since managed care was first implemented.

- **Projection Assumptions**. The State incorporates adjustments for cost-of-living, programmatic changes, and an implicit administrative load for the BHO.

Encounter Based Rate Component

- **Utilization Data Source**. This includes State Medicaid Plan service encounter information reported by the BHOs in 2005. For those services offered in addition to the State Plan, or 1915(b)(3) services, the Department did not have adequate encounter data available for Fiscal Year 2007 rate setting. According to the Department, data for 1915(b)(3) services are now available and will be incorporated into the rate setting process in Fiscal Year 2008 for the first time. For rates set through Fiscal Year 2007, the Department has relied on total BHO-reported expenses to set capitated rates for the 1915(b)(3) services. In other words, the Department divided a BHO's total 1915(b)(3) expenses by the appropriate number of member months to determine each BHO's capitated rate for 1915(b)(3) services.

- **Service Cost Assumptions**. For the State Plan service encounters, the State uses the pricing methodology described in the previous section on the fee-for-service pricing schedules, which relies on CMHC cost reports and the current Medicaid fee schedule.

- **Rating Categories**. Consistent with the Historical Rate Component, the historical eligibility categories are used for this data source.

- **Projection Assumptions**. The State incorporates adjustments for cost-of-living, programmatic changes, and an administrative load for the BHOs.

CMS requires separate rate calculations for State Plan and 1915(b)(3) services. Both calculations must be based on encounter data and must be actuarially sound. Colorado's rates for State Plan services (i.e., services listed in the Colorado Medicaid State Plan) are based on encounter data, as well as the prior year's capitation rate, which continues to be primarily based on historical fee-for-service data from the early 1990s. As we discussed, the rate setting methodology for 1915(b)(3) services relies on reported expenses. To complicate this calculation further, the historical fee-for-service rate component is based solely on State Plan services and does not contain any costs for 1915(b)(3) services. This is because 1915(b)(3) services were not available prior to capitated managed care. Thus, the Department's 70/30 weighting scheme does not in fact create a specific rate for 1915(b)(3) services. Since rates calculated for 1915(b)(3) services through Fiscal Year 2007 have not been developed from encounter data, the 1915(b)(3) rate setting methodology is currently inconsistent with CMS rate setting guidelines. Again, encounter data should be available for 1915(b)(3) services for the next rate setting cycle.

As discussed previously, Section 25.5-5-408(1)(b), C.R.S., requires that the cost of Medicaid managed care programs not exceed 95 percent of the cost of providing the same services under a fee-for-service program. The Department believes the current statute requires a rate setting methodology based primarily on historical fee-for-service data and precludes the Department from placing greater reliance on the encounter data. As a result of this statute, the Department has established a rate setting methodology in which capitation rates are based on no less than 70 percent historical fee-for-service rate information. The remaining 30 percent of the capitation rates are based on recent service encounter data. Since this methodology places greater weight on historical fee-for-service-based information, the disparity in costs that existed under the fee-for-service system continues to be reflected in the BHO capitation rates.

2007 Capitation Rate Comparisons

The rate disparities are demonstrated in the following comparisons of the 2007 Medicaid mental health capitation rates. The following tables illustrate the 2007 rates calculated by the Department and its actuary. The first table shows rates calculated using historical fee-for-service information only. The second table shows rates calculated based only on current encounter and service cost assumptions. The third table represents the actual 2007 rates paid to the BHOs for both State Plan and 1915(b)(3) services and is the result of the Department's rate setting methodology based 70 percent on the historical fee-for-service rates and 30 percent on rates derived from current encounter data.

Table 1
Department of Health Care Policy and Financing
Colorado Medicaid Community Mental Health Services Program
Fiscal Year 2007 Rates based on Historical Fee-For-Service Data

	Elderly	Disabled	Adults	Children	Foster Care	Weighted Average
BHO 1	$ 15.32	$ 54.80	$ 7.00	$ 10.39	$ 174.76	$ 22.18
BHO 2	$ 7.96	$ 92.96	$ 11.43	$ 12.63	$ 338.10	$ 32.46
BHO 3	$ 11.71	$ 107.95	$ 15.57	$ 18.52	$ 353.21	$ 45.48
BHO 4	$ 9.28	$ 53.89	$ 12.13	$ 8.66	$ 301.69	$ 27.44
BHO 5	$ 17.75	$ 76.60	$ 15.91	$ 14.08	$ 344.38	$ 35.86
Weighted Average	$ 13.68	$ 76.47	$ 12.98	$ 12.88	$ 312.23	$ 32.72
Percent Difference Between the Lowest and Highest Rate	123%	100%	127%	114%	102%	105%

Source: Mercer analysis of Exhibit 3: Historical Rates; Development of Fiscal Year 2007 Per Capita Costs – from PricewaterhouseCoopers Actuarial Certification of Department rates.

Table 2
Department of Health Care Policy and Financing
Colorado Medicaid Community Mental Health Services Program
Fiscal Year 2007 Rates based on Current Encounter Data

	Elderly	Disabled	Adults	Children	Foster Care	Weighted Average
BHO 1	$ 13.17	$ 78.94	$ 12.42	$ 10.31	$ 205.40	$ 27.32
BHO 2	$ 7.15	$ 154.34	$ 19.17	$ 13.69	$ 207.70	$ 35.94
BHO 3	$ 13.34	$ 196.05	$ 19.62	$ 12.16	$ 98.27	$ 43.81
BHO 4	$ 7.59	$ 131.41	$ 17.58	$ 14.48	$ 112.23	$ 32.86
BHO 5	$ 9.28	$ 105.29	$ 21.44	$ 12.92	$ 306.98	$ 38.16
Weighted Average	$ 9.91	$ 122.57	$ 18.83	$ 12.73	$ 214.43	$ 35.71
Percent Difference Between the Lowest and Highest Rate	87%	148%	73%	40%	212%	60%

Source: Mercer analysis of Exhibit 4: Encounter Data; Development of Fiscal Year 2007 Per Capita Costs – from PricewaterhouseCoopers Actuarial Certification of Department rates.

Table 3
Department of Health Care Policy and Financing
Colorado Medicaid Community Mental Health Services Program
Fiscal Year 2007 Final Rates

	Elderly	Disabled	Adults	Children	Foster Care	Weighted Average
BHO 1	$ 14.67	$ 62.05	$ 8.62	$ 10.36	$ 183.95	$ 23.72
BHO 2	$ 7.72	$ 111.37	$ 13.75	$ 12.95	$ 298.98	$ 33.50
BHO 3	$ 12.20	$ 134.38	$ 16.79	$ 16.62	$ 276.73	$ 44.98
BHO 4	$ 8.77	$ 77.15	$ 13.77	$ 10.41	$ 244.85	$ 29.07
BHO 5	$ 15.21	$ 85.21	$ 17.57	$ 13.73	$ 333.16	$ 36.55
Weighted Average	$ 12.55	$ 90.31	$ 14.74	$ 12.84	$ 282.89	$ 33.62
Percent Difference Between the Lowest and Highest Rate	97%	117%	104%	60%	81%	90%

Source: Mercer analysis of Exhibit 2: Final Rates; Development of Fiscal Year 2007 Per Capita Costs – from PricewaterhouseCoopers Actuarial Certification of Department rates.

We calculated comparisons within each eligibility category as well as overall to analyze the disparity of the rates. In general, the percent difference between the lowest and highest weighted average rate paid to the various BHOs suggests the rates paid per Medicaid member (Per Member Per Month - PMPM) among the BHOs becomes more consistent when rates are based on the encounter data (see Table 2). The Historical Rate component (Table 1) illustrates a disparity between the highest and lowest rates of 105 percent versus 60 percent for the encounter based calculation. Although the disparities by eligibility category have slightly diminished since the initial rates were set and reported on in the 1998 audit, the disparities in rates paid to the BHOs remain significant. Interestingly, BHO #3 has the highest Foster Care rate ($353 per member) based on the historical rate component, but the lowest rate ($98 per member) based on the encounter data. In other words, based on pre-capitation trends, BHO #3 provided the highest number of services to Foster Care members. Since then, either the number of services or cost per service provided by BHO #3 to Foster Care members has decreased significantly, resulting in a lower rate per member when rates are based on encounter data as opposed to historical fee-for-service data.

Although the encounter data supporting this analysis needs to be validated as discussed earlier, it appears that using historical capitation rates no longer represents a valid picture of actual service provision or costs. This is also clear when considering the differences between the rates paid and the cost of services. Previously, we noted that for the Foster Care eligibility category, the Fiscal Year 2007 average rates paid on a per member basis to the BHOs were significantly higher than the costs of serving that population, although in other categories, such as the Disabled and Adult categories, rates paid were insufficient to cover costs on a per member basis. CMS requires each individual rate by eligibility category to be actuarially sound. While the overall weighted average rate paid to each BHO is similar for the historical and encounter-based rates, the differences in rates paid within each eligibility category raise concerns with the actuarial soundness of the final rates paid to the BHOs.

In addition to the above analysis, which demonstrates that fee-for-service data are no longer appropriate for use in setting rates, there are other factors that impact the validity of the historical fee-for service data. These factors include differences in the distribution of service expenditures and the varying administrative approaches taken by the BHOs and CMHCs under managed care. Additionally, the demographics of the individuals served and impact of the Goebel lawsuit, which required the State to provide specific mental health services to a subset of the Medicaid population in the Denver area, have also changed the cost and delivery of services since implementation of the managed care program and the initial rate setting process. With all of these changes, the fee-for-service information from the early 1990s is no longer relevant in setting the current rates for the Medicaid Community Mental Health Services Program.

Alternative Rate Setting Methodology

As discussed, CMS' repeal of the upper payment limit requirement in federal regulations means that states no longer have to base rates on fee-for-service equivalent costs. As a result of the federal regulatory change, most states have revised their rate setting methodologies to incorporate data from their managed care organizations (BHOs in the case of Colorado) as the primary basis for rate setting. These alternative methodologies focus on encounter data and detailed financial data as the primary sources for capitation rate development. These sources reflect current cost and utilization under managed care based on the current medical needs of the population, rather than projecting historical fee-for-service utilization patterns forward from the pre-managed care environment.

CMS published a guideline or checklist to assist states in developing rates under the new managed care regulations. These guidelines urge states to use recent utilization and cost data in the development of the capitation rates. Based on Colorado's existing statute and resultant rate setting methodology, limiting the use of encounter data to 30 percent for rate setting could jeopardize CMS approval of future BHO capitation rates. We understand CMS has approved the current rate setting methodology; however, nationally, CMS has recommended that states increase the use of encounter data in Medicaid managed care rate setting. Without making such changes, there is a risk that CMS could fail to approve future rates, and federal matching funds could be suspended for Medicaid mental health services until CMS determines that the rate setting methodology is in compliance with federal requirements. In Fiscal Year 2006, the State spent $164.8 million on capitation payments for the Medicaid Community Mental Health Services Program. Of this, about $82 million was federal Medicaid funding which may be at risk in the absence of reform.

A key component that the Department must address in making a transition to using encounter data as the basis for rate setting is the need for improvements in the encounter data reporting. Encounter data must be reported consistently and represent the actual, valid procedures delivered by the providers. In addition, the encounter data must be priced according to a reliable, reasonable, and appropriate fee schedule to help ensure an equitable rate setting methodology. It is important to note that the Department must address recommendations contained in this report related to ensuring the medical necessity of provided services, validating encounters, and setting reasonable and appropriate fees for individual procedures, or many of the same disparity issues that affect current rates will continue to be perpetuated in future rates.

If the recommendations in this report are followed, the Department should be well positioned to satisfy CMS regulations regarding actuarial soundness in the State's

rate setting methodology in the future, and the methodology will provide more consistency in rates across regions. In addition, the enhancements to the managed care practices discussed earlier in the report will help ensure the services delivered are medically necessary and meet the individual member needs, thus ensuring that the services provided adequately reflect the differential populations and manifest differing clinical needs across the five BHO regions.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 46:

The Department of Health Care Policy and Financing should work with the General Assembly to seek change in statutes related to Medicaid mental health capitation payments to align Colorado law with changes made to federal regulations contained in 42 CFR 438.6(c). These changes should include revising statutes to require that mental health capitation rates be certified as actuarially sound and removing any reference to the outdated 95 percent fee-for-service upper payment limit for the Medicaid Community Mental Health Services Program.

Department of Health Care Policy and Financing Response:

Partially agree. Implementation date: May 2007, if approved by the General Assembly and enacted by the Governor.

Although the Department does support funding rates solely on actuarial soundness, the Department does not agree that it is against federal regulations to base a portion of the rates on a percent of fee-for-service. The recommendation regarding the 95 percent fee-for-service and upper payment limit is a policy decision for the General Assembly, not a compliance or audit issue. The Department of Health Care Policy and Financing will work with the General Assembly to examine opportunities for legislative change related to Medicaid mental health capitation payments (Section 25.5-5-408, C.R.S.) and to clarify that the rates should not be based solely on fee-for-service experience. The earliest the Department would expect any legislative action would be during the 2007 session of the General Assembly.

Auditor's Addendum

The concern raised in the audit is that as managed care programs mature, no source exists for obtaining valid fee-for-service cost data to use in evaluating managed care program costs. For this reason, CMS removed

the upper payment limit, which uses fee-for-service data to evaluate managed care cost-effectiveness, for all Medicaid programs in 2003. The Department's fee-for-service data dates back to 1995 and can no longer be used as a basis for setting rates or evaluating managed care program costs. Therefore, it is important that the Department work with the General Assembly to eliminate the upper payment limit requirement from Colorado statutes.

Recommendation No. 47:

Once the Department has implemented the recommendations in this report necessary to address rate disparities, the Department of Health Care Policy and Financing should work with its actuaries to revise its rate setting methodology for the Medicaid Community Mental Health Services Program. These revisions should ensure that the methodology is primarily based on validated encounters and rates that are reasonable and appropriate, as outlined in the previous recommendations contained in this report. In the future, the Department should consider the addition of factors discussed in the following section to enhance the Medicaid mental health rate setting process.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: July 2008, assuming the completion of related recommendations and if the appropriate statutory change is approved by the General Assembly and enacted by the Governor during the 2007 session of the General Assembly.

The implementation of this recommendation requires the completed implementation of many of the other recommendations contained in this audit. Several of these other recommendations require both statutory changes and the funding for additional resources. However, upon the release of this audit report, the Department will start a planning process, in conjunction with the Department's contracted actuaries, using current resources, to review the current rate setting methodology for the Medicaid Community Mental Health Services Program to incorporate the factors, as appropriate, to enhance the rate setting methodology. As an ongoing process, the Department always seeks to ensure that the rate setting methodology is based on validated data and that rates are reasonable and appropriate.

Considerations for Future Rate Setting Activities

Over the last two rate setting cycles, the Department has been moving the rate setting methodology in the right direction-– that is, moving toward a rate setting methodology based on valid encounter data and related costs. Progress has been made to move away from a rate setting methodology based entirely on fee-for-service data to a methodology that incorporates encounter data, although presently the Department limits the use of encounter data. If the Department is successful in implementing the recommendations made throughout this report, and Section 25.5-5-408, C.R.S., is modified to provide greater flexibility, the rate setting methodology could eventually be based on the cost of an efficient managed mental health care system in Colorado. The additional improvements discussed below can be used to create such an enhanced rate setting methodology.

Managed Care Best Practices. With clear definitions of medical necessity and good encounter data, the Department could perform detailed data analyses to identify potential issues of over- or under-utilization at the BHOs. Through targeted, statistically-valid chart reviews and data analysis, managed care adjustments can be made to the rates to reflect managed care best practices and influence service provision at the provider level. These types of adjustments will ensure rate setting is not merely a cost-based reimbursement system and instead focuses on setting a rate that considers the appropriate mix of services for a given population of individuals, such as the seriously mentally ill or severely emotionally disturbed populations that are traditionally high-volume users of behavioral health services. Other states such as Pennsylvania currently perform these analyses to assist in rate setting and program management for severely disabled populations.

Pay for Performance. With better encounter data, the Department has the ability to monitor BHO performance on standard managed care indicators such as readmissions within 7 or 30 days from psychiatric inpatient discharge, outpatient follow-up within 7 days following discharge, and penetration rates, among others. Standardized data will allow for comparisons among BHOs and potentially for developing targets for improvement in BHO performance. Achieving performance targets could eventually be factored into BHO contracts to trigger incentives. This would allow Colorado to develop a performance-based contracting approach that creates incentives for improvement toward the State's goals for its capitated Medicaid mental health system. Pay for performance programs are currently under consideration by many states nationally and are a mechanism to reward good performance among contractors. States such as Iowa and Massachusetts have implemented pay for performance in their Medicaid mental health programs.

Risk Assessment. Risk assessment is a process of creating risk profiles of the members of a BHO and allows for comparisons among the BHOs for similar populations. While similar to risk adjustment, risk assessment does not result in a specific rate adjustment, but rather, over time creates baseline indicators for a given population or risk profile that could identify appropriate levels of service, cost, or outcomes for that population. Risk assessment could be a valuable tool for managing the Medicaid Community Mental Health Services Program in the future. In contrast, risk adjustment is the process of adjusting BHO capitation payments for treating a higher risk population and is typically used in situations where there are multiple health plans serving the same region or population. In Colorado, regions are covered by single BHOs and there is no competition for member enrollment. Therefore, once the rate setting process is realigned on the basis of valid encounters and reasonable rates, risk adjustment would likely not be necessary under the current BHO-specific rate setting methodology.

Accurate encounter data provide valuable information for rate setting in the form of providing a basis for detailed analyses as well as program monitoring. The considerations listed above would further enhance the Colorado mental health rate setting methodology and ensure the rates are reasonable and equitable for efficient operation by the BHOs. These enhancements are consistent with the current trends in the industry to pay providers for high-quality performance. Since these are longer-term initiatives, we have not made a specific recommendation in this area. Rather, the Department should consider these initiatives after implementing the other changes recommended in this report.

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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 College Access Network, CollegeInvest, the State Historical Society, and the Division of Private Occupational Schools.

State public institutions of higher education are governed by ten 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 and Health Sciences Center

- **Board of Governors of the Colorado State University System**
  Colorado State University
  Colorado State University - Pueblo

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

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

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

- **Trustees of Adams State College**
  Adams State College

- **Trustees of Fort Lewis College**
  Fort Lewis College

- **Trustees of Mesa State College**
  Mesa State College

- **Trustees of Metropolitan State College**
  Metropolitan State College

- **Trustees of Western State College**
  Western State College

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 the system office and three campuses: Boulder, Colorado Springs, and Denver and Health Sciences Center. These three campuses comprise 27 schools and colleges.

The following comments were prepared by the public accounting firm of KPMG LLP, which performed the Fiscal Year 2006 audit work at the University of Colorado.

Federal Awards

We performed procedures required by the Office of Management and Budget (OMB) *Circular A-133* and the OMB Compliance Supplement for the following programs:

- Research and Development Cluster

- Student Financial Assistance Cluster

For Fiscal Year 2006, the University received approximately $442 million and $172 million of federal awards for the Research and Development and Student Financial Assistance Clusters, respectively. The finding and recommendation presented below result from this work.

It should be noted that this finding relates only to the sample items selected for testing and the circumstances identified below could be more widespread.

Return of Title IV Funds

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the University 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 is less than the amount disbursed to the student or on the student's behalf, the difference must be returned to the Title IV programs as prescribed by federal regulations. If the amount the student earned is greater than the amount disbursed, the difference must be treated as a postwithdrawal disbursement to the student's account or the student.

In our testing of Return of Title VI funds at the Boulder campus, we noted three instances in our sample of 30 items where the incorrect institutional charge was used in determining the return of funds. In two of the cases, the error resulted in under-returning approximately $570; in the other case, there was no impact on the amount returned.

This finding represents a systemic problem in the management review process of the Return of Title IV funds. Because no management official or other personnel reviews the Return of Title IV calculation performed by the University before the returns are actually made, errors such as those noted could continue to occur and not be detected.

(See Appendix A, University of Colorado, for listing of applicable CFDA Nos.; Student Financial Aid Cluster; Special Tests and Provisions.)

Recommendation No. 48:

The University should establish a management review of calculations to ensure the Return of Title IV calculations are performed properly.

University of Colorado Response:

Agree. Implementation date: Implemented.

The University's Boulder financial aid department implemented management review of its Title IV calculations in September 2006. In addition, the required return of $570 was made in August 2006.

Colorado State University - Pueblo

Colorado State University-Pueblo (University) was originally incorporated as the University of Southern Colorado 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 over the University. The University is accredited at the bachelor's and master's levels, with special emphasis on polytechnic education. Effective July 1, 2003, the University of Southern Colorado became Colorado State University - Pueblo.

The following comments were prepared by the public accounting firm of KPMG LLP, which performed Fiscal Year 2006 audit work at the Colorado State University System.

Pell Payment Data and Reporting

Educational institutions are required to submit Pell payment data to the U.S. Department of Education through the Common Origination and Disbursement (COD) system. Disbursements to students must be made 30 days prior to or after the University reports the disbursement to the COD. During Fiscal Year 2006 the University had approximately $4.1 million in Pell expenditures.

During our testwork, we observed two instances of noncompliance where the University failed to disburse funds to students within the specified time frame.

Failure of the University to strengthen procedures and controls in place to ensure effective monitoring of its Pell disbursement submissions to students could result in significant noncompliance with Pell Payment Data requirements, and potentially result in the University losing the ability to participate in the Pell grant program.

(CFDA Nos. 84.033, 84.063, 84.268, 93.342, 93.925; Student Financial Aid Cluster; Special Tests and Provisions.)

Recommendation No. 49:

Colorado State University - Pueblo should strengthen procedures and controls to ensure that Pell payment data is submitted to the students within the specified time frame.

Colorado State University - Pueblo Response:

Agree. Implementation date: Implemented.

A programmed semi-monthly reminder has been added to the Pell Grant Manager's calendar to help ensure that data is submitted on a timely basis.

Return of Title IV Funds

When a recipient of Title IV grant or loan assistance withdraws from an institution 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, or on his or her behalf, as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional 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. Returns of Title IV funds are required to be deposited to the federal Financial Student Aid (FSA) accounts within 30 days after the date the institution determines that the student withdrew. During Fiscal Year 2006 the University had approximately $20.4 million in Title IV expenditures.

We noted one out of five instances during our testwork over return of Title IV funds where the University did not perform the calculation until after the 30 day mark subsequent to the student's official withdrawal date.

While the calculation was performed properly, and the correct amount of aid was refunded, the University did not perform the calculation and return of federal funds within the specified period of time. The failure to implement proper procedures and controls over the return of Title IV finds could increase the risk of noncompliance without being observed by the University, and could result in the University's inability to receive and award Title IV funds to eligible students.

(CFDA Nos. 84.033, 84.063, 84.268, 93.342, 93.925; Student Financial Aid Cluster; Special Tests and Provisions.)

Recommendation No. 50:

Colorado State University - Pueblo should strengthen procedures to ensure that the Return of Title IV funds calculations and the related returns are performed on a timely basis.

Colorado State University - Pueblo Response:

Agree. Implementation date: Implemented.

The Loan counselor and the Student Counseling Manager will check continually to help insure compliance.

Trustees of the Colorado School of Mines

Colorado School of Mines

The Colorado School of Mines (the School) was founded on February 9, 1874. The School came under state control with statehood in 1876. The first diploma was granted in 1882. The authority under which the School operates is Article 40 of Title 23, C.R.S.

The Board of Trustees is the governing body of the School 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.

The following comment was prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2006 audit work at the Colorado School of Mines.

Receipt and Use of Federal Funds

The School participates in numerous federal grant programs throughout the year. These grants are largely for research and development programs within the School and for student financial aid. Research and development and student financial aid were tested as major programs under the Office of Management and Budget (OMB) *Circular A-133* for the year ended June 30, 2006. During the year, the School had expenditures under these federal grants of $14,777,819 for the Student Financial Aid Cluster and $20,545,515 for the Research and Development Grant Cluster. Our

testing noted instances of noncompliance with the requirements of federal grants or OMB *Circular A-133* as follows in Recommendations Nos. 51 through 53.

Disbursement of Federal Family Education Loans (FFEL)

Per the Student Financial Aid Handbook, if a school receives Federal Family Education Loans (FFEL) program funds from the lender by Electronic Funds Transfer, it must disburse the funds within three business days. The School has an additional 10 days to disburse the funds if the student is deemed to be temporarily ineligible. We noted two instances out of 30 students tested in which the FFEL funds were not applied within three business days and in neither case did we note temporary ineligibility. The funds were applied 10 days and 111 days, respectively, after receipt of the funds for the two students. Failure to disburse the funds within three business days results in noncompliance with federal regulations.

(CFDA No. 84.032; Federal Family Education Loans; Special Tests and Provisions.)

Recommendation No. 51:

The Colorado School of Mines should assure that adequate review procedures are in place to verify that its policies are adhered to with respect to disbursing FFEL program funds within the federally mandated time frame.

Colorado School of Mines Response:

Agree. Implementation date: July 2006.

Effective July 1, 2006, with the new financial aid computer system, all federal funds have been set to disburse no earlier than three business days prior to the beginning of classes for all academic terms. In addition, a computer report is run daily to identify funds that have been received but not disbursed within the allowed period of time.

Allowable Costs – Research and Development Grants

Under OMB *Circular A-21*, "Cost Principles for Educational Institutions," funds must be used in accordance with the award documents (i.e. grant agreement) and expenses must be reasonable and necessary for the performance and administration of federal awards as described in section C.3 of *Circular A-21*. Under Section J.32 of *Circular A-21*, costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes cost of meals, rental of facilities, and speaker's fees, however under Section J.17, costs of entertainment including diversion and social activities are unallowable. The School used grant money to purchase awards (an IPOD and portable hard drive) to give away at a grant meeting.

Actual nonpayroll unallowable costs were $214 out of our nonpayroll sample tested of $57,326. The total nonpayroll population of research and development expenditures was $11,453,544. Failure to expend federal award monies on costs allowed under federal regulations and specific grant provisions may result in the requirement to repay any questioned costs.

(CFDA No. 43.NASA; Research and Development Grant; Activities Allowed and Unallowed.)

Recommendation No. 52:

The Colorado School of Mines should review all costs charged to federal programs to assure that they are allowable under federal regulations and specific grant provisions.

Colorado School of Mines Response:

Agree. Implementation date: January 2007.

The School has removed the questioned cost from the grant. The School will implement procedures by January 31, 2007, where the Office of Research Administration staff will review the final costs on the grants before preparing the final report cost report to ensure allowability. In addition, the School will provide training to the campus on the allowability of costs on federal projects by June 30, 2007.

Monitoring Subrecipients

Fiscal Year 2005 Recommendation No. 57 addressed certain suggested enhancements to the School's procedures for monitoring subrecipients which the School implemented June 30, 2006. Because of the timing of the implementation of this recommendation, the procedural weaknesses identified in that finding existed throughout Fiscal Year 2006. The following is the background information contained in the prior year finding:

> U.S. Office of Management and Budget (OMB) *Circular A-133*, Compliance Supplement requires monitoring a subrecipient's "use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are met." The School's procedures to monitor subrecipients after the initial authorization of the grant agreement are comprised principally of sending an "audit letter" to the subrecipient asking verification of the status of the subrecipient's audit compliance. If the subrecipient indicates that its audit is complete and no material instances of non-compliance, material weaknesses and/or reportable conditions were found related to any sub-awards for the School, then no follow-up is required by the School. Additionally, if the subrecipient indicates it is not subject to OMB *Circular A-133* because it is a for-profit organization, then no follow-up is required by the School. The OMB *Circular A-133* compliance supplement states the following: "For subrecipients that are not required to submit a copy of the reporting package to a pass-through entity because there were 'no audit findings' (i.e., because the schedule of findings and questioned costs did not disclose audit findings relating to the Federal awards that the pass-through entity provided and the summary schedule of prior audit findings did not report the status of audit findings relating to Federal awards that the pass-through entity provided, as prescribed in OMB *Circular A-133* Section .320(e)), the pass-through entity may use the information in the Federal Audit Clearinghouse (FAC) database (available on the Internet at http://harvester.census.gov/sac) as evidence to verify that the subrecipient had 'no audit findings' and that the required audit was performed. This FAC verification would be in lieu of reviewing submissions by the subrecipient to the pass-through entity when there are no audit findings." Additionally, OMB *Circular A-133*, Section .210(e), requires establishing requirements to ensure compliance by for-profit subrecipients and that such requirements "may include pre-award audits, monitoring during the contract, and post-award audits." The School does not perform FAC verification procedures and its policies do not provide for for-profit subrecipient monitoring. Failure

to monitor subrecipients in compliance with Federal guidelines could result in the misuse of funds by subrecipients or the subrecipients' failure to comply with compliance requirements going undetected and unreported.

Procedures will be performed during the Fiscal Year Ending 2007 audit to test the adequacy of the procedures implemented by the School.

(See Appendix A, Colorado School of Mines, for listing of applicable CFDA Nos.; Research and Development Cluster; Subrecipient Monitoring.)

Recommendation No. 53:

The Colorado School of Mines should assure that its expanded procedures for the monitoring of subrecipients to include review of the Federal Audit Clearinghouse (FAC) database and the monitoring of for-profit subrecipients are consistently followed and documented.

Colorado School of Mines Response:

Agree. Implementation date: June 2006.

The School enhanced its subrecipient monitoring procedures which included, but was not limited to, review of the FAC dataset as well as monitoring for-profit subrecipients. The enhancements as documented were effective June 30, 2006.

State Board for Colorado Community Colleges and Occupational Education

The State Board for Community Colleges and Occupational Education (SBCCOE or the Board) was established by the Community College and Occupational Education Act of 1967, or Article 23-60, C.R.S. The Board functions as a separate entity and, as such, may hold money, land, or other property for any educational institution under its jurisdiction. The statute assigns responsibility and authority to the Board for three major functions:

- The Board is the governing board of the state system of community and technical colleges.

- The Board administers the occupational education programs of the State at both secondary and post-secondary levels.

- The Board administers the State's program of appropriations to local district colleges and area vocational schools.

The Board consists of nine members appointed by the Governor to four-year staggered terms of service. The statute requires that Board members be selected to represent certain economic, political, and geographical constituencies.

The 13 colleges in the community college system are as follows:

College	Main Campus Location
Arapahoe Community College	Littleton
Community College of Aurora	Aurora
Community College of Denver	Denver
Colorado Northwestern Community College	Rangely
Front Range Community College	Westminster
Lamar Community College	Lamar
Morgan Community College	Fort Morgan
Northeastern Junior College	Sterling
Otero Junior College	La Junta
Pikes Peak Community College	Colorado Springs
Pueblo Community College	Pueblo
Red Rocks Community College	Lakewood
Trinidad State Junior College	Trinidad

The following comments were prepared by the public accounting firm of KPMG LLP, which performed the Fiscal Year 2006 audit work at the Colorado Community College System.

Subrecipient Monitoring

Colorado Community College System (CCCS) administers the Carl Perkins Vocational Education Program (Perkins) throughout the State. In this role, the CCCS' duties include creating a state plan for administering Perkins funds and instituting statewide performance measures that subrecipients must meet for the State to continue receiving Perkins funding. CCCS staff manages the day-to-day Perkins operations on behalf of the Board. CCCS expended $17 million in Federal Perkins funds during Fiscal Year 2006.

The Office of the State Auditor conducted the *Career and Technical Education Programs Performance Audit*, Report No. 1702, dated December 2005. This performance audit contains findings and recommendations related to subrecipient monitoring of the Perkins program. CCCS' review of Perkins subrecipients lack steps to adequately review financial information and ensure that all subrecipient expenditures funded through Perkins are appropriate. Further, CCCS did not meet its goals for conducting Perkins monitoring visits and staff did not adequately follow prescribed Perkins monitoring procedures.

OMB *Circular A-133* requires entities to monitor grant subrecipients to ensure compliance with federal laws and regulations. Specifically, CCCS is responsible for:

- At the time of the award, identifying to the subrecipient the federal award information and applicable compliance requirements.

- Monitoring the subrecipient's use of federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

- Ensuring that subrecipients expending $500,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements of OMB *Circular A-133* and that the required audits are completed within nine months of the end of the subrecipient's audit period, issuing a management decision on audit findings within six months after receipt of the subrecipient's audit report, and ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

- Evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable federal regulations.

During our Fiscal Year 2006 audit we found that CCCS had not yet implemented the recommendations from the *Career and Technical Education Programs Performance Audit*. Specifically, CCCS did not perform site visits and appropriately review annual OMB *Circular A-133* subrecipient audit reports. Therefore, CCCS does not have adequate controls over subrecipient monitoring and is not in compliance with the requirements of OMB *Circular A-133*.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Subrecipient Monitoring.)

Recommendation No. 54:

Colorado Community College System (CCCS) should improve its subrecipient monitoring by implementing policies, procedures, and controls to ensure compliance with OMB *Circular A-133*. Specifically, CCCS should:

a. Develop a risk based approach for monitoring subrecipients, including written policies and procedures, in compliance with OMB *Circular A-133*.

b. Require all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements. Review audit reports or other statements.

c. Develop written policies, procedures, and documentation requirements for subrecipients to support allowability and appropriateness of grants expenditures and other compliance requirements.

d. Provide training to improve the technical skill of staff responsible for subrecipient monitoring.

e. Provide adequate oversight and supervisory review of the Perkins monitoring process.

Colorado Community College Response:

Agree. Implementation date: July 2007.

CCCS has developed a monitoring team comprising Program Directors and Internal Audit, Accounting, Credentialing, Colorado Vocational Act Staff, and Perkins personnel to develop factors to be utilized in a risk-based approach to monitoring and to ensure each subrecipient is monitored at least

once every five years as provided in the State's Perkins Plan. This risk-based approach will employ a matrix to select appropriate data sample sizes to test, including enrollment, as part of the monitoring visits and will include written policies on carrying out monitoring visits. A process is in place to identify and request OMB *Circular A-133* reports annually, as applicable, and specific corrective action plan procedures will be developed for subrecipients with findings. CCCS will provide Colorado sub-indicator performance reports to subrecipients to identify individual program deficiencies and will monitor subrecipients against their plan objective. In addition, CCCS is actively pursuing the hiring of a compliance officer to oversee and implement the entire monitoring process. Procedures will be in place by July 2007.

Federal Student Aid Cluster Return of Title IV Funds

A school must return its portion of unearned Title IV funds by no later than 30 days after the date the school determined the student withdrew. Adequate procedures are not in place at Front Range Community College (FRCC) to ensure Title IV funds are returned within 30 days after the date the school determined the student withdrew.

We tested a sample of 30 students, 12 of whom were from FRCC, and noted that the Return of Title IV funds for two students were returned three and seven days late. FRCC returned its portion of unearned Title IV funds beyond the timeframe established by Federal regulations.

(CFDA No. 84.063; Federal Pell Grant Program; Special Tests and Provisions.)

Recommendation No. 55:

Colorado Community College System should ensure Front Range Community College enhances procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the school has determined a student has withdrawn.

Colorado Community College Response:

Agree. Implementation date: June 30, 2007.

The Front Range Community College Financial Aid Director is working with Colorado Community College System in the development of enhanced procedures for ensuring compliance with the required Return of Title IV Fund regulations.

Federal Student Aid Cluster Grant Overpayments

Students who owe overpayments as a result of withdrawals generally will retain their eligibility for Title IV funds for a maximum of 45 days. The student's eligibility for additional Title IV funds will end if the student fails to take positive action by the 45th day following the date the school sent, or was required to send, notification to the student. If the student takes no positive action during the 45-day period, the school should report the overpayment to the National Student Loan Data System (NSLDS) immediately after the 45-day period has elapsed.

Front Range Community College (FRCC) and Pikes Peak Community College (PPCC) do not have adequate procedures in place to report overpayments to NSLDS in a timely manner. In a sample of thirty students, twelve from FRCC and six from PPCC, two students, one from each school, were reported to NSLDS 63 days and 19 days, respectively, after the expiration of the 45-day period of extended eligibility to NSLDS. By reporting a student late, a student's eligibility is extended and the student could apply for aid for which the student is not entitled.

(CFDA No. 84.063; Federal Pell Grant Program; Special Tests and Provisions.)

Recommendation No. 56:

Colorado Community College System should ensure Front Range Community College and Pikes Peak Community College enhance procedures to ensure that students are not allowed additional days of eligibility before they are reported to the National Student Loan Data System.

Colorado Community College Response-
Front Range Community College:

Agree. Implementation date: June 30, 2007.

The Front Range Community College Financial Aid Director will work with Colorado Community College System in the development of enhanced procedures for ensuring compliance with the Return of Title IV Fund regulations and related reporting to NSLDS by June 30, 2007.

Colorado Community College Response-
Pikes Peak Community College:

Agree. Implementation date: November 30, 2006 and ongoing.

Pikes Peak Community College (PPCC) has policies and procedures in place to report and refer students to NSLDS, but in this case one was missed. PPCC will continue to comply with as few mistakes as possible. A financial aid processor is assigned this particular duty and has procedures in the calendar to automatically provide a reminder. Compliance is expected to continue from November 2006 forward.

Overview of Career and Technical Education Programs

The State Board for Community Colleges and Occupational Education's (Board) role in occupational education is defined in Section 23-60-102, C.R.S., which gives the Board responsibility for developing and establishing state policy in career and technical education, also referred to as vocational education. Statute states the purpose of this policy should be to coordinate all aspects of career and technical education in the State to ensure efficient delivery of quality programs. Statute gives the Board the authority to set rules related to administering career and technical education programs, which staff at the Colorado Community College System (System) implement. The System administers two programs that provide funding for career and technical education, the Colorado Vocational Act (CVA) of 1970 and the federal Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Perkins). The overall purpose of these laws is to help fund high-quality secondary and post-secondary career and technical education programs that will provide entry-level work skills students can use to obtain employment or further their education.

During Fiscal Year 2006 the Office of the State Auditor conducted the *Career and Technical Education Programs Performance Audit,* Report No. 1702, dated December 2005. The comments below were contained in that report.

Colorado Vocational Act

The General Assembly enacted CVA in 1970 under Section 23-8-101 et seq., C.R.S., to help school districts pay for the additional costs of providing career and technical education programs in secondary schools. To receive funding under CVA, districts must demonstrate to the System that their programs:

- Are of sufficient duration to provide students with entry-level occupational skills required by business and industry.
- Have advisory committees to assist districts with curriculum development.
- Are conducted in facilities that are sufficient to permit adequate training.
- Meet an employment "potential" found to exist by any survey of the Board concerning economic opportunities.

Statute gives the Board the responsibility for allocating, distributing, and administering CVA funds. System staff perform these duties on a daily basis. Colorado Vocational Act funds are not available for post-secondary education programs. In Fiscal Year 2005 the General Assembly appropriated about $20 million for CVA.

Federal Perkins Act

The federal Perkins Act was first enacted in 1984 and has been reauthorized twice, most recently in 1998. The current Perkins Act expired in 2003, and at the time of the audit, Congress was debating a new version of the law. In contrast to CVA, Perkins provides funding for career and technical education programs at both the secondary and post-secondary levels. Perkins Act goals include improving academic standards at the state level; promoting the integration of academic and career and technical education; and providing national research to improve career and technical education programs, services, and activities.

The Perkins Act provides two types of funding for these programs. Under Title I, school districts and public or nonprofit post-secondary institutions may purchase supplemental equipment, supplies, and books for their approved career and technical education programs. However, Perkins monies cannot be used to supplant, or

replace, non-federal funds. For example, Perkins subrecipients cannot use this funding to provide basic classroom necessities, such as a building or furniture. Title II of Perkins can be used to support "tech-prep" programs at the local level. These programs combine two years of secondary classes with two years of post-secondary classes in sequence. In Fiscal Year 2005 the federal government allocated Colorado about $16.1 million in Title I and about $1.4 million in Title II funds, for a total of about $17.5 million in Perkins funding.

Federal law requires states to designate an agency to administer Perkins funds, and state statute gives this responsibility to the Board. In this role, the Board's duties include creating a state plan for administering Perkins funds and instituting statewide performance measures that subrecipients must meet for the State to continue receiving Perkins funding. System staff manage the day-to-day Perkins operations on behalf of the Board. According to the System, Colorado is unique in having one agency overseeing Perkins programs for both secondary and post-secondary institutions.

Approved Programs

The System approves programs for funding under CVA and Perkins based on the respective criteria established under law and regulation. As of December 2005, there were about 1,900 (600 post-secondary and 1,300 secondary) approved career and technical education programs in the State, with total enrollments of about 129,000 students. The table below breaks down the enrollment figures by program area.

Colorado Community College System
Number of Approved Career and Technical Education Programs[1] and Enrollment Figures[2]

	Post-Secondary				Secondary			
Program Area	**Programs**	**% of Total**	**Enrollment**	**% of Total**	**Programs**	**% of Total**	**Enrollment**	**% of Total**
Agriculture	51	8%	1,183	4%	98	8%	4,573	4%
Business	119	20%	4,884	17%	276	21%	43,166	43%
Family & Consumer Science	40	7%	1,667	6%	367	28%	21,061	21%
Health	164	27%	9,369	33%	33	3%	1,341	1%
Marketing	17	3%	611	2%	90	7%	8,854	9%
Multi-Occupational Coop	1	0%	0	0%	15	1%	318	0%
Special Programs	9	1%	865	3%	123	10%	6,633	7%
Technical	96	16%	3,000	11%	109	8%	6,213	6%
Trades and Industry	111	18%	6,964	24%	177	14%	8,753	9%
Total	**608**	**100%**	**28,543**	**100%**	**1,288**	**100%**	**100,912**	**100%**

Source: Office of the State Auditor's analysis of data provided by the Colorado Community College System.
[1] Number of approved programs as of December 2005.
[2] Enrollment figures as of the end of Fiscal Year 2004. Fiscal Year 2005 figures were not available at the time of our audit.

As the table shows, about three-quarters of post-secondary students are enrolled in health, business, and trades programs. More than half of secondary students are enrolled in business and family and consumer science programs.

Funding

The Colorado Vocational Act and Perkins provide supplemental funding for career and technical education programs. For example, the System reported that CVA funds represented about 23 percent of all monies spent on secondary school career and technical education programs in Fiscal Year 2004. The remaining monies generally come from the State's general fund, which provides per-pupil funding under the formula established in the Public School Finance Act, and local sources, such as property and specific ownership taxes. Similarly, Perkins provides a minority of funding for post-secondary career and technical education programs, with the remaining funding generally coming from tuition paid by students and state

general funds that are based on the number of career and technical education course credit hours provided to resident students.

For Fiscal Year 2005, 151 of the State's 178 school districts received Colorado Vocational Act funds. A total of 160 school districts and 20 post-secondary institutions received Perkins funds in Fiscal Year 2005. The post-secondary institutions include 13 community colleges, 4 area vocational schools, 2 local district colleges, and one 4-year college that offers career and technical education programs. Perkins subrecipients with allocations of $15,000 or less typically must join consortia to receive these funds. The purpose of a consortium is to allow smaller schools to pool Perkins funds so they can be used more effectively. In Fiscal Year 2005, 108 school districts belonged to 17 Perkins consortia. School districts not receiving CVA or Perkins funds typically do not teach career and technical education courses.

The table on the next page shows the amount of CVA and Perkins funding administered by the System since Fiscal Year 2001. The CVA funds reflect the amounts appropriated by the General Assembly annually, all of which come from the state general fund. The Perkins funds show Colorado's annual allocation from the federal government. Together these amounts represent the total career and technical education dollars administered by the System. The table shows that funds available for distribution under both CVA and Perkins have gradually increased since Fiscal Year 2001 by almost 14 percent.

Colorado Community College System
Career and Technical Education Funding
Fiscal Years 2001 Through 2005

Program	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Percentage Change 2001-2005
Colorado Vocational Act [1]	$17,792,850	$18,504,564	$19,374,279	$19,742,390	$19,959,556	12%
Perkins Act [2]						
Title I	$13,684,438	$14,415,073	$15,494,849	$15,876,159	$16,089,988	18%
Title II - Tech Prep	$1,414,259	$1,420,073	$1,453,811	$1,455,557	$1,448,278	2%
Total Perkins	$15,098,697	$15,835,146	$16,948,660	$17,331,716	$17,538,266	16%
Total Career and Technical Education Funding Administered by the System	$32,891,547	$34,339,710	$36,322,939	$37,074,106	$37,497,822	14%

Source: Office of the State Auditor's analysis of data from the Colorado Community College System.
[1] Amount appropriated by the General Assembly.
[2] Amount allocated to Colorado by the federal government.

The General Assembly appropriates Colorado Vocational Act funds to the Colorado Department of Education (Department). The Department then transfers the funds to the System, which distributes the entire amount to school districts. To receive CVA funds, districts must demonstrate that the cost for a full-time equivalent (FTE) student for their approved career and technical education programs exceeds 70 percent of their regular per-pupil funding. For example, if a district's regular per pupil funding is $5,000, it would be eligible for CVA funds if the per-FTE costs for its career and technical education programs exceed $3,500 ($5,000 X 70%). If this is the case, districts receive a portion of these excess costs based on CVA's statutory formula. Generally, the formula provides 80 percent of the first $1,250 by which a district's per-FTE cost for a career and technical education program exceeds its regular per-pupil funding and 50 percent of per-FTE costs that exceed regular per-pupil costs by more than $1,250. The System makes quarterly payments on the basis of the districts' estimates of their CVA-eligible expenses at the beginning of each fiscal year. If districts over- or underestimate their eligible expenses, the System adjusts their quarterly payment accordingly in the first quarter of the following year. Since at least Fiscal Year 2001, the General Assembly's CVA appropriation has not been sufficient to cover all eligible CVA expenses. Therefore, districts have received prorated reimbursements from the System ranging from 73 to 83 percent of their eligible expenses.

Perkins operates on a reimbursement basis in Colorado. Subrecipients request reimbursement for Perkins-eligible expenses from the System, which in turn draws down funds on a monthly basis from the federal government. Under Perkins, the System may use up to 5 percent of the Title I grant for administrative expenses, such as reviewing local plans for using Perkins funds, monitoring and evaluating program effectiveness, and providing technical assistance. The System may also use up to 10 percent of the Title I grant for leadership activities. Leadership funds may be used for a variety of purposes, including expanding the use of technology in career and technical education and providing professional development for teachers. The System reported holding back the maximum amount of administrative and leadership dollars each year, which totaled about $2.4 million in Fiscal Year 2005, since at least Fiscal Year 2001. In addition, subrecipients may spend up to 5 percent of their allocated funds on administration. Therefore, up to 20 percent of the Title I grant may be used for purposes other than direct classroom support.

At the state level, the System distributes 85 percent of Title I funds to subrecipients, using federal formulas based on factors including the percentage of low-income population in school districts, census data on the population between ages 5 and 17 in districts, and the percentage of students at post-secondary institutions receiving Pell grants. Of the 85 percent of Perkins Title I funds distributed to subrecipients (about $13.7 million in Fiscal Year 2005), the System currently allocates 60 percent to post-secondary institutions and 40 percent to school districts. The System's rationale for this distribution is that the Colorado Vocational Act provides additional career and technical education funding to school districts that is not available to post-secondary subrecipients.

The System also uses the allowed 5 percent for administering Perkins Title II funds (about $72,000 was allocated for this purpose in Fiscal Year 2005) and distributes the rest in the form of competitive and invitational grants to both secondary and post-secondary subrecipients (about $1.4 million allocated in Fiscal Year 2005).

Staffing

At the time of our audit, 46 System staff representing about 33 FTE worked directly or indirectly on some aspect of the CVA and Perkins programs. Job duties performed by these staff include approving programs for funding; assisting subrecipients with curriculum development; monitoring subrecipients for compliance with applicable laws and regulations; advising state chapters of career and technical student organizations, such as Future Farmers of America; and accounting for all funds spent. As mentioned previously, the System retains 5 percent of the Title I and Title II grants for administrative costs and 10 percent of the Title I grant for leadership activities. The System uses these funds to support staff with Perkins-related job functions. The System also uses state general funds to support Perkins staff because the federal government requires states to match Perkins administrative

expenses with non-federal funds. CVA does not have any provisions allowing its funds to cover administrative costs. Therefore, the System uses state general funds to pay CVA-related administrative costs. Total state general funds used for staffing in Fiscal Year 2005 totaled about $100,000 to administer CVA and about $560,000 to provide the required non-federal Perkins administrative match.

The table below shows the System's expenditures and appropriated FTE related to CVA and Perkins for Fiscal Years 2001 through 2005. The table divides the Perkins expenditures into administrative and leadership costs that are federally funded and administrative costs supported by state general funds used to meet the non-federal match under Perkins.

Colorado Community College System
Career and Technical Education
Administrative and Leadership Expenditures and Appropriated FTE
Fiscal Years 2001 Through 2005

Category	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Percentage Change 2001-2005
Colorado Vocational Act Administration[1] (State General Funds)	$85,148	$102,839	$54,327	$57,210	$102,339	20%
Perkins Administration-Title I[2] (Federal Funds)	$613,585	$576,713	$764,314	$592,397	$760,126	24%
Perkins Administration-Title I[2] (State General Funds)	$622,451	$620,346	$614,830	$563,719	$564,490	-9%
Perkins Administration - Title II (Federal Funds)	$37,699	$54,565	$94,994	$85,276	$18,758	-50%
Perkins Leadership (Federal Funds)	$1,254,904	$1,528,483	$1,190,411	$1,343,660	$1,520,878	21%
Total Operational Costs	$2,613,787	$2,882,946	$2,718,876	$2,642,262	$2,966,591	13%
Appropriated FTE for Career and Technical Education Programs	37.5	34.2	34.2	34.2	34.2	-9%

Source: Office of the State Auditor's analysis of data provided by the Colorado Community College System.
[1] The System charged some Colorado Vocational Act administrative expenses to the cost center associated with the Perkins administrative match in Fiscal Years 2003 and 2004, accounting for the decline in the figures for those years.
[2] In Fiscal Years 2003, 2004, and 2005, the State did not meet federal requirements that require a dollar-to-dollar match of non-federal to federal dollars used for administering Title I of Perkins.

Audit Scope

Our Career and Technical Education audit focused on the System's administration of the Colorado Vocational Act and Title I of the federal Perkins Act. In particular, we evaluated the System's methods for approving career and technical education programs for CVA and Perkins funding, credentialing career and technical education instructors, and monitoring and auditing subrecipients. In addition, we conducted site visits at eight Perkins subrecipients across the State. At each subrecipient site, we interviewed staff about how they administer their programs and tested a sample of CVA and Perkins transactions to determine if the subrecipients were spending these funds in accordance with applicable laws and regulations. In addition, we reviewed the System's methods for collecting and reporting on accountability data. Finally, we assessed the System's administrative effectiveness in managing the Perkins grant and reviewed grant revenues and expenditures.

Our audit did not include a review of the System's administration of Perkins Title II (tech-prep) funds.

Program Quality

Introduction

Under Section 23-8-103, C.R.S., the State Board for Community Colleges and Occupational Education (Board) is required to approve career and technical education programs before they can receive funding through the Colorado Vocational Act (CVA) and/or the federal Carl D. Perkins Vocational and Applied Technology Education Act (Perkins). To be approved, programs must meet minimum requirements set forth in Colorado statute and the Board's rules. These generally require programs to provide entry-level occupational skills, meet an existing employment need, have an advisory committee, and not duplicate other programs unnecessarily. For Fiscal Year 2005, the approximately 1,900 approved programs received about $20 million from CVA and about $13.7 million from Perkins.

CVA and Perkins both require the System to collect and report data on the outcomes of students who participate in approved career and technical education programs. Section 23-8-104, C.R.S., requires the System to report annually to the General Assembly on the employment outcomes of students who participate in CVA-funded programs, the types of programs funded by CVA, and the costs of those programs. CVA does not set minimum performance outcomes for approved career and technical education programs. Perkins has established 14 performance sub-indicators, seven

each for secondary and post-secondary students, which measure the rate at which students complete the programs, find related employment, and retain their jobs. The System must report annually to the United States Department of Education (USDOE) on how it performed on each sub-indicator. If the System does not meet the standards it negotiated with the USDOE for the Perkins sub-indicators, it will be put on an improvement plan and could lose funding if its performance does not improve.

We reviewed whether System staff ensure that all program approval applicants meet minimum standards before staff grant programs funding. We also reviewed the methods used by the System to determine if approved programs are meeting CVA and Perkins accountability standards. Overall, we identified weaknesses in the System's program approval activities that raise concerns whether standards are met. We also found that the System allows expired programs and programs that appear to be academic in nature to receive CVA and Perkins funding. Finally, we discovered weaknesses with the System's collection and use of accountability data. This section discusses ways in which the System can improve the effectiveness of its program approval and accountability data processes to ensure that approved career and technical education programs meet minimum quality standards.

Program Approval

The System has developed a single standardized online process to approve programs for both Colorado Vocational Act and Perkins funding. As indicated earlier, there are currently about 1,900 approved programs. System staff review applications to determine if programs meet minimum statutory and regulatory requirements. Subrecipients must generally apply for a program's renewal every five years. The table on the next page shows the number of programs the System has approved and renewed during Fiscal Years 2001 through 2005. Over the period, the volume of program approvals and renewals has more than doubled. System staff indicate that they never deny a program approval, because staff work with school districts and post-secondary institutions to ensure that all submittals are for viable programs.

Colorado Community College System
Number of Vocational Programs Approved or Renewed Annually[1]
Fiscal Years 2001 Through 2005

Program Area	Fiscal Year					Percentage Change 2001-2005
	2001	2002	2003	2004	2005	
Agriculture	30	16	23	17	47	57%
Business	66	71	32	43	162	145%
Family & Consumer Science	40	49	105	128	75	88%
Health	36	32	10	47	43	19%
Marketing	23	17	16	18	39	70%
Multi-Occupational Coop	5	1	4	3	4	-20%
Special Programs	15	33	13	40	35	133%
Technical	19	25	39	48	64	237%
Trades and Industry	18	36	46	49	101	461%
Total[2]	**252**	**280**	**288**	**393**	**570**	**126%**

Source: Office of the State Auditor's analysis of data provided by the Colorado Community College System.

[1] Numbers combine approvals for new and for renewing programs.

[2] The System extended the renewal period for many programs to six years when it moved its main office.

Initial and renewal approval requirements are specified within the Board-approved Program Approval Accountability Standards adopted in 2002. These standards generally require that applications for new programs provide occupational outlook data to show that the program fulfills an occupational need. Additionally, the standards require that programs submitted for renewal meet certain five-year trend data performance standards. Subrecipients must also certify that other requirements are met through a series of assurances, such as maintaining a local advisory committee to guide the program, having credentialed instructors, and establishing articulation agreements between school districts and post-secondary institutions that link their career and technical education programs.

Application Process

To determine if the System ensures that all career and technical education programs meet minimum standards before being approved for state and federal funding, we reviewed 25 program approval applications (12 new programs and 13 renewals) evaluated by System staff from Fiscal Years 2000 through 2006. In 17 (68 percent) of the 25 files we reviewed, we found a lack of evidence that the programs met all statutory and regulatory requirements before being approved by staff. The results are summarized below.

- **Nine of twelve newly approved programs either provided inadequate occupational outlook data or were missing occupational outlook data entirely.** Statute requires that programs provide evidence that they meet an occupational need in the form of a Board-approved survey. The Board's standards require that this survey information come from Colorado Department of Labor occupational outlook data and other state and national reports. For five programs, the System approved the program, even though no outlook data were submitted. For the other four programs, the System approved the program based on outlook data that did not meet statutory requirements. For example, staff approved one program that did not include data about potential employment needs, as required by statute. Instead, outlook data were taken from a national professional association Web page and consisted of a conceptual description of the program field along with a general summary of its value to society. For another program, although United States Department of Labor data were submitted, they provided no indication of state or local employment needs.

- **Seven of twelve newly approved programs indicated that they would prepare students for occupations which appeared inappropriate or outside the realm of the suggested curriculum.** To determine whether a program's curriculum is providing students with entry-level occupational skills, program approval applications require a list of occupations for which the program is preparing students. Occupational outlook data would then presumably be based on the occupations listed. For these seven programs, the listed occupations did not appear attainable through the proposed curriculum. For example, a two-semester post-secondary gerontology program listed entry-level occupations such as dietician, nutritionist, and registered nurse. Considering that the program does not include any nutrition or nursing courses (only one course addressed elderly health and wellness issues), we question the validity of suggesting that the program prepares students for these occupations. Staff agreed that the appropriate training for the listed occupations could not be obtained based solely on the completion of this program. Including inappropriate occupations in the program

approval application misrepresents the employment outlook for the program and for participating students.

- **Five of thirteen renewed programs had deficiencies in two or more performance measures within the trend data.** To be renewed, programs must demonstrate they meet the Board's standards requiring steady or increased performance on five-year trend measures such as enrollment, continuing education, job placement, and program completers. The standards define steady or increased performance as no greater than a 30 percent decline during the five-year period. Additionally, programs must compare favorably with other similar programs in the State on the aforementioned performance measures, as indicated by a negative variation no greater than 30 percent.

  If a program possesses deficiencies in two or more areas, the standards require that the System put the program on conditional status for a term shorter than five years, during which the program must improve its performance or risk losing approval (and therefore funding). Staff granted five programs an unconditional renewal despite deficiencies in at least two of these areas. For instance, staff approved one program that experienced a 61 percent decline in completion rates, a 50 percent decline in continuing education rates, and an 83 percent decline in job placement rates during the five-year period, as well as an overall employment rate nearly 60 percent below the statewide average.

- **Three of thirteen renewed programs were missing all or part of the required five-year trend data, indicating that they were never examined.** These three programs received unconditional renewals, despite the fact that all or part of the five-year trend data were not included in the renewal application.

Several factors appear to have caused these deficiencies. First, for initial program approvals, the System has not adequately defined what occupational outlook data must accompany applications, or how staff should evaluate these data. Second, for renewal approvals, staff are not applying criteria correctly. For example, the Board defines trend data as positive if the performance indicators do not decrease by more than 30 percent during the previous five years or are no more than 30 percent lower than the statewide average. However, staff have interpreted this standard to mean 30 *points*. For example, one program had an average job placement rate of 7 percent, whereas the statewide job placement rate was 26 percent. Staff indicated that they considered this only a 19-point difference (26-7 = 19) from the state rate when it truly represented a 73 percent difference [(26-7)/26 = 73%]. Third, for both types of approvals, the supervisory review appears inadequate. Staff make

recommendations for approvals that supervisors then approve. We did not find evidence that supervisors questioned any of the exceptions from our file review. Finally, System staff indicated that the program approval criteria currently contained in the CVA statute and in the Board's standards may be outdated. Specifically, these criteria do not reflect how career and technical education has evolved since CVA was enacted in 1970. According to staff, the goal of career and technical education today is not only to prepare students to obtain jobs directly after completing high school but also to provide general job readiness skills and to prepare them for further training that will lead to higher-paying jobs.

As previously mentioned, the Colorado Vocational Act and Perkins provide supplemental funding for career and technical education programs. Since CVA and Perkins funding is capped annually and divided among all approved programs, it is important that the System only approve or renew programs for funding that meet the minimum standards required by these laws. Otherwise, limited funds may be spent on programs that have not been successful in training students for entry-level jobs or do not fulfill documented employment needs; this could ultimately result in the denial of additional funds to programs with demonstrated successes. The System should improve its evaluation of new and renewing programs to ensure that CVA and Perkins funds are targeted effectively to those programs that meet requirements and provide the most benefit to students. In addition, the System should reevaluate the appropriateness of its current statutory and regulatory criteria for approving career and technical education programs and seek changes as necessary to ensure that approved programs are adequately preparing students for the current job market.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Eligibility.)

Recommendation No. 57:

The Colorado Community College System should improve its evaluation of new and renewal program applications by ensuring that programs provide students with entry-level skills, job readiness skills, or the ability to articulate to further training. This should include reevaluating the appropriateness of current statutory and regulatory criteria for approving career and technical education programs and seeking changes as necessary. The System should establish supervisory reviews to ensure staff document compliance with established criteria prior to approving programs for funding.

Colorado Community College System Response:

Agree. Implementation date: December 2006.

CCCS will ensure that emphasis in the program approval process is on entry-level occupational opportunities. However, because most jobs require additional training beyond high school, occupations that require additional education also may be included. CCCS will recommend consideration of statutory (CVA) and rule changes to allow programs to include careers that require additional training. CCCS will review the appropriateness of all current program review criteria and recommend statutory and rule changes as necessary. CCCS will ensure that supervisory reviews are adequate for identifying and correcting errors in the program approval process.

Expired Programs

As mentioned previously, institutions can only receive funding under the Colorado Vocational Act and Perkins for approved programs. We found that the System classifies some programs as "expired active," meaning they are existing programs whose approvals were not renewed timely. Under Board rules, these programs no longer qualify for funding. Specifically, Board rules state that programs must be approved before the expiration of the prior approval period and that approval must occur by the end of the fiscal year to receive funding for all costs incurred that year. We ran an "Expired Programs" report from the System's Web site in June 2005 and found that it contained the names of 82 expired active programs, which represents about 4 percent of the approximately 1,900 approved programs. Of the 82 programs, 59 expired in Fiscal Year 2005; 20 expired in Fiscal Year 2004; 2 expired in Fiscal Year 2003; and 1 expired in Fiscal Year 2002. We reviewed Colorado Vocational Act final financial reports and Perkins reimbursement requests to determine if the expired programs received CVA and/or Perkins funding after their expiration dates. We did not calculate these figures for programs that expired in Fiscal Year 2005, because staff interpret the CVA statute to say that any program approved at the beginning of a fiscal year is eligible for funding throughout the fiscal year regardless of expiration date. (Our review of the statute found this to be a reasonable interpretation.) We identified that 4 (17 percent) of the 23 programs that expired in Fiscal Year 2004 or earlier received CVA funding totaling about $44,000 and Perkins funding totaling at least $28,000 after their expiration dates in Fiscal Years 2002 through 2005. Of these amounts, the program that expired in Fiscal Year 2002 received about $41,000 in CVA funds during this period.

Our calculation of the amount of Perkins funds used to reimburse the 23 expired programs is conservative. We were unable to determine the total amount of Perkins funding received because the subrecipients' reimbursement requests did not always contain sufficient detail about which programs would receive the funds. Of these 23 programs, only 5 (22 percent) were specifically mentioned by name in the subrecipients' Perkins budget or continuation plan for these years, suggesting that the subrecipients intended to spend Perkins funds on them. Finally, we identified a small number of entries (8 of 82 total programs in the report, or about 10 percent) in which the program's expiration date on the Expired Programs report did not agree with the dates in the System's approved program list or in the paper files.

The Expired Programs report was not introduced by the System until June 2005. Previous to that date, staff could have used a report called All Approved Programs, available online since at least Fiscal Year 2003, to determine if subrecipients were requesting reimbursement for expired programs; however, staff stated they have not used the Expired Programs and All Approved Programs reports for this purpose. Staff should begin utilizing the Expired Programs report during their reviews of CVA and Perkins reimbursement requests to ensure that expired programs do not receive Perkins and CVA funding. If staff are unable to determine if subrecipients are claiming reimbursement for expired programs, they should request additional information from the subrecipients before approving the request. Since funding is limited, the System should ensure monies are not spent on programs that have expired.

We also found that the CVA statute and Board rules allow expiring programs to receive continued CVA and Perkins funding for an extended period without being approved again. As noted previously, the statute requires that the System provide CVA funding for the entire fiscal year to any program approved as of July 1 of that fiscal year. Also, Board rules allow retroactive funding for programs approved by the end of the fiscal year. Consequently, an expired program could conceivably go almost two years without being approved and still receive funding for the entire period in which it was not approved. For example, a program that expires on July 2, 2005, would be eligible under the CVA statute for funding for all of Fiscal Year 2006 because it was approved as of July 1, 2005. Further, the program would be eligible for funding under Board rules for all of Fiscal Year 2007 if the program were renewed by June 30, 2007. Having standards that allow programs to receive funding without being approved by the System for almost two years weakens program accountability. Therefore, the System should reevaluate its regulations to ensure that career and technical education programs do not receive continued CVA and Perkins funding without being renewed timely.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Eligibility.)

Recommendation No. 58:

The Colorado Community College System should ensure that programs whose approvals have expired do not receive Colorado Vocational Act (CVA) or Perkins funding by:

a. Prohibiting reimbursement for programs that are expired, as determined by Board criteria.

b. Routinely monitoring the status of programs using the Expired Programs report before processing CVA and Perkins reimbursement requests.

c. Reevaluating its regulations to ensure that programs do not receive continued CVA and Perkins funding without being renewed timely.

Colorado Community College System Response:

Agree. Implementation date: July 2007, because regulatory change may be required.

a. CCCS agrees to prohibit funding for programs that are expired. However, Perkins and CVA funds are available for each fiscal year in which a program has a valid approval, regardless of the approval or renewal date. Section 23-8-102(1)(b), C.R.S., states that the State shall provide funding for each 12-month period beginning July 1 to each school district, etc., offering an approved career and technical education program.

b. CCCS agrees that fiscal staff will be notified of programs not renewed for the next fiscal year by June 30.

c. CCCS agrees to reevaluate its regulations to ensure that programs do not receive continued Perkins and CVA funding if they do not have a valid approval effective during the fiscal year that funding is received.

Academic Courses

The purpose of the Colorado Vocational Act and Perkins is to help fund career and technical education programs that will provide students with specific entry-level

skills to obtain in-demand jobs. During our site visits to CVA and Perkins subrecipients, we found that one school district appears to include academic-type courses in its Alternative Cooperative Education (ACE) program. ACE is a career and technical education program designed to provide disadvantaged and/or disabled students with entry-level job skills to enter the Colorado labor force. ACE programs place students on the job under a training plan agreed upon by the student, employer, parent, and career and technical education coordinator. The program also provides related classroom instruction to meet the individual needs of the student.

For this district, we found that its ACE program includes courses such as biology, American history, historical novels, English, and geometry. This program received about $480,000 in CVA funding for Fiscal Year 2005, or about 2 percent of all CVA funds available statewide. We reviewed the course descriptions for these classes and concluded that the courses were not substantially different from the academic courses with similar names offered outside of the ACE program. Staff at the school district indicated that one of the purposes of its ACE program is to allow 11th and 12th graders at risk of dropping out to recover credits for basic classes like English and math that they failed to obtain earlier in high school.

It is not clear that these academic-type classes should receive CVA and/or Perkins funding reserved for career and technical education programs. Section 23-8-103, C.R.S., clearly requires career and technical education programs to provide entry-level occupational skills as a condition for approval and funding through CVA and/or Perkins. However, a consensus does not exist among System staff about whether the academic-type courses in the ACE program at the school district we identified meet this requirement. We reviewed the course lists for other districts' ACE programs and found little evidence that other school districts include academic-type courses in their ACE programs. Further, one of the other districts we visited reported that it purposely does not include academic ACE courses in its program approval applications because it does not believe that they qualify as vocational education. Finally, the Colorado Department of Education administers programs that help at-risk students, and it is unclear if funding academic ACE courses with CVA dollars duplicates those efforts.

System management should review this issue and conclude whether academic classes offered through an ACE program meet the intent and requirements of the Colorado Vocational Act and Perkins. If so, then the System should ensure that all school districts are aware that they can include academic courses in their ACE program. The System should also establish guidelines for determining which academic courses may be reimbursed with CVA and Perkins funding. If not, then the System should ensure that academic courses do not receive reimbursement under CVA and Perkins. This is also a concern because of equity issues. Since a fixed amount is appropriated for CVA annually, every dollar this school district receives in reimbursement for the

academic-type courses in its ACE program represents a dollar that is not available to other school districts in the State. If the System concludes that CVA and Perkins intend to support these academic classes, then it should ensure that all districts have the opportunity to claim reimbursement for them.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Activities Allowed or Unallowed.)

Recommendation No. 59:

The Colorado Community College System should clarify whether school districts may receive Colorado Vocational Act (CVA) and/or Perkins reimbursement for academic courses such as English, biology, and American History offered through Alternative Cooperative Education (ACE) programs. If the System concludes funding is appropriate, it should ensure that all school districts are aware of this policy and establish guidelines for determining which academic courses are reimbursable. If not, then the System should ensure that CVA and Perkins funds are not used to reimburse school districts for academic courses.

Colorado Community College System Response:

Agree. Implementation date: July 2006.

CCCS will ensure that school districts do not receive funding for academic courses offered through ACE programs. Notification and training will be implemented in February 2006.

Program Accountability Data

The System uses the same data collection system for both CVA and Perkins data reporting requirements. School districts either enter data directly onto the System's data collection Web site or submit a text file. For community colleges and area vocational schools, staff extract the data from the System's own student information database. Local district colleges submit files from their own student databases. The information submitted by schools and colleges includes enrollment, student demographics (e.g., gender, race, and economic status), and the student's completion and employment status. The System processes the submitted data to produce the annual CVA and Perkins reports.

We reviewed the System's Colorado Vocational Act and Perkins accountability reports for Fiscal Years 2001 through 2004 to determine if the State's career and technical education programs are meeting required minimum standards (Fiscal Year 2005 reports were not available at the time of our audit). For CVA, we found that the System uses individual program five-year trend data related to performance to determine if programs should be renewed and remain eligible for funding. We discussed concerns with this process in a previous section. For Perkins, the System negotiated minimum performance standards with the USDOE that the State's career and technical education programs must meet each year. We found that the State has met its negotiated Perkins standards each year except Fiscal Year 2001. As we discuss later in this section, staff reported that unreliable data were a key reason the State missed its Perkins standards for Fiscal Year 2001.

Additionally, we reviewed the System's methods for collecting and verifying its accountability data to determine if the data are reliable for assessing the success of the State's career and technical education programs. Overall, we found that the data are not reliable because of data reporting errors, the lack of complete data, and inconsistent reporting methods.

Data Reporting Errors

Through our review of the System's accountability reports and data collection methods, we found that the System often collects and reports unreliable data. For example, the System reported to the USDOE that the main reason Colorado did not meet its Perkins standard for Fiscal Year 2001 is that one of the State's larger school districts mistakenly reported that none of its 12th grade career and technical education participants graduated from high school. According to the System, the school district believed that another state agency would be reporting graduation information to the System. In response to this error, the System implemented an edit check that requires school districts to confirm their number of graduates when they report that number as zero.

Further, for Fiscal Year 2003 data, the System belatedly discovered a loophole in its data collection system that allowed subrecipients to report more than one placement outcome per student. As a result, the Fiscal Year 2003 Perkins placement rates for individual subrecipients and the State overall were overstated. For example, about 14 percent of subrecipients had placement rates greater than 100 percent, which is not possible. The System responded to this error by posting new guidance on its data collection Web site to prevent subrecipients from submitting placement data in error. It also plans to reprogram the Web site to allow no more than one placement outcome per student.

Finally, the System has identified subrecipient reporting errors through data reliability testing during monitoring visits. The System first committed to reviewing subrecipient data reliability in its 1999 state Perkins plan; however, staff did not begin testing data until Fiscal Year 2005. This testing, which reviewed accountability data from Fiscal Year 2004, involves pulling a sample of students for the subrecipient being monitored and then reviewing pertinent documentation (e.g., transcripts) on-site. The System identified reporting errors at four of the seven (57 percent) subrecipients tested. Errors included reporting students as having graduated when they did not and identifying students as economically disadvantaged when they were not. Two of the subrecipients had error rates higher than 50 percent for the sample tested.

Before the System began data reliability testing in Fiscal Year 2005, its primary methods for ensuring that data were reliable included providing training to subrecipients, running edit checks on data received, and having subrecipients review the data they submitted and certify they are accurate. However, the examples above indicate that these procedures have not been adequate to ensure that the System is collecting reliable data. In particular, although the System has done a good job of fixing problems once they occur, it does not appear to have been proactive in identifying potential problems.

The System's use of data reliability testing can be an effective tool for identifying and preventing statewide data reporting errors. However, the System's current testing procedures are limited in several ways. For example:

- **The System does not test enough subrecipients.** In the five-year state Perkins plan dated June 1999, the System committed to analyzing the data submitted by subrecipients at least once every five years. With approximately 100 subrecipients, this would require that the System test the data from an average of 20 subrecipients each year. However, the System has only performed this analysis on the seven subrecipients tested in Fiscal Year 2005. In addition, the System only plans to test another seven subrecipients in Fiscal Year 2006. At this rate, the System would take about 14 years to test the data reliability of the approximately 100 current Perkins subrecipients. The System should develop a risk-based approach to conducting data reliability testing that increases the number of subrecipients receiving these reviews annually.

- **The System's sample sizes for testing data reliability may not be appropriate.** Currently staff select a random sample of 15 student records for testing at each site, regardless of the subrecipient's career and technical education enrollment. Considering that enrollment varied from 91 to 3,689 at the seven subrecipients monitored in Fiscal Year 2005, the System should

consider basing sample size at least in part on size of enrollment. The System should also ensure that staff test all student records in the sample. We found the number of records actually tested at the seven monitoring visits in Fiscal Year 2005 ranged between 6 and 9 rather than the entire sample of 15.

- **The System does not usually identify the causes of data reporting errors or follow up on them.** Although staff reported attempting to determine the causes of data reporting errors, we found little evidence this occurred. We believe that the System should use the data reliability testing to identify these causes. For example, when staff identify errors, the System should require the recipient to implement a corrective action plan, subject to System review and approval, that identifies and corrects the causes of the errors. For the four subrecipients above with identified data reporting errors, we found evidence that only one of the four had implemented a plan to correct its current mistakes and prevent future ones. However, System staff report that they do not plan on following up to determine the effectiveness of this plan. The System should monitor corrective action plans as necessary to ensure that the accuracy of subrecipients' data improves.

Accurate accountability data are important because both System and subrecipient staff analyze these data to determine the success of the State's career and technical education programs and plan future program activities. Without accurate data, this analysis has little value and may result in the wrong conclusions about program performance. The General Assembly and the USDOE also rely on the System to provide accurate data about the State's career and technical education programs. Finally, inaccurate data can cost the State federal funds. For example, when the State missed its negotiated Perkins standards in Fiscal Year 2001, which staff reported was mainly due to inaccurate data, it became ineligible to receive a federal incentive grant that likely would have equaled at least $1 million. Further, if the State were to miss its negotiated Perkins standards in consecutive years, it risks having its Perkins funding reduced. To ensure accurate reporting, the System should take action as outlined above to improve the reliability of data collected.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Reporting, Subrecipient Monitoring.)

Recommendation No. 60:

The Colorado Community College System (System) should improve the reliability of accountability data for career and technical education programs by:

a. Developing and implementing a risk-based approach to conducting on-site data reliability testing.

b. Ensuring that staff review appropriate sample sizes at each site.

c. Requiring subrecipients with identified data reporting errors to develop and implement a corrective action plan, subject to System review and approval, that identifies the causes of the errors and minimizes future errors. The System should monitor the plan as necessary to ensure that the accuracy of the subrecipient's data improves.

Colorado Community College System Response:

Agree. Implementation date: December 2006.

a. CCCS currently has some risk-based criteria for data reliability testing. CCCS staff collect data from over 325 high schools. CCCS staff have built-in checks for some data errors. We will examine expanding the process and making it more rigorous, within available resources.

b. CCCS will review the possibility of assigning additional staff time to on-site reviews, within available resources.

c. CCCS will require subrecipients with significant, substantive data errors to develop a corrective action plan and will develop criteria for the types of data errors that will require specific corrective action plans.

Local Improvement Plans

Section 123 of the Perkins Act requires the System to evaluate subrecipients and determine if they are making "substantial progress" in achieving the State's negotiated Perkins performance levels. If the System determines that a subrecipient is not making this progress, Perkins mandates that the System conduct an assessment to determine the educational needs that must be addressed to overcome local

performance deficiencies, enter into an improvement plan based on the results of the assessment, and conduct regular evaluations of the progress being made toward meeting the State's Perkins goals.

We found that the System does not have a systematic method for identifying subrecipients that are not making substantial progress. We also found that the System does not use local improvement plans to help subrecipients that fall below the State's Perkins standards better their performance. Instead, staff send individual performance reports to all subrecipients and ask them to self-report the causes of any performance deficiencies. This approach does not meet the criteria of the Perkins Act, which requires the System to make this assessment. The System also asks subrecipients to discuss how they will address any sub-indicators that fall below the state standard in their annual local plan of activities. System staff may also suggest that subrecipients add activities to their Perkins plans to address performance deficiencies. However, these methods are not sufficient because they do not require subrecipients to implement specific strategies to address subpar performance.

We found that a significant number of subrecipients fail to meet the State's Perkins standards. Specifically, we reviewed Perkins performance reports from Fiscal Years 2003 and 2004 for all subrecipients and found that 29 of 177 (16 percent) subrecipients in 2003 and 23 of 180 (13 percent) subrecipients in 2004 fell below the state standard for Perkins performance. In addition, we found that 9 (5 percent) subrecipients missed the standard in both fiscal years.

For these nine subrecipients, we also reviewed their program files to determine if staff identified these performance deficiencies and recommended plans for improving them. Overall, we found the System's response was not adequate. For example, while staff noted poor performance or recommended that the subrecipient add activities to address performance issues for three of the subrecipients, the System did not require subrecipients to take specific actions to improve performance. We also did not find evidence that staff systematically assessed the educational needs the subrecipient should address to overcome its deficiencies, as required by Perkins. Finally, staff did not appear to follow up on performance issues to determine if subrecipients were making progress toward meeting the State's goals.

The System has intended since at least Fiscal Year 2001 to develop a computerized system for flagging programs with poor performance data so that staff could provide more focused technical assistance. Staff reported that this system has not been implemented due to time and resource constraints but remains a priority for Fiscal Year 2006. Staff also reported not having time to review performance reports for each subrecipient and determine which ones are not meeting the State's Perkins standards. However, it only took us a few hours to review these reports and identify the poor-performing subrecipients noted above.

Staff also appeared reluctant to implement improvement plans based on one or two years of performance data, suggesting that five years of data would better reflect an overall trend. The System should establish the criteria that will be used to determine if subrecipients should be subject to local improvement plans and to assess the educational needs that subrecipients must address through the plan to improve their performance.

The System distributed about $13.7 million to Perkins subrecipients in Fiscal Year 2005. Using local improvement plans can increase subrecipient accountability for these funds and help ensure problems are addressed timely. The plans should state what actions must be taken and outcomes achieved before the subrecipients can be taken off the plan. The plans could also be used to focus funding on problem areas. For example, the USDOE suggested during its Fiscal Year 2003 monitoring visit to Colorado that the System give subrecipients with performance issues less flexibility in spending their Perkins funds so that they target them on problem areas. This is important because students of poor-performing subrecipients may not be receiving the same quality instruction as their peers across the State.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Other.)

Recommendation No. 61:

The Colorado Community College System should improve its oversight of Perkins grant subrecipients by developing and implementing a more systematic process for using local improvement plans. The process should include:

a. Establishing criteria for which subrecipients would be subject to these plans, determining the plan's objectives, and ensuring that subrecipients fulfill these objectives.

b. Determining whether subrecipients should target their Perkins funding toward activities designed to improve performance deficiencies.

Colorado Community College System Response:

Agree. Implementation date: July 2007, due to resource constraints.

a. CCCS currently makes some use of the annual Perkins continuation plans as local improvement plans. CCCS will formalize the use of the continuation plans as local improvement plans. CCCS will consider

strategies within available resources to do additional follow-up on subrecipients' fulfillment of the objectives of their plans.

b. Within the limits set by the Perkins Act, CCCS agrees to require that subrecipients target funds to improve performance deficiencies.

Federal Grant Management

Introduction

Statute designates the State Board for Community Colleges and Occupational Education (Board) as the sole state agency responsible for compliance with federal legislation on career and technical education. Staff at the Colorado Community College System (System) perform this work on the Board's behalf. The System's duties include developing the state plan for career and technical education and administering funds received through the federal Carl D. Perkins Vocational and Applied Technology Education Act (Perkins). The System also administers funds appropriated for the Colorado Vocational Act (CVA). In Fiscal Year 2005, school districts and post-secondary institutions received about $20 million in CVA funds and $13.7 million in Perkins funds to provide career and technical education courses to about 129,000 students.

We reviewed the System's administration of CVA and Perkins Title I funds (i.e., the basic grant funding most Perkins activities). Both of these programs are intended to supplement funding for career and technical education courses and thereby help students develop vocational skills. The System draws down Perkins funds from the federal government roughly on a monthly basis. These funds are used for administrative (5 percent) and leadership (10 percent) activities and for distribution to subrecipients (85 percent). Because the System draws Perkins funds down on a reimbursable basis, it must be able to document that it has expended funds before drawing them down from the federal government. In addition, Perkins has a matching requirement for the 5 percent of funds used for administration. Therefore, the System must demonstrate that it expended an equivalent amount of non-federal funds on Perkins administrative functions.

We reviewed the System's Perkins-related expenditures from Fiscal Years 2001 through 2005 to determine if it complied with applicable requirements. We found problems with the System's non-federal Perkins administrative match and its methods for adequately documenting expenditures related to employee salaries and career and technical student organizations (CTSOs). Overall, these weaknesses

suggest that the System should reevaluate its controls over Perkins expenditures to ensure requirements are met and Perkins funds are used appropriately.

Administrative Match

Federal law allows the System to use up to 5 percent of the State's basic Perkins grant for administrative expenses. Perkins also requires the System to match on a dollar-for-dollar basis any federal funds used for administration with funds from non-federal sources. The System uses state general funds to make this match. In June 2003 the United States Department of Education (USDOE) performed an on-site review at the System to determine compliance with Perkins requirements and concluded that the System could not document that it met the non-federal administrative match requirement. Our audit found that, two years later, the System has not addressed this problem.

We analyzed the System's federal and non-federal Perkins administrative expenditures to determine if the System complied with the administrative match requirement during Fiscal Years 2001 through 2005. Our findings are similar to the USDOE's. As the table below shows, the System has not consistently made the required match. Specifically, the System spent less in state general funds rather than an amount equal to federal funds in Fiscal Years 2003, 2004, and 2005; in other words, the System did not make the match in these years. On the other hand, the System spent more in state general funds than federal funds on Perkins administration for Fiscal Years 2001 and 2002. This means the System spent state general funds in excess of the available amount of federal matching funds.

Colorado Community College System
Perkins Administrative Expenses
Fiscal Years 2001 Through 2005

Funding Source	Fiscal Year				
	2001	**2002**	**2003**	**2004**	**2005**
Federal Funds	$613,585	$576,713	$764,314	$592,397	$760,126
State General Funds	$622,451	$620,346	$614,830	$563,719	$564,490
Federal Funds Over (Under) State General Funds	($8,866)	($43,633)	$149,484	$28,678	$195,636
Federal Matching Requirement Met?	Yes	Yes	No	No	No

Source: Office of the State Auditor's analysis of data provided by the Colorado Community College System.

If the System does not meet federal matching requirements, it risks having to repay the federal government for the excess portion of the Perkins federal administrative funds spent. Based on the table above, these questioned costs totaled about $374,000 in Fiscal Years 2003 through 2005. For Fiscal Years 2001 and 2002, when the System spent more on Perkins administration in state funds than it spent in federal funds, the System potentially diverted general fund resources away from other priorities.

We found that the System does not have effective procedures in place to ensure that it makes the required non-federal match consistently and accurately. Currently staff program the accounting system to charge employee salaries to different cost centers funded by either Perkins or non-federal dollars based on the employee's job duties. However, the programming is not designed to charge Perkins administrative expenses equally between Perkins and non-federal cost centers. For example, if an employee's job duties consist solely of Perkins administrative duties, the employee's salary is charged entirely to the Perkins-funded administrative cost center. To ensure the match is made, the System should charge half of the employee's salary to the Perkins cost center and half to a cost center funded by non-federal funds. Other agencies, such as the Department of Human Services, have accounting systems that automatically assign costs in accordance with each federal program's match requirements as long as the employee actually does work under the federal program. The System should develop and implement a systematic method that charges salary

and operational costs related to Perkins administrative duties equally between Perkins and non-federal cost centers.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Matching, Level of Effort, Earmarking.)

Recommendation No. 62:

The Colorado Community College System should ensure that matching requirements are met for Perkins administrative costs by designing and implementing a process that assigns Perkins administrative costs equally between Perkins and non-federal cost centers.

Colorado Community College System Response:

Agree. Implementation date: January 2006.

CCCS will ensure that matching requirements are met for Perkins administrative costs.

Time Reporting

Federal Office of Management and Budget (OMB) *Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments* states that grantees must maintain documentation to support the amounts of salaries charged to federal awards. The System's documentation methods for salaries charged to Perkins are based on an unsigned agreement with the USDOE from 1999. The agreement requires the System to verify that the amount of salaries being charged to the Perkins grant correspond to the hours that the employees actually worked on it. This verification is to be completed in one of two ways. Those employees that worked solely on one part of Perkins (i.e., administrative or leadership tasks) are required to submit certification forms semiannually that state the employee spent 100 percent of his or her time on one part of Perkins. Those employees that split time between different parts of Perkins or between Perkins and non-Perkins duties are required to submit a monthly time sheet three times a year detailing the actual time spent on Perkins and non-Perkins duties for that month. The agreement's requirement for semiannual certification forms mirrors OMB *Circular A-87* provisions; however, for employees that split their time, OMB *Circular A-87* requires time sheets for at least every

month, as opposed to the three months out of the year specified in the 1999 agreement.

We reviewed the existing time reports from Fiscal Years 2001 through 2005 to determine if employees submitted the time sheets required by the 1999 agreement. We found that 72 percent of the employees whose salaries were wholly or in part paid with Perkins funds did not submit all required time reports. Consequently, we could not confirm that the System was charging these employees' salaries to Perkins correctly. The questioned costs associated with the missing time reports and charged to Perkins totaled about $2.4 million in salaries over the five-year period.

In addition, we found that the System does not consistently collect time sheets from employees whose salaries are charged to the non-federal match for Perkins administration. This is a concern because under OMB *Circular A-87*, salaries used to meet non-federal matching requirements for Perkins must be substantiated in the same manner as those paid with federal Perkins funds. Further, we found the System's accounting staff charged employee salaries to the match and/or Perkins inconsistently. Specifically, during Fiscal Years 2001 through 2005, System staff charged salaries for 115 employees to cost centers associated with either Perkins or the match. For 15 employees (13 percent), we found that the amounts charged to these cost centers varied. For example, System staff charged about 50 percent of one executive's salary to the match in Fiscal Year 2005, even though this executive reported to us spending only about 10 percent of the time on Perkins-related duties. In Fiscal Year 2004 the System charged only 8 percent of this executive's salary to the match but 27 percent to Perkins directly. For Fiscal Year 2003 the System again charged 27 percent of this executive's salary to Perkins directly but nothing to the match. We found similar anomalies for several other high-ranking management positions at the System.

The System could not adequately explain these variances. As a result, it appears that the amounts of salaries charged to the administrative match for some employees are inaccurate and arbitrary and do not reflect the employees' actual work on Perkins-related activities. Also, by not having adequate documentation to support all salaries charged to the non-federal match, the System cannot determine the actual resources needed to administer Perkins programs or whether the salaries used to meet federal matching requirements actually reflect time spent on Perkins. Overstating resources devoted to administering the Perkins program does not give the System an accurate picture of how it is using its resources and is not in compliance with OMB *Circular A-87* requirements.

Another requirement of the 1999 agreement is that the System make appropriate adjustments to how staff salaries were charged to the Perkins grant if the actual time spent by staff varies by 10 percent or more from the amount charged to Perkins on

the basis of System budgets. The adjustments must cover salaries charged to the grant for the previous four months. OMB *Circular A-87* criteria differ slightly, requiring adjustments on a quarterly basis, or every three months, for variances greater than 10 percent. We surveyed a sample of 29 employees on how they spend their time to determine if the percentage of their salaries the System charges to Perkins was similar to the actual amount of time they reported to us spending on the grant. We found that 18 of 29 (62 percent) employees reported spending time on job duties that varied by 10 percent or more when compared with how the System charged their salaries to Perkins in Fiscal Year 2005. For example, one employee's salary was paid entirely using Perkins grant money, while the employee reported spending 84 percent of his or her time working on grant functions. We identified questioned costs of about $200,000 for Fiscal Year 2005 in which the System appeared to charge too much of employees' salaries to Perkins or apportioned the salaries incorrectly between the Perkins administrative and leadership pools.

Without requiring time sheets, performing the appropriate verification of actual time spent on Perkins, and making necessary adjustments, the System risks charging inappropriate costs to Perkins and having to repay Perkins funds to the federal government. The approximately $2.6 million we identified in questioned costs represents about 29 percent of all Perkins funds spent on administrative and leadership activities by the System during Fiscal Years 2001 through 2005. The System should develop policies and procedures to ensure that employees are submitting required time reports and make appropriate adjustments to salaries charged to the Perkins grant and the non-federal administrative match on a periodic basis. Since the 1999 agreement was never fully executed (i.e., never signed by all parties), the System's policies and procedures should be designed to the meet the reporting standards of OMB *Circular A-87*, which require semiannual certification forms or monthly time sheets.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Reporting.)

Recommendation No. 63:

The Colorado Community College System should ensure salaries charged to the Perkins grant and the Perkins non-federal administrative match are accurate, properly substantiated, and reported by :

a. Requiring that employees whose salaries are charged to cost centers associated with the Perkins grant or the Perkins non-federal administrative match submit time reports in accordance with OMB *Circular A-87*.

b. Reviewing the time reports periodically and adjusting the amount of salaries charged to Perkins, as appropriate, in accordance with OMB *Circular A-87*.

Colorado Community College System Response:

Agree. Implementation date: January 2006.

a. CCCS will ensure that all employees whose salaries are charged to the Perkins grant or the Perkins match will submit time reports in accordance with OMB *Circular A-87*.

b. CCCS will review time reports periodically and adjust the amount of salaries charged to the Perkins grant as appropriate.

Use of Perkins Leadership Funds

States can withhold up to 10 percent of the Title I grant for leadership activities. The Perkins Act includes eight required uses for leadership funds, such as integrating academics with career and technical education programs and providing preparation for nontraditional training and employment (e.g., females in auto mechanics). For Fiscal Year 2005 the System spent about $1.5 million in leadership funds. We found that the System used about $560,000 of these dollars (37 percent) for the 8 FTE, or about one-quarter of all career and technical education staff, who manage the state CTSO chapters. This included about $410,000 in salary and benefit costs and about $150,000 in direct operational expenses; it does not include overhead costs for these staff, such as leased space. We also found that less than 30 percent (about 22,000 in Fiscal Year 2005) of all career and technical education students are members of CTSOs. In general, we would expect the System to use leadership dollars for activities that benefit the most students possible. As a result, we question the appropriateness of devoting such a large portion of leadership dollars to activities that may only directly benefit a minority of students. In addition, spending Perkins leadership monies on CTSOs could be viewed as spending money directly on students, which is not the purpose of the program.

The System does use Perkins leadership money for required uses. For example, System staff have developed a tool to help secondary agriculture career and technical education teachers ensure that their curricula meet relevant state academic standards. This is an appropriate use of leadership funds because it benefits all career and technical education students in these programs. Federal staff we contacted said that the USDOE would like states to use leadership dollars for funding career and

technical education research, dissemination of best practices, and other activities that directly improve program performance.

The System should reevaluate its use of leadership funds and determine the amounts spent on all leadership activities and the number of students who benefit from those activities. The System should then prioritize those activities based on the number of career and technical education students who will benefit and fund those that help most, if not all, students. The System should also prioritize activities that fulfill required uses of Perkins funds, such as supporting nontraditional employment. Finally, the System should conduct a workload analysis to determine if current CTSO staffing levels at the System office are necessary to adequately support the CTSOs. Any cost savings resulting from this analysis should be distributed to subrecipients as part of the regular grant process.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Other.)

Recommendation No. 64:

The Colorado Community College System should reevaluate its use of Perkins leadership funds to maximize their effectiveness. The reevaluation should ensure that the System uses leadership funds on activities that benefit the majority of career and technical education students or fulfill required uses of Perkins funds. The reevaluation should include a workload analysis to determine if current CTSO staffing levels at the System office are necessary to adequately support the CTSOs.

Colorado Community College System Response:

Agree. Implementation date: July 2007, due to the need to work with many constituencies statewide.

CCCS will work with career and technical education constituencies statewide to reevaluate the use of Perkins leadership funds.

Monitoring

Introduction

In addition to the program approval process discussed in the previous section, the Colorado Community College System (System) monitors and audits subrecipients receiving Colorado Vocational Act (CVA) and federal Carl D. Perkins Vocational and Applied Technology Education Act (Perkins) funds to ensure that they comply with state and federal requirements. In Fiscal Year 2005 the System distributed about $20 million in CVA funds to 151 school districts and about $13.7 million in Perkins funds to 160 school districts, 13 community colleges, 4 area vocational schools, 2 local district colleges, and one 4-year college that offers vocational programs.

For CVA, the System's audits consist of on-site reviews of financial information that supports school districts' claims for reimbursement of CVA-eligible expenses. For Perkins, the System's monitoring includes on-site reviews of subrecipients receiving federal Perkins dollars. We evaluated the effectiveness of the System's monitoring and auditing practices in ensuring that subrecipients administer their career and technical education programs appropriately. Overall, we identified weaknesses that compromise the System's ability to detect and prevent noncompliant activities by CVA and Perkins subrecipients. This section discusses ways the System can increase the effectiveness of its oversight.

Perkins On-Site Monitoring

Federal Office of Management and Budget (OMB) *Circulars A-87: Cost Principles for State, Local, and Indian Tribal Governments* and *A-133: Audits of States, Local Governments, and Non-Profit Organizations* require states to monitor Perkins grant subrecipients to ensure compliance with federal laws and regulations. The System conducts three types of on-site Perkins monitoring: administrative, program, and civil rights. For administrative monitoring, staff review subrecipients' fiscal records and test data reliability. During program monitoring, staff review the documentation supporting the assurances made by the subrecipient during the program approval process. These assurances include having credentialed instructors for career and technical education courses and providing safe classrooms. Civil rights monitoring determines whether the subrecipient complies with federal civil rights laws, such as offering career and technical education courses without regard to race, color, national origin, sex, or handicap. Subrecipients may receive one, two, or all three types of monitoring during an on-site visit.

Staff use a standardized checklist to conduct monitoring visits. The checklist outlines the required monitoring procedures for each type of visit. It also requires staff to answer questions about subrecipients' compliance with applicable requirements, document findings about their compliance, and make recommendations for corrective action. Finally, the checklist states the type of evidence (e.g., financial records, contracts, and student transcripts) staff should review to determine subrecipient compliance. Staff then use the checklist to prepare a formal letter of findings and recommendations, which is sent to the subrecipient.

We reviewed the System's current Perkins on-site monitoring processes and documentation from a sample of 10 Perkins monitoring visits conducted by the System during Fiscal Years 2003 and 2004. We identified weaknesses in the System's administrative and program monitoring. We did not identify any findings related to civil rights monitoring.

Subrecipient Expenditures

OMB *Circular A-87* provides guidance to federal grant recipients for spending federal grant dollars appropriately, such as the allowability of charging costs to federal grants. For costs to be allowable, OMB *Circular A-87* states that costs must be necessary and reasonable for the proper and efficient performance and administration of the grant and must be adequately documented. In addition, OMB *Circular A-87* discusses the allowability of selected types of expenditures. For example, it expressly prohibits grantees from charging expenses related to alcohol or entertainment to federal grants.

We reviewed the System's current administrative monitoring process and found it lacks steps to adequately review financial information and ensure that all subrecipient expenditures funded through Perkins are appropriate. This is a concern because our own review of Perkins expenditures found significant problems. We visited eight Perkins subrecipients (six school districts and two consortia) and reviewed about 540 Perkins transactions from Fiscal Year 2004. We found exceptions with about 21 percent of the transactions, including problems with insufficient supporting documentation, lack of proper approvals, and questioned costs. Some transactions exhibited more than one of these problems, which we describe below.

- **Insufficient supporting documentation.** Adequate supporting documentation includes an invoice or contract specifying the amount of the transaction, verification (e.g., cancelled check) that the subrecipient paid for the transaction before seeking reimbursement, and evidence that the expense was related to an approved career and technical education program. We

found 65 (12 percent) transactions in which subrecipients could not provide sufficient documentation at the time of the audit. For example, one school district spent $1,700 of Perkins funds on three gift certificates from national discount retailers. The district reported that it purchased the gift certificates for staff to use for buying career and technical education supplies because the retailers would not accept its purchase order. Although the district's documentation indicated which career and technical education instructor bought the certificates, the district could not provide receipts showing the items actually purchased with the gift cards. Therefore, we could not conclude if the gift certificates were an allowable expense. In another example, a different school district charged $1,300 in printing costs to the Perkins grant but could not provide documentation verifying that it incurred this cost. We found examples of insufficient documentation at seven of the eight sub-recipients visited.

- **Questioned costs.** OMB *Circular A-133* defines questioned costs as those that (1) are unallowable under statutory, regulatory, contractual, or grant requirements; (2) are not supported by adequate documentation at the time of audit; and (3) appear unreasonable and do not reflect the actions a prudent person would take in the circumstances. We identified 81 (15 percent) transactions, including the 65 mentioned above with insufficient documentation, with questioned costs. The identified questioned costs totaled about $58,000 (20 percent) out of the approximately $286,000 in our sample. For example, one school district spent about $1,700 of Perkins funds to purchase 21 framed motivational posters. District staff reported that the purpose of the posters was to improve its career and technical education programs by providing daily reminders of various leadership topics. We question the reasonableness of spending more than $80 for each of these posters. We also found one school district received reimbursements totaling about $3,900 for items that it had not yet paid for. Subrecipients cannot be reimbursed until they have actually paid for the goods and services.

- **Lack of proper approvals.** We interviewed subrecipient staff to determine their internal controls (e.g., purchase orders and supervisor sign-offs) for ensuring that all purchases, including those funded with Perkins, are approved before being made. We then reviewed the subrecipients' expenditures to determine if their staff obtained the proper approvals before making expenditures funded by Perkins. We also reviewed the expenditures to determine if subrecipients complied with the System's requirement for prior approval from System staff for out-of-state travel.

  We found 54 transactions (10 percent) in which there was a lack of evidence that subrecipients followed their own procedures for approving Perkins-

funded expenditures or that subrecipients received System approval for out-of-state travel. For example, we found several examples in which subrecipients approved their own expenditures.

System staff reported finding only three questionable purchases with Perkins dollars during 34 administrative monitoring visits conducted in the past four fiscal years. On the basis of our finding, this suggests that the System's review is not adequate to ensure that subrecipients are spending Perkins funds appropriately.

We identified several reasons why the System's on-site administrative monitoring process does not provide a sufficient fiscal review. First, the System's on-site monitoring checklist does not require staff to verify that subrecipients have spent Perkins funds in compliance with applicable requirements. Second, the System has not defined what constitutes adequate supporting documentation for Perkins expenditures. Staff conducting Perkins monitoring reported that any source documentation that looks "official," such as purchase orders or invoices, is acceptable as support for expenditures. Further, the System's grant agreement with Perkins subrecipients does not have any requirements about sufficient documentation for expenditures. Third, staff conducting the monitoring visits reported that they lack expertise and time to adequately review fiscal information. Staff conducting CVA audits also perform limited testing of Perkins transactions, which Perkins staff reported relying on for additional monitoring coverage. However, the CVA testing appears to focus on whether the expenditures are consistent with the subrecipient's Perkins plan rather than on the adequacy of supporting documentation and justification for expenditures. At a minimum, we would expect System staff to review documentation necessary to ensure that subrecipients actually incurred the cost before being reimbursed through Perkins, the reimbursed cost equals the amount billed, and the expenditure is allowable under Perkins.

The error rate identified during our testing indicates that the System needs to improve its oversight of subrecipient Perkins spending to ensure compliance with applicable requirements. The System should ensure that the staff conducting on-site monitoring visits have sufficient expertise. One option that the System should explore is having its internal auditors perform Perkins fiscal monitoring procedures. Another option would be to provide training on performing adequate fiscal reviews to current Perkins monitoring staff. Also, the System should define what documentation subrecipients must keep to show that a Perkins expenditure is appropriate. Once these criteria are defined, they should be included in the System's grant agreement as an assurance made by the subrecipient. The System's CVA monitoring processes are conducted by an internal auditor and include procedures necessary for determining if CVA expenditures are allowable and appropriate. Without similar procedures for determining the appropriateness of Perkins expenditures, the System cannot ensure that Perkins funds are being spent properly.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Allowable Costs/Cost Principles, Subrecipient Monitoring.)

Recommendation No. 65:

The Colorado Community College System should improve its on-site subrecipient monitoring of Perkins grant expenditures by:

a. Including specific steps in its monitoring process to test the allowability and appropriateness of Perkins grant expenditures made by subrecipients.

b. Improving the technical skills of on-site reviewers through additional training and considering using the System's internal audit staff to supplement the monitoring review teams.

c. Defining documentation requirements for subrecipients to support the allowability and appropriateness of Perkins grant expenditures. These criteria should then be included in the System's grant agreement with the subrecipients as an assurance.

Colorado Community College System Response:

Agree. Implementation date: December 2006.

a. CCCS will review its monitoring process, will develop or improve checklists for monitors, and will review whether additional procedures should be included in the monitoring process.

b. CCCS will provide training to improve the skills of on-site reviewers within available resources.

c. CCCS will review documentation requirements for subrecipients and develop a source document checklist for the use of school districts and for on-site monitoring.

Monitoring Procedures

As noted previously, the System has developed procedures for conducting its on-site administrative and program monitoring visits. We examined the administrative and program monitoring files for 10 Perkins subrecipients from Fiscal Years 2003 and 2004 to determine if staff adhered to the System's established monitoring procedures, as outlined in its monitoring checklist. We found that for 9 of 10 subrecipients, staff did not adequately follow prescribed monitoring procedures. In general, we did not find that staff were thorough enough in completing the checklists. For example:

- **For 7 of 10 subrecipients, the findings and recommendations did not specifically address questions on the monitoring checklist.** For example, one monitoring step requires staff to confirm that subrecipient employees maintain time sheets if their salaries are partially funded by Perkins. For one subrecipient, staff notes for this step consisted of "Support Services" and "Be sure Financial Services has copies of time sheets," neither of which addresses whether the subrecipient is properly charging salaries to Perkins. Another monitoring step requires staff to confirm that subrecipients are monitoring occupational outlook data to ensure that programs supported by Perkins relate to actual employment opportunities, a key component of the program approval process. For one subrecipient, staff answered this question by focusing on how the subrecipient taught students to do career planning, rather than on its efforts to analyze current occupational outlook data.

- **For 5 of 10 subrecipients, conclusions appeared to be based on insufficient evidence.** For example, one monitoring step requires an on-site review of files to determine if subrecipients retain applicable records and files. In one case, staff reported that they "were told that all the records were in the office but could not look for our own validation of this information." Therefore, staff concluded on the subrecipient's compliance without reviewing the pertinent documentation required by the System's policies and procedures. Another monitoring step asks staff to confirm that there are credentialed instructors for each approved program by reviewing copies of credentials or the System's credentialing database. For one subrecipient, staff reported that the subrecipient keeps copies of the credentials. It was not clear whether the credentials had been reviewed to confirm that all programs had credentialed instructors.

- **For 4 of 10 subrecipients, staff skipped steps on the monitoring checklist.** For one subrecipient, steps were left blank that required staff to confirm that Perkins-funded contracts are on file, Perkins equipment information forms

are available, and teachers have copies of program approval documents (which contain important course information). For another subrecipient, staff left blank the monitoring step requiring an inspection to determine if equipment purchased with Perkins funds is maintained and secured. When steps are skipped, it is unknown if the subrecipients were in compliance with these areas at the time of the visit.

In addition, the System's policies and procedures require staff to complete a findings report and send it to the district after the visit. However, we found that staff conduct an exit conference at the conclusion of the visit to discuss findings and later provide a copy of the checklist in lieu of a formal report of findings and recommendations. Further, staff do not appear to provide the checklist in a timely fashion. For example, as of October 2005, staff had only provided the checklist to 1 of the 18 subrecipients visited in Fiscal Year 2005, even though most of the monitoring visits had been completed by Spring 2005. Additionally, we did not find evidence that staff followed up on findings and recommendations from the monitoring checklists. Consequently, the System is not ensuring that subrecipients are making necessary changes identified during the monitoring visits. This weakens the overall effectiveness of the monitoring process.

There are two main reasons why staff do not follow established monitoring procedures. First, the System does not appear to devote enough resources to Perkins monitoring. As reported earlier, we surveyed staff to determine the current System resources dedicated to various functions, including monitoring. We found that the System uses only about 0.3 FTE to conduct all Perkins administrative and program monitoring. We question whether this is a sufficient number of resources to complete effective monitoring of a program that provides about $13.7 million annually to subrecipients. Staff report that time constraints make it difficult to conduct a comprehensive visit as outlined in the monitoring program. Currently staff devote less than one day per monitoring visit (and no more than a half day in some cases). As a result, staff report having to skip monitoring procedures and relying often on verbal responses for determining compliance rather than conducting the level of detailed review required by the checklist for on-site inspections. The System should reassess its current Perkins staff resources to ensure an adequate review of Perkins administrative and program activities. This is particularly important in view of the questions we raised previously about the amount of money the System actually spends on Perkins administrative activities, such as the System's failure to make the required non-federal administrative match in the last three fiscal years. If funding does not allow for a more thorough monitoring process, then the System should revise its monitoring procedures to ensure that staff perform complete monitoring reviews of those areas with the greatest risk.

Second, the System's monitoring process lacks sufficient quality control checks. We found no evidence that supervisors review the monitoring checklists after the visits to ensure that staff answer all questions sufficiently and issue formal reports. The System should implement a supervisory review of the monitoring checklists and ensure that all questions are answered sufficiently. The review should also ensure that formal reports are issued and all recommendations followed up on in a timely manner. Currently the System's monitoring procedures do not specify the time frames for staff to issue reports. The procedures also only require follow-up on "major" problems without defining what constitutes a major problem. Timely findings reports and follow-up are important because they provide a reference for improving programs in future years.

Ineffective administrative and program monitoring prevents the System from ensuring that subrecipients' career and technical education programs fulfill all applicable requirements. We are especially concerned with this as it relates to program assurances made during program approvals. The System now uses an online program approval process in which subrecipients make assurances about the quality of their programs, such as having credentialed teachers, rather than submitting written documentation to support these claims. The primary purpose of on-site program monitoring is to validate these assurances. If program monitoring is not effective, then the System cannot verify that assurances are being met. We would question the validity of using online assurances if the System were unable to monitor them appropriately.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Subrecipient Monitoring.)

Recommendation No. 66:

The Colorado Community College System should improve its Perkins administrative and program monitoring processes by:

a. Considering reassigning staff duties so that more resources are devoted to monitoring activities or revising monitoring procedures to focus on those areas with the greatest risk.

b. Requiring staff to complete monitoring checklists and issue formal reports of findings and recommendations.

c. Instituting a supervisory review to ensure that monitoring checklists and reports have been completed sufficiently.

d. Following up on all monitoring recommendations to ensure they have been implemented.

e. Establishing time frames in its monitoring procedures for the timely completion of monitoring reports, supervisory reviews, and follow-up on recommendations.

Colorado Community College System Response:

Agree. Implementation date: December 2006.

a. CCCS will consider reassigning staff duties to devote more resources to monitoring within available resources and will review monitoring procedures to assure that the focus is on areas with the greatest risk.

b. CCCS will require that staff complete monitoring checklists and will issue reports of findings as resources permit.

c. CCCS will institute a supervisory review of monitoring checklists.

d. CCCS will follow up on monitoring recommendations by requiring subrecipients to report on implementation in their annual Perkins plans.

e. CCCS will establish realistic timeframes for monitoring procedures.

Monitoring Coverage

In the State's Perkins plan dated June 1999, the System committed to at least one on-site review per subrecipient every five years. According to the plan, the monitoring reviews should include the administrative, fiscal, and programmatic elements already discussed in this section, as well as an analysis of data reliability. We analyzed the System's monitoring coverage and found two main weaknesses, which we discuss below.

- **Monitoring commitment.** We compiled the number of Perkins monitoring visits conducted by the System during Fiscal Years 2001 through 2005 and found three ways in which it appears the System is not meeting its five-year monitoring commitment. First, only 43 of 96 (45 percent) subrecipients received administrative monitoring, in which staff review subrecipients' fiscal records and test data reliability. Second, we could not determine the number of subrecipients that received program monitoring, in which staff

verify assurances subrecipients make about their approved programs, over the same period because staff could not provide a complete list of visits. However, we were able to identify 23 of 96 (24 percent) subrecipients that received program monitoring in Fiscal Years 2004 and 2005 in conjunction with administrative monitoring. Staff reported that program monitors perform many "unofficial" monitoring visits that are not documented. Third, when staff do perform program monitoring, it is unclear how many career and technical education programs and schools in the district are visited. We would question the validity and completeness of program monitoring visits if conclusions were based on a single visit to one high school in a district with multiple high schools and programs.

According to staff, the System developed a six-year monitoring schedule for Fiscal Years 2004 through 2009 based on risk factors such as the date of the last monitoring visit and the size of the subrecipient. However, the six-year schedule is not consistent with the System's stated five-year monitoring commitment made to the United States Department of Education (USDOE) in the State's Perkins plan. We did not find evidence that the System revised its state plan to reflect its new six-year monitoring cycle. In addition, under the new schedule, we found that 6 of the 15 largest subrecipients will go at least eight fiscal years without a monitoring visit. These six subrecipients were allocated between $268,000 and $834,000 in Perkins funds in Fiscal Year 2005. This is a concern because a subrecipient's deficiencies may go unchecked for an extended period. For example, we found that 13 percent (42 of 329) of active career and technical education instructors at one community college do not currently hold a valid occupational credential and that the System has not monitored this college on the credentialing requirement since at least Fiscal Year 2000. According to USDOE staff, very large districts should be monitored more often than every five years.

- **Monitoring at consortia**. School districts that qualify for $15,000 or less in Perkins formula funds generally must join a consortium to receive Perkins funds. For Fiscal Year 2005, 108 school districts were members of 17 consortia that received total allocations of about $1.4 million in Perkins funds, or about 10 percent of the allocations to all subrecipients. We found that the System does not perform program monitoring for school districts that belong to Perkins consortia. Instead, the System expects consortium administrators to conduct this type of monitoring. We visited two consortia and found that one never conducts this monitoring and the other only began monitoring programs in Fiscal Year 2005. The administrator at the consortium that does not conduct monitoring reported not being aware of this requirement. In addition, the System does not require consortium administrators to submit monitoring reports signifying they have performed

the required monitoring and the results. Therefore, we cannot determine how many districts have been monitored. Staff reported that it would be extremely difficult for them to monitor all school districts in consortia because of time constraints.

Overall, the System needs to strengthen its Perkins monitoring coverage in several ways. First, the System should reassess its planned monitoring cycles because they may not be realistic or appropriate given the current resources of the System. As noted in the previous section, the System currently commits less than a third of an FTE to monitoring subrecipients receiving about $13.7 million annually in Perkins funds. If the System cannot devote significantly more resources to monitoring, then it needs to find ways to use its current resources more efficiently. For example, federal administrators indicated that many states conduct desk audits or do more formal risk analysis to target monitoring resources more effectively. Second, the System should adequately document all program monitoring visits and develop written policies that outline the number of schools and programs required for review during each visit, particularly for districts with multiple schools. Third, the System should ensure that consortium administrators perform program monitoring in accordance with the System's established monitoring procedures. To accomplish this, the System should require consortia to submit monitoring reports and include assurances about performing this monitoring in its grant agreements with consortia.

The purpose of Perkins funds is to support career and technical education programs that assist and facilitate students' educational and career goals. Without adequate monitoring coverage, the System cannot ensure that programs funded with Perkins dollars are appropriately administered and to the greatest benefit of students throughout Colorado.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Subrecipient Monitoring.)

Recommendation No. 67:

The Colorado Community College System should improve its monitoring process for the federal Perkins program by:

a. Reassessing its monitoring schedule to ensure that it meets its commitment to monitor each subrecipient once every five years as provided in the State's Perkins plan. The reassessment should include formalizing risk criteria for

selecting subrecipients for audit and considering using desk audits in lieu of site visits for lower-risk entities. If the System decides to use a different cycle, it should update the State's Perkins plan.

b. Expanding monitoring policies to include written policies that outline the number of schools and programs required for review during each program monitoring visit.

c. Ensuring that consortium administrators complete on-site monitoring visits in accordance with established procedures.

Colorado Community College System Response:

Partially agree. Implementation date: July 2007, subject to reauthorization of the Perkins Act.

a. CCCS agrees. The Perkins State Plan revision will change the five year cycle of monitoring to six years.

b. CCCS currently has a written Perkins monitoring policy. CCCS will review that policy and consider additions or improvements.

c. CCCS will consult with consortia to see if on-site monitoring visits are practical within their administrative budgets. The monitoring schedule has just been changed to coverage of subrecipients within a six-year cycle. Staffing prohibits full monitoring of all sites each year but our goal is to develop a desk audit monitoring of each subrecipient in the designated area.

Federal Audit Requirements

OMB *Circular A-133* requires the System, as the entity that passes through federal Perkins funds to subrecipients, to ensure that subrecipients expending more than $500,000 in federal awards meet OMB *Circular A-133* audit requirements. Specifically, as part of the annual financial audit, the subrecipient's independent auditors must test the subrecipient's compliance with federal requirements. The Fiscal Year 2002 financial audit of the System found that it did not obtain and review subrecipients' OMB *Circular A-133* audits. The 2002 audit recommended that the System ensure that subrecipients meet OMB *Circular A-133* audit requirements and follow up on any corrective action. The System agreed to the recommendation and

stated that it would develop a plan to implement the recommendation during Fiscal Year 2003.

During our audit we found that the System is still not obtaining and reviewing these audits from all subrecipients subject to the requirement. Specifically, the System received and reviewed the Fiscal Year 2004 OMB *Circular A-133* audits for six subrecipients. However, we found that there are six other subrecipients currently subject to OMB *Circular A-133* audit requirements, based solely on the amount of Perkins funds allocated to them. Staff report they are not sure which subrecipients are subject to OMB *Circular A-133* audits, nor have they attempted to identify all these subrecipients. Instead, staff mention the requirement during monitoring visits and depend upon the subrecipients to follow up.

The System should implement systematic procedures to ensure that all Perkins subrecipients meet OMB *Circular A-133* requirements. The procedures should include methods for identifying subrecipients subject to OMB *Circular A-133* audit requirements. The Colorado Department of Education compiles a list of school districts that are required to meet OMB *Circular A-133* audit requirements each year, which could be a resource for the System. The procedures should also ensure that subrecipients submit their OMB *Circular A-133* audits in a timely manner by amending its Perkins grant agreement to include a provision requiring all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to its requirements.

(CFDA No. 84.048; Vocational Education Basic Grants to States; Subrecipient Monitoring.)

Recommendation No. 68:

The Colorado Community College System should ensure that Perkins subrecipients comply with OMB *Circular A-133* audit requirements by:

a. Implementing a process to help identify subrecipients subject to OMB *Circular A-133* audit requirements.

b. Amending the Perkins grant agreement to include a provision requiring all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements.

Colorado Community College System Response:

Agree. Implementation date: July 2006.

a. CCCS will implement a process to help identify subrecipients subject to OMB *Circular A-133* audit requirements.

b. CCCS will amend the Perkins grant agreement to include a provision requiring all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements.

Trustees for Adams State College-Adams State College

House Bill 03-1093 authorized independent governance for Adams State College (College) effective July 1, 2003, and a new Board of Trustees was appointed to govern the College. Adams State College is a liberal arts college with graduate programs in teacher education, counseling, and art.

The following comment was prepared by the public accounting firm of Wall, Smith, Bateman & Associates, Inc., which performed Fiscal Year 2006 audit work at Adams State College.

Financial Aid

Withdrawals and the Return of Title IV Funds

Adams State College received approximately $1.7 million during Fiscal Year 2006 for federal student financial assistance programs. The College refunds, on a pro rata basis, tuition, fees, room and meal plans for complete withdrawals initiated up through the eighth week of the semester. A withdrawal occurs when a student goes to Student Affairs to get an "Official Withdrawal Form." The date the student last attended class is the withdrawal date. The student then must take the form around to various departments, such as Records, Business Office, Student Affairs, Computing Services, Housing and Financial Aid, for sign off on the form. After the sheet is completed and all applicable departments have signed off, the form is given to the Financial Aid Office, which then calculates the return of Title IV funds.

Federal Student Aid includes all Title IV grant and loan funds that were disbursed or that could have been disbursed to a student for the period of time for which the refund calculation is being performed. The College has 30 days from the date the student withdrew to return all unearned Title IV funds for which it is responsible. Due to the manual process necessary to complete the withdrawal form by obtaining the signatures of the various departments, the College is unable to comply with the 30 day requirement for all instances. For Fiscal Year 2006 we noted that out of the fifteen refunds we tested, five did not comply with the 30 day return of Title IV funds requirement. Three refunds took 33 to 41 days, one refund took 66 days, and one refund took 238 days to be processed.

(CFDA Nos. 84.007, 84.033, 84.038, 86.063; Federal Supplemental Educational Opportunity Grants, Federal Work-Study Program, Federal Perkins Loan Program, Federal Pell Grant Program; Special Tests and Provisions.)

Recommendation No. 69:

Adams State College should improve the timeliness of the return of unearned Title IV funds and ensure federal timeframes are met.

Adams State College Response:

Agree. Implementation date: June 30, 2007.

The College will evaluate its current policies and procedures regarding the complete withdrawal of a regular student enrolled in an eligible program of study and the subsequent Return of Title IV Funds. The College will implement a redefined policy and procedures that will address the timeliness and accuracy of the institutional complete withdrawal process as well as the Return of Title IV Refund calculation. The current award year will be closely monitored to ensure the timeliness and accuracy of the calculations. In addition, the College will ensure the new policy and procedure is developed and implemented prior to the 2007 award year and the utilization of current automated withdrawal and Return of Title IV Refund systems in Banner are utilized to their full extent.

Authorization of Additional Federal Student Work-Study

The College financial aid office awards Federal Work-Study to students who qualify. In rare instances, a student may be able to receive additional work-study funding. The College has a policy in place that dictates the process that should be followed to increase a student's Federal Work-Study. If a supervisor feels that a student employee should receive additional funding due to special skills, merit, motivation, and/or experience, the supervisor must request a change in student's wages or number of work hours on a "Request for Additional Authorization" form supporting this request. If the student has remaining unmet financial needs, as determined by the Financial Aid office, and there is funding available, the request may be approved.

Currently, the College is not following this policy. During our testing of seven authorizations for increases in work-study funding, we noted five that did not have the proper documentation to support the increase. No documentation to support the requests or the approved authorizations is maintained. We found that staff used verbal communications for request and approval of these increases.

(CFDA No. 84.033; Federal Work-Study Program; Activities Allowed or Unallowed.)

Recommendation No. 70:

Adams State College should improve controls over additional authorizations of Federal Work-Study by implementing the policy currently in place to ensure that appropriate documentation is maintained for requests and authorizations for increases in student work-study funding.

Adams State College Response:

Agree. Implementation date: June 30, 2007.

After careful review and evaluation of the institutional policies and procedures regarding the authorization of additional federal work study funds to students having additional need, it was found that the procedure was not fully adhered to by some staff members. The institution will immediately initiate trainings and workshops to ensure all staff and hiring supervisors are familiar and fully understand the policies and procedures for the authorization of additional federal work study funding for students.

Trustees of Metropolitan State College - Metropolitan State College

Established in 1963 as Colorado's "College of Opportunity," Metropolitan State College of Denver (College) is the third largest higher education institution in Colorado and one of the largest public four-year colleges in the United States. With a modified open-enrollment policy, students who are at least 20 years old need only have a high school diploma, a GED high school equivalency certificate, or the equivalent to gain admission.

The College is governed by the Board of Trustees, an 11-member board consisting of a faculty and student representative and nine members appointed by the Governor of Colorado and approved by the Senate.

The College offers 51 major fields of study and 81 minors through its School of Business, School of Letters, Arts and Sciences, and School of Professional Studies. Degrees include bachelor of science, bachelor of arts, and bachelor of fine arts. Academic programs range from the traditional, such as English, art, history, biology, and psychology, to business-related degrees in computer information systems, accounting and marketing, to professional directed programs in nursing, health care management, criminal justice, pre-medicine, pre-law, and pre-veterinary science.

The following comment was prepared by the public accounting firm of Anderson and Whitney, which performed Fiscal Year 2006 audit work at Metropolitan State College.

Return of Federal Funds Processes

Total federal student assistance paid to students in 2006 was approximately $14.8 million. The College has approximately 1,500 student financial aid recipients officially or unofficially withdraw from the College each year. When a financial aid recipient withdraws in the first 60 percent of a semester, there is a calculation required to determine if the recipient or the College needs to return funds to the U.S. Department of Education Title IV programs.

Our June 30, 2005, audit included two recommendations regarding return of funds. One recommendation involved the timing requirements of return of funds, which was implemented by the College.

The other 2005 recommendation regarded the calculation of return of funds which requires a determination of the number of days in the semester. While the error noted in 2005 was corrected, there was another error in the number of days used in the calculation for year ended June 30, 2006, as explained below.

In the return of funds testing, the number of days the College calculated for the fall semester was 113 days. There was an understatement in this calculation of three days due to additional days added to the Thanksgiving break in November. Based on federal regulations, if a break is longer than three days, including weekends, these break days are omitted from the calculation. Because the semester days were understated, this resulted in the individuals not returning as much aid as they should have to the programs or lenders. Although the differences averaged only $15 each, we recommend the approach to how the number of days is calculated be changed to accurately reflect federal Title IV requirements.

(CFDA Nos. 84.007, 84.063, 84.268; Federal Supplemental Educational Opportunity Grants, Federal Pell Grant Program, Federal Direct Student Loans; Special Tests and Provisions.)

Recommendation No. 71:

Metropolitan State College of Denver should ensure that federal requirements for return of funds under Title IV are met by changing the approach to calculating the number of days per semester and ensuring calculations are accurate.

Metropolitan State College of Denver Response:

Agree. Implementation date: June 30, 2007.

Metropolitan State College of Denver will continually review the term dates in the Return of Funds Software to ensure calculations adhere to the required federal regulations.

Colorado College Access Network

College Access Network (the "Enterprise") was created by an act of the Colorado Legislature in June 1979. During the 2004 legislative session, House Bill 04-1350 allowed the Enterprise, formerly the Colorado Student Loan Program, to change its name to Colorado College Access Network, effective July 1, 2004. The primary mission of the Enterprise is to assist Colorado residents with planning for and

supporting lenders and Colorado institutions of higher education by administering the Federal Family Education Loan Program for the Federal Government.

Control Over Claim Records

The College Access Network (the Enterprise) is a state agency that operates as a partnership between lenders such as banks, higher education institutions, and the U.S. Department of Education (USDE). The capital for making loans to students is provided by 49 private lenders which include banks, savings and loan associations, credit unions, pension funds, insurance companies, or secondary markets. Under the Federal Family Education Loan Program the Enterprise insures lenders against financial loss from default, disability, death, or bankruptcy. The USDE serves as the reinsurer. If the Enterprise must reimburse a lender for an uncollectible loan, it files a claim for reimbursement to the USDE which is currently being reimbursed at 100 percent. The amount of claims filed with the USDE by the Enterprise during the Fiscal Year 2006 was $105,045,747.

During fiscal year ended June 30, 2006, the Enterprise contracted with a third-party, NelNet, Inc. ("NelNet") to perform various functions related to student loans which includes processing lenders' claims. Under the contract between NelNet and the Enterprise, lenders' claims are submitted directly to NelNet for processing, however, USDE issues the payment for the claim to the Enterprise, which is responsible for federal reporting to the USDE.

This contract requires that NelNet maintain the claims system, and all claim records are kept electronically by NelNet. Because the Enterprise is responsible for the payment of the claim to the lender the Enterprise has access to all claim records. There are currently 14 personnel at NelNet and one at the Enterprise that have access to the claim system. Each employee has his or her own employee code so that access to the system and/or approvals to claims can be monitored and tracked. Access to the system is granted to the employees by NelNet's information systems department.

During our testwork we found problems with the claims system and the claims review process. Specifically we found that:

- **Changes to claim files are not maintained on the system.** NelNet does not have a control system in place within the claims system that monitors the integrity of claim files and tracks specific changes performed by the claim examiners. Changes can be made to claim files when, for example, interest needs to be recalculated, the payoff amount to the lender is different than the amount submitted by whom or when a lender submits additional information for a claim file. When these changes are made modifications to the claim

files are not traceable within the claims system. In other words, the claim system lacks a history of specific claim file changes. Although personal codes of employees are recorded on the claims system, the system does not keep a record of information changes and transactions. While it is possible to view up to four personal codes, meaning that there have been four file changes/revisions made, if a particular claim file was modified more then four times, the "oldest" codes will be overwritten within the claim system

The Enterprise staff stated that although specific changes made to the claim are not tracked, the NelNet claims examiner reviews the original electronic claim file during the final claim file review process to ensure that all information is correct. However, we question the value of the approving examiner review during the final review process if the approving examiner is unable to view all changes made to the claim file on the claim system. When the approving examiner gives final approval on the claims system, the examiner is certifying all information on the screens of the claim system to be true and accurate. Although an archive of the final system file for the approved claim is maintained, an archive of changes in an automated system should be part of the final approved claim so that there is an audit trail to track changes made to the system, reduce the risk of errors in the system, and ensure that financial information is complete and accurate.

- **Approving official's sign-off was not present to confirm accuracy of original claim document.** In addition to claims information kept on the claims system, once the approving examiner certifies that all information is correct, the examiner is required to place his or her electronic signature on the original electronic documentation received from the lender. This control documents the examiners quality control review of the claim file before the file is submitted to the Enterprise for payment. We noted 6 out of 30 transactions tested where the electronic approval was not entered on the original electronic documentation. Although there was evidence of approval by the examiner from their authority code, the electronic approval was not present on the original electronic documentation. By not ensuring that required electronic signatures are present on the original electronic lender documentation, there is no way to verify that the claims reviewer used the original documentation to certify that the claim sent to the Enterprise from the NelNet claim system is accurate.

- **Changes and approvals may be performed by the same individual**. As stated previously, changes to the claim system can be made only by personnel with access codes. However, we found that the same person changing information to the claim file also can approve the changes made to the claim file. Controls should be in place to prevent and detect the risk of

inappropriate changes. Without an independent review and approval of all changes there is the risk that errors may occur and claims paid to the lender may be inaccurate.

- **Lack of documentation for quality control process.** A review of claims paid is done by NelNet on a sample basis to ensure that the payment was proper. As part of the Enterprise's oversight responsibility of the claims process at NelNet, the Enterprise reviews a random sample of claims paid. Through inquiry of the Enterprise staff and NelNet staff, it was noted that neither entity's selection and review process was documented, performed consistently, or performed on a timely basis to ensure that the established quality control procedures were followed. Without documentation of the review process, there is no way that the Enterprise can determine whether NelNet is properly processing claims. In addition, NelNet is not able to demonstrate that it has a process in place to evaluate its claims processing. Documentation, timeliness, and consistent processes are important to substantiate that a claims review process is implemented and working effectively and can be relied upon to determine and document the accuracy of the claims filed and improve the quality control review process.

The Enterprise should ensure that the claims system includes a history of all changes made to claim files, the approving electronic signature is present on all claim images, there is segregation of duties between those making changes and approving changes, and that the internal audit process over claims is documented and performed consistently by both NelNet and the Enterprise. Without these controls in place the Enterprise increases the risk of inaccurate or incomplete claims submitted to the federal Department of Education for reinsurance and errors in the claims paid to lenders.

(CFDA No. 84.032; Federal Family Education Loans; Special Tests and Provisions.)

Recommendation No. 72:

The Colorado College Access Network (Enterprise) should implement and strengthen controls over the claims system and claims review process by:

a. Establishing history capabilities within the claims system to reflect all individual changes made to all claims. These capabilities should include the ability to track individual changes to claim information by user code and limit access to appropriate users.

b. Establishing segregation of duties between those making changes to the system and those approving the changes to the system and ensuring that all approving sign-offs are present to ensure the integrity of the information on the system.

c. Ensuring that the quality control process over claims performed by the Enterprise and by NelNet are appropriately documented, conducted timely and consistently, and that results are evaluated and used to implement changes to the claims process when needed.

Colorado College Access Network Response:

a. Partially agree. Implementation date: February 2007.

We agree that the claims system does not track specific claim file changes. However, all changes made to the claims system are documented on the Common Claims Initiative (CCI) form received from the lender. The CCI form is the source document to initiate claims payment and is maintained on the imaged claim file. When a claims examiner performs the final exam and approval of the claim; they check to ensure that all changes made to the claims system are documented, agreed and accurately reflected on the CCI form. We believe that the CCI form provides adequate controls, and any risk associated with the lack of the system tracking specific claim file changes is mitigated by documenting those changes in the imaged claim file. Furthermore, due to the architectural design of the existing system, enhancements to the system would be cost prohibitive. While we believe that compensating controls are adequate, we anticipate conversion in 2008 to a new relational database system that will capture and maintain transactional level changes.

b. Partially agree. Implementation date: February 2007.

We concur that the person approving the claim can also make changes to the claim. However, changes can only be made to system defined unrestricted fields. Additionally, all claims are subject to a quality control review process. 100 percent of all claims processed by new claim examiners are reviewed by quality control and 10 percent of all claims by claims examiners are reviewed. Any systematic or recurring errors found are addressed with the appropriate personnel. Implementation of this recommendation would cause performance of two complete independent reviews of all claims processed; rendering it cost prohibitive and not feasible given the federal time constraints placed on the guarantee agency

to process such claims. We feel that the quality control process is consistent with industry standards and practices and is adequate control over the claims processing. We concur that the sign-off on the CCI form is a good business practice and will put appropriate controls in place to ensure it is completed.

c. Agree. Implementation date: February 2007.

Our service provider (Nelnet) has developed and implemented procedures to ensure that all claims selected for quality control review and the results of that review are documented. In addition, the Enterprise also performs a quality control review to ensure the payment to the lender is correct and that it meets federal regulatory requirements. The Enterprise will develop and implement procedures to ensure the quality control review process in place is documented, performed consistently and timely.

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Department of Human Services

Introduction

The Department of Human Services (DHS) is solely responsible, by statute, for administering, managing, and overseeing the delivery of the State's public assistance and welfare programs throughout the State of Colorado. Most of these programs are administered through local county or district departments of human/social services. The Department also manages and directly administers programs in the areas of developmental disabilities, mental health, nursing homes, and youth corrections. Please refer to the introduction in the Department of Human Services chapter within the Financial Statement Findings section for additional background information.

Eligibility Determinations for Federal Programs

As noted previously, in Colorado, the responsibility for determining recipient eligibility for medical or public assistance benefits is shared between the State and the counties. Counties are responsible for administering the benefit application process, entering the required data for eligibility determination, and approving the eligibility determinations. For Food Stamps, Temporary Assistance for Needy Families (TANF), and Medicaid, individuals and families apply for benefits at their local county departments of human/social services. For the Medicaid program, eligibility determinations can take place at county departments of human/social services as well as at Medical Assistance (MA) sites. The State is responsible for supervising the counties' administration of medical and public assistance programs including Food Stamps, TANF (administered in Colorado as Colorado Works), Medicaid, and the Children's Basic Health Plan (CBHP). The Department of Health Care Policy and Financing (HCPF) is the state agency responsible for administering the Medicaid and CBHP programs, while the Department of Human Services (DHS) is responsible for administering the Food Stamps and TANF/Colorado Works programs.

Colorado Benefits Management System

On September 1, 2004, the Department of Human Services and the Department of Health Care Policy and Financing jointly implemented the Colorado Benefits Management System, or CBMS. CBMS was designed to improve the accuracy and

timeliness of eligibility determinations for programs including Food Stamps, TANF/Colorado Works, and Medicaid. Effective June 1, 2005, the Governor issued an Executive Order to establish the *Governor's Office of the Colorado Benefits Management System.* According to the Executive Order, the Office of CBMS is to provide common oversight and coordination of the state management of CBMS.

During our Fiscal Year 2005 Single Audit and financial audit testing at DHS and HCPF, we performed testing to assess both Departments' internal controls and compliance with respect to federal laws and regulations. Our testing specifically included determining the Departments' compliance with federal Food Stamps, TANF, and Medicaid regulations after CBMS implementation. For example, we reviewed eligibility determinations and benefit payments made after CBMS implementation to ensure that payments were made only to or on behalf of eligible beneficiaries and in accordance with state and federal program guidelines, and that data were correctly entered into CBMS by county and Medical Assistance site staff.

Under the federal Single Audit Act and federal Office of Management and Budget (OMB) *Circular A-133,* a material weakness is defined as 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, such as Food Stamps, TANF, or Medicaid, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Based on our Fiscal Year 2005 audits of the two Departments, we identified material weaknesses in the Departments' internal controls over compliance with eligibility determinations for the Food Stamps, TANF, and Medicaid programs.

During our Fiscal Year 2006 audits of DHS and HCPF, we again performed testing to determine the Departments' compliance with grant requirements for the three programs. We also performed follow-up testing to determine the Departments' progress in implementing numerous recommendations from our Fiscal Year 2005 audit, including problems noted during that audit with remaining Food Stamps, TANF/Colorado Works, Medicaid, and CBHP cases requiring additional data entry into CBMS and outstanding unprocessed cases that exceeded federal and state processing guidelines.

Based on the number and significance of our findings during our Fiscal Year 2006 audit, we again determined that the Departments have material weaknesses in their internal controls over compliance with eligibility determinations for the TANF/Colorado Works, Food Stamps, and Medicaid programs. Specifically, for TANF/Colorado Works we found that 23 of the 60 payments in our sample (38 percent of payments sampled) contained at least one error; for the 23 payments

containing errors, we identified questioned costs of $4,540 out of the total sampled costs of $13,820 (33 percent of costs). For Food Stamps, we found that 11 of the 60 payments in our sample (18 percent of payments sampled) contained at least one error; for the 11 payments containing errors, we identified questioned costs of $933 out of the total sampled costs of $10,809 (9 percent of costs). For Medicaid, we found that 23 of the 51 payments in our sample (45 percent of payments sampled) contained at least one error; for the 23 payments containing errors, we identified questioned costs of $36,590 out of the total sampled costs of $100,838 (36 percent of costs). Significant error rates such as these indicate a substantial risk of over- or underpayments. From a state perspective, the risk is significant because federal recoveries for disallowed costs could be substantial.

The results of our specific testing of the TANF/Colorado Works and Food Stamp program are discussed below. The results of our testing over Medicaid and CBHP are contained in the Department of Health Care Policy and Financing chapter of the Federal Awards section of this report.

Case Cleansing Issues

Upon implementation of CBMS, county department of human/social services staff were required to enter additional data into CBMS that had not been required under the previous systems. Although information in the former systems was converted into CBMS, additional eligibility data that formerly had only been maintained in case files had to be entered in order for CBMS to function properly. As a result, existing information for each case that was active as of September 1, 2004, had to be reviewed, and county staff had to enter the additional information into the new system. This review and data augmentation process has been commonly referred to as "case cleansing."

In August 2004, prior to the implementation of CBMS, DHS issued an administrative order that after the conversion to CBMS, benefits were to continue to be paid to recipients who were eligible at September 1, 2004, until their cases were "cleansed" by county staff. A court order issued by the Denver District Court in December 2004 reinforced the order, requiring the State to continue to issue benefits to recipients whose cases required cleansing "until further Order of the Court." The number of cases requiring cleansing was reported by the State to total 380,312 cases in September 2004. The court order included a larger total in December 2004, stating, "Plaintiffs presented evidence that this number is over 600,000." DHS and HCPF reported that as of March 2006, the number of cases requiring cleansing had been reduced to 2,700.

We found during our Fiscal Year 2006 audit that while the Departments have further reduced the number of cases requiring cleansing, over 1,000 cases still required cleansing almost two years after CBMS implementation. Specifically, the Departments report that as of August 2006, 1,327 cases still required case cleansing. Food Stamps and TANF/Colorado Works cases accounted for 246 of the 1,327 cases, as shown in the following table:

Food Stamps and Temporary Assistance for Needy Families (TANF)/ Colorado Works Cases Requiring Cleansing as of August 2006

Program	Total
Food Stamps[1]	148
TANF/Colorado Works	98
Total Cases Requiring Cleansing	**246**

Source: OSA Analysis of CBMS Conversion Case Program Flag Summary Report.
[1] Food Stamps expedited cases requiring cleansing are included in the breakdown above.

Therefore, these cases remained under the court-ordered benefit freeze and these recipients may have continued to receive benefits based on their eligibility status as of September 1, 2004.

The federal government could disallow reimbursements the State has received for the federal share of benefit payments made to ineligible individuals. Therefore, the Department should work with the county departments of human/social services to ensure all remaining cases are cleansed as soon as possible.

(CFDA Nos. 10.551, 10.561, 93.558; Food Stamps Cluster, Temporary Assistance for Needy Families; Eligibility.)

Recommendation No. 73:

The Department of Human Services should ensure that remaining backlogs of Food Stamps and Temporary Assistance for Needy Families/Colorado Works cases on CBMS that require cleansing are eliminated as soon as possible.

Department of Human Services Response:

Disagree. Implementation date: Not applicable.

The Colorado Works Program has reviewed the remaining three cases found on the State Conversion Case Program Flag Detail Report dated February 16, 2007. The program found that one case in question is a recent application pending processing. No payments were made on this case and before processing the flag will be removed. The remaining two cases program will be researched and addressed as soon as possible.

The Food Stamp Program reviewed the remaining 57 food stamp cases found on the State Conversion Case Program Flag Detail Report dated February 16, 2007. The program found that 39 of the 57 cases were newly received applications in CBMS with an application date of January or February 2007. None of the 39 cases had previously received benefits in CBMS since August 2004. The remaining 18 of the 57 cases only received benefits from August through October 2004 in CBMS. None of these cases has received benefits beyond October 2004. The State will work on closing these cases in CBMS. Based on the fact that none of the food stamp cases remaining on the State Conversion Case Program Flag Detail Report were paid benefits beyond October 2004, the Department disagrees with this finding.

Auditor's Addendum:

This recommendation addresses the fact that the Department did not have a process in place to ensure that all cases requiring cleansing had been resolved, and thus, there was a risk that the State was paying benefits to ineligible recipients whose cases had not been cleansed as of the time of our fieldwork during the audit. In its response, the Department reports that it conducted its analysis in February 2007, or after the conclusion of our audit. With respect to the quality of the data in the report, problems with reports generated by CBMS have been noted previously in our audits. It is the Department's responsibility to ensure the reports are accurate and reflect what they are intended to report.

Timely Processing of Cases

Federal and State regulations require that benefit applications for the Food Stamps, TANF/Colorado Works, Medicaid, and Children's Basic Health Plan (CBHP) programs be processed in a timely manner. These processing requirements vary by program. Specifically, TANF/Colorado Works, CBHP, and a majority of Medicaid applications are to be processed within 45 days. Medicaid applications for beneficiaries with disabilities need to be processed within 90 days. Food Stamps applications must be finalized within no more than 30 days after initial application;

expedited Food Stamps applications must be processed within seven calendar days. DHS and HCPF are able to track processing timeliness through CBMS.

During our Fiscal Year 2005 financial audit, we reviewed data relating to the county departments of human/social services' processing of cases within federal processing time frames. Case processing data subsequent to CBMS implementation indicated that counties were facing difficulties with processing cases within required deadlines. The Denver District Court Order issued in December 2004 required the Departments to reduce the out-of-compliance cases totaling over 29,000 from November 30, 2004, by 40 percent (i.e., to 17,619) before February 28, 2005, and thereafter to reduce each program area's out-of-compliance cases by 40 percent "until substantial compliance with federal and state law is achieved." During our Fiscal Year 2005 audit, the Departments reported that the unprocessed cases in CBMS exceeding processing guidelines had been reduced to about 9,500 by February 28, 2005, and to 4,600 as of June 30, 2005.

We found during our Fiscal Year 2006 audit that the Departments continue to face difficulties with processing new cases within federal and state program processing deadlines. In fact, the total number of out-of-compliance new cases for the Food Stamps, TANF/Colorado Works, Medicaid, and CBHP programs at the end of our audit exceeded the June 30, 2005 figure. Specifically, cases exceeding processing guidelines as of October 23, 2006, totaled over 6,500. Food Stamps and TANF/Colorado Works cases accounted for 1,970 of the 6,507 cases as shown in the following table:

Food Stamps and TANF/Colorado Works Cases Exceeding Processing Guidelines as of October 23, 2006

Program	**Total**
Food Stamps [1]	1,770
TANF/Colorado Works	200
Total Cases Exceeding Processing Guidelines	**1,970**

Source: OSA analysis of the CBMS Pending Applications Summary Report.
[1] Food Stamps expedited cases exceeding processing guidelines are included in the breakdown above.

Overall, 45 percent of the total Food Stamps, TANF/Colorado Works, Medicaid, and CBHP cases that exceeded processing deadlines in October 2006 were more than 60 days past the applicable deadline.

Processing delays prevent program applicants from receiving needed financial assistance. Further, the Department risks fiscal sanctions from the federal government for noncompliance with federal and state regulations. The Department should work with the county departments of human/social services to ensure that processing guidelines are met for all federal programs.

(CFDA Nos. 10.551, 10.561, 93.558; Food Stamps Cluster, Temporary Assistance for Needy Families; Eligibility.)

Recommendation No. 74:

The Department of Human Services should ensure that Food Stamps and Temporary Assistance for Needy Families/Colorado Works cases are processed within federal and state guidelines.

Department of Human Services Response:

Agree. Implementation date: April 2007.

The Colorado Works Program will continue to provide oversight and technical assistance to assure counties are substantially complying with processing guidelines of the program. Colorado Works applications exceeding processing guidelines as of February 19, 2007, totaled just 83 cases statewide.

The Food Stamp Program sends a weekly file of Cases Exceeding Processing Guidelines to the ten large counties, which represents the majority of the statewide Food Stamp caseload. The counties are required to review and act on the cases each week. State Food Stamp staff closely monitors the counties' progress on processing these cases. Case files are also reviewed for timeliness as part of the Food Stamp Management Evaluation process and counties are cited for non-compliance if less than 90 percent of the cases reviewed are not processed timely. The State Food Stamp program will also be submitting a corrective action plan to the federal regional Food and Nutrition Services office by April 2007 to outline the plan to bring Colorado's processing times into compliance with federal requirements.

Federal TANF Program Overview

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 No. 93.558). In July 1997 the Department of Human Services implemented TANF in Colorado as the "Colorado Works" program. The four purposes of the TANF/Colorado Works program are (1) to provide time-limited assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives; (2) to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) to prevent and reduce out-of-wedlock pregnancies, including establishing prevention and reduction goals; and (4) to encourage the formation and maintenance of two-parent families. During Fiscal Year 2006 the Department expended approximately $198 million in state and federal funds under the program and had an average monthly caseload of 14,930 recipients.

As discussed earlier, during our Fiscal Year 2005 audit of the Department, we identified material weaknesses in the Department of Human Services' internal controls over compliance with eligibility determinations for the TANF/Colorado Works program. Based on our Fiscal Year 2006 audit testwork, we have determined that the Department continues to have a material weakness in its internal controls over compliance with eligibility determination for the TANF/Colorado Works program. In other words, the Department does not have sufficient internal controls in place to ensure that eligibility determinations made are in compliance with federal and state TANF/Colorado Works regulations. Our specific findings are discussed in more detail below.

TANF/Colorado Works Sample Testing Results

During our Fiscal Year 2006 audit, we sampled 60 benefit payments from the TANF/Colorado Works program issued between July 1, 2005, and June 30, 2006. We requested and reviewed the case records related to these payments to determine if the payments were made only to eligible beneficiaries and in accordance with state and federal program guidelines, benefits were correctly calculated on the basis of the information entered into CBMS, and payments authorized were supported in the case record. Overall, we found that 23 out of the 60 payments in our sample (38 percent) contained at least one error; for the 23 payments containing at least one error, we identified questioned costs of $4,540 out of the total sampled costs of $13,820 (33 percent of costs). Further, while reviewing the payments in our sample, we

identified an additional 50 errors in the reviewed cases that resulted in TANF/Colorado Works overpayments of nearly $10,200; these were overpayments that were not included in our original sample of 60 payments but were paid to the recipients whose files were reviewed as part of our sample. These noncompliance issues are addressed throughout this section of the report.

Accuracy and Appropriateness of Benefit Payments

The TANF/Colorado Works program is designed to provide time-limited assistance to needy families with children who meet income requirements established by the federal and state government. For the purposes of determining need, all countable income available to the family, or "assistance unit," must be considered in the eligibility determination. County TANF/Colorado Works caseworkers are responsible for entering earned and unearned income into CBMS. CBMS then compares the income data with program rules embedded within the system and calculates the amount of benefits, if any, that may be authorized under those rules. During the audit we found 25 instances (one in our sample and an additional 24 instances for payments not included in our original sample) in which the county caseworker failed to enter earned or unearned income into CBMS that had been documented in the case file, resulting in about $5,000 in benefit overpayments to TANF/Colorado Works recipients. In one of the instances, the TANF/Colorado Works applicant had reported receiving $800 per month from a friend. Based on state income rules, this applicant would have been disqualified from receiving TANF/Colorado Works benefits due to the amount of unearned income received. However, the caseworker classified this income as a loan and did not enter the income in CBMS, which resulted in the maximum benefit payment to the applicant. According to state regulations, loans are exempt from countable income if the applicant can provide a repayment agreement. The TANF/Colorado Works recipient did not provide a repayment agreement; therefore, the income should have been counted when determining eligibility.

County departments of human/social services have flexibility in developing program plans to deliver the most appropriate benefits and services to the eligible individuals in their communities. In general, counties can provide cash assistance to individuals as long as those services meet one of the four objectives of the TANF/Colorado Works program. However, while counties have been granted this flexibility, each county must meet minimum federal and state regulations as they relate to allowable benefit payments. During the audit we found two payments totaling $557 that were not allowed under federal and state regulations. In the first case, although the applicant reported receiving TANF/Colorado Works in another state during June 2006, the caseworker authorized a $227 TANF/Colorado Works benefit for the same

month. According to state rules and regulations, persons receiving TANF/Colorado Works assistance from another state shall not be eligible for TANF/Colorado Works cash assistance during any month assistance was received in a different state. In the second case, we found that one county provided a payment of $330 for medical services. According to federal and state regulations, TANF/Colorado Works funds are not to be used for medical services other than prepregnancy planning services.

The overpayments identified during the audit raise concerns regarding the State's supervisory review at the county level over TANF/Colorado Works program requirements, including countable income and allowability of benefit payments. We also noted concerns with counties' supervisory review processes over data entered in CBMS during our Fiscal Year 2005 audit. At that time, the Department agreed to issue an agency letter by July 1, 2006, directing counties to institute regular supervisory review processes. As of the end of our audit, the Department had not issued an agency letter to the counties addressing required supervisory reviews.

In order to gain assurance that all essential eligibility data are entered in CBMS and that caseworkers are knowledgeable about allowable and unallowable benefit payments, the Department must ensure that county staff are adequately trained in program requirements and the proper use of CBMS and that effective supervisory review processes are in place at the counties. It is imperative that the Department conduct regular reviews at the county level of supervisory review processes to ensure such processes are in place and are effective. These reviews can be performed in conjunction with the Department's existing program monitoring reviews, which also include a case file review to determine if eligibility determinations were appropriate and benefit payments were for allowable services.

As mentioned earlier, in Fiscal Year 2006 the State expended about $198 million for TANF/Colorado Works; of this amount, about $68 million was for benefits. This is the second year that we have identified a material weakness in the Department's internal controls over eligibility determination for the TANF/Colorado Works program, which means that the State is at risk for federal disallowances due to payments to ineligible recipients. The Department should take steps to address these deficiencies.

(CFDA No. 93.558; Temporary Assistance for Needy Families; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring.)

Recommendation No. 75:

The Department of Human Services should improve eligibility determination and allowable cost internal controls over the Temporary Assistance for Needy Families/Colorado Works program by:

a. Directing county departments of human/social services to institute effective supervisory review processes over eligibility determinations. In addition, the Department should require that counties establish reviews that compare case file data with data in CBMS on an ongoing basis.

b. Directing county departments of human/social services to provide training or access state-provided training to appropriate staff regarding allowable and unallowable program benefits.

c. Using eligibility determination monitoring procedures currently in place to review for compliance with eligibility requirements and to assess the county supervisory review function. Followup procedures on problems identified should be performed as appropriate.

Department of Human Services Response:

a. Agree. Implementation date: May 1, 2007.

Colorado Works will produce an agency letter directing counties to establish regular supervisory case reviews including the establishment of case file review utilizing data found in the CBMS system to improve internal controls over determination of eligibility and payments.

b. Agree. Implementation date: May 1, 2007.

Colorado Works will continue to work with counties to assure that workers are accessing provided training opportunities to improve overall knowledge and skills for proper program administration.

c. Agree. Implementation date: May 1, 2007.

Colorado Works will add to its regular County Program Review a review of the county supervisory review function and will also continue to provide eligibility review of select cases.

System Problems Affecting Benefit Payments for the TANF/Colorado Works Program

As discussed, the Colorado Benefits Management System (CBMS) was implemented on September 1, 2004. CBMS was designed to compare the eligibility data entered by the caseworker with program rules embedded within the system and calculate the amount of benefits, if any, that may be authorized under those rules. Additionally, the system was designed to automatically discontinue benefit payments when a recipient failed to comply with program rules. During the audit we reviewed 60 case files to determine if the system was accurately calculating benefit payments based on eligibility data entered by the caseworker and if benefits were appropriately terminated for program noncompliance. Of the 60 payments reviewed, four were incorrectly calculated due to a system error, resulting in about $1,200 in overpayments to TANF/Colorado Works recipients. Further, while reviewing the payments in our sample, we found an additional 19 errors in the reviewed cases in which a system problem resulted in TANF/Colorado Works overpayments of nearly $4,200; these were overpayments that were not included in our original sample of 60 payments. We identified three system problems that contributed to these overpayments. These problems are discussed below.

Income disregard not calculating appropriately. Federal and state regulations allow for the exclusion of a portion of earned income in eligibility determination calculations. Specifically, only one-third of a participant's gross earned income is included in a participant's benefit calculation for the first 12 months the participant receives assistance. After the receipt of benefits for 12 months under the two-thirds disregard, the participant is eligible for a $30 plus 1/3 of income disregard for four consecutive months, and then a subsequent $30 disregard for eight calendar months. During the audit we found that a system error caused CBMS to apply the income disregard incorrectly in some instances. We identified one instance in which CBMS provided income disregards beyond the allowable period. The system provided the participant 15 months of the two-thirds income disregard and seven months of the $30 plus 1/3 of income disregard, resulting in total overpayments of over $1,100 in Fiscal Year 2006 for the case in our sample. The Department reported that this problem existed in CBMS during all of Fiscal Year 2006 and was not fixed by the end of our audit.

Monthly Status Report noncompliance. The Department requires Colorado Works participants to report information concerning income, household composition, and other specific essential elements of eligibility through a Monthly Status Report, or MSR, in accordance with the schedule established by the county department of

human/social services. Under certain circumstances, the county department may place a participant on "limited reporting" and the participant, therefore, would not be required to submit an MSR. These cases primarily consist of "child only" cases in which the child is the eligible recipient rather than the adult caretaker.

In order for CBMS to issue a benefit to an individual who is required to submit an MSR, a county worker must indicate in CBMS that an MSR has been received. For those participants placed on limited reporting, the caseworker must enter in CBMS "no change - system." CBMS interprets this as meaning no MSR is required and will continue to issue benefits without an MSR until a change is reported. If, however, a recipient does not submit a required MSR to the county department by the deadline, the county department sends a failure-to-file notice informing the recipient that he or she has an additional 10 working days to file the MSR, and that termination of TANF/Colorado Works benefits will result if the MSR is not filed by the final deadline.

During the audit, out of our sample of 60, we identified 4 payments that were made to recipients who had not returned MSRs by the deadline, resulting in overpayments of about $1,200. Further, during our review of the 60 sampled payments, we identified an additional nine payments of over $3,000 that were issued to TANF/Colorado Works recipients without a required MSR. We found that two system errors caused these overpayments. First, for 10 of the 13 payments issued in error, CBMS did not close the case when the recipient failed to file an MSR by the required deadline. Although CBMS issued a fail-to-file notice to the recipient, the system error resulted in a continuation of benefits to ineligible individuals. Second, for the remaining payments issued in error, we found that CBMS inappropriately changed the required frequency of MSR submission from monthly to "no change - system," although the recipients were required to submit an MSR. As a result, CBMS did not require an MSR to be entered, and therefore, the system continued to issue benefits. Department staff report that the specific cause of this problem has yet to be identified.

The State can be sanctioned by the federal government for program payment errors. The income disregard and MSR problems identified in CBMS should be corrected immediately to ensure that program payments are appropriate. Further, the Department should use its established eligibility determination monitoring procedures at the county level to identify any overpayments related to these system issues and take corrective action as appropriate.

(CFDA No. 93.558; Temporary Assistance for Needy Families; Eligibility, Subrecipient Monitoring.)

Recommendation No. 76:

The Department of Human Services should take immediate steps to correct the income disregard and Monthly Status Report problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.

Department of Human Services Response:

Agree. Implementation date: Change Control Request submitted week of February 12, 2007.

The Colorado Works program has submitted a change request to fix the identified problem with the Monthly Status Report and will work with the CBMS staff to correct the income disregard issue to lessen the risk of errors in benefit payments.

Recommendation No. 77:

The Department of Human Services should use its eligibility determination monitoring procedures to identify and work with the counties to correct overpayments related to the income disregard and Monthly Status Report problems in the Colorado Benefits Management System and any additional system-related problems. Reviews should be targeted to identify additional areas requiring corrections, as necessary. Followup on problems identified should be performed as appropriate.

Department of Human Services Response:

Agree. Implementation date: Implemented.

Colorado Works will use its ongoing County Program Review process to identify related income disregard and Monthly Status Report problems and will work, as needed, to address any other system caused concerns, as identified through such reviews.

Income, Eligibility, and Verification System Compliance

The Department utilizes data comparisons with other information systems, or "interfaces," to verify the validity of recipient-provided data. Data comparisons are an important control over ensuring the accuracy of recipient-provided data used in determining eligibility for benefits, as well as the overall integrity of the data in CBMS. For example, the Department utilizes the federal Income, Eligibility, and Verification System (IEVS) to verify income information used for eligibility determination for the TANF/Colorado Works program. IEVS provides states with applicant income information from the Colorado Department of Labor and Employment, the Social Security Administration, and Internal Revenue Service. Through IEVS, applicants' social security numbers are matched with these agencies' records to identify instances in which applicants have potentially misstated their earned and unearned income and resources. CBMS is programmed to collect the social security number for all individuals approved for public assistance and compare the information with the IEVS file. If any of the income-related items reported by the individual do not match data in these other systems, a "hit" will be produced and returned to the county caseworker for followup and resolution. If there are no hits, it is assumed the social security number and other information are valid. Federal and state regulations require that TANF/Colorado Works caseworkers verify information received from TANF/Colorado Works applicants through IEVS within 45 days of receipt of such information.

During our Fiscal Year 2005 audit, we found that the CBMS to IEVS comparisons were not working in all instances. We recommended that the Department immediately address the problems with the CBMS to IEVS interface to ensure that all data are verified. The Department agreed with the recommendation and indicated that the interface was working as of December 2005. We noted during our current audit that although the interface appeared to be working, county caseworkers did not in all instances investigate IEVS "hits" within the required deadline. Specifically, during our sample review period we identified five instances in our sample of 60 payments (8 percent) in which IEVS identified additional income that had not been reported by the applicant. We identified an additional 12 payments to these same applicants outside of our sample where IEVS "hits" were present. In all 17 cases, the county departments failed to address the IEVS "hits" within the 45-day required time frame and had not resolved the discrepancies by the end of our audit.

The lack of followup on income discrepancies is of particular concern because IEVS is designed to detect instances in which a participant is withholding earnings information in order to receive a larger benefit payment. For example, in one of the instances noted above, an individual applying for TANF/Colorado Works benefits

reported zero income to the county. Based on the participant's statements and household size, the caseworker approved a benefit amount of $356. Case file documentation indicated that the participant continually reported zero income while receiving TANF/Colorado Works benefits from September 2005 through June 2006 totaling $2,538. However, according to IEVS "hits" contained in CBMS, the participant earned a total of $13,628 from September 2005 through June 2006, or on average approximately $1,363 per month. Under state income guidelines, this participant was not eligible to receive TANF/Colorado Works benefits during this period. While IEVS "hits" were available to the caseworker beginning in January 2006, no action was taken and benefits continued to be issued in error.

Department staff indicate that county workloads often contribute to IEVS "hits" not being addressed. However, monitoring IEVS activity is a critical internal control to ensure benefit payments are appropriate under federal and state regulations. If immediate action is not taken on IEVS data matches, the Department increases its risk of providing benefits to individuals who are not eligible. Further, the State is at risk of the federal government's disallowing payments made to the ineligible individual. The Department should ensure caseworkers at the county level are addressing IEVS "hits" within 45 days to avoid future overpayments to ineligible individuals. This should include using the Department's established eligibility determination monitoring procedures to identify instances of noncompliance at the county level and taking corrective action as appropriate.

(CFDA No. 93.558; Temporary Assistance for Needy Families; Eligibility, Subrecipient Monitoring.)

Recommendation No. 78:

The Department of Human Services should work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies within 45 days as required by federal and state regulations. As part of this, the Department should use its eligibility determination monitoring procedures to identify instances of noncompliance at the counties and perform follow-up, as necessary.

Department of Human Services Response:

Agree. Implementation date: May 1, 2007.

The Colorado Works program will work with counties to ensure timely use of the Income, Eligibility, and Verification System as required by regulations

and will incorporate a review process within the county program review work of the Division.

Case File Documentation

The State is required to have in place adequate internal controls over benefit payments to ensure that sufficient documentation is obtained and maintained to support all program payments and participants' identification and citizenship status. Both state and federal regulations require counties to maintain adequate case records that include facts essential to the determination of initial and continuing eligibility. Case records should assist caseworkers in reaching valid decisions, ensure assistance is based on factual information, and provide for continuity when a caseworker is absent or when a case is transferred. As the administrator of the TANF/Colorado Works program, DHS is responsible for ensuring that payments made are appropriate under state and federal laws and regulations. This responsibility includes ensuring that county departments of human/social services maintain sufficient supporting documentation to prove that decisions and resulting payments made are appropriate and in compliance with state and federal program requirements. The Department requires counties to, at a minimum, obtain an application, an Individual Responsibility Contract (IRC), and documentation of income. Additionally, Department rules require counties to obtain and verify a social security number for each individual listed on the TANF/Colorado Works application, in accordance with federal regulations. State TANF/Colorado Works rules require verification of recipient-provided information and define verification as obtaining written evidence proving the information is correct. This evidence should be maintained in recipient case files.

During our Fiscal Year 2005 audit, we identified instances in which case files could not be provided and instances in which the files that were provided lacked required information. The Department agreed to issue an agency letter that clarified and defined policies and procedures and that directed county departments of human/social services to maintain copies of required documents within county files.

During our Fiscal Year 2006 audit, we continued to find problems with counties' documentation of TANF/Colorado Works eligibility determinations. We found 18 instances in our review of 60 payments in which case files lacked sufficient documentation to support the eligibility determination and/or the applicant's identity, as follows:

Lack of a required Individual Responsibility Contract (IRC). State TANF/Colorado Works regulations require county departments to develop an

Individual Responsibility Contract for TANF/Colorado Works applicants within 30 days after needs assessment, which is required to occur within 30 days of initial application. The IRC specifies the terms and conditions under which a participant may receive TANF/Colorado Works assistance, including steps for the applicant to take to secure and maintain training, education, or work. The IRC is an important state requirement established to ensure that recipients are meeting program work goals and receiving the necessary training and education to become self-sufficient. In 10 instances totaling about $2,800, we noted that the county case files did not include the State-required IRC. State rules require that if a recipient fails to sign an IRC by the required due date, the recipient's benefits are to be terminated. We noted that in all 10 instances, the filing deadline to submit an IRC had expired; however, these individuals were still receiving benefits.

Missing documentation supporting benefit payment. In addition to basic cash assistance, counties are allowed to issue supportive services to assist TANF/Colorado Works participants with housing costs, transportation, clothing, or other essential needs. We identified one instance in which the case file contained no supporting documentation for supportive services provided in the form of a housing assistance payment in the amount of $200. Thus, the county was unable to substantiate the appropriateness of the payment.

Missing documentation related to identity. During the audit we identified seven payments totaling $2,727 in our sample for which the case file lacked a social security card, identification card, or some other form of identification for one or more members of the household.

The $5,727 in eligibility payments discussed above are questioned costs, and the payments are included in our overall summary of questioned costs noted in this report.

Communications to Counties

We found that the Department's communication of case file documentation requirements to the county departments of human/social services has been inconsistent. For example, as noted earlier, the Department agreed with our Fiscal Year 2005 audit recommendation to require counties to maintain paper copies or electronic versions of required documents within a case file, indicating that it would issue an agency letter to the counties to clarify and define policies and procedures directing counties to maintain copies of required documents within county case files. However, subsequent to our Fiscal Year 2005 audit, it came to our attention that Department personnel continued to instruct county departments of human/social services that counties were not required to maintain hard copies of supporting documentation for TANF/Colorado Works and Food Stamps cases. Rather, county

caseworkers could indicate through a note in CBMS or a box checked in CBMS that documents had been reviewed, and this would be adequate documentation of eligibility determination decisions.

The Department issued an agency letter in November 2006 at the conclusion of our Fiscal Year 2006 audit testwork to county departments of human/social services addressing requirements for the maintenance of adequate case records for TANF/Colorado Works and Food Stamps and a list of examples of items that must be supported with documentation in the case file. The Department must ensure that Department employees who interact with the counties are aware of changes in policy so that communication with counties is consistent and accurate. Further, in order to gain assurance that the Department only provides benefits to eligible individuals and that it is in compliance with federal program regulations, the Department should conduct ongoing monitoring to ensure that county caseworkers obtain and verify applicant-provided information and that case files contain adequate documentation supporting all eligibility determinations.

(CFDA No. 93.558; Temporary Assistance for Needy Families; Eligibility, Subrecipient Monitoring.)

Recommendation No 79:

The Department of Human Services should ensure that case file documentation for the Temporary Assistance for Needy Families (TANF)/Colorado Works program is adequate to support all benefit payments to recipients by:

a. Using existing monitoring procedures to ensure required eligibility information is contained in county case files. For instances in which documentation appears questionable, the Department should require that counties perform necessary follow up to determine the validity of the documentation.

b. Communicating timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.

Department of Human Services Response:

a. Agree. Implementation date: Implemented.

The Colorado Works program will continue to use its existing county program review process to require counties to secure all needed eligibility verification and documentation in county case records.

b. Agree. Implementation date: Implemented.

The Colorado Works program will assure that its staff receive timely updates of any policy or procedures changes through internal communications and staff meetings.

Federal Food Stamps Program Overview

In Fiscal Year 2006 the Department of Human Services (DHS) provided over $332 million in benefits to eligible households under the federal Food Stamp program and expended approximately $57 million for the administration of the program (CFDA Nos. 10.551 and 10.561). The Department had an average monthly caseload of 107,581 Food Stamps beneficiaries. The Food Stamp program was designed to help low-income households buy food. Eligible families are provided with Electronic Benefit Transfer (EBT) cards that can be used to purchase food at participating grocery stores through the use of point-of-sale terminals. Colorado contracts with a vendor, currently JP Morgan, for its EBT payment processing. Colorado's Food Stamp program is overseen by the Department's Food Assistance Programs Division within the Office of Self-Sufficiency. It is administered locally by the county departments of human/social services. DHS is ultimately responsible to the U.S. Department of Agriculture (USDA) for ensuring that the State as a whole properly administers the Food Stamps program and expenditures are in compliance with federal requirements.

Colorado Benefits Management System (CBMS)

As noted previously within this chapter, the Department jointly implemented the Colorado Benefits Management System (CBMS) with the Department of Health Care Policy and Financing on September 1, 2004, to improve the administration of the Food Stamps, TANF/Colorado Works, and Medicaid programs, among others. During our Fiscal Year 2005 audit, we identified material weaknesses in the Department of Human Services' internal controls over eligibility determinations for the Food Stamps program. During our Fiscal Year 2006 audit, we performed testwork to determine the Department's compliance with Food Stamps grant requirements and to follow up on problems identified in Fiscal Year 2005. Based on our testwork, we have determined that the Department continues to have a material weakness in its internal controls over compliance with eligibility determinations for

the Food Stamps program and, therefore, cannot ensure that eligibility determinations made are in compliance with federal Food Stamps regulations. Our specific findings are discussed in detail below.

Food Stamps Eligibility Sample Testing Results

During our Fiscal Year 2006 audit, we sampled 60 payments for benefits under the Food Stamps program issued between July 1, 2005, and June 30, 2006. We reviewed the case records related to these payments to determine if the payments were made only to eligible beneficiaries and in accordance with state and federal program guidelines, benefits were correctly calculated on the basis of the information entered into CBMS, and authorized payments were supported in the case record. Overall, we found that 11 out of the 60 payments in our sample (18 percent) contained at least one error; for the 11 payments containing at least one error, we identified questioned costs of $933 out of the total sampled costs of $10,809 (9 percent of costs) and $96 in underpayments to Food Stamps participants. Further, while reviewing the payments in our sample, we identified an additional 74 payment errors in the reviewed cases resulting in Food Stamps overpayments of nearly $10,100 and about $670 in underpayments; these were payment errors that were not included in our original sample of 60 payments (it should be noted that in most instances one error resulted in payment errors for multiple benefit months). These noncompliance issues are addressed throughout this section of the report.

Food Stamps Benefits Issued to Ineligible Recipients

Food Stamps applicants must meet minimum eligibility requirements set forth in federal and state regulations. One of the primary factors in determining eligibility for the Food Stamps program is that each member of a household applying for participation must provide a social security number, or proof that application has been made to the Social Security Administration (SSA) for a number. During the audit we found one case in which the caseworker failed to obtain a social security number or application to SSA for all members of the Food Stamps household. Specifically, although the applicant applied as a household of three, the caseworker failed to obtain a social security number or proof that an SSA application had been filed for two of three household members. Because the caseworker circumvented CBMS controls by checking a box in CBMS that indicated an application to the SSA had been received for these two individuals, Food Stamps benefits were based on and paid for a household of three members instead of a household of one. As a result, the

State issued food stamp benefits totaling nearly $2,500 during Fiscal Year 2006 for two ineligible household members.

Food Stamp regulations also require that an individual who has received Food Stamps in another state may not receive benefits in Colorado during the same month. We identified one instance in which the caseworker provided Food Stamps benefits in the amount of $25 to an individual who had already received benefits in another state for the same month. Documentation for the other state payment was in the case file; nonetheless, the caseworker did not enter the payment information into the system. As a result, the additional payment was made to the applicant.

Controls Over Data Input

For the Food Stamps program, individuals and families apply for benefits at their local county department of human/social services. At the location where applicant interviews are conducted, county caseworkers enter applicant-provided data for eligibility determination into CBMS. Controls over data input are critical to ensuring that eligibility determinations and benefit payments are accurate for all program applicants. For the Food Stamps program, this is of particular concern because the participant's certification, or eligibility period for Food Stamps, can range from a period of 1 to 24 months. A participant's eligibility is only redetermined once at the mid-point of the certification period. Therefore, a mistake during the eligibility determination process can result in multiple improper payments during the certification period.

During our sample testing, we identified a lack of adequate controls over data input related to eligibility in three areas. Overall, we identified eight cases in our sample of 60 containing one or more data entry errors resulting in about $500 in Food Stamps overpayments and about $100 in underpayments. Further, while reviewing the payments in our sample, we found an additional 57 errors in the reviewed cases resulting in Food Stamps overpayments of nearly $6,000 and underpayments of nearly $700. The three types of data entry errors we identified are discussed below.

Incorrect shelter deduction entered in CBMS. Federal and state regulations allow deductions for shelter costs that are in excess of 50 percent of the household's income after all other allowable deductions are applied. Actual amounts billed to the participant for rent or mortgage are applied to total shelter costs, while a standard utility allowance established by the Department and approved by the federal government is allowed if the participant can prove that he or she is responsible for heating, cooling, and/or telephone charges. During the audit we identified four cases in which the caseworker entered the incorrect rent or mortgage expense or failed to apply the correct utility allowance.

Additionally, we identified four cases in which the participant did not receive a standard utility allowance or rent allowance, although documentation in the case file showed he or she was eligible for the deduction. County staff indicated that the information was provided; however, the caseworker failed to apply the deduction.

Income entered in CBMS incorrectly. For the purposes of determining eligibility for the Food Stamps program, all countable income available to the assistance unit or household must be considered in the eligibility determination. For initial applications and redeterminations, county caseworkers must enter all income into CBMS so that the system can compare the income data with program rules embedded within the system and calculate the amount of benefits, if any, that may be authorized under those rules. During the audit we found evidence of problems related to the income used in determining eligibility. Specifically, we found five cases in which income reported by the applicant was not entered in CBMS. For example, in order for certain types of income, including child support, to be recognized by the system, a Food Stamps caseworker must check an automated box entitled "count for converted" in the "Collect Income Received Detail" window. For two of the five cases noted, the county caseworker failed to check this box; as a result, the beneficiaries were overpaid.

Incorrect household size entered in CBMS. Another factor in determining eligibility for the Food Stamps program is household size. During the application process, the applicant must declare the number of individuals for whom he or she is purchasing meals. The number of individuals included as household members factors into the benefit amount that will be issued. During the audit we found one case in which the incorrect household size was entered in CBMS from January 2006 through June 2006. For example, for four months during this period, the benefits were calculated based on a household of five, although the participant had reported only four household members during the certification process. For the remaining two months, the household had decreased to three members; however, the benefits continued to be calculated as if five members were present. This error contributed to the overall overissuances that were discussed above.

As discussed previously, during our Fiscal Year 2005 audit, we also noted concerns with counties' supervisory review processes over data entered in CBMS. At that time, the Department agreed to issue an agency letter by July 1, 2006, directing counties to institute regular supervisory review processes. As of the end of our audit, the Department had not issued an agency letter to the counties addressing required supervisory reviews.

In general, these problems indicate a lack of supervisory review and training at the county level related to data entered into CBMS and eligibility requirements. In order to gain assurance that data are accurately entered into CBMS and payments are

issued only to eligible recipients, DHS should ensure that effective supervisory review processes are in place at the counties and that all caseworkers are adequately trained on appropriate data entry and eligibility criteria. The Department's role in ensuring that Food Stamp payments made are accurate and to eligible individuals is critical because the federal government can issue financial sanctions against a state with high payment error rates.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring.)

Recommendation No. 80:

The Department of Human Services should improve controls over Food Stamps eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by:

a Requiring county departments of human/social services to institute effective supervisory review processes over data entry into CBMS and eligibility determinations. In addition, the Department should require that counties establish reviews that compare case file data with data in CBMS on an ongoing basis as part of the county departments' recipient eligibility redetermination process.

b. Using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS. The Department should include procedures to assess the county supervisory review function as part of the Department's review. Followup procedures on problems identified should be performed as appropriate.

Department of Human Services Response:

Agree. Implementation date: February 2007.

In January 2006, the Food Stamp Program re-instituted the federally mandated requirement to perform Management Evaluations (MEs) of County operations. As part of the local review process, Food Stamp ME staff ensure that counties are adhering to State Regulation Volume IV-B 4121, which reads, "Supervisory personnel shall review a random sample of six current food stamp determinations (certifications, denials, and endings) per technician per month to determine the correctness of eligibility

determinations accomplished. A record of the cases reviewed must be kept for management evaluation/audit purposes."

In preparation for each ME Review, State Food Stamp staff require counties to send a list of cases that have been reviewed by local supervisors. A sample of these cases is included in the final list of all cases reviewed for the county. The Transaction Sampling function was enhanced in CBMS on February 20, 2007 in CBMS. This function automatically selects six case files per worker, per month to be reviewed by the local Food Stamp supervisor. In addition, both county staff and supervisors are interviewed during the ME process specifically regarding supervisory review of cases. The County is also required to provide a record of all cases that have been reviewed by supervisors. Out of 14 Management Evaluation Reviews conducted from January through December 2006, nine counties were cited as being out of compliance with this regulation. All counties cited have been required to submit a corrective action plan to bring this regulation into compliance.

System Issues Affecting Benefit Payments for the Food Stamps Program

As discussed previously, CBMS was designed to improve the accuracy and timeliness of eligibility determinations. During the audit we found system-related problems within CBMS that affected the accuracy of benefit payments. We identified 15 payments that were paid to ineligible individuals as a result of system problems, resulting in about $4,220 in overpayments to Food Stamps recipients. The two system problems that contributed to these overpayments are discussed below.

Food Stamps Redeterminations. As discussed earlier, Food Stamps households are typically certified to receive Food Stamps benefits for a period of 1 to 24 months. When a participant approaches the end of a certification period, the county department of human/social services must recertify the participant for Food Stamps benefits through the eligibility redetermination process. CBMS was designed to automatically terminate benefits when a household has not been recertified. During the audit we found that a system-related problem caused benefits to be paid, although a redetermination had not been completed.

According to Department staff, the redetermination function within CBMS inappropriately allowed caseworkers to advance the redetermination date indefinitely. For example, we identified one instance in which a participant received

benefits totaling $3,070 during Fiscal Year 2006, although a redetermination of eligibility had not been completed since July 2004 and the participant was required to go through redetermination in July 2005. However, the caseworker inappropriately initiated the redetermination process within CBMS and, in effect, pushed the redetermination date to July 2007. As a result, the system continued to pay benefits. The Department could minimize the possibility of caseworker error resulting in setting certification periods beyond program guidelines by installing a system edit in CBMS to disallow continued advancement of redetermination dates.

Food Stamps Change Report Form. Food Stamps recipients are required to report certain changes in household circumstances on the Change Report Form. If a participant fails to file this report within the required time frame established by the State, CBMS should automatically discontinue benefits. However, we found one instance in which CBMS did not discontinue a case due to a participant's failure to file the Change Report Form. As a result, the participant inappropriately received benefit payments totaling about $1,152.

The two system-related errors identified within CBMS should be corrected immediately to ensure that program payments are appropriate. Further, the Department should use its established eligibility determination monitoring procedures to identify any overpayments related to these system issues and take corrective action as appropriate.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Eligibility, Subrecipient Monitoring.)

Recommendation No. 81:

The Department of Human Services should take immediate steps to correct the Food Stamps redetermination and change reporting problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.

Department of Human Services Response:

Agree. Implementation date: Implemented.

The Food Stamp redetermination and change reporting system issues outlined in the audit were corrected in CBMS in February 2006 and May 2006, respectively. As of February 2006, workers can no longer advance the redetermination date. For households required to submit Change Report Forms, the system discontinues benefits automatically when the household

does not return the Change Report Form timely. This change was implemented May 11, 2006.

Recommendation No. 82:

The Department of Human Services should use its eligibility determination monitoring procedures to identify and correct overpayments related to the Food Stamps redetermination and change reporting problems in the Colorado Benefits Management System and any additional system-related problems. Reviews should be targeted to identify additional areas requiring corrections, if necessary. Followup on problems identified should be performed as appropriate.

Department of Human Services Response:

Agree. Implementation date: Implemented.

The Food Stamp Management Evaluation process includes the review of local operations as well as a detailed review of case files. Any system-caused overpayment problems identified through this process are immediately addressed through the submission of a change request submitted to the Office of CBMS. Any errors caused on the part of the data entry performed at the local level are addressed during conversations held during the ME process and would be written up in the final evaluation. Counties cited for errors are required to submit a corrective action plan to the State within 30 days of the receipt of the write-up.

Case File Documentation

The State is required to establish adequate internal controls over benefit payments to ensure that sufficient documentation is obtained and maintained to support all program payments. As the administrator of the Food Stamps program, DHS is responsible for ensuring that payments made under the program are appropriate under state and federal laws and regulations. This responsibility includes ensuring that county departments of social services are maintaining sufficient supporting documentation to prove that decisions and resulting payments made are appropriate and in compliance with state and federal program requirements.

During our audit we found four instances in which either case files could not be provided or the files that were provided lacked sufficient documentation supporting eligibility. First, for one of the payments selected, the Department was unable to provide the recipient case file. Therefore, we were unable to determine if the

participant was eligible to receive the $179 benefit payment. Second, we identified three case files that did not contain sufficient documentation for the benefit calculation. For example, in one of these instances a county issued over $4,000 in Food Stamps benefits that were calculated based on a shelter deduction that was based on a lease which appeared to have been altered. Original data entered on the lease were blacked out and new information was handwritten in on the document. There was no documentation in the file indicating any follow-up was completed by the county to determine if the lease was valid. In another instance, a participant received $1,440 during Fiscal Year 2006; however, the county failed to obtain documentation supporting the income used to determine the monthly benefit amount.

Communications to Counties

As noted earlier, we found that the Department's communication of case file documentation requirements to the county departments of human/social services has been inconsistent. For example, the Department agreed with our Fiscal Year 2005 audit recommendation to require counties to maintain paper copies or electronic versions of required documents within a case file, indicating that it would issue an agency letter to the counties to clarify and define policies and procedures directing counties to maintain copies of required documents within county case files. However, subsequent to our Fiscal Year 2005 audit, it came to our attention that Department personnel continued to instruct county departments of human/social services that counties were not required to maintain hard copies of supporting documentation for Food Stamps and TANF/Colorado Works cases. Rather, county caseworkers could indicate through a note in CBMS or a box checked in CBMS that documents had been reviewed, and this would be adequate documentation of eligibility determination decisions.

The Department issued an agency letter in November 2006 at the conclusion of our Fiscal Year 2006 audit testwork to county departments of human/social services addressing requirements for the maintenance of adequate case records for Food Stamps and TANF/Colorado Works and a list of examples of items that must be supported with documentation in the case file. The Department must ensure that Department employees who interact with the counties are aware of changes in policy so that communication with counties is consistent and accurate. Further, in order to gain assurance that the Department only provides benefits to eligible individuals and that it is in compliance with federal program regulations, the Department should conduct ongoing monitoring to ensure that county caseworkers obtain and verify applicant-provided information and that case files contain adequate documentation supporting all eligibility determinations.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Eligibility, Subrecipient Monitoring.)

Recommendation No. 83:

The Department of Human Services should ensure that case file documentation for the Food Stamps program is adequate to support all benefit payments to recipients by:

a. Utilizing established monitoring procedures to ensure required eligibility information is contained in county case files. For instances in which documentation appears questionable, the Department should require that counties perform necessary followup to determine the validity of the documentation.

b. Communicating timely to appropriate Department staff, changes in policies and procedures affecting required case documentation.

Department of Human Services Response:

Agree. Implementation date: Implemented.

The Food Stamp Management Evaluation process includes the review of local operations as well as a detailed review of case files. Case file documentation that is found to be inadequate in accordance with the procedures outlined in Agency Letter GEN-06-05-P is addressed as part of the Management Evaluation process. In addition, direction found throughout State Regulations in Volume IV-B requires additional verification when documentation is questionable and this is also addressed as part of the Management Evaluation process. Counties cited for errors are required to submit a corrective action plan to the State within 30 days of the receipt of the Management Evaluation report.

CBMS System Alerts

CBMS was programmed to inform county caseworkers of necessary case actions that must be taken to ensure the participant remains eligible to receive Food Stamps benefits. Alerts may be sent to caseworkers for a variety of reasons including income discrepancies identified through the federal Income, Eligibility, and Verification System (IEVS) or changes to another federal program that may impact eligibility for Food Stamps. The CBMS alerts mechanism is meant to inform caseworkers of actions to be taken and to allow them to effectively and proactively

manage their assigned caseload. During the audit we found that caseworkers do not always address CBMS alerts in a timely manner. We identified three cases in which the caseworker failed to take appropriate action on CBMS alerts.

First, for two of the three cases, alerts related to income discrepancies identified through IEVS were not addressed in a timely manner. Federal and state regulations require that Food Stamps caseworkers verify information received through IEVS within 45 days of receipt of such information. In both cases, the county departments of human/social services failed to address the IEVS alerts within the 45-day required time frame.

Second, we found in the third case that income received through the Temporary Assistance for Needy Families (TANF/Colorado Works) program was not applied correctly to the Food Stamps, case because the caseworker failed to address a CBMS alert. Federal and state regulations require that any benefits received from the TANF/Colorado Works program be included as income for the Food Stamps eligibility calculation. CBMS was designed to include TANF/Colorado Works benefits when calculating the amount of Food Stamps benefits an applicant is eligible to receive. For example, when a Food Stamps case is authorized in CBMS, if TANF/Colorado Works benefits are present, CBMS will automatically include that amount in the Food Stamps calculation and reduce the Food Stamps benefit accordingly. If a participant's TANF/Colorado Works benefit increases or decreases during the participant's Food Stamps certification period, CBMS will send an alert to the Food Stamps caseworker notifying him or her that the Food Stamps case should be updated to reflect the new TANF/Colorado Works benefit amount. If the caseworker fails to address the alert and reauthorizes the Food Stamps case, the previous TANF/Colorado Works benefit will continue to be utilized in determining the Food Stamps payment, resulting in potential over- or underpayments in Food Stamps benefits. During the audit we found one case in which the participant's TANF/Colorado Works benefits increased; however, the caseworker failed to update the Food Stamps case, resulting in Food Stamps overpayments of $122.

Department staff indicate that county caseworkers receive an overwhelming number of alerts and are not able to address all of them in a timely fashion. However, alerts are intended to inform caseworkers of required case actions. If county staff do not use the alert mechanism built into CBMS, the Department increases its risk of program noncompliance, inaccurate benefit payments, and possible federal disallowances. The Department should work with the counties to help ensure CBMS alerts are addressed in a timely fashion and consider whether certain actions can be automated within CBMS.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Eligibility, Subrecipient Monitoring.)

Recommendation No. 84:

The Department of Human Services should ensure that county departments of human/social services address all CBMS alerts in a timely manner. As part of this, the Department should consider options for automating some actions within CBMS. The Department should use its eligibility determination monitoring procedures at the counties to identify instances of noncompliance and perform follow-up, as necessary.

Department of Human Services Response:

Agree. Implementation date: June 2007.

The CBMS Alerts and Ticklers Track is being revamped by the Office of CBMS in concert with program areas to make the function more user friendly. Changes include adding functionality to take users to specific screens for review of information as well as automatically deleting alerts when they are no longer needed. Once the volume of alerts is reduced to a more manageable size, the Food Stamp program anticipates that counties will be able to manage and work alerts as required. In the meantime, the State will continue to monitor the use of alerts through the Management Evaluation process.

Foster Care Grant Program

During Fiscal Year 2006 the Department of Human Services expended nearly $123 million in federal funds for the Foster Care Title IV-E grant program (CFDA No. 93.658). The population of children served by the Department through the Foster Care program during Fiscal Year 2006 was 16,200. The purpose of the Foster Care program is to help states provide safe and stable out-of-home care for children who are under the jurisdiction of the administering state agency until the children are safely returned home, placed with adoptive families, or placed in other planned arrangement for permanency. Funds are provided by the federal government under the program to assist with the costs of foster care maintenance for eligible children; administrative costs to manage the program; and training for staff, foster parents, and certain private agency staff.

As the administrator and primary recipient of the Foster Care Grant funds, the Department is responsible for ensuring that federal funds are used in compliance with laws, regulations, and provisions of grant agreements. This responsibility

includes monitoring activities of subrecipients to ensure funds are used appropriately.

During our testing of this program, we found that controls need to be strengthened to ensure that the State is complying with grant requirements in the areas of activities allowed or unallowed, allowable costs/cost principles, reporting, and subrecipient monitoring. Additional information and recommendations will be provided in the Office of the State Auditor's *Foster Care Performance Audit*, Report No. 1766, and *Foster Care Financial Activities Performance Audit*, Report No. 1770, which will be released by the Legislative Audit Committee at a date subsequent to this report.

We recommend that the Department of Human Services improve controls over the administration of the Foster Care Grant Program in order to ensure that the State is in full compliance with all federal requirements of the grant including subrecipient monitoring and reporting. This should include instituting a formal process for monitoring subrecipient activities to ensure that subrecipients are in compliance with grant requirements related to allowable costs and activities.

(CFDA No. 93.658; Foster Care Title IV-E; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting, Subrecipient Monitoring.)

Recommendation No. 85:

The Department of Human Services should improve controls over the administration of the Foster Care Grant Program in order to ensure that the State is in compliance with federal requirements for the grant in the areas of activities allowed or unallowed, allowable costs/cost principles, reporting, and subrecipient monitoring.

Department of Human Services Response:

Partially agree. Implementation date: To be determined in the response to the Foster Care Performance Audit #1766.

The Department has oversight procedures in place, is aware some areas require improvement, and will address any specific deficiencies as they are further clarified in the Foster Care Performance Audits.

Federal Debarment and Suspension Certification Requirements

Federal regulations prohibit nonfederal entities from contracting with or making subawards using federal funds to parties that are suspended or debarred or whose principals are suspended or debarred. Nonfederal entities are allowed to use one of the following three methods to ensure that contractors are not debarred or suspended: checking the federal Excluded Parties List System (EPLS), collecting a certification from the contractor that the contractor is not suspended or debarred, or adding a clause or condition to the contract or award document with that entity.

During our prior audits at the Department, we determined that the Department had added a clause to its standard contract template to address debarment and suspension requirements. The debarment and suspension paragraph within the Department's contract template states that the "contractor certifies that to the best of its knowledge and belief that the contractor, its principals and authorized subcontractors are not presently debarred (or) suspended. . . ."

During our Fiscal Year 2006 audit, we found that the Department inadvertently omitted the debarment and suspension paragraph from its contract template between March 1, 2006, and May 24, 2006, for its Fiscal Year 2007 contracts. Although the Department's contract template during that time still contained the general statement, "The contractor and its agent(s) shall at all times during the term of this contract strictly adhere to all applicable federal laws. . . ," the Department had no specific assurance from contractors that they were not suspended or debarred.

After we notified the Department of the paragraph omission, the Department's procurement director instructed all Department contract staff to obtain a signed debarment and suspension certification statement from all contractors. However, as of the end of our audit, the Department had not performed any follow-up to ensure that all contractors were sent a statement of certification and that signed statements were received for all contractors. As a result, the Department may be putting itself at risk of losing federal funding by paying a contractor who is debarred or suspended. This is especially of concern due to the large amount of funds that the Department pays to contractors. For example, for Fiscal Year 2006 the Department of Human Services contracted with various vendors for a total amount (federal and state funds) of about $508.5 million. The Department should complete follow-up to ensure that it receives signed debarment and suspension certification statements from all of its contractors for Fiscal Year 2007.

(See Appendix A, Department of Human Services, for listing of applicable CFDA Nos.; National School Lunch Program, Child and Adult Care Food Program,

Summer Food Service Program for Children, Food Stamps Administration, Section 8 Housing Choice Vouchers, Vocational Rehabilitation Grants to States, Temporary Assistance to Needy Families, Child Support Enforcement, Low Income Energy Assistance Program, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, Child Care and Development Block Grant, Foster Care Title IV-E, Adoption Assistance, Social Services Block Grant, Substance Abuse Prevention and Treatment Block Grant, Social Security Disability Insurance; Procurement, Suspension, and Debarment.)

Recommendation No. 86:

The Department of Human Services should ensure that signed certifications on compliance with federal debarment and suspension provisions have been received from all contractors and perform followup as needed. The Department should also ensure that all required certifications are included in its standard contract before contracts are issued to vendors or subrecipients.

Department of Human Services Response:

Agree. Implementation date: March 31, 2007.

The Department is in the process of completing follow-up to document the receipt of a signed debarment and suspension certification statement from contractors for all of its Fiscal Year 2007 contracts or the use of a contract format where the necessary certification clause was present. This documentation is being recorded on the COFRS CLIN screen for each Fiscal Year 2007 contract. The noted certification clause that was inadvertently omitted from the Department's contract template in the March to May 2006 time period was put back in. In addition, the Department has improved its contract review process by adding an individual verification of the presence of the certification clause in its contracts before final execution thereof.

Department of Labor and Employment

Introduction

The Department of Labor and Employment (DOLE) is responsible for providing services to employers and job seekers and enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection. Please refer to the introduction in the Department of Labor and Employment chapter within the Financial Statement Findings section for additional background information.

Unemployment Insurance Payroll Time Sheets

Under the Office of Management and Budget's *Circular A-87*, personnel activity reports are required to support an employee's distribution of his or her salary when an employee works on both federal and non-federal awards. The Department utilizes payroll time sheets to meet the requirement of the personnel activity reports and ensure an employee's salary is appropriately charged to the federal programs administered by the Department. In Fiscal Year 2006, total payroll costs charged to the Unemployment Insurance (CFDA No. 17.225) federal grant were approximately $23 million.

Federal regulations require that the employee certify the personnel activity report. Further, State Personnel Rules require time sheets to be certified by the employee and supervisor, as the time sheet is the basis for compensation. To comply with federal and state regulations, Department policy requires all employees to certify their time sheets electronically through the Department's timekeeping system, KRONOS. However, due to a logistical complication with currently operating the Unemployment Insurance (UI) program's main computer system and KRONOS, UI program personnel do not enter and certify electronic time sheets. UI program staff complete and certify manual time sheets.

In order for the employees of the UI program to have their time electronically recorded in KRONOS, the certified manual time sheets are entered by a central staff person. The KRONOS-generated time sheets are then to be certified by both the employee and supervisor.

Based on our review of 25 employees' time that was charged to the UI program, we noted that three payroll time sheets, or 12 percent, were not certified either manually or electronically by the employees. We determined that one time sheet required revisions and the revised version was not recertified by the employee, and the other two time sheets did not contain employee signatures due to an oversight by the supervisor.

Failure to have timesheets certified by the employee is a violation of federal regulations, State Personnel Rules, and Department policy and could result in unallowable costs being charged to the Unemployment Insurance Program. This could cause payroll-related costs to be disallowed by the federal oversight agency.

(CFDA No. 17.225; Unemployment Insurance; Activities Allowed or Unallowed, Allowable Costs/Cost Principles.)

Recommendation No. 87:

The Department of Labor and Employment should ensure time sheets for the Unemployment Insurance Program are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing electronic time sheet certifications by both the employee and supervisor.

Department of Labor and Employment Response:

Agree. Implementation Date: September 2007.

The Department of Labor and Employment will take the necessary steps to ensure that time sheets for Unemployment Insurance program employees are certified in accordance with federal regulations. The Department is making a concerted effort to achieve complete compliance with its standard procedure and will utilize the KRONOS timekeeping system for all programs by September 2007.

Department of Local Affairs

Introduction

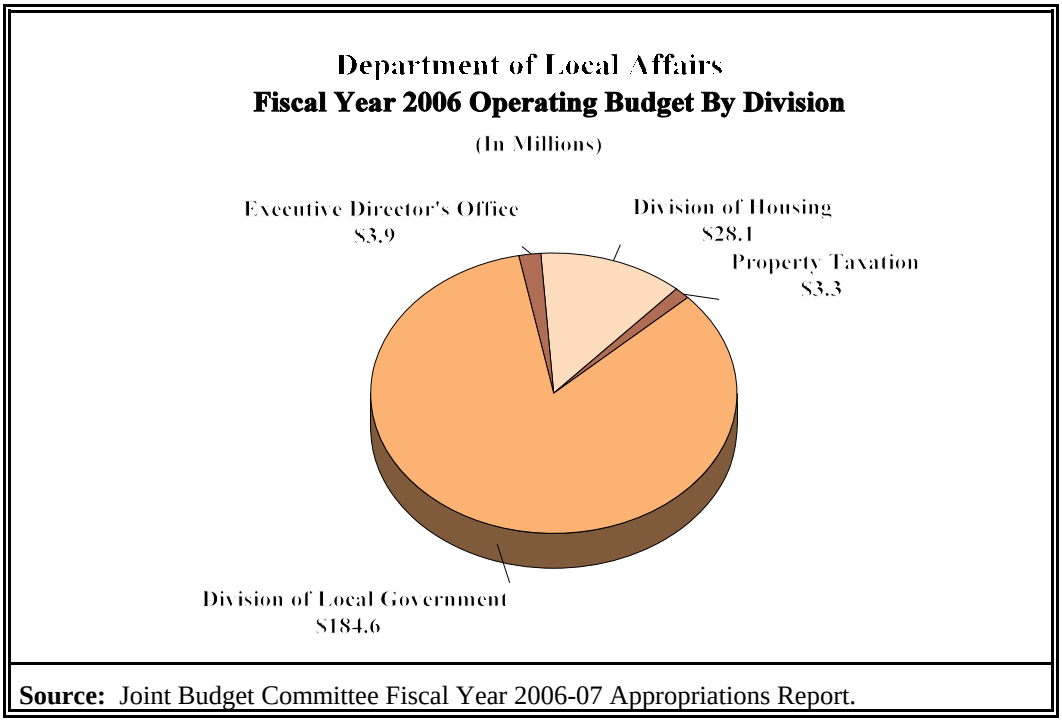
The Department of Local Affairs is responsible for building community and local government capacity by providing training and technical and financial assistance to localities. The Department is comprised of the following major divisions: Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Government. Key responsibilities of the Department include:

- Administering state and federal low-income housing programs.

- Assisting local governments in emergency preparedness and response, providing technical assistance and information to local governments on available federal and state programs, and acting as a liaison with other state agencies concerned with local governments.

- Supervising property tax collection and ensuring that property assessment and valuation procedures are consistent throughout the State.

The Department was appropriated about $220 million and 180.1 full-time equivalent staff (FTE) for Fiscal Year 2006. The following graph shows the operating budget by division for Fiscal Year 2006.



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2006 audit work at the Department of Local Affairs.

Homeland Security Grant Program

During Fiscal Year 2006, the Department of Local Affairs (DOLA) administered the Homeland Security Grant Program (Program), which is funded by the U.S. Department of Homeland Security, Office for Domestic Preparedness. The Program provides federal funding to help state and local agencies enhance their capabilities to prevent, deter, respond to, and recover from threats or acts of terrorism. DOLA expended nearly $19.2 million in federal expenditures for the Program in Fiscal Year 2006 (CFDA Nos. 97.008 and 97.067).

The Division of Emergency Management (DEM), within DOLA, serves as the State Administrative Agency (SAA) responsible for managing and administering Homeland Security Grant Funds in accordance with established federal guidelines. The Division also serves as the pass-through entity for funds subgranted to local, regional, or other state government agencies.

During Fiscal Year 2006 audit we reviewed the Department's administration of the Homeland Security Grant Program to ensure compliance with relevant federal grant requirements. As part of the audit, we reviewed the Department's progress in

resolving concerns about the use of homeland security grant monies for the Multi-Agency Coordinating Center (MACC) lease agreement, identified during our Fiscal Year 2005 audit. Further, we evaluated program activities such as making payments to and monitoring subrecipients where we identified problems in our Fiscal Year 2005 audit. To accomplish this, in our Fiscal Year 2006 audit we reviewed 40 reimbursements with a total value of approximately $5.3 million paid to subrecipients during State Fiscal Year 2006 from DOLA.

Multi-Agency Coordinating Center (MACC) Lease Agreement

A State MACC is necessary to ensure that resources can be deployed quickly and when needed to prevent, intervene, or respond to an act of terrorism or a major disaster. According to the Department, the MACC brings together federal, state, and local agencies to support a single, coordinated homeland security and all-hazards emergency management operation. During our Fiscal Year 2005 audit, we determined the Department did not comply with federal laws and guidelines when it used $1.5 million in homeland security grant funds to pay for office space at the South Metro Fire Rescue District's administrative building.

In January 2006 the Office of Grants and Training, within the federal Department of Homeland Security, ruled the $1.5 million paid to the South Metro Fire Rescue District was unallowable under the grant provisions and the Department was required to remedy the situation. In subsequent discussions with the Office of Grants and Training, the Department was required to repay the $1.5 million by approximately June 30, 2006.

The Department remitted a state warrant in the amount of $1.5 million to the Department of Homeland Security, dated June 30, 2006. The funds were derived from interest on the flexible funds received by the Governor's Office under the Jobs Growth and Tax Relief Act of 2003.

Controls Over Payments

During our 2006 audit, we again noted that the Department needs to improve internal controls over grant expenditures. We reviewed the Department's grant information, oversight of awards to subrecipients, budget monitoring, documentation of expenditures maintained by the nine regional fiscal agents for the subrecipients, and reimbursement request forms submitted to the Department for reimbursement by subrecipients. The regional fiscal agents are accountable to DEM for the subrecipient grant reimbursement and documentation requirements, and are monitored by DEM personnel. All documentation is maintained by the regional fiscal agents and

reimbursement requests are submitted on a Reimbursement Request Form to the Department by the subrecipients without any attached invoices. We found that the Department's management of grant information, oversight of subrecipient awards and budget monitoring to be sufficient, but the Department's controls over expenditures need to be strengthened. Specifically, we found 30 of 40 payments to subrecipients tested, or 75 percent, were not fully in compliance with federal and state guidelines. Further, we identified over $19,550 in questioned costs.

Specifically, we noted the following noncompliance and errors related to the purchasing and payment processes for the grant program in the 40 payments tested:

- **Inadequate supporting documentation for purchases and reimbursements.** First, in 24 cases totaling nearly $1.9 million we found the subrecipients did not maintain adequate supporting documentation with the regional fiscal agents related to equipment purchased.

  Second, the subrecipients failed to provide information on the invoices maintained by the regional fiscal agent as to the final location of the equipment for 13 of these 24 items, which represented approximately $1.4 million. According to Department policy the subrecipients' equipment inventory records must be maintained and include the location of the equipment.

  Third, in addition to the 24 cases, we noted that a subrecipient received reimbursement for the same expense on two different occasions in the amount of $97 for hotel and dinner expenses, without providing adequate documentation to the regional fiscal agent for the requests. Adequate support should consist of original invoices totaling the requested amount. The expenditures were allowable under the grant, but were included twice on the Reimbursement Request Form by the subrecipient and reimbursed twice by the Department.

  Fourth, in three items tested we found that over $23,000 was overcharged to the grant. The regional fiscal agent could not provide sufficient invoices supporting the reimbursement requests; however the Department approved the reimbursements based on the Reimbursement Request Form submitted by the subrecipient. For example, the Department approved one subrecipient requested reimbursement resulting in an overcharge to the grant of $18,400. The original request of $28,000 was supported by 22 invoices maintained by the regional fiscal agent totaling nearly $9,600; however $18,400 was not based upon actual expended amounts, but instead on planned future expenditures, which are unallowable under the grant.

- **Inadequate review of documentation and unallowable costs charged to the grant.** For one item we found, the Department failed to review the Reimbursement Request Form submitted for reimbursement, causing the subrecipient to under charge the grant for allowable expenditures and be under-reimbursed by nearly $200. When recalculating the extended amount of the reimbursements (price x quantity) we found that the extended amount was calculated incorrectly. The amount billed to the grant was $198,000, but the cost of the items purchased was $198,198. In a separate case, we further found a lack of review by the Department in that a subrecipient had been reimbursed for meals and advertising totaling almost $1,150, which are unallowable under the grant.

Based on the issues noted above, the Department does not have an adequate review process in place to ensure amounts requested for reimbursement are appropriate and allowable and supporting documentation is maintained by the regional fiscal agents and is adequate.

As the administrator and primary recipient of the Homeland Security Grant, the Department is responsible for ensuring the federal funds are used in compliance with laws, regulations, and provisions of grant agreements. This responsibility includes monitoring activities of local government subrecipients to ensure funds are used appropriately. During Fiscal Year 2005, we evaluated controls over administration of the Homeland Security Grant Program. We found that the Department needed to improve controls over the purchasing and payment process. The Department agreed with the recommendation and stated in its response that it had implemented these controls.

The problems noted above indicate the Department has not addressed the problems noted in Fiscal Year 2005. The Department should increase its efforts to ensure the State is in compliance with all federal requirements of the grant. Failure to ensure compliance could lead to the federal government requiring the State to repay any monies not expended in accordance with the grant requirements, as well as, placing future Homeland Security grant funds at risk.

(CFDA No. 97.067; Homeland Security Grant Program; Subrecipient Monitoring.)

Recommendation No. 88:

The Department of Local Affairs should improve controls over the purchasing and payment processes for the Homeland Security Grant Program by:

a. Continuing to work with subrecipients to inform them of grant requirements and to ensure compliance with federal requirements that purchases are substantiated by appropriate supporting documentation, documentation is adequately maintained by regional fiscal agents, including information on inventory location, and expenditures must be paid prior to requesting reimbursement from the State.

b. Improving review of reimbursement requests and payments to subrecipients to help ensure that all items and activities reimbursed are allowable and substantiated by appropriate supporting documentation maintained by regional fiscal agents.

Department of Local Affairs Response:

a. Agree. Implementation Date: April 1, 2007.

The Department has evaluated current reimbursement and monitoring procedures in order to address the concerns raised. The Department intends to implement the following changes. After implementation the Department will evaluate the changes to determine if the problems have been addressed. The Department believes that these modifications to procedures will result in a more accountable process.

- Current practice permits subrecipients to request and receive an unlimited number of budget revisions during a grant cycle. The Department proposes to work with subrecipients to consolidate the budget revision process.

- The Department has not required subrecipients to provide justification for the number of items purchased. The Department will now require subrecipients to provide justification for changes in the number of items requested.

- The column on the Cash Drawdown Request Form which indicates the specific jurisdiction receiving the equipment has not been used consistently. Subrecipients will be provided with guidance and monitoring to insure that this information indicates the jurisdiction which is in possession of the equipment.

- The Department, through the Executive Director's Office, plans to hire a Chief Operating Officer to ensure compliance with all financial and programmatic requirements under federal grant programs (Hire expected by May 1, 2007).

b. Agree. Implementation Date: April 1, 2007.

The existing practice for cash drawdown will be modified so that sub-grantees are required to submit copies of invoices with the cash drawdown request. Fiscal Agents for grants will continue to maintain original invoices in their files. Department staff will develop a review process where both Division financial and program staff will review each cash drawdown request and attached invoices to ensure expenditures are allowable under federal and state guidelines. All expenditures shall be consistent with the approved award.

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Department of Public Health and Environment

Introduction

The Department of Public Health and Environment (the Department) is responsible for improving and protecting the health of the people of Colorado, maintaining and protecting the quality of Colorado's environment, and ensuring the availability of health and medical care services to individuals and families. The Department is composed of the following major organizational units:

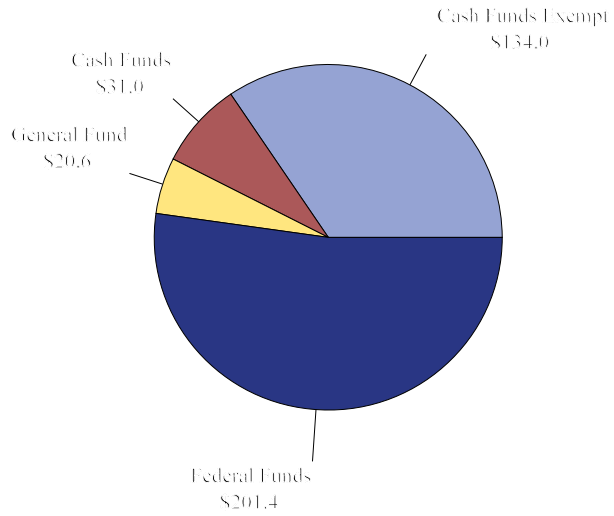
- **Administrative Divisions**
  - Administration and Support
  - Center for Health and Environmental Information
  - Laboratory Services
  - Local Health Services

- **Environmental Divisions**
  - Air Quality Control
  - Water Quality Control
  - Hazardous Materials and Waste Management
  - Consumer Protection

- **Health Services Divisions**
  - Disease Control and Environmental Epidemiology
  - Health Facilities and Emergency Medical Services
  - Prevention Services

The Department was appropriated $387.9 million and 1,150.2 full-time equivalent (FTE) staff for Fiscal Year 2006. The following chart shows the operating budget by funding source for the Fiscal Year 2006.

Department of Public Health and Environment
Fiscal Year 2006 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2006-07 Appropriations Report.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2006 audit work at the Department of Public Health and Environment.

Cash Management

The Department is responsible for administering the federal Special Supplemental Nutrition Program for Women, Infants and Children or "WIC" (CFDA No. 10.557). The objective of this program is to provide supplemental nutritious foods, nutrition education, and referrals to health care for low-income persons during critical periods of growth and development. During Fiscal Year 2006 this program provided these services to 84,500 women, infants and children.

Under federal regulation, the Department must ensure that the WIC program conforms to the federal Cash Management Improvement Act (CMIA). For Fiscal Year 2006 expenditures for the WIC program totaled approximately $65.7 million in federal funds. The purpose of CMIA is to minimize the time between when a state makes an expenditure for a federal program and when the federal reimbursement is received so neither party incurs a loss of interest on the funds. In other words, the intent is that the payment issued by the Department should clear the State's bank on

the same day the federal reimbursement is received for the related expenditure. Under CMIA, the State must enter into a formal agreement with the federal Department of the Treasury to establish reimbursement schedules for selected federal programs awarded to the State. In Colorado, the State Treasury Department prepares and submits the agreement to the Federal Department of the Treasury. The goal of the act is to regulate the federal grant payment process to state governments and minimize the time funds are held by either entity.

The CMIA agreement requires the Department to request federal reimbursements on the fourth day or eighth day after incurring the qualifying expenditure, depending upon the type of payment. This time frame for requesting reimbursement is referred to as the "draw pattern." The Department must comply with the four-day draw pattern for expenditures that include a food voucher and the eight-day draw pattern for all other expenditures. Food voucher draws make up 78 percent of the expenditures covered by CMIA and non-food vouchers make up the remaining 22 percent.

Department staff are trained on the process needed to comply with requirements in the CMIA agreement. These processes, which are primarily manual, include the staff's daily review of the expenditures recorded in COFRS and manually entering these expenditures into a spreadsheet. Department staff use this spreadsheet and manually determine the amount and date of the federal draws to request. The Deputy Controller then reviews these requests at least weekly after the draw requests have been submitted for payment.

During our Fiscal Year 2006 audit, we noted two areas of concerns related to the Department's cash management process. Specifically, we noted an instance in which the Department did not comply with the draw patterns in the CMIA agreement and a lack of timely reviews. These issues are discussed below.

We selected a sample of 30 draws for the WIC program and tested these items to determine if the Department was in compliance with the CMIA agreement. We found one of the 30 sampled federal draws did not comply with CMIA requirements. Specifically, the Department requested federal reimbursement one day earlier than the agreement stipulates.

We also found that the Department does not perform a timely review of federal draws. Specifically, of the 30 draws tested, the reviews in two draw requests were completed after the draw requests were submitted to the federal government for payment.

The total number of WIC draws for Fiscal Year 2006 was 119 for approximately $47.7 million. The lack of timely reviews increases the risk of errors in making draws of federal funds going unnoticed and uncorrected.

(CFDA No. 10.557; Special Supplemental Nutrition Program for Women, Infants, and Children; Cash Management.)

Recommendation No. 89:

The Department of Public Health and Environment should improve its procedures and review process related to requesting federal reimbursements for the Women Infants and Children's program to ensure compliance with the federal Cash Management Improvement Act. As part of this, the Department should consider the feasibility of automating the expenditure tracking process to the extent practical.

Department of Public Health and Environment Response:

Agree. Implementation date: November 1, 2006.

The Department automated the Microsoft Excel tracking spreadsheet used for recording the expenditures and calculating the draw dates of the federal Special Supplemental Nutrition Program for Women, Infants and Children (WIC) program. Specifically, we added an automatic date calculation for the four and eight-day draw pattern using the "WORKDAY" function, which not only accounts for workdays but will also account for input holidays. Even though uncontrollable variations, including snow days, inoperable computer systems, staff absences, etc., can still affect workday schedules, this should lower the risk of an error in the calculation of when the draw should be made. In addition, the responsibility level of the draw process was recently reassigned from an Accountant I to an Accountant II. Finally, the Deputy Controller will continue to review weekly the nearly 200 WIC draw requests that are submitted for payment each year, and if errors are found, this review interval will be shortened to include consideration of advance approval being required for reimbursement requests.

Description of the Nurse Home Visitor Program

In 2000, the General Assembly created the Colorado Nurse Home Visitor Program (Program), funded with a portion of the monies the State receives under the 1998 Master Settlement Agreement (Agreement) between the tobacco industry and 46 states, 5 commonwealths and territories, and the District of Columbia. Section 25-

31-102, C.R.S., states that the purpose of the Program is to provide educational, health, and other resources for new young mothers during their pregnancy and the first years of their infants' lives. The Program offers regular home visits by specially trained nurses to first-time, low-income mothers during their pregnancies and continuing through the second birthday of the child and, as such, the Program can provide assistance to an individual woman and her baby for up to two and one-half years. A woman is eligible to enter the Program if she is pregnant or her baby is less than one month old, and her gross annual income is less than 200 percent of the federal poverty level. The Program is voluntary; i.e., the mother must consent to receiving services. According to statute, the overall goal of the Program is to serve all low-income, first-time mothers who want to participate by the year 2010.

State statute identifies several state agencies and institutions involved with the administration and evaluation of the Nurse Home Visitor Program. Specifically, the Colorado Department of Public Health and Environment manages the Nurse Home Visitor Program including overseeing the grant process and contracting with the local sites. The Nurse Home Visitor Program uses local agencies including county health departments, hospitals, and not-for-profit organizations to provide regular, in-home visiting nurse services to first-time, low-income mothers and their children. During visits, nurses offer targeted case management services such as assessing the mother's need for health, mental health, social services, education, housing, and child care services; referring mothers to agencies that can provide these services; and monitoring the mother's progress in obtaining services. Nurses also provide basic patient care such as physical assessments to both the mother and her child. Finally, nurses educate mothers on healthy living skills, infant care, and ways to improve health outcomes for their children. Local program sites are selected through a competitive grant process.

The National Center for Children, Families, and Communities, a non-profit organization based at the University of Colorado Health Sciences Center, helps select entities to offer the Program and evaluates implementation of the Program. Through the tobacco settlement enabling legislation, Senate Bill 00-71, the General Assembly requested that the National Center research the possibility of matching tobacco dollars with federal Medicaid funds for services provided under the Nurse Home Visitor Program. Beginning with Fiscal Year 2005, the Medicaid State Plan allows local sites offering the Nurse Home Visitor Program to bill Medicaid for targeted case management services provided to Medicaid-eligible mothers and children. Targeted case management services include assessment of the women and children's needs for health, mental health, social services, education, housing, and child care services; development of care plans to obtain needed services; referral to resources providing needed services; and routine monitoring of the progress in obtaining the services. Reimbursement of services is limited to 45 minutes of service per month for 10 months for the mother and 45 minutes per month for 25 months for the child. The individual sites offering the Program bill the Medicaid program directly. The

Department of Health Care Policy and Financing oversees the billing process. During Fiscal Year 2005, the 17 local providers claimed just under $2.2 million in Medicaid reimbursements for targeted case management services provided to Nurse Home Visitor Program participants. Of this amount half was tobacco funding and half was federal funds.

During Fiscal Year 2006 the Office of the State Auditor conducted the *Nurse Home Visitor Program, Performance Audit,* Report No. 1744, dated May 2006. The comments below were contained in that report.

Medicaid Reimbursement

All Nurse Home Visitor Program participants receive targeted case management services. Beginning with Fiscal Year 2005, those Program participants who are eligible for Medicaid receive these services as a Medicaid benefit. Sites directly bill the Department of Health Care Policy and Financing, which administers the Medicaid program, through the Medicaid Management Information System (MMIS) up to 45 minutes per month for 10 months for the mother and 45 minutes per month for 25 months for the child. According to the State Medicaid Rules, targeted case management under the Program is defined as services which will assist individuals in gaining access to needed medical, social, education and other services to promote healthy first pregnancies, improve the health and development of a woman's first child, and to encourage self-sufficiency. Targeted case management does not include the time the nurse spends traveling to meet with the mother and child, direct patient care such as physical assessments and treatments, and educating the mother on general areas of healthy living such as breast feeding. We reviewed the Medicaid reimbursements received by the local sites operating the Nurse Home Visitor Program. We found problems with both rate setting and billing practices as explained in the next two sections.

Reimbursement Rates

In accordance with the Department of Health Care Policy and Financing's Medicaid State Plan, site-specific Medicaid reimbursement rates were developed for the Nurse Home Visitor Program. According to an Interagency Agreement, the Department of Health Care Policy and Financing delegated the responsibility for initially setting the site- specific rates to the Department of Public Health and Environment. We reviewed the Medicaid rates paid to the local sites for serving Medicaid-eligible Program participants and found that the rates do not fairly reflect the costs of providing Medicaid targeted case management.

Targeted case management services are strictly defined by both Medicaid rules and Program protocols and should be consistent across all local sites. However, we found that Medicaid rates for targeted case management varied by 200 percent (from about $100 to $303 per client per month). At the same time, we calculated the local sites' actual expenditures per funded participant and found that there was only a 50 percent difference between the site with the lowest per participant cost and the site with the highest per participant costs. Under the current rate structure, the State is paying sites widely different rates for providing the exact same service, and the difference in rates is not adequately supported by the differences in underlying costs.

To develop the site-specific rates, the Department of Public Health and Environment, working with the Department of Health Care Policy and Financing and the Governor's Office of State Planning and Budgeting, hired a consultant to conduct a time study at each site in September 2003. In essence, the rates were determined by (1) capturing the percentage of time nurses actually spent conducting targeted case management through the time study, (2) applying the time percentage to each site's total costs for Fiscal Year 2003 to arrive at targeted case management costs, and (3) dividing each site's total targeted case management costs by the active client caseload as of June 30, 2003 to arrive at the cost per client. The cost per client was then divided by twelve to determine the monthly targeted case management rate per person.

We evaluated the time study and the Department of Public Health and Environment's practices for applying the time study to determine rates. Although a time study is an approved method for setting Medicaid reimbursement rates, we identified several concerns:

- **Time study methodology**. The time study captured the actual time nursing staff spent providing targeted case management services during the same two-week period at every site around the State. According to the study, nurses were spending as little as 38 percent of their time on targeted case management at some sites and as much as 82 percent of their time at others. However, we found that at certain sites, the nurses' activities were not representative of a typical work week. At one site, nursing staff were relocating to new offices, at another site one of the four nurses was attending training, and at two sites, nurses were on vacation or extended leave. Time charged to targeted case management at these sites was less than it would have been if the nurses had been performing duties typical of most weeks.

- **Actual caseload**. Cost-per-client for targeted case management services was based on actual rather than funded caseloads. As discussed previously, sites are staffed and funded for a specific caseload and sites typically spend all of their funds. However, some sites have actual caseloads that are substantially lower than their funded caseloads. By setting rates on the basis of actual

rather than funded caseloads, sites that were not meeting their caseload standards actually received higher rates than sites that met or exceeded their funded caseload standard. Medicaid reimbursements did not begin until Fiscal Year 2005 and no adjustment in rates has occurred since the time study was conducted in September 2003, even though caseloads have increased at some sites.

- **Expenditure base**. When creating the site-specific rates, the consultant multiplied the percentage of time spent on targeted case management (from the time study) to each site's expenditures, but included only expenditures from tobacco settlement monies. Some sites had other funding sources supporting their nurse home visitor program. In fact, at the time of the study, one site was receiving approximately 50 percent of its funding from a non-profit organization and the remainder from tobacco funds. This site has one of the lowest targeted case management rates in the State. By not including total expenditures in the rate-setting methodology, the targeted case management rate is understated, and does not cover the full cost of providing the service to Medicaid recipients.

Additionally, we found that, even though at the time the rates were set the State Plan required site-specific rates, the Department has not developed individual rates for the two sites that have opened since the time study was completed in September 2003. The Department reported that it intends to explore another time study in 2007. In the meantime, the Department, under the advisement of the consultant, is paying new sites the average reimbursement rate for targeted case management services, which is currently about $214 per client per month. We found that paying sites a statewide average reimbursement rate is consistent with how providers of school-based targeted case management services are reimbursed.

Finally, although Medicaid reimbursement rates vary widely among sites, these rate differences have no impact on an individual site's total funding. Under the Nurse Home Visitor Program, each site receives funding for its total approved budget, and any shortfall in expected Medicaid reimbursements is paid with tobacco settlement monies. Therefore it is important that the Medicaid reimbursement rate reasonably reflect the cost of providing the service, so that tobacco settlement monies are not subsidizing services to Medicaid clients. If tobacco monies are subsidizing Medicaid services, fewer tobacco settlement dollars are available to pay for other Program participants. Conversely, if sites are receiving more in Medicaid reimbursements than it costs to offer targeted case management services, then Medicaid monies may be subsidizing services to non-Medicaid eligible participants, which is not an appropriate use of federal funds.

To address the concerns we found, the Departments of Health Care Policy and Financing and Public Health and Environment need to work together to reexamine

the current site-specific Medicaid reimbursement rates for the Nurse Home Visitor Program. First, the Departments should review existing rate-setting methodologies used to pay targeted case management services for other Medicaid-funded programs to determine if any of these methodologies should be applied to the Program. Second, the Departments should consider eliminating site-specific rates and develop one statewide rate that provides a fair and reasonable payment for targeted case management services across all sites. The statewide rate could be based on standards for time and costs, or on averages of time and cost data collected from all sites using an approved rate-setting methodology. Third, the Departments should consider using funded caseload, rather than actual caseload, as the basis for determining per client rates. Fourth, the Departments should ensure that any cost data used in rate-setting captures total program costs. This will ensure that targeted case management rates reflect the full costs of services provided to Medicaid clients. Finally, the Program's reimbursement rates should be reexamined periodically to ensure that rates paid do not exceed costs incurred. During the course of our audit, we found that the State Plan no longer contains any language regarding the reimbursement methodology for targeted case management services provided through the Nurse Home Visitor Program. The Departments need to ensure that future revisions of the Medicaid State Plan include the Program's reimbursement methodology and that the Departments submit the methodology to the federal government for approval.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 90:

The Department of Public Health and Environment and the Department of Health Care Policy and Financing should periodically reexamine the methodology used to calculate Medicaid reimbursement rates for targeted case management services provided through the Nurse Home Visitor Program. This examination should consider the following:

a. Methodologies used to develop reimbursement rates for targeted case management services for other Medicaid-funded programs.

b. Eliminating site-specific rates and developing one statewide rate for targeted case management services across all sites.

c. Using funded caseload rather than actual caseload when calculating the reimbursement rates.

d. Including data on a site's total Nurse Home Visitor Program costs in setting targeted case management reimbursement rates.

e. Revising the Medicaid State Plan to include the rate-setting methodology and submitting the revision to the Federal Government for approval.

Department of Public Health and Environment Response:

a. Agree. Implementation date: January 2007.

As the Department seeks to update the time study, it will consult with the Department of Health Care Policy and Financing and other Medicaid rate setting experts, if necessary, to determine if there are other methodologies better suited to set targeted case management reimbursement rates.

b. Agree. Implementation date: July 2007.

The Department, which is not a Medicaid rate-setting expert, will consult with the Department of Health Care Policy and Financing and other expert consultants, if deemed necessary, to examine alternative targeted case management reimbursement rates. The cost of providing targeted case management services differs by site. It depends on caseload size and the local costs for providing the service, including staff salaries, mileage costs, and other programmatic expenses that are unique to each site. After exploring this issue, the Department will make a determination of whether the current site-specific rate structure is the most appropriate. In other words, by no means does the Department agree to change or eliminate the site-specific rates, but only agrees to consider their elimination after the previously mentioned exploration.

c. Agree. Implementation date: January 2007.

As the Department seeks to update the time study, it will consult with the Department of Health Care Policy and Financing and other Medicaid rate setting experts, if necessary, to determine the best use of funded caseload numbers versus actual caseload numbers when establishing reimbursement rates.

d. Agree. Implementation date: January 2007.

As the Department seeks to update the time study, it will consult with the Department of Health Care Policy and Financing and other Medicaid rate setting experts, if necessary, to determine the best use of total program costs when establishing reimbursement rates.

e. Agree. Implementation date: January 2007.

As with the first time study and rate-setting method, the Department agrees to follow the existing Medicaid State Plan approval process and to comply with established protocol for acquiring federal government approval, as deemed necessary.

Department of Health Care Policy and Financing Response:

Agree. Implementation Date: December 2006.

The Department of Health Care Policy and Financing (HCPF) agrees with this recommendation. HCPF agrees to periodic reexamination of the methodology used to calculate the rates for targeted case management services with the Department of Public Health and Environment. This examination will include at a minimum consideration of all the elements listed in the recommendation above as well as other elements.

Oversight of Medicaid Billing Process

In addition to problems with reimbursement rates, we identified concerns with the Medicaid billing process used by one of the sites that we visited. (We conducted on-site visits with 6 of the 17 program sites during this audit.) During our on-site visits, we selected a random sample of the files for Medicaid-eligible clients and compared the number of visits reimbursed by Medicaid to the number of visits recorded in the nurses' files. We found that one site was consistently under-billing Medicaid-eligible visits for all of its Medicaid clients. We also noted that although data reported to the National Center estimates that, since establishment of the Program, approximately 75 percent of Nurse Home Visitor Program clients are Medicaid-eligible, data on Fiscal Year 2005 Medicaid reimbursements indicate that sites are billing for far fewer participants. The Department estimated that sites would bill for about 985 mothers and/or children per month in Fiscal Year 2005. Our analysis of actual Fiscal Year 2005 Medicaid reimbursements indicates that sites billed for an average of 892 participants per month.

As stated previously, the Medicaid program allows providers to bill 45 minutes per month (that is, 3 units of 15 minutes each) for 10 months for the mother and 45 minutes per month for 25 months for the child. Typically, each nurse visit lasts longer than 45 minutes, usually one hour to one and a quarter hours, and therefore, sites can bill Medicaid for the full 45 minutes after only one visit. We reviewed

Medicaid billings at 6 sites and found that one site was only billing one 15 minute unit per visit even though typically the nurse was providing at least 3 units (45 minutes) of service per visit. As a result, this site was not billing Medicaid for all eligible targeted case management services.

We calculated the lost reimbursements for one Medicaid eligible client included in our sample. We found that the site billed Medicaid for $1,075 for seven months of service to the client when it should have billed $1,882, a difference of about $800. Overall, the site estimated that it under billed Medicaid by almost $36,000 for Fiscal Year 2005 and about $2,000 for the first couple of months of Fiscal Year 2006. One half of the Fiscal Year 2005 under billings of $36,000, or approximately $18,000, represents the amount of federal funds that the State did not receive. (This represents the federal government's one-to-one match for the Medicaid program.) The $18,000 is about 6 percent of the site's expected funding from tobacco monies and Medicaid reimbursements for Fiscal Year 2005. Under Department policy, the lost Medicaid dollars were likely replaced with tobacco settlement monies since local sites' budgets are funded primarily through a combination of tobacco settlement dollars and Medicaid reimbursements. Medicaid rules allow sites to resubmit claims for approximately 120 days after the service was provided. As a result, this site had the opportunity to recapture some of the missed Medicaid billings. However, the site failed to resubmit any of the missed billings within the 120 day deadline.

The National Center for Children, Families, and Communities (National Center), which is responsible for monitoring and evaluating the local sites' implementation of the Nurse Home Visitor Program, requires local sites to provide specific data on participants, including those who are eligible for Medicaid. From the time period of Program inception through June 30, 2005, sites reported that Medicaid-eligible participants at intake represented from 53 percent to 85 percent of caseload. According to the National Center's data, the statewide average of Medicaid-eligible participants, at the time of intake, is 75 percent of caseload or 22 percentage points higher than the site with the lowest Medicaid-eligible rate. We reviewed the statewide Medicaid reimbursements received during Fiscal Year 2005 for the Nurse Home Visitor Program and found that the Department's Medicaid reimbursements for local sites represent substantially fewer Medicaid-eligible participants than local sites reported to the National Center. The Department of Health Care Policy and Financing reported that Fiscal Year 2005 Medicaid billings for targeted case management services provided through the Program totaled just under $2.2 million. However, if the reported percentages of Medicaid-eligible participants at each site are accurate, the Medicaid billings should have been approximately $3.1 million or $900,000 (41 percent) more than sites actually claimed. This means the State may have lost the opportunity to collect approximately $450,000 in additional federal monies. The actual Medicaid billings were also lower than the Department of Public Health and Environment's estimates. For Fiscal Year 2005, the Department estimated that the sites would generate almost $2.5 million in Medicaid

reimbursements but as we have already noted, billings totaled just under $2.2 million.

We also analyzed the number of Medicaid billings submitted for each eligible participant during Fiscal Year 2005. We found that, on average, sites billed Medicaid for just over four 45-minute visits for eligible participants during Fiscal Year 2005. As we mentioned previously, the Medicaid program allows sites to bill Medicaid for 45 minutes of targeted case management services per month for 10 months for the mother and 45 minutes per month for 25 months for the child. We found that 10 of the 17 sites did not achieve their estimated Medicaid reimbursements. The Department and sites provided several reasons to explain why not as many Medicaid units were billed as anticipated. Some of the reasons included: (1) Fiscal Year 2005 was the first year that sites could bill for targeted case management services provided through the Program; (2) during Fiscal Year 2005 the Medicaid program temporarily eliminated presumptive eligibility for pregnant women (presumptive eligibility assumes that a pregnant woman meeting income eligibility requirements is eligible for Medicaid, allowing providers to bill for services during the application process); (3) there were problems with the implementation of the Colorado Benefits Management System (CBMS), slowing approval of Medicaid applications; (4) some first-time mothers may not have enrolled until the last few months of pregnancy; and (5) high attrition rates. The Department also reported that there were MMIS-related problems that were unique to billing for the Nurse Home Visitor Program. Additionally, our analysis of Medicaid billings indicates that the number of participants billed each month steadily increased throughout Fiscal Year 2005.

The Department of Public Health and Environment has an interest in ensuring that Medicaid reimbursements for targeted case management services provided through the Nurse Home Visitor Program are maximized so that tobacco dollars are not used unnecessarily. Therefore the Department should ensure that all targeted case management services provided to Medicaid-eligible clients are billed appropriately. Our review at six sites indicates that monitoring the local sites and reviewing Medicaid billings in individual client files at all sites is worthwhile. In addition, the Department should provide the individual sites with the aggregate data it receives from the Department of Health Care Policy and Financing, including each site's total number of Medicaid clients and the total number of visits billed by the site each month, so that the sites can review their billings for reasonableness. The Department should also work with the local sites to ensure that they accurately report the number of Medicaid-eligible participants and continue to identify and assist Medicaid-eligible participants with enrollment in the Medicaid program. Finally, the Department should work with the Department of Health Care Policy and Financing to provide additional training, as necessary, to local sites on Medicaid client enrollment and billing procedures.

(CFDA Nos. 93.775, 93.777, 93.778; Medicaid Cluster; Other.)

Recommendation No. 91:

The Department of Public Health and Environment should ensure the maximization of Medicaid reimbursements at local sites by working with the National Center and its subcontractors, the Nurse-Family Partnership, Inc. and Invest in Kids, to:

a. Visit local sites and review a sample of client files to verify that bills have been submitted for Medicaid services provided.

b. Share the aggregate data provided by the Department of Health Care Policy and Financing with sites so that sites may review their billings and reimbursements for reasonableness.

c. Ensure that all Medicaid-eligible participants are identified and receive assistance with enrollment.

d. Work with the Department of Health Care Policy and Financing to provide additional training to local sites regarding Medicaid client enrollment and billing procedures.

Department of Public Health and Environment Response:

a. Disagree. Implementation date: Not applicable.

The Department respectfully disagrees with this recommendation for three primary reasons. First, administrative monitoring, such as on-site Medicaid reviews, is not within the scope of work or the business mission of the National Center for Children, Families and Communities, the Nurse-Family Partnership National Office, or Invest in Kids. As a result, these organizations do not have the expertise to perform such functions. Second, the audit was conducted during the initial period of Medicaid reimbursement billing. Therefore it may not accurately reflect the true level of Medicaid reimbursements. Finally, the Department believes the substantial additional cost of conducting on-site reviews of Medicaid records could offset any possible Medicaid revenue growth generated from this evaluation process. Under the existing Nurse Home Visitor Program model, the Department oversees approximately 18 grants, and $10 million in state and federal funding with one program manager. Any additional responsibilities, such as visiting local sites to

examine client files, would require dedicated staff for that specific purpose.

Although the Department does not believe administrative site monitoring is a cost-effective option, we will continue to track local billing patterns and work directly with local sites to address any evident concerns that could lead to a loss in Medicaid revenue.

b. Agree. Implementation date: Ongoing.

During Fiscal Year 2004-05, the Department initiated quarterly emails to the local sites sharing the aggregate Medicaid billing information based on available reports provided by the Department of Health Care Policy and Financing. Early technical problems resulted in the temporary delay of reports and email notification to local sites. At the very least, the Department informs each local site during the mid-year budget adjustment process of the most recent Medicaid billing information available. However, the sites have been made aware that they have constant direct access to their own billing information and should regularly request and review their Medicaid reimbursement status.

c. Agree. Implementation date: Ongoing.

Administrative monitoring, such as Medicaid enrollment, are not within the scope of work or the business mission of the National Center for Children, Families and Communities, the Nurse-Family Partnership National Office, or Invest in Kids.

The Department has clearly identified, as indicated in the grantee contracts, a direct contact person at the Department of Health Care Policy and Financing and Affiliated Computer Systems. These individuals are available to local sites for assistance with enrollment and billing issues to ensure maximum reimbursement activity. This would be a new activity for the Department and, at this point, prohibitive without additional financial and personnel resources.

d. Agree. Implementation date: January 2007.

Medicaid training was provided to all local sites prior to the commencement of Medicaid billing on July 1, 2004. The Department will consult with the Department of Health Care Policy and Financing to determine the best intervals in which to offer continued enrollment and billing training. The billing procedures are standard and will likely only require additional training on an as-needed basis.

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Disposition of Prior Audit Recommendations

The following audit recommendations are summarized from the Statewide Audit for Fiscal Years 2001 through 2005 and include only the recommendations not implemented as of Fiscal Year 2005. The Statewide Audit includes both financial audit and Single Audit recommendations.

Report and Rec. No.	Recommendation	Disposition
	Department of Corrections	
2005 Single Audit Rec. No. 1	Improve its oversight of inmate banking activities at private facilities to ensure that complete and accurate documentation is maintained to support all activity in inmate bank accounts. In addition, procedures should be implemented to assure that private facilities are properly enforcing Department of Corrections Administrative Regulations and ensuring accurate processing of inmate account activity.	Partially implemented. See current year Recommendation No. 1.
2005 Single Audit Rec. No. 2	Improve policies and procedures for inventory counts at year end and modify as deemed necessary to ensure that inventory counts are properly supervised and are accurate and complete.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Health Care Policy and Financing	
2005 Single Audit Rec. No. 3	Routinely reconcile accounts receivable balances on COFRS (the State's accounting system) to subsidiary ledgers and make necessary adjustments in a timely manner.	Partially implemented. The Department has automated the accounts receivable (MSXX) reconciliation report and is in the process of finalizing the reporting in order to provide the report on a monthly basis. Implementation should be complete by December 2006. See current year Recommendation No 2.
2005 Single Audit Rec. No. 4	Ensure that all entries are properly substantiated and properly posted to COFRS.	Partially implemented. See current year Recommendation No. 6.
2005 Single Audit Rec. No. 5	Assign ongoing responsibility for monitoring the establishment and liquidation of estimates made at year end for Incurred But Not Reported estimates.	Implemented.
2005 Single Audit Rec. No. 6	Amend its contract with the Children's Basic Health Plan Administrative Services Organization (ASO) to specifically require the ASO to repay to the Department any overpayments identified in the annual reconciliation of payment advances to actual expenditures.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 7	Make immediate improvements to its internal controls over financial reporting by (a) performing a comprehensive review of its current internal control structure for adequacy and strengthening controls where necessary, especially in the areas of report generation, account reconciliation, and exhibit preparation; (b) ensuring that adequate supervisory review of all employees' work takes place prior to entry into COFRS and prior to submission to the State Controller or other management; and (c) providing training for staff on the specific requirements of the Medicaid program and the accounting for such issues.	Partially implemented. See current year Recommendation No. 6.
2005 Single Audit Rec. No. 8	Ensure that state funds held in depositories are in compliance with statutory and other legal requirements by regularly monitoring deposit account balances, reviewing existing sweep triggers for appropriateness, and working with the State Treasurer to lower sweep triggers for accounts as appropriate.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 38	Improve controls over eligibility determination for the Medicaid program by (a) establishing an effective means for documenting and substantiating beneficiary eligibility determinations for each paid claim, (b) identifying programming problems and eliminating areas where controls can be manually circumvented to resolve specific issues in the program eligibility determination, (c) reviewing eligibility data in the Colorado Benefits Management System (CBMS) for accuracy and consistency with source and certified documentation via scanned or copied documentation maintained in the files, and (d) consider requiring all employees utilizing CBMS to have attended core training courses to ensure CBMS is populated with data consistently and accurately and in accordance with system parameters.	a. Not implemented. See current year Recommendation No. 33. b. Not implemented. See current year Recommendation No. 33. c. Not implemented. See current year Recommendation No. 33. d. Implemented.
2005 Single Audit Rec. No. 39	Ensure all information is reported correctly in the Quarterly Federal Cash Transaction Report during the quarter in which funds are received by implementing a review process to ensure all reports are accurate prior to submission.	Implemented.
2005 Single Audit Rec. No. 40	Improve controls over Single Entry Points (SEP) by implementing procedures to monitor and review audit reports timely to ensure compliance with contractual requirements and propriety of SEP expenditures.	Implemented.
2005 Single Audit Rec. No. 41	Take necessary action to ensure accurate tab runs are generated on a timely basis and that required audits of cost report data are performed timely.	Not implemented. See current year Recommendation No. 35.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 42	Strengthen its disaster recovery procedures over the Medicaid Management Information System (MMIS) and Colorado Benefits Management System (CBMS) by (a) enforcing provisions in the fiscal agent's contract that allow HCPF access to the disaster recovery plan at the Department, (b) switching all MMIS users over to the new hardware to help ensure that claims processing would continue in the event of an emergency, (c) completing the MMIS disaster recovery test to ensure that all subsystems are operational and establishing a plan for periodic subsequent testing, and (d) ensuring that the CBMS Hot Site in Pueblo is operating and functional and that a full disaster recovery test is performed.	a. Implemented. b. Implemented. c. Implemented. d. Not implemented. The Disaster Recovery test has not yet been performed at the new State Disaster Recovery Hot Site. The Department of Human Services is moving equipment to the Hot Site during Fiscal Year 2007 and additional equipment is necessary before a complete Disaster Recovery test is performed. The Department of Health Care Policy and Financing expects that a Disaster Recovery Test will be completed by December 31, 2006.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 27	Improve oversight of Medicaid eligibility systems to ensure that benefits are paid only to individuals eligible for the Medicaid programs by (a) performing random testing of eligibility information determinations, (b) coordinating periodic peer reviews of eligibility determinations with the Department of Human Services, and (c) completing existing reviews to the standards expected by the Centers for Medicare and Medicaid Services and in a timelier manner.	a. Partially implemented. The Department is fulfilling its Medicaid Eligibility Quality Control requirement. However, Payment Error Rate Measurement testing was not completed. See current year Recommendation No. 34. b. No longer applicable. Senate Bill 06-219 was passed, which requires the Department of Health Care Policy and Financing to directly oversee county administration concerning Medicaid. c. Implemented.
2004 Single Audit Rec. No. 28	Ensure that adequate documentation is maintained to support the methodology on which Child Placement Agency payments to Mental Health Assessment and Services Agencies under the Medicaid program are based.	No longer applicable. The Department was notified by the Centers for Medicare and Medicaid Services (CMS) on November 19, 2004, to stop all payments to Behavioral Health Organizations (formally Mental Health Assessment and Services Agencies) for Child Placement Agency services. The Department stopped all payments on December 1, 2004. During Fiscal Year 2006 the Department submitted a request to allow these payments as part of the capitation rate, however CMS denied the request and the Department has chosen not to pursue this matter further.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 30	Ensure that it is fulfilling its responsibilities as a pass-through entity for the Medicaid program and that Single Entry Point (SEP) agencies are properly monitored by (a) conducting on-site certification reviews of all SEP agencies on an annual basis and following up on compliance issues identified in a timely manner; (b) issuing annual award letters informing SEP agencies of federal awards received during the year and ensuring the letters contain all required information; (c) requiring all SEP agencies to undergo an *OMB Circular A-133* audit within nine months of the fiscal year end as required by federal regulations, following up on SEP agencies not in compliance with the requirement, and taking corrective action as necessary; (d) issuing management decisions on a timely basis regarding Medicaid program questioned costs identified in SEP agency *OMB Circular A-133* audits, and taking corrective action as necessary; (e) conducting reviews of SEP annual unexpended Medicaid funds reports and taking steps to recover any unexpended amounts; (f) requiring all SEP agencies to submit monthly statements of expenditures and consistently reviewing these statements for propriety; (g) performing a client satisfaction survey as outlined in the State Rules on a annual basis; and (h) completing on-site Financial Compliance Reviews on all SEP agencies on a more frequent, revolving basis, and investigating and requesting repayment of identified disallowed amounts in a timely manner with the statute of limitations period.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 31	Ensure full compliance with the Medicaid Drug Rebate Program requirements by (a) implementing a method for identifying the state-only portion of its prescription drug usage and excluding that portion from the federal Medicaid drug rebate calculations; (b) working with the Centers for Medicare and Medicaid Services (CMS) to determine whether some portion of drug rebates received by the Department are due back to participating Medicaid drug manufacturers and, as necessary, repaying any overpayments; (c) requesting advance approval from CMS for future rate changes related to its Medicaid Drug Rebate Program to ensure rebates are being properly invoiced to manufacturers, collected by the State and reported to CMS.	a. Implemented. b. Not implemented. The Office of the Inspector General (OIG) for CMS has performed an audit and determined that the Department was over-reimbursed by $1.9 million. The Department is disputing this claim. The Department is waiting on a response from the OIG. c. Ongoing. Effective with the invoices covering the 4th quarter of calendar year 2005, the Department has implemented a method for identifying the state-only portion of its prescription drug usage and excluding that portion from the federal Medicaid drug rebate invoices. On January 2, 2006, the Department notified CMS that the Department could identify specific drug code utilization amount associate with the state-only program that had been previously deducted from the amount billed under the Medicaid drug rebate invoices and that analysis can be used to make the necessary adjustments to the CMS 64.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 33	Improve efforts to ensure that outlier claims are appropriate and accurate by (a) working with the utilization management contractor to review all outlier claims for Diagnosis Related Groupings (DRG) "without complications" for Fiscal Year 2004 and all prior years for which records are available, and reprocess incorrect DRG assignments for recovery and track recoveries to determine the financial impact of miscoding; (b) expanding future review assignments to include reviews of DRGs without complications; (c) reviewing the methodology for setting the trim point on DRGs and adjusting trim points and DRG weights as needed to reduce or eliminate potential financial incentives for providers to report inaccurate diagnosis or surgical procedure information on their claims, leading to the assignment of incorrect DRGs.	Implemented.
2004 Single Audit Rec. No. 35	Expand efforts to reduce the number and amount of newborn claims that are inappropriately paid as fee-for-service by (a) collecting data to determine where lags in the newborn enrollment process occur, whether certain counties experience more problems in this area than others, and what additional processes could be implemented to reduce inappropriate fee-for-service claims for newborns; (b) as part of the next payment correction process, evaluating the extent to which the Colorado Benefits Management System reduces the newborn portion of incorrect fee-for-service payments for Health Maintenance Organization enrollees; and (c) after implementing the provisions of HB 04-1058, evaluating the success of the designated sites in increasing newborn enrollment in Medicaid and considering the possibility of pursuing statutory change to expand its ability to designate other providers.	a. Implemented. b. and c. Not implemented. The Department has performed the reviews of these cases and expects to finalize their evaluation in January 2007.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 37	Take steps to reduce the amount of paid claims for clients after death by (a) using the claim-specific data provided through this audit to identify and recover any payments made for services provided after date of death, (b) periodically conducing a data match of eligibility files and paid claims with date of death data from the Colorado Department of Public Health and Environment and/or the Social Security Administration to identify and pursue recovery of any claims paid for service dates after date of death, and (c) updating client eligibility files as indicated on the basis of parts (a) and (b) of this recommendation.	Implemented.
2004 Single Audit Rec. No. 41	Maximize drug rebate collections through the Drug Rebate Program by (a) improving the drug rebate accounting system to increase the collection rate and expedite recovery of rebate program revenue; (b) tracking rebate amounts invoiced, disputed, and collected to establish benchmarks and evaluate trends; (c) evaluating staffing/workload and assigning staff resources to compute interest on unpaid balances, properly track pricing and rebate per unit changes, research disputed rebates, and resolve all outstanding disputes with manufacturers in a timely manner; (d) investigating and implementing system edits which will prevent payment of claims that could lead to rebate disputes; and (e) using the dispute resolution services of the Centers for Medicare and Medicaid Services, when appropriate.	a. Partially implemented. The Department is in the process of implementing an automated drug rebate system (DRAMS). It is currently on schedule to be fully implemented in November 2006 and it is anticipated that the third quarter 2006 claims will be run through the DRAMS system for drug rebates. The automation of the drug rebate system will increase the drug rebate recovery and should expedite the recovery time. b. Implemented. c. Implemented. d. Implemented. e. Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 43	Improve the effectiveness of the prior authorization program and ensure that Medicaid payments are appropriate for restricted, covered drugs by (a) developing and enforcing fiscal agent contract performance standards for drug prior authorization program administration to minimize the risk of prior authorizing non-covered drugs; (b) increasing the frequency of analytical review and conducting independent audits of the fiscal agent's accuracy and consistency in following prior authorization guidelines and procedures; (c) increasing oversight of fiscal agent training to ensure proper interpretation and implementation of federal and state statutes, policies, procedures, and clinical prior authorization criteria; and (d) hiring or contracting with a licensed physician to oversee drug and other utilization control programs.	a. Partially implemented. The Department is conducting an analysis on the quality and consistency of prior authorization request criteria being applied. When the analysis is complete, the Department will take further action in enforcing performance standards. The Department anticipates full implementation by July 2007. b. Implemented. c. Implemented. d. Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 44	Strengthen its controls over pharmacy overrides by (a) enforcing existing policies by conducting regular audits of prescription drug claim overrides, (b) expanding analytical review of paid prescription drug claims to include routine analysis and trending of pharmacy override codes to detect patterns of misuse or abuse, (c) conducting provider education and outreach to reinforce the Department's policies and procedures concerning overrides and other utilization controls, (d) establishing additional internal controls to limit quantities dispensed and developing clinical guidelines to prevent pharmacy overrides for drugs that are clinically inappropriate or subject to abuse, and (e) establishing controls to prevent fraudulent billing practices for the "brand cheaper than generic" override and expanding post payment pharmacy audit criteria to include the identification of overpayments resulting from "brand cheaper than generic" overrides.	a. Implemented. b. Implemented. c. Implemented. d. and e. Not implemented. The Department reports it has begun the process of establishing controls and plans to fully implement this recommendation in June 2007.
2004 Single Audit Rec. No. 46	Improve its oversight and management of fiscal agent activities related to the Medicaid prescription drug program by implementing a strategic plan, including timelines for completion, for the following: (a) conducting internal analytical review and audits, (b) reviewing the adequacy of the fiscal agent's processes and procedures for quality control, (c) identifying and recovering from the fiscal agent incorrect or improper overpayments, and (d) developing and disseminating useful reports.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2001 Single Audit Rec. No. 50	Implement edits in the Medicaid Management Information System to review laboratory claims for compliance with Clinical Laboratory Improvement Amendment requirements in accordance with state Medicaid policy.	Partially implemented. The Department has re-initiated the Clinical Laboratory Improvement Act (CLIA) project with the fiscal agent. Policy and systems staff will be meeting to assess the current policy for setting CLIA edits on claims that are received. The Department anticipates full implementation by April 2007.

Department of Higher Education

Colorado Historical Society

2005 Single Audit Rec. No. 9	Improve controls over COFRS access by (a) ensuring that COFRS access for employees includes only what employees need to accomplish their job responsibilities, (b) reviewing COFRS access for employees on a periodic basis to ensure each employee's access is reflective of current job duties, and (c) reviewing security violation reports periodically or implementing alternative procedures for monitoring information system security violations.	Implemented.

University of Colorado

2005 Single Audit Rec. No. 43	Ensure the proper number of days for each term is used in the Return of Title IV Funds calculations. Procedures should be established, including management review of calculations on a test basis, to ensure that the correct date of determination is used to avoid potential late returns, and that amounts are properly applied to applicable federal programs.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 49	Strengthen procedures to ensure that the maximum annual limits of subsidized Federal Direct Student Loans are offered to all students through additional monitoring of the original parameters set during the award determination process, or if system limitations restrict the University from establishing award levels that are compliant with federal guidelines, waivers should be obtained from the applicable awarding agency.	Implemented.
	University of Colorado Denver	
2005 Single Audit Rec. No. 44	Strengthen procedures to ensure that all elements of the Fiscal Operations Report and Application to Participate are accurate. Such procedures should include a formal review that agrees amounts reported to supporting documentation and reconciliation procedures to verify that the information is accurate prior to submission.	Implemented.
	Colorado State University	
2005 Single Audit Rec. No. 45	Review on a timely basis the calculation of the amount of Title IV funds to be returned, which should be performed by someone other than the preparer and evidence of the review should be documented.	Implemented.
2005 Single Audit Rec. No. 46	Ensure that required reports are being submitted on a timely and accurate basis by adhering to its current policy.	Implemented.
2005 Single Audit Rec. No. 47	Continue to review the List of Parties Excluded From Federal Procurement or Nonprocurement Programs prior to contracting with vendors for services to be paid from federal grants.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Colorado State University - Pueblo	
2005 Single Audit Rec. No. 48	Strengthen controls surrounding cash management by (a) requiring a full-time employee instead of a student employee to process periodic draw downs; (b) continuing to require a segregation of duties between the calculating, processing, and reviewing of draw downs; (c) implementing a monitoring control for draw downs made during peak enrollment periods; and (d) determining the amount of the draw downs based on actual disbursements made.	Implemented.
2005 Single Audit Rec. No. 49	Establish procedures to ensure that Title IV funds are being returned promptly and correctly by ensuring that the correct number of semester days are calculated by appropriate personnel.	Not implemented. See current year Recommendation No. 50.
2005 Single Audit Rec. No. 50	Implement monitoring procedures over the verification process for data submitted by financial aid applicants.	Implemented.
2005 Single Audit Rec. No. 51	Continue to implement procedures to ensure all elements of the Fiscal Operations Report and Application to Participate are accurate.	Implemented.
	University of Northern Colorado	
2005 Single Audit Rec. No. 52	Review the current system in place to ensure that all Perkins borrowers entering repayment have completed the required exit interview.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Colorado School of Mines	
2005 Single Audit Rec. No. 53	Maintain documentation supporting any professional judgment changes related to student financial aid in the respective student's file.	Implemented.
2005 Single Audit Rec. No. 54	Implement a procedure to assure that Title IV funds are not being credited to a student's account prior to ten calendar days before the first day of classes of a payment period.	Implemented.
2005 Single Audit Rec. No. 55	Implement a procedure to assure timely reporting of Federal Pell Grant disbursements.	Implemented.
2005 Single Audit Rec. No. 56	Implement a review process such that the Financial Operation Report and Application to Participate is reviewed and approved by someone other than the preparer.	Implemented.
2005 Single Audit Rec. No. 57	Expand its procedures for the monitoring of subrecipients to include review of the Federal Audit Clearinghouse database and the monitoring of for-profit subrecipients in order to be in compliance with federal requirements.	Partially implemented. See current year Recommendation No. 53.
2005 Single Audit Rec. No. 58	Establish and implement procedures to review Federal SF-272 reports prior to submission to ensure the reports are accurate and that supporting documentation agrees with the reported amounts.	Implemented.
2005 Single Audit Rec. No. 59	Implement procedures to ensure that the requirements for determining federal awards expended as defined under OMB *Circular A-133* are reviewed and followed in reporting federal expenditures to the Office of the State Controller.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Colorado Community College System Pueblo Community College	
2005 Single Audit Rec. No. 60	Communicate to students the proper amount of unearned aid to be returned.	Implemented.
	Colorado Community College System Arapahoe Community College	
2005 Single Audit Rec. No. 61	Establish procedures to ensure that students are not allowed additional days of eligibility before they are reported to the National Student Loan Data System and that school break days are calculated correctly.	Implemented.
	Colorado Community College System Front Range Community College	
2005 Single Audit Rec. No. 62	Establish procedures to have a supervisory review of the Return of Title IV calculations.	Implemented.
2005 Single Audit Rec. No. 63	Establish procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the College has determined a student has withdrawn from school and that proper amounts are used in the calculation.	Partially implemented. See current year Recommendation No. 55.

Report and Rec. No.	Recommendation	Disposition
	Adams State College	
2005 Single Audit Rec. No. 64	Improve controls over federal funds by (a) identifying and correcting financial aid data errors timely and improving the authorization process so that federal funds drawn are adequate to meet the cash flow demands for related expenses and (b) evaluating the Financial Aid office staffing needs and continuing to cross train personnel and developing a comprehensive instruction manual in the Financial Aid Department to minimize disruption when personnel are absent.	a. Implemented and ongoing. b. Implemented.
	Fort Lewis College	
2005 Single Audit Rec. No. 65	Document its internal control policies and procedures and communicate them clearly to employees with responsibilities for monitoring compliance with Perkins loans requirements.	Implemented.
	Metropolitan State College	
2005 Single Audit Rec. No. 66	Ensure that federal requirements for return of funds under Title IV are met by changing the approach to calculating the number of days per semester and improving the timeliness of returning funds to the respective programs and lenders when a student withdraws from the institution.	Partially implemented. See current year Recommendation No. 71.

Report and Rec. No.	Recommendation	Disposition
	Colorado College Access Network	
2005 Single Audit Rec. No. 67	Continue to improve controls over repurchased loans by reconciling the amount supported by the underlying detail on individual loan activity to the liability for reinsurance payments due to the US Department of Education in the general ledger.	Implemented.
2005 Single Audit Rec. No. 68	Establish control procedures over collections on defaulted loans in instances where reinsurance has been received from the US Department of Education (DE) and collections on loans are owed to the DE. The procedures should include monitoring collections received on these loans and reconciling the collections due to the DE supported by the underlying detailed activity to the liability balance in the general ledger of the appropriate fund on a monthly basis. Colorado College Access Network should also consult with the DE on the treatment of the outstanding liability of $1,078,024 and the treatment of collections on these types of loans received on or after July 1, 2004.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Human Services	
2005 Single Audit Rec. No. 10	Establish adequate controls over benefit authorization and issuance data by (a) performing routine and comprehensive reconciliations between the Colorado Benefits Management System, County Financial Management System, the State's Electronic Benefit Transfer service provider, and the State's accounting system to ensure that financial information is accurately and completely recorded; (b) ensuring that all reconciliations are reviewed by knowledgeable personnel; and (c) making any necessary adjustments in a timely manner to the appropriate systems.	Deferred. The Department is planning to fully implement this recommendation by the October 31, 2006, implementation date.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 11	Improve controls over capital assets by (a) reviewing quarterly capital asset reconciliations to identify and correct errors and ensuring that capital asset accountants are adequately trained on Department policies over capital assets; (b) enforcing the requirement that all capital assets be inventoried at year-end and deleting assets from financial records as appropriate; (c) ensuring capital asset expenditures, including depreciation, are appropriately recorded on COFRS; and (d) transferring costs for completed capital construction projects to appropriate asset accounts prior to year-end close.	a. Partially implemented. The Department conducted training and provided a revised reconciliation form to be used by all capital asset accountants. However, errors were noted on two reconciliations that were not corrected following review by Department staff. The Department anticipates full implementation by September 30, 2006. b. Partially implemented. The Department made fixed asset deletions throughout the fiscal year and sent letters to fixed asset custodians within the Department requiring all physical inventories to be completed by the middle of June 2006. However, our testwork indicated that nearly $33,000 of assets were not inventoried and $160,000 in assets were not deleted from the State's accounting system, COFRS, by the end of the fiscal year. The Department anticipates full implementation by September 30, 2006. c. Partially implemented. Although the Department indicated that capital asset transactions were being reviewed to ensure data was appropriately recorded on COFRS, we identified three transactions totaling $71,000 for the inception of a capital lease, a capital lease payment, and deletion of a capital asset that were incorrectly recorded on COFRS. The Department anticipates full implementation by September 30, 2006. d. Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 12	Improve controls over the patient revenue reconciliation process at the Fort Logan Mental Health Institute and the Pueblo Mental Health Institute by ensuring staff members are adequately qualified, trained, and supervised; that reconciliations are adequately reviewed; and that errors are identified and corrected timely.	Not implemented. See current year Recommendation No. 8.
2005 Single Audit Rec. No. 13	Improve controls over payroll by (a) ensuring time sheets are certified within the Department's stated policy; (b) reviewing adjustments made to ensure adjustments are calculated correctly, made timely, and supported by appropriate documentation; and (c) revising its policy on payouts for compensatory time to be in accordance with State Personnel Rules.	a. Partially implemented. The Department continued to perform monthly internal audits of unit timekeepers to ensure that time sheets were certified within Department policy. However, we noted 10 of 39 time sheets (26 percent) tested were either not certified or dated within the Department's stated policy. The Department anticipates full implementation by September 30, 2006. b. Partially implemented. The Department stated that a secondary reviewer verified manual adjustments prior to entry into the Colorado Personnel and Payroll System to ensure accuracy, completeness, and timely processing. However, our testing showed leave without pay calculations were not consistently calculated by payroll staff. See current year Recommendation No. 11. c. Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 14	Improve controls over amounts owed to or from counties by discontinuing the practice of offsetting abnormal balances related to county administration and instituting a secondary review process over manual adjustments.	Partially implemented. While the Department has discontinued offsetting abnormal balances to account 2332, Intergovernmental Payables-County, it has continued to offset abnormal balances in other accounts. The Department is planning to fully implement this recommendation by March 2007.
2005 Single Audit Rec. No. 15	Work with the Attorney General's Office to determine the potential risk to the State resulting from the Department's existing practice to make bond payments on behalf of service providers. This should include considering revising language in future contracts to eliminate requirements for the Department to make bond payments on behalf of service providers. In the event that service providers with existing bond financing agreements refinance their agreements, the Department should ensure that the provisions in the financing agreement requiring Department payments are revised. The Department should also ensure that all conditions that may result in material liabilities contingent on future events are disclosed annually to the Office of the State Controller.	Deferred. The Department is planning to fully implement this recommendation by the September 2006 implementation date.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 69	Ensure it is in compliance with federal reporting requirements for the Temporary Assistance for Needy Families (TANF) program by (a) immediately addressing the Colorado Benefits Management System reporting deficiencies and ensuring that critical predefined reports for sanctions; the Income, Eligibility, and Verification System (IEVS), caseload; clock tick; and accounting-related data are programmed into the system; (b) reviewing monthly critical reports, including those on sanctions, IEVS verifications, and length of benefits, for identifying and investigating discrepancies and monitoring for federal compliance; and (c) reviewing monthly TANF sanction reports and identifying and investigating discrepancies.	Deferred. The Department is planning to fully implement this recommendation by the September 2006 implementation date.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 70	Improve controls over sanctions for the Temporary Assistance for Needy Families (TANF) program and ensure compliance with federal requirements by (a) identifying and correcting the Colorado Benefits Management System (CBMS) system errors that are causing inappropriate benefit payments to be made, (b) investigating and correcting problems with the Automated Child Support Enforcement System to CBMS interface to ensure all appropriate information is being transferred, (c) providing training and technical assistance to all county caseworkers on the correct way to enter sanction data into CBMS, (d) formally incorporating reviews of sanctions as part of the current on-site county monitoring process and following up on problems as appropriate, and (e) researching the current system functionality to determine the feasibility of changing the system to limit the ability of county staff to delete sanctions from CBMS and requiring that the case note function be used when deletions are made to a participant's case.	a. Partially implemented. The Department worked with the Office of CBMS during Fiscal Year 2006 to correct the pass-fail-pass system error that was responsible for inappropriate benefit payments. However, we continued to identify system errors that resulted in benefit overpayments. See current year Recommendation Nos. 76, 77, 81, and 82. b. Partially implemented. While the Department reports that appropriate sanctions data was being transferred from Automated Child Support Enforcement System to CBMS as of December 2005, we were unable to verify this due to the Department's lack of validated reports for clients sanctioned due to child support non-compliance. Without validated sanction reports, we were unable to determine if the number of child support sanctions was consistent with data collected prior to the implementation of CBMS. The Department plans to have validated reports by the implementation date of September 2006. c. – e. Deferred. The Department plans to fully implement these recommendations by the September 2006 implementation date.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 71	Improve subrecipient monitoring over the Temporary Assistance for Needy Families program by (a) ensuring performance improvement plans for all areas of noncompliance are received from the counties by the Department's stated due date and (b) ensuring that all county plans are in compliance with federal and state regulations by following up with all counties where issues of noncompliance have been identified.	Deferred. The Department plans to fully implement this recommendation by the September 2006 implementation date.
2005 Single Audit Rec. No. 72	Ensure that it is in compliance with federal Income, Eligibility, and Verification System (IEVS) requirements by immediately addressing the problems with the interface between IEVS and the Colorado Benefits Management System to ensure that all data are verified.	Partially implemented. The Department reports that it has been working closely with the Office of CBMS to ensure that all CBMS interfaces are working properly. While no specific issues were identified during the Fiscal Year 2006 audit related to CBMS interfaces, we did identify concerns related to counties addressing IEVS-related information in a timely manner. See current year Recommendation Nos. 78 and 84.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 73	Improve controls over the Food Stamps program to ensure compliance with federal and state regulations by (a) reinstating on-site management evaluation reviews of county Food Stamps program activities, (b) completing review reports and citing counties for all instances of noncompliance with Food Stamp policies and regulations within 60 days after the review, (c) ensuring corrective action plans for all areas of noncompliance are received from counties within 30 days of the issuance of the monitoring report, and (d) addressing the underlying causes of rising error rates to lower the rates and to ensure that the State does not incur future federal sanctions.	Partially implemented. The Department reinstated its on-site monitoring function during Fiscal Year 2006 and received all required corrective action plans from reviewed counties within the 30-day timeframe. In addition, the Department submitted a corrective action plan to the US Department of Agriculture addressing rising error rates. However, we noted that staff continued to submit final monitoring reports to counties after the 60-day timeline. Specifically, for five out of seven county reviews tested during Fiscal Year 2006, the Department failed to meet the 60-day timeframe for submitting a final report to the reviewed county. The Department plans to consistently provide reports within the 60-day timeframe by June 2007.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 74	Strengthen its controls over federal reporting and immediately address the Colorado Benefits Management System (CBMS) reporting deficiencies for the Food Stamps program by (a) ensuring that validated reports are programmed into CBMS so that Department staff have the data necessary to accurately prepare federal Food Stamps reports and perform routine accounting entries, (b) documenting specific procedures for the preparation of the Food Stamps Issuance Reconciliation Report and preparing the report timely, and (c) requiring that the Food Stamp Issuance Reconciliation Report be reviewed by knowledgeable personnel prior to submission to ensure accurate information is reported to the federal government.	a. Deferred. The Department is planning to fully implement this recommendation by the July 31, 2006, implementation date. b. Partially implemented. The Department has developed and documented specific procedures for the preparation of the Food Stamps Issuance Reconciliation Report. However, the Department reports that these procedures remain in the draft stage as they continue to make progress in finalizing an automated Issuance Reconciliation report. The Department reports that validation of the entire report and final instructions will be completed by February 28, 2007. c. Partially implemented. While the Department made progress in Fiscal Year 2006 to implement a validated automated Food Stamps Issuance Reconciliation Report, further efforts will be required to finalize the report. Therefore, we will continue to follow up with the Department to ensure a validated automated report is completed and that supervisory reviews of the report are completed. The Department reports that validation of the entire report will be completed by February 28, 2007.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 75	Ensure it complies with the federal Davis-Bacon Act for all future federally funded construction projects by requiring locally prevailing wages to be paid by contractors and subcontractors and by obtaining weekly payroll records for all contractors and subcontractors.	Implemented.
2005 Single Audit Rec. No. 76	Ensure it is in compliance with federal Low-Income Energy Assistance Program (LEAP) reporting requirements by (a) ensuring that staff preparing federal LEAP reports are adequately trained and (b) improving communication between LEAP program and accounting staff to ensure data reported by both divisions are consistent and accurate.	Deferred. The Department is planning to fully implement this recommendation by the July 31, 2006, implementation date.
2005 Single Audit Rec. No. 81	Use its eligibility determination monitoring procedures to identify and correct over- or underpayments related to the "pass-fail-pass" problem in the Colorado Benefits Management System and any additional system-related problems. Reviews should be targeted to identify additional areas requiring corrections, if necessary.	Partially implemented. The Food Stamps program is working with the United States Department of Agriculture and county offices to review all cases that may have over-issuances resulting from "pass-fail-pass". However, while the Department continued its eligibility determination monitoring procedures during Fiscal Year 2006, we continued to identify system errors resulting in benefit overpayments. See current year Recommendation Nos. 76, 77, 81, and 82.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 86	Ensure that Food Stamps and Temporary Assistance for Needy Families overpayments are appropriately recouped by (a) developing policies that define overpayments resulting from the Colorado Benefits Management System (CBMS) defects and overpayments resulting from other errors or omission, either by the county or the recipient; (b) using the Department's established county monitoring procedures to institute targeted reviews of county supervision and caseworker actions related to overpayments and resulting claims; and (c) providing targeted user training on the proper use of CBMS for benefit recoveries.	a. Implemented. b. Implemented. c. Deferred. The Department is planning to fully implement this recommendation by the August 30, 2006, implementation date.
2004 Single Audit Rec. No. 8	Implement procedures to ensure a physical inventory is conducted at least annually of all leased microcomputers.	Implemented.
2004 Single Audit Rec. No. 9	Improve controls over its purchasing card program by (a) instituting and enforcing a formalized policy requiring approving authorities to address all problems identified in their areas through the Division of Procurement's purchasing card reviews, (b) establishing a system for tracking actions taken by approving authorities to address problems identified through the Division of Procurement's purchasing card reviews, (c) providing periodic training as determined necessary in problem areas identified through the Division of Procurement's purchasing card reviews, and (d) considering the use of a graduated point system with defined consequences for cardholder violations.	Partially implemented. The Department has implemented a new policy and is performing consistent internal reviews in this area; however, the Department's reviews and our audit continue to show problems. See current year Recommendation No. 12.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 75	Improve its administration of the Supportive Housing and Homeless Program (SHHP) by (a) discontinuing its current policy to allow local service providers to sublease rental units to SHHP clients; if the Department decides to continue the policy, it should require that all leases and subleases executed by service providers be submitted to the Department, and the Department should review them for compliance to federal regulations, and (b) taking immediate steps to recover the $11,175 in housing assistance overpayments made to the service provider.	Implemented.
2004 Single Audit Rec. No. 76	Improve controls over travel expenditures to ensure they are appropriate and allowable under state and federal regulations, and take steps to immediately recover overpayments made by the Vocational Rehabilitation Program and repay the portion owed to the federal government.	Partially implemented. The Department has recovered the overpayments made by the Vocational Rehabilitation Program identified in the audit and has contacted the federal government regarding repayment of the federal portion. The Department is currently awaiting a response from the federal government regarding the method of repayment. However, we continue to identify problems with employee travel reimbursements. See current year Recommendation No. 13.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 77	Comply with state and federal regulations for the Vocational Rehabilitation Program by competitively bidding for services from a single provider that exceed $50,000 annually.	Ongoing. Vocational Rehabilitation Program staff have worked with Procurement Division staff to review waivers issued to the Program, the State Procurement Code and Rules, and federal Vocational Rehabilitation Program rules to ensure that they are in compliance with state and federal regulations. In September 2005, the Department developed a strategy to use Basic Ordering Agreements that met with the approval of the State Purchasing Director.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 84	Improve overall accountability and functionality of the Social Asset Management System (SAMS) database by (a) reviewing SAMS system components to determine whether additional coding mechanisms could be implemented to better track services provided by funding source; (b) incorporating fiscal components, such as billing functions, into the SAMS system to enable Area Agencies to pay providers for units of service; (c) performing scheduled reviews and comparisons of service data reported in SAMS to identify outliers or inconsistencies, and following up with Area Agencies and service providers to determine possible causes; (d) including specific requirements for reviewing and reconciling service provider documentation to SAMS data during Area Agency annual on-site reviews; (e) incorporating automated system edits that eliminate inaccurate data entry and issuing specific guidance to Area Agencies and service providers to improve consistency of data entry of SAMS information; and (f) conducing surveys of Area Agencies and service providers to determine what types of reporting and system functions would improve SAMS.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 85	Establish fiscal controls to ensure that services paid for are provided and that program funds are spent appropriately by (a) requiring Area Agencies to reconcile the number of units provided and reported in Social Asset Management System (SAMS) to the number of units in each agreement and attempt to recover funds if all services are not provided; (b) incorporating a review of service provider records and a reconciliation of those records to SAMS data into the Area Agencies' annual on-site evaluation of service providers; and (c) working with the Area Agencies to develop standardized practices for documenting and reporting services, and investigate recovery of Older Americans Act funds and state general funds, paid for undocumented services, no-show services, or services that were not provided.	Implemented.
2004 Single Audit Rec. No. 87	Reduce the costs of providing services to people who are ineligible by (a) training Area Agencies and service providers on correct assessment practices and methods for documenting participant eligibility, (b) reviewing participant eligibility during the Department's on-site assessments of Area Agencies and during the Area Agencies' on-site assessments of service providers, and (c) examining options for improving the objectivity of assessments and service authorizations by using independent case managers to authorize all services or reorganizing the program.	a. Implemented. b. Implemented. c. Deferred. The Department is planning to fully implement this recommendation by the January 2007 implementation date.

Report and Rec. No.	Recommendation	Disposition
2003 Single Audit Rec. No. 8	Improve controls over the preparation of exhibits to increase the accuracy of information submitted to the Office of the State Controller and to lessen staff time required to correct and revise exhibits by (a) developing and conducting training prior to year-end for staff preparing exhibits and (b) instituting a secondary review process over all exhibits to ensure their accuracy prior to submission.	Partially implemented. Although the Department implemented year-end training for staff preparing exhibits and instituted a secondary review process over all exhibits, we continue to note problems with the accuracy of the exhibits submitted by the Department to the Office of the State Controller. See current year Recommendation Nos. 9 and 10.
2002 Single Audit Rec. No. 65	Ensure that child placement agencies are meeting state and federal requirements related to how public foster care funds can be spent.	Not implemented. See current year Recommendation No. 85.

Report and Rec. No.	Recommendation	Disposition
2002 Single Audit Rec. No. 75	Ensure reports from the Trails system are accurate and meet requirements by (a) providing specialized training to appropriate county workers on reports, (b) working with the counties and other stakeholders to identify critical reports and other reporting issues, and (c) establishing procedures to solicit courts to accept one established format for court documents.	a. Implemented. b. Ongoing. The Department reports that it has applied 304 changes to existing reports and 113 new reports have been developed, 68 additional reports have been submitted and prioritized for development. New reports continue to be made on user requests. c. Partially implemented. During prior audits of the Department we found that the Department provided training on system reports and has continued to identify and implement critical reports as specific needs arise. During the Fiscal Year 2006 audit, we found that the Department is developing a project in conjunction with the Judicial Department to pass information between the court system and Trails. The Department plans to fully implement this recommendation by August 2006.

Report and Rec. No.	Recommendation	Disposition
	Department of Human Services and Department of Health Care Policy and Financing	
2005 Single Audit Rec. No. 77	Ensure that the remaining case backlogs related to "cleansing" and processing guidelines are addressed and continue to work with the appropriate federal agencies to minimize the fiscal impact on the State of benefit payments made to ineligible recipients as a result of the Colorado Benefits Management System implementation.	*Department of Human Services:* Partially implemented. The Department reports that it continues to work with the United States Department of Agriculture (USDA) to minimize the fiscal impact on the State of benefit payments made to ineligible recipients. The Food Stamps program was sanctioned by USDA in the amount of $1,068,608 in December 2004 for benefit payments made to ineligible recipients. The Department appealed the sanction and was able to reduce the total sanction to $1,034,003. The Department received a second sanction in the amount of $11,162,598 in March 2006 for benefit overpayments related to the pass-fail-pass system error. At the end of our audit the Department reported that it is working with USDA to appeal the sanction. Although it appears that the Department is working with the appropriate federal agencies, we found that the Department continues to have a number of cases that need to be cleansed or are beyond processing guidelines. Additionally, we continued to identify system errors resulting in inappropriate benefit payments that could result in future federal sanctions. Therefore, see current year Recommendation Nos. 73, 74, 76, 77, 81, and 82. *Department of Health Care Policy and Financing:* Partially implemented. See current year Recommendation Nos. 31, 32, and 33.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 78	Improve controls over data input into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of social services and Medical Assistance sites to institute effective supervisory review processes over Medicaid, Food Stamps, and Temporary Assistance for Needy Families data entry into CBMS and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS and areas in which automated tools within CBMS are not used appropriately.	*Department of Human Services:* a. Not implemented. As of June 30, 2006, the Department had not issued an agency letter directing counties to institute supervisory review processes as a requirement. Also, see current year Recommendation Nos. 75 and 80. b. Partially implemented. While the Department continued its on-site county monitoring procedures during Fiscal Year 2006, we continued to identify errors related to data entry into CBMS. See current year Recommendation Nos. 75 and 80. *Department of Health Care Policy and Financing:* Partially implemented. See current year Recommendation No. 33.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 87	Improve case file documentation for the Medicaid, Food Stamps, and Temporary Assistance for Needy Families programs by (a) enhancing policies and procedures requiring counties and Medical Assistance sites to maintain paper copies of required documents within a case file until such time when an electronic version can be maintained as an audit trail, and (b) using established monitoring procedures to ensure eligibility information in the Colorado Benefits Management System is adequately supported by documentation in case files.	*Department of Human Services:* Partially implemented. While the Department is reviewing for proper eligibility determinations as part of its on-site county monitoring procedures, we continued to identify problems related to case file documentation. See current year Recommendation Nos. 79 and 83. *Department of Health Care Policy and Financing:* Not implemented. See current year Recommendation No. 33.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 79	Work together to pilot a system for reorganizing the Older Americans Act and Older Coloradans' Act programs.	*Department of Human Services:* Partially implemented. In October of 2005, The Division of Aging and Adult Services received an $800,000 Aging and Disability Resource Center (ADRC) grant from the Administration on Aging and the Centers for Medicare and Medicaid Services to coordinate information and assistance in accessing long-term care services. Larimer County has begun piloting the Aging and Disability Resource Center (referred to as Adult Resources for Care and Help—ARCH). VisionLink, a vendor for the development of a website/database, has been selected through an RFP process to build the Management Information System for the ARCH program. Larimer County is working with the Options for Long Term Care Agency, Independent Living Center, and other local stakeholders to ensure consumers receive information on the most relevant long-term care services available. During the current calendar year, the pilot will be expanded to additional regions in Colorado. The Department plans to fully implement this recommendation by June 2007. *Department of Health Care Policy and Financing:* Partially implemented. The State Department of Human Services (DHS) and the Department are working jointly on a project which funds Aging and Disability Resource Centers (ADRC) in three areas of Colorado. The ADRCs will utilize the resources and knowledge base of existing agencies in Colorado including: the Single Entry Point Agencies, the Area Agencies on Aging, and Colorado 211. DHS released request for proposals September 2006 for these "one-stop shopping" agencies for Aging Services and a 211 system. This project is currently in place in Larimer county and DHS is in the process of selecting two other areas and selecting a contractor for the website. Implementation date June 30, 2007.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 86	Work with the United States Department of Health and Human Services to clarify the program that is responsible for payment when participants are eligible for services under both the Older Americans Act and Medicaid programs.	*Department of Human Services:* Partially implemented. The Department (DHS) received a memorandum from the federal Department of Health and Human Services clarifying the program that is responsible for payment when participants are eligible for services under both the Older Americans Act and Medicaid programs. Further, the Department reports that the service provider cited in the Fiscal Year 2004 audit provided additional transportation to seniors in the months of November and December of 2005 without requesting Title III reimbursement from the Department. The value of these services exceeded the dollar amount that was inappropriately paid for the duplicative transportation. Health Care Policy and Financing reported that it plans to propose a plan for the two Departments to share data that will allow duplicate payments to be identified. According to DHS staff, this proposal had not been submitted to DHS by the end of our audit. The Department plans to fully implement this recommendation by January 31, 2007. *Department of Health Care Policy and Financing:* Not implemented. The Department (HCPF) plans to propose to the Department of Human Services that HCPF develop a process to share data that will allow the departments to match client data and reconcile payments to clients to identify duplicate payments on a quarterly basis. This proposal will be submitted by November 31, 2006. The process will be in place by January 31, 2007.

Report and Rec. No.	Recommendation	Disposition
	Office of Colorado Benefits Management System and Department of Human Services	
2005 Single Audit Rec. No. 80	Take immediate steps to correct the "pass-fail-pass" problem identified in the Colorado Benefit Management System to lessen the risk of errors in benefit payments.	*Office of Colorado Benefits Management System:* Implemented. *Department of Human Services:* Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 82	Ensure that eligibility information obtained for the Food Stamps, Temporary Assistance for Needy Families, and Medicaid programs is verified from other data sources by immediately addressing the problems with the interfaces between the Colorado Benefits Management System and the Automated Child Support Enforcement System and with the federal Income, Eligibility, and Verification System (IEVS).	*Office of Colorado Benefits Management System:* Ongoing. The Office of CBMS (OCBMS) reports that IEVS data matches are run on a daily and monthly basis and are working appropriately. Further, OCBMS staff report that child support data is transferring from the Automated Child Support Enforcement System to CBMS appropriately. OCBMS staff indicated that updating and changing CBMS interfaces is an ongoing process. OCBMS reports that all changes and updates to interfaces are tracked through the Interface Activity and Review Log. This log documents the type of action (change or update) that has been or will be taken and how the action has or will impact the specific interface. Additionally, OCBMS staff report that interface validation testing is completed on an ongoing basis to ensure that all data is transferring appropriately. *Department of Human Services:* Partially implemented. The Department reports that it has been working closely with the Office of CBMS to ensure that all CBMS interfaces are working properly. While no specific issues were identified during the Fiscal Year 2006 audit related to CBMS interfaces, we did identify concerns related to counties addressing IEVS related information in a timely manner. See current year Recommendation Nos. 78 and 84.

Report and Rec. No.	Recommendation	Disposition
	Office of the Colorado Benefits Management System, Department of Human Services, and Department of Health Care Policy and Financing	
2005 Single Audit Rec. No. 79	Consider implementing a requirement that all county, Medical Assistance site, and Department employees with a need to utilize the Colorado Benefits Management System (CBMS) attend core training courses. Users' continued access to CBMS should be contingent upon completion of the core training courses within a specified period of time, and in the case of new users, should be completed prior to obtaining security access to CBMS. Consideration should also be given to whether system enhancements should be made to minimize the risk of certain types of user errors (e.g., no date entered, or date already passed entered for "beginning effective date").	Partially implemented. While the Office of the Colorado Benefits Management System, Department of Human Services, and Department of Health Care Policy and Financing have developed training that addresses CBMS functionality, we continue to find data entry errors resulting in inappropriate benefit payments. See Recommendation Nos. 33, 75, and 80.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 83	Use their eligibility determination monitoring procedures to establish periodic review procedures for each of the Colorado Benefits Management System interfaces to determine if the interfaces are working correctly and investigate and follow up on problems identified as appropriate.	*Office of the Colorado Benefits Management System:* Deferred. The Office is planning to fully implement this recommendation by the July 2006 implementation date. *Department of Human Services:* Deferred. The Department is planning to fully implement this recommendation by the July 2006 implementation date. *Department of Health Care Policy and Financing:* Partially implemented. See current year Recommendation No. 33.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 84	Implement a well-defined, accessible archive mechanism in the Colorado Benefits Management System that will eliminate the need for manual interventions to recreate historical eligibility determinations.	Partially implemented. The Office of the Colorado Benefits Management System (OCBMS), the Department of Human Services, and the Department of Health Care Policy and Financing (Departments) report that several change requests have been implemented which created an archive mechanism for users to access. However, we found that data is overwritten when changes are made to the case. Therefore, additional steps need to be taken to enhance the archive function. A change request submitted by the Departments to OCBMS in March 2006 to address this issue is pending resources and prioritization by OCBMS.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 85	Improve the program monitoring over the Medicaid, Food Stamps, and Temporary Assistance for Needy Families programs by (a) developing within the Colorado Benefits Management System (CBMS) predefined reports that contain denied and closed cases for each of the three programs and reports that list by caseworker and county all recipients whose eligibility is subject to redetermination, recipients whose redetermination is in process, or recipients whose cases otherwise require caseworker action; and (b) utilizing these reports to improve ongoing review processes over denied and closed cases to ensure determinations and redeterminations made were appropriate and to monitor redeterminations or other instances requiring caseworker action.	*Office of the Colorado Benefits Management System:* Deferred. The Office is planning to fully implement this recommendation by the July 2006 implementation date. *Department of Human Services:* Deferred. The Department is planning to fully implement this recommendation by the August 30, 2006, implementation date. *Department of Health Care Policy and Financing:* Not implemented. As of June 30, 2006, the Department had submitted a change request to the Office of CBMS. The Department reports that it implemented this recommendation in August 2006.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 88	Work with the county departments of social services and Medical Assistance sites to address Colorado Benefits Management System (CBMS)-related issues and concerns including (a) continuing to monitor timeframes for processing applications to ensure processing occurs within state- and federally-required timeframes; (b) developing accurate and reliable reports for monitoring and tracking intake, redeterminations, and case backlogs on a caseworker and county-wide basis; (c) providing electronic or hard copy notices to caseworkers prior to mailing to clients, so that changes due to system issues can be identified and possibly keep client confusion to a minimum; (d) providing ongoing training to the counties on the correct usage of CBMS including requirements related to data entry of information for eligibility determinations; and (e) ensuring counties receive timely support from the help desk in response to issues raised.	a. Partially implemented. The Departments and OCBMS have developed the capability to track cases exceeding processing guidelines. However, we found that in Fiscal Year 2006 the Departments still had a number of cases exceeding state and federally-required timeframes. See current year Recommendation Nos. 32 and 74. b. Implemented. c. Ongoing. The Departments and OCBMS report that they continue to review and enhance client correspondences to ensure clear and accurate information is delivered to clients. OCBMS reports that all concerns raised are investigated and appropriate follow-up is completed as necessary. d. Partially implemented. While DHS, HCPF, and OCBMS have developed training that addresses CBMS functionality, we continue to find data entry errors resulting in inappropriate benefit payments. See current year Recommendations No. 33, 75 and 80. e. Ongoing. The Office of CBMS continues to enhance the functionality and response time of the help desk. OCBMS reports that help desk ticket reports are available to end users so they can view the status of his or her help desk ticket. This part of the recommendation is not applicable to DHS or HCPF.

Report and Rec. No.	Recommendation	Disposition
	Department of Labor and Employment	
2005 Single Audit Rec. No. 16	Ensure amounts recorded as refunds due to employers for overpayment of unemployment insurance tax are accurate and complete and ensure that the State Unemployment Program E-government Resource system will generate reports listing the detail on refunds owed to individual employers for unemployment insurance tax refunds.	Deferred. The Department plans to fully implement this comment by the September 2006 implementation date.
2005 Single Audit Rec. No. 17	Ensure that the State Unemployment Program E-government Resource system will generate reports listing benefits payable at any point in time and use this information to record benefits payable on the State's financial system.	Deferred. The Department plans to fully implement this comment by the September 2006 implementation date.
2005 Single Audit Rec. No. 18	Improve controls over federal expenditure and revenue reporting and draw downs by implementing a periodic reconciliation process to identify and resolve discrepancies between the Financial Accounting and Reporting System and COFRS in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement.	Not implemented. See current year Recommendation No. 14.
2005 Single Audit Rec. No. 89	Ensure amounts recorded in its reports to the federal government for unemployment benefit activities are accurate.	Deferred. The Department plans to fully implement this comment by the September 2006 implementation date.

Report and Rec. No.	Recommendation	Disposition
2003 Single Audit Rec. No. 73	Improve controls over the use of Workforce Investment Act (WIA) funds by working with the regions to ensure that limited funds are used effectively in compliance with WIA requirements and to promote achievement of WIA's goals by (a) revising policies on training and supportive services to provide additional guidance to the regions in determining and documenting the need for such services in each case (b) ensuring that regions adopt policies and practices consistent with the Department's additional guidance through its monitoring efforts.	a. Partially implemented. The Department has worked with each region to revise and expand local policies regarding establishing minimum standards for documenting services provided in each case under current federal and state regulations. In the event that the federal government reauthorizes WIA and changes federal requirements for the program, the Department plans to reassess current policies and procedures within 90 days of the publication of the final regulations governing the new legislation. b. Ongoing. The Department has incorporated ongoing reviews of this area in its formalized monitoring policy.

Report and Rec. No.	Recommendation	Disposition
2003 Single Audit Rec. No. 74	Clarify the circumstances under which funds can be considered limited for purposes of offering priority of service to low-income clients in the Adult program by (a) developing criteria to help the regions determine the availability of funds, (b) working with the regions to expand and clarify regional policies to be consistent with the Department's criteria and to contain specific criteria for determining funds availability, and (c) ensuring that the regions maintain priority systems for low-income clients in the Adult program unless the regions demonstrate that funds are not limited in accordance with state and local criteria.	a. The Department disagreed with this part of the recommendation and did not implement it. b. and c. Partially implemented. The Department has worked with the regions to revise and expand local policies regarding the priority of service, training, and supportive service in the Adult program under the current federal law and state policy and to ensure that local policies are consistent with state standards and requirements of the federal law. In the event that the federal government reauthorizes the Workforce Investment Act and changes federal requirements for the program, the Department will implement new regulations during the first monitoring cycle that follows publication of the final regulations governing new federal legislation.

Report and Rec. No.	Recommendation	Disposition
	Department of Local Affairs	
2005 Single Audit Rec. No. 90	Improve controls over purchasing and payment processes for the Homeland Security Grant Program by (a) reviewing grant applications and awards to ensure grant funds are only awarded for allowable and reasonable purchases and activities; (b) modifying grant budget and reimbursement request forms to ensure items requested for reimbursement are linked to the appropriate budget line item; (c) improving review of reimbursement requests and payments to subrecipients to ensure that all items and activities reimbursed are allowable, included in the approved grant award budget, and substantiated by appropriate supporting documentation; (d) establishing controls to ensure that all administrative costs paid with grant funds are allowable and appropriate, recorded as administrative expenses, and within the federal grant limits on administrative expenses; and (e) strengthening supervisor review of reimbursement requests.	a. Implemented. b. Implemented. c. Partially implemented. The Department has improved the review process of reimbursement requests to the approved grant award budget; however, our Fiscal Year 2006 audit found payments that were not allowable and were not adequately supported. See current year Recommendation No. 88. d. Deferred to Fiscal Year 2007. e. Not implemented. See current year Recommendation No. 88.
2005 Single Audit Rec. No. 91	Improve oversight of homeland security grant expenditures by implementing subrecipient monitoring procedures, including (a) conducting regular site visits and desk reviews, (b) developing standard monitoring tools and program checklists to facilitate site visits and desk reviews, and (c) developing and implementing standard follow-up procedures to ensure that subrecipients take timely and appropriate corrective action on all problems identified.	a. Implemented. b. Implemented. c. Not implemented. See current year Recommendation No. 88.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 92	Work with subrecipients to establish policies and procedures for the appropriate storage, use, maintenance, repair, and overall readiness of equipment purchased with homeland security grant funds.	Partially implemented. The Department has established policies and procedures for the appropriate storage; however our Fiscal Year 2006 audit found that subrecipients failed to provide the final location of equipment. See current year Recommendation No. 88.
2005 Single Audit Rec. No. 93	Improve controls over the Homeland Security Grant Program to ensure compliance with federal cash management regulations.	a. Implemented. b. Not implemented. See current year Recommendation No. 88. c. Implemented.
2005 Single Audit Rec. No. 94	Work with the appropriate federal and state oversight agencies to evaluate questioned costs associated with the State's Multi-Agency Communications Center (MACC) and determine whether repayment of funds used to finance the MACC is necessary.	Implemented. The Department repaid $1.5 million to the United States Department of Homeland Security in June 2006.
2005 Single Audit Rec. No. 95	Improve its accounting for federal and state grant funds and equipment purchased with those funds by (a) reviewing all South Metro grant expenditures to date and reclassifying expenditures as necessary to ensure that expenditures are paid from the appropriate grant award and (b) working with South Metro to ensure that all equipment is properly inventoried and accurately reflected in both South Metro's and the State's financial statements.	Deferred to Fiscal Year 2007.

Report and Rec. No.	Recommendation	Disposition
	Department of Military and Veterans Affairs	
2003 Single Audit Rec. No. 13	Improve controls over the Tuition Assistance Office by establishing a supervisory review over the identification and calculation of accounts receivable for the tuition refunds owed to the State.	Ongoing. A statute change effective for Fiscal Year 2006 simplified the calculation for tuition refunds for National Guard Members. A supervisory review has been established over the identification and calculation of accounts receivable.
	Department of Natural Resources	
	Division of Parks and Recreation	
2005 Single Audit Rec. No. 19	Improve its internal controls by (a) ensuring that the total of the cash balances on the bank reconciliations and the Division's internal records agree to the total cash balance recorded on the State's accounting system, all differences are resolved in a timely manner, and that necessary adjustments are made; (b) completing the reconciliation between park pass revenue recorded on the Division's internal records and the amount recorded on the State's accounting system in a timely manner and making necessary adjustments in the proper fiscal year; and (c) ensuring that at a minimum, the results of the inventory are reviewed by an independent party to minimize risk of errors and irregularities.	Deferred. The Department plans to fully implement this recommendation by the October 2006 implementation date.

Report and Rec. No.	Recommendation	Disposition
	State Board of Land Commissioners	
2005 Single Audit Rec. No. 20	Ensure that year-end accounts receivable and deferred revenue balances are properly stated by (a) performing a complete reconciliation monthly and at year-end that includes agreeing accounts receivable and deferred revenue balances on COFRS to supporting documentation and (b) making necessary adjustments identified in the reconciliation process to COFRS in a timely manner.	a. Implemented. b. Partially implemented. The agency identified an error on the reconciliation between the balance sheet and COFRS. This difference has carried over on the monthly reconciliation for five months. The agency is investigating the difference and plans to make an adjustment as necessary. The Department anticipates full implementation by March 2007.
	Oil and Gas Conservation Commission	
2005 Single Audit Rec. No. 21	Ensure that the Director or his designee document approval of Board members' travel expenses prior to submission for payment in accordance with State and Department policies.	Implemented.
	Division of Wildlife	
2005 Single Audit Rec. No. 22	Strengthen its controls over personnel and payroll activities by verifying employment of all personnel on the Division's payroll and properly completing the Payroll Review Certifications or performing alternative procedures to ensure it pays only bona fide employees.	Not implemented. See current year Recommendation No. 18.

Report and Rec. No.	Recommendation	Disposition
	Department of Personnel & Administration	
2005 Single Audit Rec. No. 23	Comply with deadlines and requested information required by the Office of the State Controller for timely completion of the State's financial statements.	Implemented.
2005 Single Audit Rec. No. 24	Improve accounting controls by developing review procedures over the preparation of the fiscal year-end exhibits prior to submitting the exhibits to the Office of the State Controller to ensure the information is accurate and complete.	Implemented.
	Office of the State Controller	
2005 Single Audit Rec. No. 96	Work with institutions of higher education and the Colorado College Access Network to ensure that proper information for loans made through the Federal Family Education Loan Program is reported on the Schedule of Expenditures of Federal Awards.	Implemented.
2004 Single Audit Rec. No. 16	Ensure compliance with statutory requirements for transfers of General Fund surplus to the Highway Users Tax Fund and the Capital Construction Fund by (a) complying with the statutory date for making these transfers or developing options for the timing of these transfers and working with the General Assembly to revise the statutory transfer date, and (b) seeking legal guidance from the Attorney General's Office regarding the correct manner for calculating the Fiscal Year 2003 reserve and in the future in cases where statutes have conflicting requirements that affect the amounts of these transfers.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	State Archives	
2001 Single Audit Rec. No. 29	Convert the current cataloging system from a paper to an electronic format.	Partially implemented. State Archives has automated its cataloging system and uses an electronic database to archive its data. It has converted seven out of the 19 departments to this database and plans to convert one additional department during Fiscal Year 2007. Due to budget constraints, the State Archives reports that it will continue to convert department data as staff time is available, until all data are converted to an electronic system.
	State Fleet Management	
2003 Single Audit Rec. No. 18	Implement year-end physical inventory procedures by (a) performing physical inventories of all capital assets and (b) comparing the results of the physical inventories with the Colorado Automotive Reporting System and the State's accounting system.	Partially implemented. The Department adopted a perpetual inventory schedule, as allowed under State Fiscal Rules, for its fleet assets and conducted its annual physical inventory in September 2006. However, the Department needs to implement procedures to reconcile the results of its annual inventory to the fiscal year-end balances as reported on the Colorado Automotive Reporting System and the State's accounting system and make adjustments as necessary. Fleet Management anticipates that it should be in compliance by June 2007.

Report and Rec. No.	Recommendation	Disposition
	Department of Public Health and Environment	
2005 Single Audit Rec. No. 25	Comply with the limitation on disbursements and expenditures from the Children's Trust Fund established under Section 13-32-101(1)(a), C.R.S. and repay the $17,358 in excess disbursements and expenditures from the Trust made during Fiscal Year 2005.	Implemented.
	Department of Public Safety	
2005 Single Audit Rec. No. 26	Improve its controls over COFRS access by ensuring that employees' access to COFRS is appropriate for their job responsibilities.	Not implemented. See current year Recommendation No. 23.
2004 Single Audit Rec. No. 89	Improve controls over the administration of the Homeland Security Grant Program in order to ensure that the State is in compliance with federal requirements for the grant in the areas of allowable costs and activities, cash management, equipment management, reporting, and subrecipient monitoring.	Implemented.
	Department of Revenue	
2005 Single Audit Rec. No. 27	Continue reviewing manual adjustments made to taxpayer returns by (a) continuing to perform reviews of data entered into its system on all income tax returns with income of $10 million or more, (b) establishing procedures to review computation of Colorado taxable income for returns with income of $10 million or more, and (c) determining that for tax years 2002 and earlier there is supporting documentation for all credits claimed to ensure that only qualifying credits are claimed.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 28	Improve controls over review of edits performed on tax returns by (a) ensuring that secondary reviews are being performed in accordance with the Department's policy and (b) ensuring that edits performed by supervisory staff for changes in withholding amounts in excess of established threshold are approved by another supervisory staff or senior supervisor, as applicable.	Implemented.
2005 Single Audit Rec. No. 29	Improve controls over processing severance tax refunds by (a) following the refund policy of the business tax section or establishing a separate policy, (b) requiring an adequate segregation of duties between the processing and approval functions, and (c) implementing higher levels of review for refunds exceeding certain thresholds.	Implemented.
	Information Technology Division	
2005 Single Audit Rec. No. 30	Continue to improve its password usage policy to prevent unauthorized access to the Department's network and confidential information by (a) instructing and assisting employees on locking the computers and setting up password protection on their computers, (b) training employees on the importance of password protection and securing their computers, and (c) requiring employees to use a password-protected screensaver set to activate after a maximum of 15 minutes of inactivity.	Not implemented. See current year Recommendation No. 27.
2005 Single Audit Rec. No. 31	Establish adequate controls over year-end tax accruals by implementing a thorough review by knowledgeable staff of estimates and other calculations prior to posting to ensure that year-end balances are correct.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 32	Improve its tabulation process for recording receivables, payables, and corresponding adjustments to revenue on the State's accounting system by (a) ensuring that interest accrued on outstanding balances is included in the computation, (b) ensuring that information on supporting schedules is properly carried forward to summary schedules, and (c) requiring that schedules be reviewed by a supervisor or other knowledgeable staff in the Tax Conferee Section.	Implemented.
2005 Single Audit Rec. No. 33	Improve controls over cigarette taxes by (a) implementing a supervisory review process to ensure that cigarette taxes and related vendor fees are properly calculated and recorded, and the proper amount is transferred to the Department of Treasury on a monthly basis; and (b) recalculating the vendor fees to ensure that all the taxpayers claimed correct amounts.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 21	Improve controls over processing severance tax returns by (a) following up with taxpayers who do not submit required supporting documents with returns; (b) entering all critical data from returns and supporting documents; (c) implementing additional math edits to match information from supporting documents to that reported on returns and to recalculate the tax liability owed, as well as penalties and interest due; (d) establishing more rigorous review procedures for returns that exceed that Department's internal threshold for refund requests; and (e) seeking statutory change to allow enforcement of the withholding requirement in cases where the producer fails to withhold and submit the statutorily required 1 percent of gross income from interest owners on a quarterly basis.	a. Implemented. b. and c. Partially implemented. We identified two returns with mathematical inaccuracies resulting in excess refunds of $14,927 paid to the taxpayer. The Department has completed a cost benefit analysis of its existing review process and has determined that it is not cost effective at this time to implement math edits within the system. The Department reports that it will reconsider future programming changes based on availability of Department resources. d. Implemented. e. Partially implemented. The Department completed an evaluation of existing withholding requirements, but decided not to seek legislative changes at this time. Because there may be other legislation on this issue during the current legislative session, the Department will reconsider the need for legislation to enforce the withholding requirement after the 2007 Legislative Session. See also Fiscal Year 2004 Statewide Single Audit Recommendation No. 23.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 22	Improve controls over severance tax quarterly withholding and annual reconciliations by (a) identifying all producers who file quarterly withholding returns but fail to file annual reconciliations and taking appropriate action, including assessing penalties and interest; and (b) reviewing annual reconciliations to ensure that supporting documentation is submitted and agrees to the reconciliation and following up as appropriate.	Implemented.
2004 Single Audit Rec. No. 23	Investigate more effective ways to collect oil and gas severance taxes owed to the State.	Ongoing. The Department is in the process of meeting with industry representatives to discuss alternative ways to administer oil and gas severance tax collections. The Department is conducting research to determine the revenue impact of these alternatives. The Department anticipates completing the research by November 2006 and will determine what changes need to occur at that time.

Report and Rec. No.	Recommendation	Disposition
2002 Single Audit Rec. No. 18	Develop controls to ensure that future Taxpayers Bill of Rights (TABOR) credits are claimed and received only by eligible individuals by (a) identifying and billing individuals who were ineligible to claim TABOR credits; (b) implementing a methodology to verify taxpayers' federal adjusted gross income at the time a credit is claimed and to ensure that taxpayers are eligible for the credits taken; and (c) processing only complete returns, or evaluating alternative methods of ensuring that only qualifying credits are claimed, should the taxpayer fail to submit the required schedules.	a. Implemented. b. Partially implemented. The Department modified the individual income tax form by adding a line for the taxpayer's federal adjusted gross income. This information will be used in conjunction with federal information to confirm eligibility for the TABOR credits. However, with the passage of Referendum C, the Department anticipates that there will be no TABOR credit available after tax year 2006 for at least another four years. An implementation date will be determined when TABOR credits are available. c. Implemented.
2002 Single Audit Rec. No. 20	Develop and implement procedures to review charitable contribution deductions claimed by taxpayers.	Deferred. The Department plans to implement the recommendation in years in which the Taxpayers Bill of Rights (TABOR) surplus exists and the surplus exceeds the threshold for this TABOR refunding mechanism. The Department anticipates that this credit will be available in future years. The Department plans to complete the necessary systems programming by December 31, 2006. A date for full implementation will be determined when TABOR credits are available.

Report and Rec. No.	Recommendation	Disposition
	Office of the State Treasurer	
2005 Single Audit Rec. No. 97	Obtain and use the most current and accurate information available on federal program expenditures each year to amend the Treasury-State Agreement.	Implemented.
	Department of Transportation	
2005 Single Audit Rec. No. 34	Implement adequate controls over year-end reconciliations by (a) establishing a realistic schedule for the completion of reconciliations of significant balance sheet accounts on a monthly basis, (b) assigning staff to perform the reconciliations, (c) designating a supervisor to monitor compliance with the timeline for completion of the reconciliations in Part (a) above, and (d) designating a supervisor to perform a review of all journal entries.	Not implemented. See current year Recommendation No. 28.
2005 Single Audit Rec. No. 35	Improve controls over expense reimbursements by ensuring that someone other than the individual incurring the expense reviews and approves the expense report.	Partially implemented. The Fiscal Year 2006 expense reimbursements tested were reviewed and approved by someone other than the individual incurring the expense. However, our Fiscal Year 2006 audit noted an instance in which a reimbursement was paid without supporting documentation. See current year Recommendation No. 29.
2005 Single Audit Rec. No. 36	Annually compare the amount of the estimated accrual to the actual results for construction project expenditures and use the most recent years' actual construction project expenditures and accruals as the basis for the current year's accrual calculation.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2005 Single Audit Rec. No. 37	Improve controls over user access to information systems by (a) developing and implementing a policy that states explicit criteria that should be considered in a periodic review of user access, the required frequency of the reviews, and the appropriate personnel responsible for performing the review; (b) providing training for system managers and administrators to ensure responsible personnel are aware of existing policies, procedures, and access requirements; and (c) documenting monitoring procedures to ensure that policies and procedures related to periodic review of user access are followed.	Deferred. The Department had originally planned to implement this by February 2007 but has moved the implementation date to July 1, 2007.
2004 Single Audit Rec. No. 26	Develop a system to estimate the annual amount required to maintain and preserve state bridges, tunnels, and roadways at the condition level established and disclosed by the Department.	Not implemented. The Department originally planned to implement this by June 2005. During our Fiscal Year 2006 audit the Department reported that the implementation date has been moved to July 1, 2009.
2004 Single Audit Rec. No. 90	Identify all subrecipients and the amount paid to each subrecipient, and develop subrecipient monitoring policies and procedures to ensure that audit requirements are met, findings and questioned costs are followed up on in a timely manner, and all subrecipient monitoring activities are documented and problems identified are resolved.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 94	Adequately verify and substantiate indirect cost rates to ensure consultant fees are fair and reasonable by (a) developing requirements that consultants and subconsultants who perform work on consultant contracts over a certain dollar threshold submit a schedule of direct labor, fringe benefits, and general overhead that has been audited by an independent CPA firm; (b) developing and implementing an audit program to conduct quality assurance reviews of CPA firm audit reports and ensure that indirect cost rates are prepared in accordance with Department policy; and (c) developing and implementing an audit program to conduct, on a sample basis, actual indirect cost rate audits at regular intervals according to predetermined risk factors.	a. Implemented. b. In process. The Department plans to implement the recommendation by February 1, 2007. c. Implemented.
2004 Single Audit Rec. No. 95	Ensure the selection of qualified consultants for contracts by tracking and monitoring consultants compliance with contract terms related to disadvantaged business enterprises, and include a review of consultants' progress toward meeting the disadvantaged business enterprise goals in the consultant performance evaluations.	Partially implemented. The consultant evaluation was piloted during the first quarter of Fiscal Year 2007 but further refinements are necessary. The Department plans to have the recommendation implemented by January 1, 2007.
2003 Single Audit Rec. No. 26	Secure offsite data processing capabilities for use in the event a disaster occurs that renders current data processing functions partially or fully inoperable.	Not implemented. The Department originally planned to implement this by September 2004. During our Fiscal Year 2006 audit the Department reported that the implementation date has been moved to April 1, 2007.

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December 8, 2006

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

Members of the Legislative Audit Committee:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Colorado, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 opinions on the financial statements and not to provide an opinion 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 initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Recommendation Nos. 1-30, 54, 57-63, 65-68, and 81-82.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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 all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items Recommendation No. 28 to be material weaknesses.

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards.*

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December 8, 2006

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, 2006. The State of Colorado's major federal programs are identified in the Summary of Auditor's Results within the Report Summary section of this report. 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 States, Local Governments, and Non-Profit Organizations*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State 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.

As described in Recommendation Nos. 32, 54, 74-84, and 88 and in the accompanying schedule of findings and questioned costs, the State of Colorado did not comply with requirements regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to its Food Stamps Cluster (CFDA Nos. 10.551 and 10.561), Vocational Education Basic Grants to States (CFDA No. 84.048), Temporary Assistance for Needy Families (CFDA No. 93.558), State Children's Insurance Program (CFDA No. 93.767), Medicaid Cluster (CFDA Nos. 93.775, 93.777, and 93.778), and Homeland Security Grant (CFDA No.

97.067) programs. Compliance with such requirements is necessary, in our opinion, for the State of Colorado to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2006. 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. 31, 34-36, 38-48, 51-53, 55-60, 62-63, 65-69, 71, 73, 85-87, and 89.

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 have audited the financial statements of the governmental activities, the business-type activities, the aggregate remaining fund information of the State of Colorado as of and for the year ended June 30, 2006, and have issued our report thereon dated December 8, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Colorado's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB *Circular A-133* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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. 31-33, 37-50, 61, 64, 72-85, 87-88, and 90-91.

A material weakness is a reportable 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 caused by error or fraud 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, of the reportable conditions described above, we consider items Recommendation Nos. 32-33, 49-50, 72, and 74-84 to be material weaknesses.

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STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
A - UNCLUSTERED PROGRAMS					
**********					
OFFICE OF NATIONAL DRUG CONTROL POLICY					
OFFICE OF NATIONAL DRUG CONTROL POLICY					
DIRECT FROM:					
OFFICE OF NATIONAL DRUG CONTROL POLICY					
HIDTA Grants CBI		RAA	07.PRMP515/580	257,250	0
HIDTA Grants CSP		RAA	07.PRMP518	262,665	0
SUBTOTAL DIRECT FROM:				519,915	0
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY				519,915	0
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY				519,915	0
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
Market News		BAA	10.12-25-A-2114	21,392	0
Federal Seed		BAA	10.12-25-A-3324	2,000	0
National Organic Certification		BAA	10.12-25-A-4457	39,500	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.MY10100-93001	7,086	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.none	12,292	0
Inspection Grading and Standardization		BAA	10.162 / 10.12-25-A-3270	5,672	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4426	455,224	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4445	158,340	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4629	164,831	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4645	58,984	0
Market Protection and Promotion		BAA	10.163 / 10.none	93,645	1
SUBTOTAL DIRECT FROM:				1,018,966	1
SUBTOTAL AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE				1,018,966	1
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
Agricultural Research Basic and Applied Research		GGB	10.001	54,144	0
LIVESTOCK & MEAT MARKET INFORAMTIO		GGB	10.43-3AEK-4-80041	361,900	0
SUBTOTAL DIRECT FROM:				416,044	0
SUBTOTAL AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				416,044	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		PBA	10.025	292,824	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.03-9708-1372-CA	53,741	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.03-9708-1485-CA	51,149	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.03-9708-1486-CA	95,263	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.03-9708-1503-CA	17,865	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.04-8564-0013-CA	46,694	8,752
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.04-9708-1208-CA	70,573	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.04-9708-1313-CA	34,697	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.04-9708-1314-CA	24,243	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.04-9708-1340-CA	15,951	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.04-9708-1348-CA	6,906	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.05-8564-0013-CA	171,765	87,557
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.05-8564-0930-CA	45,000	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.05-9108-0942-CA	1,022,452	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.05-9708-1550-CA	110,623	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.05-9708-1569-CA	87,529	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.43-6395-5-0272	12,962	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.43-6395-6-0047	39,402	0
Wildlife Services		BAA	10.028 / 10.03-7308-5679-CA	34,415	0
Wildlife Services		BAA	10.028 / 10.05-7308-5679-CA	10,508	0
05 GYPSY MOTH -USDA-APHIS-ANIMAL P		GGB	10.05-8564-0636-CA	38,697	0
FY06 GYPSY MOTH -USDA-APHIS-ANIMAL		GGB	10.06-8564-0636-CA	9,870	0
SUBTOTAL DIRECT FROM:				2,293,129	96,309
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				2,293,129	96,309
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	5,807	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206	19,960	0
Food and Agricultural Sciences National Needs Graduate Fellowship Grants		GGB	10.210	23,845	0
Hispanic Serving Institutions Education Grants (B) -		GJH	10.223	48,500	0
Hispanic Serving Institutions Education Grants (B) -		GJM	10.223	79,208	0
Cooperative Extension Service		GGB	10.500	2,773,893	0
DAWN THILMANY RESEARCH, EDUCATION		GGB	10.600-100-5200-006	11,713	0
SUBTOTAL DIRECT FROM:				2,962,926	0
PASS-THROUGH PROGRAMS FROM:					
AMERICAN DISTANCE EDUC CONSORTIUM (ADEC)					
INTERACTIVE & EDUCATIONAL ONLINE M		GGB	10.PX 2003-06237	15,124	0
KANSAS STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.S03056.01 TASK 5	1,134	0
NATIONAL 4-H COUNCIL					
Cooperative Extension Service		GGB	10.500 / 10.2002-45201-01528	11,756	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
Integrated Programs		GGB	10.303 / 10.K009607-C02	(8,090)	0
UNIVERSITY OF IDAHO					
Cooperative Extension Service		GGB	10.500 / 10.EW04-014	2,672	0
UNIVERSITY OF WYOMING					
Cooperative Extension Service		GGB	10.500 / 10.UTSTUNV46453	7,708	0
Cooperative Extension Service		GGB	10.500 / 10.UTSTUNV46456CO	3,010	0
Cooperative Extension Service		GGB	10.500 / 10.UTSTUNV6130:6128STATE	4,871	0
UTAH STATE UNIVERSITY					
MANURE MANAGEMENT: AN ESSENTIAL C		GGB	10.051688007	14,113	0
WASHINGTON STATE UNIVERSITY					
Cooperative Extension Service		GGB	10.500 / 10.11838-G001643	21,615	0
Cooperative Extension Service		GGB	10.500 / 10.11838-G001815	38,574	0
Cooperative Extension Service		GGB	10.500 / 10.11838-G001816	56	0
Cooperative Extension Service		GGB	10.500 / 10.11838-G001817	39,961	0
Cooperative Extension Service		GGB	10.500 / 10.11838-G001818	3,792	0
Cooperative Extension Service		GGB	10.500 / 10.11838-G001856	7,995	0
Cooperative Extension Service		GGB	10.500 / 10.G001174OGRD11838	13,905	0
Agricultural Telecommunications Program		GGB	10.501 / 10.G001174 OGRD#11838 AM	17,588	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				195,784	0
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE				3,158,710	0
DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
DEPARTMENT OF AGRICULTURE					
CULTURAL RESOURCES PROGRAM MANAGER		GGB	10.02-CR-11221611-248	50,735	0
04CPG PREV/REST FRFT WP -USDA-USFS		GGB	10.04-DG-11020000-010	13,373	0
04 FOREST LEGACY - ADMIN -USDA-USF		GGB	10.04-DG-11020000-060	1,373	0
HISPANIC NATIONAL RESOURCE CAREER		GGB	10.05-JV-11221600-227	8,139	0
ISFAM INTERNATIONAL SEMINAR -USDA-		GGB	10.AG-3187-P-05-0192	124,488	0
LANDHELP WEBSITE SUPPORT -USDA-NRC		GGB	10.NRCS#68-7482-4-175Y	7,707	0
SUBTOTAL DIRECT FROM:				205,815	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				205,815	0
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
Food Distribution	*	IHA	10.550	244,070	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		FAA	10.557	2,983,047	62,737,363
Child and Adult Care Food Program (CACFP)		FAA	10.558	1,210,775	19,944,100
Child and Adult Care Food Program (CACFP)	*	IHA	10.558	71,663	0
State Administrative Expenses for Child Nutrition		DAA	10.560	699,322	0
State Administrative Expenses for Child Nutrition		IHA	10.560	93,465	0
Commodity Supplemental Food Program (CSFP)		IHA	10.565	577,691	668,272
Commodity Supplemental Food Program (CSFP)	*	IHA	10.565	4,136,616	0
Team Nutrition Grants		DAA	10.574	62,024	16,779
SUBTOTAL DIRECT FROM:				10,078,673	83,366,514
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				10,078,673	83,366,514
FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE					
Senior Farmers Market Nutrition Program		BAA	10.576 / 10.WISF-04-CO-1	13,380	0
SUBTOTAL DIRECT FROM:				13,380	0
SUBTOTAL FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE				13,380	0
FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
Meat, Poultry, and Egg Products Inspection		BAA	10.477 / 10.12-37-A-466	24,260	0
SUBTOTAL DIRECT FROM:				24,260	0
SUBTOTAL FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				24,260	0
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
FACULTY EXCHANGE PROGRAM II -USDA-		GGB	10.58-3148-3-040	78,339	0
Scientific Cooperation and Research		GGB	10.961	5,816	0
Cochran Fellowship Program-International Training - Foreign Participant		GGB	10.962	39,521	0
SUBTOTAL DIRECT FROM:				123,676	0
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE				123,676	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
Forest Fire Archaeology		GSA	10.00-CS-11021300-071	880	0
USFS INCIDENT SUPPORT -USDA-USFS-F		GGB	10.01F111020000-052/1422CAI	4,233,873	0
WINIGER RIDGE PROJECT -USDA-USFS-F		GGB	10.02-PA-11021001-009 MOD #	22,971	0
HISTORIC BUILDING PRESERVATION -US		GGB	10.03-CS-11020000-032	1,759	0
REGION 2 SPECIES ASSESSMENTS -USDA		GGB	10.03-CS-11020000-052	6,209	0
REGION 2 SPECIES ASSESSMENTS - FES		GGB	10.03-CS-11020000-052 MOD.	781	0
REGION 2 SPECIES ASSESSMENTS - MAL		GGB	10.03-CS-11020000-052 MOD.	5,210	0
REGION 2 SPECIES ASSESSMENTS - RAN		GGB	10.03-CS-11020000-052 MOD.	1,350	0
REGION 2 SPECIES ASSESSMENTS - SAL		GGB	10.03-CS-11020000-052 MOD.	4,460	0
REGION 2 SPECIES ASSESSMENTS - THA		GGB	10.03-CS-11020000-052 MOD.	1,636	0
REGION 2 SPECIES ASSESSMENTS: ASCL		GGB	10.03-CS-11020000-052 MOD.	1,109	0
REGION 2 SPECIES ASSESSMENTS: ASTR		GGB	10.03-CS-11020000-052 MOD.	2,225	0
REGION 2 SPECIES ASSESSMENTS: BOTR		GGB	10.03-CS-11020000-052 MOD.	2,931	0
REGION 2 SPECIES ASSESSMENTS: CALO		GGB	10.03-CS-11020000-052 MOD.	1,690	0
REGION 2 SPECIES ASSESSMENTS: EPIP		GGB	10.03-CS-11020000-052 MOD.	2,573	0
REGION 2 SPECIES ASSESSMENTS: ERIO		GGB	10.03-CS-11020000-052 MOD.	3,278	0
REGION 2 SPECIES ASSESSMENTS: KOBR		GGB	10.03-CS-11020000-052 MOD.	2,653	0
REGION 2 SPECIES ASSESSMENTS: LESQ		GGB	10.03-CS-11020000-052 MOD.	109	0
REGION 2 SPECIES ASSESSMENTS: PARN		GGB	10.03-CS-11020000-052 MOD.	426	0
REGION 2 SPECIES ASSESSMENTS: PENS		GGB	10.03-CS-11020000-052 MOD.	628	0
REGION 2 SPECIES ASSESSMENTS: POTE		GGB	10.03-CS-11020000-052 MOD.	1,394	0
REGION 2 SPECIES ASSESSMENTS: UTRI		GGB	10.03-CS-11020000-052 MOD.	3,410	0
Cooperative Agreement		GWA	10.03-CS-11020407-032	13,500	0
SJNF Fire Planning		GSA	10.03-CS-11021300-046	25,000	0
SJNF Land & Resource Mgmt Plan		GSA	10.03-CS-11021300-046	226,286	0
03 FOREST INVENTORY -USDA-USFS-ROC		GGB	10.03-CS-11222007-210	(176)	0
USFS Collaborative Research		GSA	10.03-DG-11020000-075	36,438	0

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
FCSFP-Future Capacity Bldg Ph I		GSA	10.03-JV-11221615-291	18,822	0
04 FOREST HEALTH MONIT -USDA-USFS-		GGB	10.04-DG-11020000-054 MOD 1	11,502	0
US-BASED TRAINING AND EDUCATIONAL		GGB	10.05-CR-11132762-185	5,500	0
INTEGRATED TRAINING AREA MANAGEMEN		GGB	10.05-CR-11221611-166 MOD #	500,752	0
FRONT RANGE FUELS TREATMENT PARTNE		GGB	10.05-CS-11221611-219	24,911	0
05 FOREST LEGACY ADMINISTRATION -U		GGB	10.05-DG-11020000-029 MOD 1	4,405	0
JFS - Wildlife Protection Plans		GSA	10.05-JV-11221617-096	22,821	0
Forest Service Roadless Area Cost Share		PAA	10.06CS11020001	91,765	0
Forest Service Cost Share Mine Closures		PKA	10.110201299045	43,106	0
Forest Service, Department of Agriculture		PIA	10.11020798035C	4,353	0
Forest Service, Department of Agriculture		PIA	10.11020798035D	12,102	0
Forest Service, Department of Agriculture		PIA	10.11020798035E	10,378	0
Forest Service, Department of Agriculture		PIA	10.11020798035F	1,651	0
Forest Service Cost Share Mine Closures		PKA	10.11021011026	30,106	0
Forest Service Cost Share Mine Closures		PKA	10.11021200086	48,030	0
Mosquito Creek & Turrent Areas Bat Surveys		PBA	10.4282BH30052	15,729	0
Rico Area - San Juan National Forest		PBA	10.4382CS00043	371	0
Georgetown Bat Project		PBA	10.4382FT40682	5,069	0
Forestry Research		GGB	10.652	27,205	0
Cooperative Forestry Assistance		GGB	10.664	5,988,296	435,467
Cooperative Forestry Assistance		BAA	10.664 / 10.04-dg-1102-0000-035	109,026	0
Rural Development, Forestry and Communities		GGB	10.672	173,704	0
Forest Land Enhancement Program		GGB	10.677	69,858	0
Forest Health Protection		BAA	10.680 / 10.05-DG-11020000-030	154,270	0
Forest Health Protection		BAA	10.680 / 10.06-DG-11020000-051	885	0
SUBTOTAL DIRECT FROM:				11,977,220	435,467
PASS-THROUGH PROGRAMS FROM:					
Mountain Studies Institute					
Web/Data/GIS Coordinator		GSA	10.03-DG-11021300-029	3,100	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,100	0
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				11,980,320	435,467
NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE					
National Sheep Industry Improvement Center		GGB	10.774	14,787	0
SUBTOTAL DIRECT FROM:				14,787	0
SUBTOTAL NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE				14,787	0
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
Soil and Water Conservation		PBA	10.902	230,000	0
Soil and Water Conservation		BAA	10.902 / 10.68-8-B05-4-31	648,475	0
Environmental Quality Incentives Program		BAA	10.912 / 10.AG-8B05-A-5-57	24,845	0
Environmental Quality Incentives Program		BAA	10.912 / 10.NRCS 66-3A75-5-197	31,232	0
SUBTOTAL DIRECT FROM:				934,552	0
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE				934,552	0
RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE					
Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers (Farmers)		GGB	10.456	56,855	0
Commodity Partnerships for Small Agricultural Risk Management Education Sessions		GGB	10.459	97,489	0
SUBTOTAL DIRECT FROM:				154,344	0
SUBTOTAL RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE				154,344	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				30,416,656	83,898,291

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 COMMERCE					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Research and Evaluation Program		GFE	11.312	11,219	0
Trade Adjustment Assistance		GFB	11.313	738,495	311,842
SUBTOTAL DIRECT FROM:				749,714	311,842
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				749,714	311,842
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
Measurement and Engineering Research and Standards		GFB	11.609	1,796,325	0
Measurement and Engineering Research and Standards		GFE	11.609	3,850	0
Measurement and Engineering Research and Standards		GKA	11.609 / 11.60NANB5D1006	44,692	0
STUDENT FINANCIAL AID		GLA	11.VARIOUS AWARDS	194,965	0
SUBTOTAL DIRECT FROM:				2,039,832	0
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE				2,039,832	0
SUBTOTAL DEPARTMENT OF COMMERCE				2,789,546	311,842
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	51,660	0
SUBTOTAL DIRECT FROM:				51,660	0
PASS-THROUGH PROGRAMS FROM:					
NACCRRA					
Air Force Quality Family Child Care		GJL	12.6060.2	110,714	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				110,714	0
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE				162,374	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	49,955	0
Military Medical Research & Development		GFE	12.420	45,660	0
Pueblo Chemical Demilitarization		FAA	12.Cooperative Agreement	541,141	27,098
SUBTOTAL DIRECT FROM:				636,756	27,098
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE				636,756	27,098
DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF DEFENSE					
Unclassified Grants and Contracts		DAA	12.000	0	443,000
TRACKED VEHICLE PROJECT SUPPORT FO		GGB	12.02345207	7,165	0
LIGHT ARMORED VEHICLE IMPACT STUDY		GGB	12.02434606	646	0
Lowry Privatization		FAA	12.Contract 05 FEA 00039	95,457	0
Lowry Privatization II Long Term Project		FAA	12.Contract 06 FEA 00020	79,151	0
Peterson AFB Joint		FAA	12.Cooperative Agreement	(666)	0
RANGE AND TRAINING LAND ASSESSMENT		GGB	12.DABJ25-03-G-4000 DO# 1T0	26,537	0
ENVIRONMENTAL COMPLIANCE SUPPORT		GGB	12.DAHC76-97-D-0014 DO# 002	7	0
611 CES/ALASKA CR SUPPORT, 2004DEW		GGB	12.DAMD17-02-2-0008	26,614	0
FT HOOD CULTURAL RESOURCES SUPPORT		GGB	12.DAMD17-02-2-0008 DO #10	61,220	0
CULTURAL RESOURCES MANAGEMENT ASSI		GGB	12.DAMD17-02-2-0008 DO 0006	112,701	0

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
FORT HOOD, TEXAS CR SUPPORT, LEGAC		GGB	12.DAMD17-02-2-0008 DO# 001	28,955	0
CULTURAL RESOURCES MANAGEMENT ASSI		GGB	12.DAMD17-02-2-0008 DO#0001	114,955	0
CONSTRUCTING A PROGRAMMATIC AGREEM		GGB	12.DAMD17-02-2-0008 DO#0003	(1)	0
CULTURAL RESOURCES MANAGEMENT PROG		GGB	12.DAMD17-02-2-0008 DO#0009	20,545	0
611 CES/ALASKA CR SUPPORT 2005 GAL		GGB	12.DAMD17-02-2-0008 DO#0012	8,947	0
KING SALMON AIRPORT, ALASKA INTEGR		GGB	12.DAMD17-02-2-0008 DO#0013	8,982	0
CULTURAL RESOURCES MANAGEMENT PROG		GGB	12.DAMD17-02-2-0008 DO#0015	245,078	0
CULTURAL RESOURCES TECHNICAL SUPPO		GGB	12.DAMD17-02-2-0008 DO#0017	28,274	0
ASSESSMENT OF LIVESTOCK GRAZING IM		GGB	12.DAMD17-02-2-0008 DO#11	47,854	0
NATURAL RESOURCES SUPPORT TO MEET		GGB	12.DAPC49-02-D-0002 DO 00	9,032	0
CULTURAL RESOURCES SUPPORT ALASKA-		GGB	12.DAPC49-02-D-0002 DO# 00	9	0
US ARMY GARRISON, ALASKA RESTORATI		GGB	12.DAPC49-02-D-0002 DO# 00	17,036	0
MISSION TRANSFORMATION EIS SUPPORT		GGB	12.DAPC49-02-D-0002 D.O.001	11,915	0
MISSION/TRANSFORMATION EIS SUPPORT		GGB	12.DAPC49-02-D-0002 D0004	25,215	0
MISSION/TRANSFORMATION EIS SUPPORT		GGB	12.DAPC49-02-D-0002 D0005	8	0
INTEGRATED TRAINING AREA MANAGEMEN		GGB	12.DAPC49-02-D-0002 DO 0002	753	0
ENVIRONMENTAL RESTORATION SUPPORT		GGB	12.DAPC49-02-D-0002 DO#0009	191	0
DOD FRONT RANGE ECO-REGIONAL PARTN		GGB	12.FA2517-05-P-6161 P00001	36,205	0
INSTALLATION MAP SPECIAL FOR CAMP		GGB	12.IGA#05-009	11,416	0
INTERGOVERNMENTAL PERSONNEL AGREEM		GGB	12.IPA CARRIE BARTA	100,798	0
INTERGOVERNMENTAL PERSONNEL ACT AS		GGB	12.IPA CHRIS GARNER	74,887	0
INTERGOVERNMENTAL PERSONNEL ACT AS		GGB	12.IPA ELLEN CLARK	104,841	0
INTERGOVERNMENTAL PERSONNEL AGREEM		GGB	12.IPA MARCUS GEIST	85,520	0
INTERGOVERNMENTAL PERSONNEL ACT AS		GGB	12.IPA STEVE REIDSMA	33,188	0
TECHNICAL FIELD SUPPORT FOR FOREST		GGB	12.MIPR3LCSU50073	382	0
CULTURAL RESOURCES SURVEY FOR FORT		GGB	12.MIPR3LCSU50076	1,973	0
TECHNICAL FIELD SUPPORT FOR FOREST		GGB	12.MIPR3LCSU50078	5,583	0
FORT DRUM CULTURAL RESOURCES SURVE		GGB	12.MIPR4CCSU50040	33,202	0
FLORA & FAUNA SURVEYS SUPPORT OF T		GGB	12.MIPR4CCSU50041	30,483	0
CULTURAL RESOURCES SURVEY FIELD SU		GGB	12.MIPR4DCSU50046 AMD#1	8,898	0
WETLAND MANAGEMENT FIELD SUPPORT A		GGB	12.MIPR4ECSU50057	6,079	0
NATURAL RESOURCE MANAGEMENT UNIT G		GGB	12.MIPR4ECSU50067	31,436	0
INVENTORY SPECIALIST FOR WETLANDS		GGB	12.MIPR4FCSU50071	5,179	0
WETLAND MANAGEMENT FIELD SUPPORT A		GGB	12.MIPR4FCSU50072	50,074	0
AQUATIC SURVEYS & SUPPORT OF THE F		GGB	12.MIPR4FCSU50073	13,724	0
ECOSYSTEM AND WILDLIFE HABITAT MAN		GGB	12.MIPR4MMCBCRT24	60,036	0
FISHERIES PROGRAM SUPPORT AT FORT		GGB	12.MIPR4MMCBCRT25	36,467	0
FISHERIES AND WILDLIFE HABITAT MAN		GGB	12.MIPR4MMCBCRT29	74,583	0
WETLAND MANAGEMENT FIELD SUPPORT A		GGB	12.MIPR5CCSU50016 / 5CCSU50	1,161	0
WETLAND MANAGEMENT PROGRAM SUPPORT		GGB	12.MIPR5CCSU50017	38,238	0
INTEGRATED CULTURAL RESOURCES MANA		GGB	12.MIPR5CCSU50018	19,358	0
CULTURAL RESOURCES FIELD SURVEY AT		GGB	12.MIPR5CCSU50019	36,084	0
CULTURAL RESOURCES SUPPORT AT FORT		GGB	12.MIPR5CCSU50020	67,836	0
FISH & WILDLIFE MANAGEMENT PROGRAM		GGB	12.MIPR5CCSU50023	44,871	0
FOREST MANAGEMENT PROGRAM SUPPORT		GGB	12.MIPR5DCSU50025	38,793	0
ENVIRONMENTAL MONTIORING AT FORT D		GGB	12.MIPR5ECSU50029	14,376	0
CULTURAL RESOURCES SURVEY LEGACY P		GGB	12.MIPR5JCSU50036	29,317	0
WETLAND MANAGEMENT FIELD SUPPORT A		GGB	12.MIPR5JCSU50038	1,828	0
WETLAND MANAGEMENT FIELD SUPPORT A		GGB	12.MIPR5JCSU50049	4,948	0
CULTURAL RESOURCES SURVEY FOREST F		GGB	12.MIPR5KCSU50041	41,015	0
PICATINNY ARSENAL REMOTE SENDING P		GGB	12.MIPR5KCSU50042	6,363	0
AQUATIC TECHNICAL FIELD SUPPORT FO		GGB	12.MIPR5KCSU50046	6,310	0
FOREST MANAGEMENT PROGRAM SUPPORT		GGB	12.MIPR5LCSU50047	36,776	0
FOREST MANAGEMENT PROGRAM TECHNICA		GGB	12.MIPR5LCSU50048	21,810	0
FISH AND WILDLIFE PROGRAM TECHNICA		GGB	12.MIPR5LCSU50051	1,775	0
NATIONAL ENVIRONMENTAL POLICY ACT		GGB	12.MIPR5MMCBCRS09	41,761	0
ECOSYSTEM AND WILDLIFE HABITAT MAN		GGB	12.MIPR5MMCBCRS10	4,478	0
FISHERIES PROGRAM SUPPORT AT FORT		GGB	12.MIPR5MMCBCRS11	22,378	0
EXOTIC PLANT SPECIES AND WILDLIFE		GGB	12.MIPR5MMCBCRS12	1,096	0
WILDLIFE HABITAT MANAGEMENT AND IN		GGB	12.MIPR5MMCBCRS13	13,907	0
WILDLIFE POPULATION AND ECOSYSTEM		GGB	12.MIPR5MMCBCRS14	62,654	0
THREATENED AND ENDANGERED SPECIES		GGB	12.MIPR5MMCBCRS15	24,988	0
GRASSLAND AND WOODLAND BIRD/VEGETA		GGB	12.MIPR5MMCBCRS16	8,801	0
FISHERIES PROGRAM SUPPORT AT FORT		GGB	12.MIPR5MMCBCRS17	3,780	0
LAND REHABILITATION AND MAINTENANC		GGB	12.MIPR5MMCBCRS18	12,161	0
ITAM TRAINING SUPPORT INFORMATION		GGB	12.MIPR6F OSP TB005	22,772	0
ENVIRONMENTAL EMERGENCY OPERATIONS		GGB	12.MIPRH35-A-FTCS-009	61,261	0
INTEGRATED TRAINING AREA MANAGEMEN		GGB	12.TASK ORDER #ITAM05	663,118	0
INTEGRATED TRAINING AREA MANAGMENT		GGB	12.TASK ORDER #ITAM05	1,498	0
OF-CON		GFE	12.UNKNOWN	101,446	0
CULTURAL RESOURCES PROGRAM SUPPORT		GGB	12.W81XWH-05-2-0023 --P0000	1,388	0
RARE AND SENSITIVE PLANT SURVEY AT		GGB	12.W91158-06-G-4001-1T01	30,996	0
SURVEY OF SELECTED INSECT TAXA (HE		GGB	12.W9124L-05-P-0242	19,229	0
SUBTOTAL DIRECT FROM:				3,290,105	443,000

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:					
BOOZ, ALLEN & HAMILTON, INC					
GEOSPATIAL INFORMATION AND SERVICES		GGB	12.84616DBS18	10,561	0
SPONSOR NAME NOT FOUND FOR YGDE00 **					
ARIZONA DEPARTMENT OF EMERGENCY AN		GGB	12.M5-0074 PO#06-0820-EV	3,434	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				13,995	0
SUBTOTAL DEPARTMENT OF DEFENSE				3,304,100	443,000
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	233,784	0
SUBTOTAL DIRECT FROM:				233,784	0
SUBTOTAL DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE				233,784	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	8,657,184	0
SUBTOTAL DIRECT FROM:				8,657,184	0
SUBTOTAL NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE				8,657,184	0
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
Mathematical Sciences Grants Program		GFE	12.901	3,467	0
Mathematical Sciences Grants Program		GGB	12.901	3,400	0
SUBTOTAL DIRECT FROM:				6,867	0
SUBTOTAL NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE				6,867	0
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	4,000	0
Basic & Applied Scientific Research		GGB	12.300	3,850	0
SUBTOTAL DIRECT FROM:				7,850	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY				7,850	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	1,579
State Memorandum of Agreement Program for the Reimbursement of Technical Services		FAA	12.113	1,088,352	0
State Memorandum of Agreement Program for the Reimbursement of Technical Services		FAA	12.113 / 12.MOU 3/14/97	275,787	2,500
ARMY CORPS OF ENGINEERS COST SHARE CH		PJA	12.DACW45033001	1,724,577	7,602
ARMY CORPS OF ENGINEERS COST SHARE CC		PJA	12.DACW45033002	868,970	0
SUBTOTAL DIRECT FROM:				3,957,686	11,681
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				3,957,686	11,681

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. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
DIRECT FROM:					
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
Basic Scientific Research		GGB	12.431	445,753	0
Basic Scientific Research		GYA	12.431 / 12.N/A	78,976	0
SUBTOTAL DIRECT FROM:				524,729	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				524,729	0
SUBTOTAL DEPARTMENT OF DEFENSE				17,491,330	481,779
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					
Home Technical Assistance Grant		NAA	14. COHM000102	2,292	0
Community Development Block Grants/State's Program		NAA	14.228	471,747	8,019,492
Emergency Shelter Grants Program		NAA	14.231	61,002	968,623
Supportive Housing Program		IHA	14.235	115,182	0
Shelter Plus Care		IHA	14.238	2,209,215	0
HOME Investment Partnerships Program		NAA	14.239	1,154,919	11,274,867
Housing Opportunities for Persons with AIDS		NAA	14.241	11,322	397,697
SUBTOTAL DIRECT FROM:				4,025,679	20,660,679
PASS-THROUGH PROGRAMS FROM:					
Co Coalition for the Homeless					
Supportive Housing Program		GJL	14.235	120,402	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				120,402	0
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				4,146,081	20,660,679
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		GSA	14.CH COLO 86D	16,964	0
Manufactured Housing Construction		NAA	14.DU100K900016684	21,310	0
SUBTOTAL DIRECT FROM:				206,714	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				206,714	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	348,453	0
SUBTOTAL DIRECT FROM:				348,453	0
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				348,453	0
OFFICE OF LEAD HAZARD CONTROL, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
Northeast Denver Housing Center					
Lead-Based Paint Hazard Control in Privately-Owned Housing		FAA	14.900	3,018	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,018	0
SUBTOTAL OFFICE OF LEAD HAZARD CONTROL, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				3,018	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 Outreach Partnership Center Program		GGB	14.511	35,973	0

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
Community Outreach Partnership Center Program		GYA	14.511 / 14.N/A	57,965	0
Hispanic-Serving Institutions Assisting Communities		GJH	14.514	323,779	0
Hispanic-Serving Institutions Assisting Communities		GYA	14.514 / 14.N/A	1,285	0
SUBTOTAL DIRECT FROM:				419,002	0
SUBTOTAL OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				419,002	0
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Section 8 Housing Choice Vouchers		IHA	14.871	16,883,578	0
Section 8 Housing Choice Vouchers		NAA	14.871	16,301,763	909,075
SUBTOTAL DIRECT FROM:				33,185,341	909,075
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				33,185,341	909,075
PUBLIC AND INDIAN HOUSING, OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
City & County Denver					
Demolition and Revitalization of Severely Distressed Public Housing		GTA	14.866	(13,123)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(13,123)	0
SUBTOTAL PUBLIC AND INDIAN HOUSING, OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				(13,123)	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				38,295,486	21,569,754
DEPARTMENT OF THE INTERIOR					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
BIA INCIDENT SUPPORT -DOI-BIA-BURE		GGB	15.AB01M000016/1422CAI01000	88,807	0
FIRE SUPPRESSION REIMBURSEMENT-STA		GGB	15.TO M4010004011	1,500	0
SUBTOTAL DIRECT FROM:				90,307	0
SUBTOTAL BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR				90,307	0
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
BLM Carochi Project		GGJ	15.1422	2,373	0
ONE STOP FIRE ASST BLM -DOI-BLM-BU		GGB	15.1422 CAA010010 TO 02	1,594	0
CO & COM FIRE PL BLM -DOI-BLM-BURE		GGB	15.1422 CAA010010 TO 12	6,101	0
UP COLO RVR MGM BLM -DOI-BLM-BUREA		GGB	15.1422 CAA010010 TO 7 & 2	79,806	0
Oversight & Review of Anvil Points Facility		FAA	15.1422 CAA040014	14,768	0
COLORADO RURAL FIRE DEPARTMENT ASS		GGB	15.1422 CAA040017 M03	383,092	0
Assistance Agreement		GWA	15.1422 CAA050004	21,940	0
BLM COST SHARE		PJA	15.1422CAA0010	13,179	0
USDI-BLM - Fire Edu & Collaboration		GSA	15.1422CAA010019 T06	9,718	0
BLM Map Survey		GTA	15.1422CAA040001	60,808	0
BO COUNTY FUELS RED -DOI-BLM-BUREA		GGB	15.1422CAA050015	21,850	0
USDI-BLM-4-Corners Region Tourism		GSA	15.1422P850-A8-0025	3,893	0
Student Training		GYA	15.15.DDG	7,644	0
Alamosa River Water Shed		PDA	15.1703CO-921	29,369	0
Cooperative Inspection Agreements with States & Tribes		PBA	15.222	83,835	0
Cooperative Inspection Agreements with States & Tribes		PKA	15.222	202,544	0
Cultural Resource Management		GCA	15.224	18,049	0
Master Cooperative Agreement		PBA	15.CAA010003	19,768	0
US Dept of Interior, Bureau of Land Mgmt		PHA	15.CAA990012	21,271	0
Archeological Inventory		GSA	15.J1470050627	93,733	0
Hydrology Study for Aztec Ruins		GSA	15.J7380050008	3,665	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Effects of Gas Well Compressor Noise		GSA	15.JSA041008	17,632	0
SUSTAINABLE RANGELANDS ROUNDTABLE		GGB	15.PAP057003	57,625	0
Sale of Public Land		WBA	15.UNKNOWN	0	31,281
Taylor Grazing		WBA	15.UNKNOWN	0	133,113
SUBTOTAL DIRECT FROM:				1,174,257	164,394
PASS-THROUGH PROGRAMS FROM:					
N. Arizona Univ					
USDI-BLM-San Juan Restoration Experiment		GSA	15.ER135EJ	28,712	0
Nat Fish & Wildlife Foundation					
Gunnison Sage Grouse Habitat Restoration in Colorado		PBA	15.02-0198	11,332	0
Bat Evaluation in Abandoned Mines - IV		PBA	15.05-0167-000	9,334	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				49,378	0
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				1,223,635	164,394
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
Coop Agreement		GCA	15.00-FC-40-3880	8,974	0
CATALOGING & STORAGE OF ARCHAEOLOG		GGB	15.03FC601857 MOD 002	6,276	0
Assist in Recovery of Endangered Fish in the Upper Colorado River Basin		PBA	15.03FG402050	31,800	0
Russel Lakes O&M		PBA	15.04FC402203	136,697	0
RIDGEWAY SEWER REPLACE AND IMPROVE		PJA	15.04LA400190	172,500	0
MAINT OF 4 WESTERN COLO RESERVOIRS		PJA	15.05FC402274	358,081	0
NAVAJO WATER SYSTEM COOP AGREEMENT		PJA	15.05FC601983	74,824	0
SOCIAL FACTORS AFFECTING THE TRANS		GGB	15.05FC811113	105,239	0
CLOSE BASIN PROJECT		PEA	15.05PG400107	22,450	0
IRRIGATION AUDIT PROJECT FOR THE G		GGB	15.06-FG-40-2476	1,023	0
WILLIAMS FORK OPERATIONS AND MAINT- BOR		PEA	15.06FC402455	237	0
Escalante St. Wildlife Recreation Area		PBA	15.0FCCUCO010	1,258	0
Arkansas River Research Study		PBA	15.3FC6003400	92,430	0
WESTERN SLOPE REHABILITATION		PJA	15.4-FC-40-16180	80,245	0
Water Desalination Research and Development Program		BAA	15.506 / 15.04-FC-40-2156	1,484,669	0
BONNY RESERVOIR DESIGN & DEVELOP		PJA	15.6FC6008120	27,000	0
MOA WESTERN COLO RESERVOIRS		PJA	15.7FC4019610	60,539	0
Take Pride in America		GCA	15.98FG810024	2,000	0
Lone Dome Wetlands Area Cooperative Agreement		PBA	15.99-FC-40-1110	29,851	0
SUBTOTAL DIRECT FROM:				2,696,093	0
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				2,696,093	0
DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
DEPARTMENT OF THE INTERIOR					
Unclassified Grants and Contracts		TAA	15.000	686,722	0
BLM INCIDENT SUPPORT -DOI-BLM-BURE		GGB	15.1422CAA010010	686,383	0
SUBTOTAL DIRECT FROM:				1,373,105	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				1,373,105	0
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
Assistance to State Water Resources Research Institutes		GGB	15.805	6,674	0
U.S. Geological Survey: Research & Data Acquisition		GFE	15.808	31,246	0
U.S. Geological Survey: Research & Data Acquisition		GGB	15.808	19,300	0
U.S. Geological Survey: Research & Data Acquisition		PIA	15.808	64,467	0
U.S. Geological Survey: Research & Data Acquisition		GGB	15.808 / 15.06HQAG0001	38,451	0
SUBTOTAL DIRECT FROM:				160,138	0
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				160,138	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
Royalties Mgmt		WBA	15.UNKNOWN	126,984,165	15,601,447
SUBTOTAL DIRECT FROM:				126,984,165	15,601,447
SUBTOTAL MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR				126,984,165	15,601,447
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
NPS INCIDENT SUPPORT -DOI-NPS-NATI		GGB	15.1422CAI010005/H124901001	4,507	0
Coop Agreement		GCA	15.1443-CA-1200-98-005	10,000	0
Historic Preservation Fund Grants-In-Aid		GCA	15.904	658,205	0
Historic Preservation Fund Grants-In-Aid		GFE	15.904	(286)	0
National Historic Landmark		GFE	15.912	11,964	0
Outdoor Recreation: Acquisition, Development and Planning		PJA	15.916	299,128	900,987
Native American Graves Protection and Repatriation Act		GCA	15.922	50,584	0
National Center for Preservation Technology and Training (B) -		GFE	15.923	11,723	0
Save America's Treasures		GFE	15.929	7,194	0
Evaluation and Re-eval Phase IITesting		GSA	15.CA-6000A9003, Mod 007	8,640	0
GeoPhys Prosp & Eval Testing		GSA	15.CA-6000A9003, Mod 009	6,090	0
MUSEUM EXHIBIT PRODUCTION -DOI-NPS		GGB	15.H1200040001 J1242067004	7,472	0
NPS FAIRSHARE DIAP05 -DOI-NPS-NATI		GGB	15.H1249010010 J1249050012	8,500	0
STATUS AND TRENDS OF IMPAIRED, THR		GGB	15.H2380040001 TO J2380050	2,228	0
WUI ED COOR. NPS -DOI-NPS-NATIONAL		GGB	15.J1526040268 H1200040001	17,620	0
USDI-NPS-4-Corners Region Tourism		GSA	15.No number assigned	4,597	0
WUI ED COORD. NPS -DOI-NPS-NATIONA		GGB	15.Y-1248-03-002	8,546	0
SUBTOTAL DIRECT FROM:				1,116,712	900,987
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				1,116,712	900,987
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		PKA	15.250	1,953,529	0
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		PAA	15.250 / 15.GR503083	15,140	0
Abandoned Mine Land Reclamation (AMLR) Program		GFB	15.252	20,319	0
Abandoned Mine Land Reclamation (AMLR) Program		PIA	15.252	17,210	0
Abandoned Mine Land Reclamation (AMLR) Program		PKA	15.252	2,486,185	0
Abandoned Mine Land Reclamation (AMLR) Program		PAA	15.252 / 15.GR507080	556	0
SUBTOTAL DIRECT FROM:				4,492,939	0
SUBTOTAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR				4,492,939	0
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
FWS INCIDENT SUPPORT -DOI-USFWS-FI		GGB	15.14486013901K001/1422CAI0	17,842	0
Effects of Grazing on Nesting Birds		GSA	15.2004-0173-000	3,584	0
Landowner Recognition Program		PBA	15.60181041193	8,188	0
Fish & Wildlife Management Assistance		GGB	15.608	29,831	0
Cooperative Endangered Species Conservation Fund		PBA	15.615	275,493	335,619
Cooperative Endangered Species Conservation Fund		PJA	15.615	28,845	0
Wildlife Conservation & Appreciation		PBA	15.617	23,820	0
North American Wetlands Conservation Fund		FAA	15.623 / 15.1422 CAA000005	(40)	(2,361)
State Wildlife Grants		PBA	15.634	509,213	60,567
Swanstrom Easement-LIP		PBA	15.I-4-L-1	(189)	0
Lypps/Green Mountain Conservation Easement - LIP		PBA	15.I-6-L-1	431,025	0
SUBTOTAL DIRECT FROM:				1,327,612	393,825
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				1,327,612	393,825

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
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					
National Cooperative Geologic Mapping Program		GSA	15.810	983	0
National Cooperative Geologic Mapping Program		PIA	15.810	178,536	0
Cooperative Research Units Program		GFE	15.812	4,654	0
Southwest Regional GAP Analysis Project-Phase 1 & 2		PBA	15.99HQAG0181	129,631	0
SUBTOTAL DIRECT FROM:				313,804	0
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR				313,804	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				139,778,510	17,060,653
DEPARTMENT OF JUSTICE					
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS					
DIRECT FROM:					
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS					
Edward Byrne Memorial Justice Assistance Grant Program		RAA	16.738	103,442	2,313,260
SUBTOTAL DIRECT FROM:				103,442	2,313,260
SUBTOTAL BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS				103,442	2,313,260
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program		RAA	16.607	6,058	0
Community Prosecution and Project Safe Neighborhoods		RAA	16.609	80,872	601,161
SUBTOTAL DIRECT FROM:				86,930	601,161
SUBTOTAL BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				86,930	601,161
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	49,761	0
National Criminal History Improvement Program (NCHIP)		RAA	16.554	79,383	539,902
SUBTOTAL DIRECT FROM:				129,144	539,902
SUBTOTAL BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE				129,144	539,902
CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Prisoner Reentry Initiative Demonstration (offender Reentry)		CAA	16.202 / 16.2002RECX0018	862,638	0
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)		RAA	16.203	77,207	0
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)		CAA	16.203 / 16.2004-WP-BX-0011	53,206	0
Residential Substance Abuse Treatment for State Prisoners		GFE	16.593	180,167	0
Residential Substance Abuse Treatment for State Prisoners		RAA	16.593	10,626	372,186
SUBTOTAL DIRECT FROM:				1,183,844	372,186
SUBTOTAL CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				1,183,844	372,186
DEPARTMENT OF JUSTICE					
DIRECT FROM:					
DEPARTMENT OF JUSTICE					
Unclassified Grants and Contracts		CAA	16.000 / 16.C0022135C	2,958	0
State and Local Anti-Terrorism Training		RAA	16.614	48,597	0
FY 2005 BJA congressionally Mandated Awards		AMA	16.Proj # 2005-DD-BX-1239	295,933	0
SUBTOTAL DIRECT FROM:				347,488	0
SUBTOTAL DEPARTMENT OF JUSTICE				347,488	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
JTTF Overtime		RAA	16.66FHQ1215549-A	11,544	0
05 Metro Gang		RAA	16.Safe Streets	7,948	0
SUBTOTAL DIRECT FROM:				19,492	0
SUBTOTAL FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE				19,492	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		GFE	16.560	156,707	0
National Institute of Justice Research, Evaluation, and Development Projects Grants		RAA	16.560	543,145	80,430
SUBTOTAL DIRECT FROM:				699,852	80,430
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE				699,852	80,430
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		RAA	16.710	627,558	69,370
Troops to COPS		GFB	16.711	70,063	0
SUBTOTAL DIRECT FROM:				697,621	69,370
SUBTOTAL OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE				697,621	69,370
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE					
Edward Byrne Memorial Formula Grant Program		RAA	16.579	655,789	1,465,081
Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program		RAA	16.580	69,167	0
Local Law Enforcement Block Grant Program		RAA	16.592	966	(10,556)
SUBTOTAL DIRECT FROM:				725,922	1,454,525
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE				725,922	1,454,525
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE					
Protecting Inmates and Safeguarding Communities		CAA	16.735 / 16.2004-RP-BX-0022	183,811	0
SUBTOTAL DIRECT FROM:				183,811	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE				183,811	0
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Family Drug Court		JAA	16.2003-DC-BX-0026	162,575	0
National Governors Assoc		RAA	16.2003RGCX0085	28,664	0
Encourage Arrest		JAA	16.2004-WE-AX-0003	120,565	0
Probation Management Information System		JAA	16.2005-DC-BX-0004	2,344	0
Grants to Reduce Violent Crimes Against Women on Campus		GFB	16.525	94,681	0
Crime Victim Compensation		RAA	16.576	117,656	2,891,058
Violent Offender Incarceration & Truth in Sentencing Incentive Grants		RAA	16.586	70,033	5,378,963
Violence Against Women Formula Grants		RAA	16.588	133,369	1,712,220
SUBTOTAL DIRECT FROM:				729,887	9,982,241

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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:					
TESSA					
Domestic Violence		JAA	16.2004-WR-AX-K001	35,213	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				35,213	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				765,100	9,982,241
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					
Services For Trafficking Victims		RAA	16.320	13,220	0
Crime Victim Assistance		RAA	16.575	361,960	5,226,210
SUBTOTAL DIRECT FROM:				375,180	5,226,210
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE				375,180	5,226,210
OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE					
Enhanced Training and Services to End Violence and Abuse of Women Later in Life		LAA	16.528 / 16.2002-EW-BX-0009	434	0
SUBTOTAL DIRECT FROM:				434	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE				434	0
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
Nat'l Institute of Justice		GGJ	16.2003DDBXK013	521,402	0
Strengthening Abuse and Neglect Courts in America		JAA	16.2004-JS-FX-K001	123,473	0
Juvenile Accountability Incentive Block Grants		RAA	16.523	65,021	1,239,207
Juvenile Justice & Delinquency Prevention: Allocation to States		RAA	16.540	276,995	708,115
Title V: Delinquency Prevention Program		RAA	16.548	11,617	127,948
Part E: State Challenge Activities		RAA	16.549	13,625	38,561
Enforcing Underage Drinking Laws Program		HAA	16.727	313,826	0
Enforcing Underage Drinking Laws Program		TAA	16.727	43,773	0
Drug Prevention Program		SJS	16.728	1,918	0
SUBTOTAL DIRECT FROM:				1,371,650	2,113,831
PASS-THROUGH PROGRAMS FROM:					
Colorado Nonprofit Development Ctr					
Juvenile Justice Drug Prevention		JAA	16.2000-JN-FX-K004	2,513	0
SPONSOR NAME NOT FOUND FOR YCPA07 **					
Part E -Developing, Testing and Demonstrating Promising New Programs		GGB	16.541 / 16.04156505	27,178	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				29,691	0
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE				1,401,341	2,113,831
SUBTOTAL DEPARTMENT OF JUSTICE				6,719,601	22,753,116
DEPARTMENT OF LABOR					
BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR					
DIRECT FROM:					
BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR					
Labor Force Statistics		KAA	17.002	1,553,164	0
SUBTOTAL DIRECT FROM:				1,553,164	0
SUBTOTAL BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR				1,553,164	0
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
Unemployment Insurance		KAA	17.225	323,688,370	70,127

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Senior Community Service Employment Program		IHA	17.235	41,683	847,733
Trade Adjustment Assistance		KAA	17.245	2,006,264	0
Workforce Investment Act		GJD	17.255	506,944	0
One-Stop Career Center Initiative		GJK	17.257 / 17.ES-13972-04-60	408,658	0
WIA Pilots, Demonstrations, and Research Projects		KAA	17.261	46,710	450,995
Work Incentive Grants		KAA	17.266	145,937	0
Work Incentive Grants		NAA	17.266	633,494	623,583
Incentive Grants-WIA Section 503		KAA	17.267	161,020	672,024
Permanent Labor Certification for Foreign Workers		KAA	17.272	267,027	0
Reed Act Administration		KAA	17.999	30,196	0
UI FECA (Note B)		KAA	17.Unknown	11,735,697	0
SUBTOTAL DIRECT FROM:				339,672,000	2,664,462
PASS-THROUGH PROGRAMS FROM:					
State of Wisconsin /Department of Workforce Development					
Disability Program Navigator - KATRINA		NAA	17.UNKNOWN	36,882	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				36,882	0
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				339,708,882	2,664,462
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	144,796	0
Mine Health & Safety Counseling & Technical Assistance		PKA	17.601	16,430	0
SUBTOTAL DIRECT FROM:				161,226	0
SUBTOTAL MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				161,226	0
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
Occupational Safety and Health		FAA	17.500 / 17.W9J38108	30,069	0
Consultation Agreements		GGB	17.504	687,520	0
SUBTOTAL DIRECT FROM:				717,589	0
SUBTOTAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				717,589	0
OFFICE OF DISABILITY EMPLOYMENT POLICY, DEPARTMENT OF LABOR					
DIRECT FROM:					
OFFICE OF DISABILITY EMPLOYMENT POLICY, DEPARTMENT OF LABOR					
Youth Transition Grant		NAA	17.E-9-4-3-0126	258,825	172,476
SUBTOTAL DIRECT FROM:				258,825	172,476
SUBTOTAL OFFICE OF DISABILITY EMPLOYMENT POLICY, DEPARTMENT OF LABOR				258,825	172,476
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					
Veterans' Employment Program		GFE	17.802	1,809,274	55,038
Homeless Veterans Reintegration Project		KAA	17.805	120,308	50,669
SUBTOTAL DIRECT FROM:				1,929,582	105,707
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				1,929,582	105,707
SUBTOTAL DEPARTMENT OF LABOR				344,329,268	2,942,645

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
DEPARTMENT OF STATE					
DEPARTMENT OF STATE					
DEPARTMENT OF STATE					
NEPAL/US COLLABORATION ON HYDROGEN		GGB	19.87423974	2,923	0
SUBTOTAL DIRECT FROM:				2,923	0
COUNCIL/INTERNAT. EXCHANGE OF SCHOLARS					
FULBRIGHT POLICE PROJECT -COUNCIL/		GGB	19.87426046	10,788	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				10,788	0
SUBTOTAL DEPARTMENT OF STATE				13,711	0
SUBTOTAL DEPARTMENT OF STATE				13,711	0
DEPARTMENT OF TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
Unclassified Grants and Contracts		TAA	20.000	406,741	0
TRIBAL TECHNICAL ASSISTANCE PROGRA		GGB	20.DTFH61-04-H-00006 AMEND	289,339	0
SUBTOTAL DIRECT FROM:				696,080	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				696,080	0
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Airport Improvement Program		HAA	20.106	268,651	0
SUBTOTAL DIRECT FROM:				268,651	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				268,651	0
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
National Motor Carrier Safety		RAA	20.218	2,086,720	873,392
Recreational Trails Program		PJA	20.219	460,568	580,964
SUBTOTAL DIRECT FROM:				2,547,288	1,454,356
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				2,547,288	1,454,356
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Federal Transit: Metropolitan Planning Grants		HAA	20.505	0	4,404,610
Formula Grants for Other Than Urbanized Areas		HAA	20.509	374,122	2,961,828
Capital Assistance Program for Elderly Persons & Persons with Disabilities		HAA	20.513	50,382	1,079,793
SUBTOTAL DIRECT FROM:				424,504	8,446,231
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				424,504	8,446,231

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Pipeline Safety		SGA	20.700	518,709	0
Interagency Hazardous Materials Public Sector Training and Planning Grants		NAA	20.703	177,699	37,551
SUBTOTAL DIRECT FROM:				696,408	37,551
SUBTOTAL RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				696,408	37,551
SUBTOTAL DEPARTMENT OF TRANSPORTATION				4,632,931	9,938,138
DEPARTMENT OF TREASURY					
DEPARTMENT OF TREASURY					
DIRECT FROM:					
DEPARTMENT OF TREASURY					
Jobs and Growth Tax Relief Reconciliation Act of 2002		EAA	21.999	1,544,042	0
Treasury Equitable Sharing Program		TAA	21.Court Awards	3,726	0
SUBTOTAL DIRECT FROM:				1,547,768	0
SUBTOTAL DEPARTMENT OF TREASURY				1,547,768	0
SUBTOTAL DEPARTMENT OF TREASURY				1,547,768	0
OFFICE OF PERSONNEL MANAGEMENT					
OFFICE OF PERSONNEL MANAGEMENT					
DIRECT FROM:					
OFFICE OF PERSONNEL MANAGEMENT					
Intergovernmental Personnel Act (IPA) Mobility Program		GFC	27.011	34,841	0
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011	75,484	0
SUBTOTAL DIRECT FROM:				110,325	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				110,325	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				110,325	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	168,317	0
SUBTOTAL DIRECT FROM:				168,317	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				168,317	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				168,317	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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		GFE	39.001	21,115	0
Election Reform Payments		VAA	39.011	299,519	0
SUBTOTAL DIRECT FROM:				320,634	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				320,634	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				320,634	0
LIBRARY OF CONGRESS					
LIBRARY OF CONGRESS					
PASS-THROUGH PROGRAMS FROM:					
Ed Research Consortium					
Adventures or the American Mind		GTA	42.00G-LIB-ND001	529,229	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				529,229	0
SUBTOTAL LIBRARY OF CONGRESS				529,229	0
SUBTOTAL LIBRARY OF CONGRESS				529,229	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	533,363	35,726
Aerospace Education Services Program		GFC	43.001	102,345	0
Technology Transfer		GFB	43.002	387,364	121,256
Technology Transfer		GJD	43.002	14,401	0
NASA		PIA	43.NAG13-02026	216,199	0
MICRORAD '06, MICROWAVE RADIOMETRY		GGB	43.NAG5-13712	5,000	0
ENVIRONMENTAL & LAND-USE CONTROLS		GGB	43.NGT5-30438	(122)	0
LABORATORY INVESTIGATIONS OF THE L		GGB	43.NGT5-50486 SUPP. 2	22,706	0
QUANTIFYING SCALE RELATIONSHIPS IN		GGB	43.NNG04GQ40H SUPP. 1	23,809	0
CHARACTERIZING KEY RESOURCE AREAS		GGB	43.NNG04GQ88H SUPP. 2	28,625	0
FINGERPRINTING NATIVE AND NON-NATI		GGB	43.NNG04GR36G SUPP. 1	280,311	0
INTEGRATION OF GLAS AND AIRBORNE L		GGB	43.NNG05GQ05H	17,954	0
SUBTOTAL DIRECT FROM:				1,631,955	156,982
PASS-THROUGH PROGRAMS FROM:					
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Technology Transfer		GFE	43.002 / 43.1267973	51,406	0
JET PROPULSION LABORATORY					
Technology Transfer		GFB	43.002 / 43.1253767	2,658	0
SPONSOR NAME NOT FOUND FOR YUHA03 **					
AIM SATELLITE MISSION EDUCATOR WOR		GGB	43.04-16	16,042	0
NASA SATELLITES STUDY EARTH'S ATMO		GGB	43.200402 MOD NO. 03	4,317	0
UNIVERSITY OF ALABAMA					
EIGHT (8) CM ION THRUSTER SYSTEM -		GGB	43.SUB2004-035-A4	(1,218)	0
Universities Space Research Association					
NASA-Global Change: A New Upper Div Undergrad Majors Course		GKA	43.USRA NAG5-12434(ESSE 21)	2,151	5,000
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				75,356	5,000
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				1,707,311	161,982
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				1,707,311	161,982

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
DIRECT FROM:					
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
Grants to States		DAA	45.310	2,329,576	316,438
SUBTOTAL DIRECT FROM:				2,329,576	316,438
PASS-THROUGH PROGRAMS FROM:					
Colorado Seminary					
National Leadership Grants		GSA	45.312 / 45.LG-30-04-0214-04	1,350	0
JOHNS HOPKINS UNIVERSITY					
Laura Bush 21st Century Librarian Program		GFE	45.313 / 45.8512-50826-1	7,844	0
SPONSOR NAME NOT FOUND FOR YMGR02 **					
WESTERN WATERS DIGITAL LIBRARY -GR		GGB	45.LG-03-0113-03	2,162	0
UNIVERSITY OF DENVER					
National Leadership Grants		GGB	45.312 / 45.SC36059-03-00 PO 0524	495	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				11,851	0
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				2,341,427	316,438
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		GFC	45.024	12,000	0
Promotion of the Arts: Partnership Agreements		GBA	45.025	596,700	0
We the People		GCA	45.GM-50264-04	104,011	0
SUBTOTAL DIRECT FROM:				712,711	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				712,711	0
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: Fellowships and Stipends		GFB	45.160	(8,495)	0
Sharing Culture		GSA	45.LG-30-02-0284	25,878	0
SUBTOTAL DIRECT FROM:				17,383	0
PASS-THROUGH PROGRAMS FROM:					
COLORADO ENDOWMENT FOR THE HUMANITIES					
Promotion of the Humanities: Federal/State Partnership		GFB	45.129 / 45.P101-0604-054S	(430)	0
Promotion of the Humanities: Federal/State Partnership		GFB	45.129 / 45.P110-0405-156S	7,365	0
UNIVERSITY OF DENVER					
Promotion of the Humanities: Division of Preservation and Access		GFB	45.149 / 45.36061-08-01/050114	6,818	0
Promotion of the Humanities: Division of Preservation and Access		GGB	45.149 / 45.SC 36061-04-00 PO 050	1,141	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				14,894	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				32,277	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				3,086,415	316,438
NATIONAL SCIENCE FOUNDATION					
NATIONAL SCIENCE FOUNDATION					
DIRECT FROM:					
NATIONAL SCIENCE FOUNDATION					
Engineering Grants		GFB	47.041	111,061	0
Engineering Grants		GFC	47.041	32,717	0
Engineering Grants		GGB	47.041	11,713	0
Engineering Grants		GGJ	47.041 / 47.0407289	12,419	0
Mathematical and Physical Sciences		GFB	47.049	315,617	0
Mathematical and Physical Sciences		GGB	47.049	68,991	0
Mathematical and Physical Sciences		GSA	47.049 / 47.CHE-0520618	329,132	0
Geosciences		GFB	47.050	773	0
Geosciences		GGB	47.050	23,376	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Computer and Information Science and Engineering		GFB	47.070	109,338	0
Biological Sciences		GGB	47.074	96,814	0
Social, Behavioral, and Economic Sciences		GFB	47.075	447,994	0
Education and Human Resources		GFB	47.076	3,073,980	0
Education and Human Resources		GFC	47.076	89,123	0
Education and Human Resources		GFE	47.076	1,698,279	463,856
Education and Human Resources		GGB	47.076	499,646	0
Education and Human Resources		GJC	47.076	1,104	0
Education and Human Resources		GJL	47.076	212,161	0
Education and Human Resources		GSA	47.076 / 47.DUE - 0422337	64,190	0
Education and Human Resources		GYA	47.076 / 47.N/A	57,641	0
Education and Human Resources		GKA	47.076 / 47.NSF	5,678	0
Education and Human Resources		GKA	47.076 / 47.NSF DGE-0086443	1,712	2,573
Education and Human Resources		GKA	47.076 / 47.NSF DGE-0440605	147,540	118,498
Polar Programs (B) -		GFB	47.078	140	0
Polar Programs (B) -		GGB	47.078	18,109	0
SUBTOTAL DIRECT FROM:				7,429,248	584,927
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Education and Human Resources		GFB	47.076 / 47.KMD5276-25-43/SUB06	26,768	0
CORNELL UNIVERSITY					
Mathematical and Physical Sciences		GGB	47.049 / 47.SPS# 48722-7992	43,048	0
Civilian Research & Development Foundation					
NSF ZB2-2455-TA-02 "Kininase & Peptides from the Venom Bl Widow Spid		GKA	47.NSF ZB2-2455-TA-02	3,660	0
Mathmatical Association of America					
Preparing Mathematicians to Educate Teachers		GSA	47.DUE - 0230847	998	0
Montana State University					
Education and Human Resources		GKA	47.076 / 47.NSF ESI-0119786	308,996	0
Portland State University					
NSF ESI-0101957 "Teachers in the Woods: Forest Sci Research "		GKA	47.NSF ESI-0101957	1,552	0
RENSSELAER POLYTECHNIC INSTITUTE					
Engineering Grants		GFE	47.041 / 47.A11318	49	0
SPONSOR NAME NOT FOUND FOR YUCA12 **					
Biological Sciences		GGB	47.074 / 47.S-00000139	2,599	0
SPONSOR NAME NOT FOUND FOR ZHNOOO **					
Education and Human Resources		GGB	47.076 / 47.PO# E029411 GKA 05-0	23,170	0
Southern University and A&M College					
Education and Human Resources		GKA	47.076 / 47.NSF DUE-0127583 (P412	2,627	0
TENNESSEE TECHNOLOGICAL UNIVERSITY					
Education and Human Resources		GFB	47.076 / 47.OCG4637B/C14961	3,717	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Mathematical and Physical Sciences		GFE	47.049 / 47.SO2-34426	28,278	0
UNIVERSITY OF OREGON					
Education and Human Resources		GFB	47.076 / 47.204991B	(4,148)	0
University Corp for Atmospheric Research					
Education and Human Resources		GKA	47.076 / 47.NSF E0333600 (S04-478	2,604	0
University of Arkansas					
CAMPET		GTA	47.DUE-0230847	3,460	0
University of California Davis					
Biological Sciences		GKA	47.074 / 47.NSF DEB-0120169	18,175	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				465,553	0
SUBTOTAL NATIONAL SCIENCE FOUNDATION				7,894,801	584,927
SUBTOTAL NATIONAL SCIENCE FOUNDATION				7,894,801	584,927
SMALL BUSINESS ADMINISTRATION					
SMALL BUSINESS ADMINISTRATION					
DIRECT FROM:					
SMALL BUSINESS ADMINISTRATION					
Small Business Development Center		EDA	59.037	239,864	938,884
Small Business Development Center		GJD	59.037	144,433	0
SUBTOTAL DIRECT FROM:				384,297	938,884
SUBTOTAL SMALL BUSINESS ADMINISTRATION				384,297	938,884
SUBTOTAL SMALL BUSINESS ADMINISTRATION				384,297	938,884

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						
VET		GJB	64.21.4206		540	0
Vet Affairs		GJJ	64.UNKNOWN		8,820	0
SUBTOTAL DIRECT FROM:					9,360	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS					9,360	0
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS						
DIRECT FROM:						
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS						
Vocational Training for Certain Veterans Receiving VA Pension		GJA	64.123		116,503	0
Veteran's Recording Fee		GGJ	64.UNKNOWN		1,174	0
SUBTOTAL DIRECT FROM:					117,677	0
SUBTOTAL VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					117,677	0
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS						
DIRECT FROM:						
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS						
Grants to States for Construction of State Home Facilities		IHA	64.005		1,426,956	0
Veterans Nursing Home Care		IHA	64.010		284,704	0
Veterans State Domiciliary Care		IHA	64.014		377,966	0
Veterans State Nursing Home Care		IHA	64.015		8,518,822	0
Sharing Specialized Medical Resources		GFE	64.018		2,744,305	0
SUBTOTAL DIRECT FROM:					13,352,753	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					13,352,753	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS					13,479,790	0
ENVIRONMENTAL PROTECTION AGENCY						
ENVIRONMENTAL PROTECTION AGENCY						
DIRECT FROM:						
ENVIRONMENTAL PROTECTION AGENCY						
Performance Partnership Grants (A,B) -		FAA	66.605		8,722,352	511,791
Surveys, Studies, Investigations and Special Purpose Grants (B) -		FAA	66.606		396,551	182,065
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GGB	66.606		1,161	979
SUBTOTAL DIRECT FROM:					9,120,064	694,835
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY					9,120,064	694,835
ENVRIONMENTAL PROTECTION AGENCY						
DIRECT FROM:						
ENVRIONMENTAL PROTECTION AGENCY						
Nederland Biofuel Pjt		EFA	66.X1-98894701	196	1,476	0
SUBTOTAL DIRECT FROM:					1,476	0
PASS-THROUGH PROGRAMS FROM:						
Peanut Mine, Inc						
Brownsfield Grants		PKA	66.PMI!A		178,654	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					178,654	0
SUBTOTAL ENVRIONMENTAL PROTECTION AGENCY					180,130	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air A		FAA	66.034	12,020	88,051
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air A		GGB	66.034	39,280	8,530
SUBTOTAL DIRECT FROM:				51,300	96,581
PASS-THROUGH PROGRAMS FROM:					
CITY AND COUNTY OF DENVER					
Air Pollution Control Program Support		GFE	66.001	87,825	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				87,825	0
SUBTOTAL OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY				139,125	96,581
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-008401-04	25,895	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-00840105-0	43,913	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-988460-04	248,943	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-988460-05	25,553	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E998430-06	54,251	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E99843005	7,565	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E99843005-0	39,966	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E99843005-1	45,100	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E99843006	44,160	0
Multi-Media Capacity Building Grants for States and Tribes		FAA	66.709	14,898	0
SUBTOTAL DIRECT FROM:				550,244	0
SUBTOTAL OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY				550,244	0
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Education Grants		GGB	66.951	9,947	0
SUBTOTAL DIRECT FROM:				9,947	0
SUBTOTAL OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY				9,947	0
OFFICE OF ENVIRONMENTAL INFORMATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL INFORMATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Information Exchange Network Grant Program and Related Assistance		FAA	66.608	153,804	39,810
SUBTOTAL DIRECT FROM:				153,804	39,810
SUBTOTAL OFFICE OF ENVIRONMENTAL INFORMATION, ENVIRONMENTAL PROTECTION AGENCY				153,804	39,810
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	279,220	0
Environmental Protection-Consolidated Research		PBA	66.500	54,512	0
Science to Achieve Results (STAR) Fellowship Program		GFB	66.514	32,943	0
Science to Achieve Results (STAR) Fellowship Program		GGB	66.514	12,482	0
SUBTOTAL DIRECT FROM:				379,157	0
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY				379,157	0
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	7,392,815	245,118
State and Tribal Underground Storage Tanks Program		KAA	66.804	126,074	0
Leaking Underground Storage Tank Trust Fund Program		KAA	66.805	1,012,428	0

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
Brownfield Pilots Cooperative Agreements (B) -		FAA	66.811	1,392,059	0
State and Tribal Response Program Grants		FAA	66.817	1,074	0
SUBTOTAL DIRECT FROM:				9,924,450	245,118
SUBTOTAL OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY				9,924,450	245,118
OFFICE OF THE ADMINISTRATOR, OFFICE OF POLICY ECONOMICS, AND INNOVATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF THE ADMINISTRATOR, OFFICE OF POLICY ECONOMICS, AND INNOVATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Policy and Innovation Grants		FAA	66.611	50,748	2,705
SUBTOTAL DIRECT FROM:				50,748	2,705
SUBTOTAL OFFICE OF THE ADMINISTRATOR, OFFICE OF POLICY ECONOMICS, AND INNOVATION, ENVIRONMENTAL PROTECTION AGENCY				50,748	2,705
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
State Underground Water Source Protection		PHA	66.433	98,700	0
Water Quality Management Planning		FAA	66.454	35,966	50,422
Nonpoint Source Implementation Grants		FAA	66.460	349,781	1,473,205
Regional Wetland Program Development Grants		PAA	66.461	0	395,141
Wastewater Operator Training Grant Program (Technical Assistance)		GJL	66.467	63,862	0
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs		FAA	66.471	30,352	21,147
Water Protection Grants to the States		FAA	66.474	81,855	0
SUBTOTAL DIRECT FROM:				660,516	1,939,915
PASS-THROUGH PROGRAMS FROM:					
CO Water Res & Power Dev.					
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458 / 66.CS080001-96-3	601,332	0
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458 / 66.FS99883298	448,836	0
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458 / 66.WQC-XH1-POW	190,851	0
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458 / 66.WQC-XQ1-POW	523,963	0
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458 / 66.WQC-XT1-POW	774,745	16,528
Colorado Water Resource Power Development Authority					
Capitalization Grants for Clean Water State Revolving Funds		NAA	66.458	33,073	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,572,800	16,528
SUBTOTAL OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY				3,233,316	1,956,443
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				23,740,985	3,035,492
NUCLEAR REGULATORY COMMISSION					
NUCLEAR REGULATORY COMMISSION					
DIRECT FROM:					
NUCLEAR REGULATORY COMMISSION					
Site Remediation of the George E. Davis (Gateway, CO) Mill Site		FAA	77.NRC-06-05-303	738,486	0
SUBTOTAL DIRECT FROM:				738,486	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION				738,486	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION				738,486	0
DEPARTMENT OF ENERGY					
DEPARTMENT OF ENERGY					
DIRECT FROM:					
DEPARTMENT OF ENERGY					
Petroleum Violation Escrow		EFA	81.Ct Order 180 Exxon	236,311	0
Petroleum Violation Escrow		EFA	81.Ct Order 182 Strpr Well	1,067,808	0
Petroleum Violation Escrow		EFA	81.Ct Order 223 Texaco	664,998	0
SUBTOTAL DIRECT FROM:				1,969,117	0

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:					
NM Institute of Mining					
Carbon Sequestration		PIA	81.508807	36,277	0
STANFORD UNIVERSITY					
MANUFACTURE OF HV CONNECTORS & CAB		GGB	81.SLAC-0000050339	15,735	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				52,012	0
SUBTOTAL DEPARTMENT OF ENERGY				2,021,129	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	880,830	0
SUBTOTAL DIRECT FROM:				880,830	0
SUBTOTAL OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY				880,830	0
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 / 81.R830101-06	549,944	0
Weatherization Assistance for Low-Income Persons		EFA	81.042 / 81.R830001-05	700,389	0
Weatherization Assistance for Low-Income Persons		EFA	81.042 / 81.R830001-06	4,901,828	0
Conservation Research & Development		GGB	81.086	209,559	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		EFA	81.117 / 81.R820109	4,149	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		EFA	81.117 / 81.R820120	10,000	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		EFA	81.117 / 81.R820121	11,068	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		EFA	81.117 / 81.R820122	7,000	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		EFA	81.117 / 81.R820123	3,000	0
State Energy Program Special Projects		EFA	81.119 / 81.R804101	37,547	0
State Energy Program Special Projects		EFA	81.119 / 81.R805001	30,930	0
State Energy Program Special Projects		EFA	81.119 / 81.R805401	14,754	0
State Energy Program Special Projects		EFA	81.119 / 81.R805501	29,407	0
State Energy Program Special Projects		EFA	81.119 / 81.R805601	30,000	0
State Energy Program Special Projects		EFA	81.119 / 81.R806201	75,683	0
State Energy Program Special Projects		EFA	81.119 / 81.R806301	12,740	0
State Energy Program Special Projects		EFA	81.119 / 81.R806401	10,000	0
State Energy Program Special Projects		EFA	81.119 / 81.R806501	29,206	0
State Energy Program Special Projects		EFA	81.119 / 81.R806601	52,402	0
State Energy Program Special Projects		EFA	81.119 / 81.R806701	41,924	0
State Energy Program Special Projects		EFA	81.119 / 81.R806801	4,518	0
State Energy Program Special Projects		EFA	81.119 / 81.R806901	5,982	0
State Energy Program Special Projects		EFA	81.119 / 81.R807001	7,500	0
State Energy Program Special Projects		EFA	81.119 / 81.R807101	10,000	0
State Energy Program Special Projects		EFA	81.119 / 81.R807201	9,156	0
State Energy Program Special Projects		EFA	81.119 / 81.R807301	9,640	0
State Energy Program Special Projects		EFA	81.119 / 81.R807401	52,818	0
SUBTOTAL DIRECT FROM:				6,861,144	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				6,861,144	0
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		GFE	81.087	522,777	32,981
SUBTOTAL DIRECT FROM:				522,777	32,981
PASS-THROUGH PROGRAMS FROM:					
NATIONAL RENEWABLE ENERGY LABORATORY					
Renewable Energy Research & Development		GFB	81.087 / 81.KXDJ-9-29638-25	2,220	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXDK-9-29638-22	(373)	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-08	(4,546)	0
SANDIA NATIONAL LABORATORIES					
Renewable Energy Research & Development		GFB	81.087 / 81.OCG4698B	20,000	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				17,301	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				540,078	32,981

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					
PASS-THROUGH PROGRAMS FROM:					
FERMI NATIONAL ACCELERATOR LABORATORY					
University-Laboratory Cooperative Program		GFE	81.004 / 81.PO 524631	1,861	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.KCQ-9-29638-15	33,310	0
SPONSOR NAME NOT FOUND FOR YCAP05 **					
Office of Science Financial Assistance Program		GGB	81.049 / 81.04160005	71,983	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				107,154	0
SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY				107,154	0
OFFICE OF ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
OAK RIDGE ASSOCIATED UNIVERSITIES					
Epidemiology and Other Health Studies Financial Assistance Program		GFE	81.108 / 81.06-12526 12-12526	85,866	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				85,866	0
SUBTOTAL OFFICE OF ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY				85,866	0
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
Office of Environmental Cleanup and Acceleration		FAA	81.104	25,500	0
SUBTOTAL DIRECT FROM:				25,500	0
PASS-THROUGH PROGRAMS FROM:					
Western Governors Assn.					
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed S		FAA	81.106 / 81.DE-FC04-90AL65416	125,653	33,868
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				125,653	33,868
SUBTOTAL OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY				151,153	33,868
OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY					
Fossil Energy Research & Development		GGJ	81.089	73,963	0
SUBTOTAL DIRECT FROM:				73,963	0
SUBTOTAL OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY				73,963	0
SUBTOTAL DEPARTMENT OF ENERGY				10,721,317	66,849
FEDERAL EMERGENCY MANAGEMENT AGENCY					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Federal Emergency Management CTP		PDA	83.EMD2002GR027	32,000	0
Federal Emergency Management CTP		PDA	83.EMD2003GR385	36,800	0
SUBTOTAL DIRECT FROM:				68,800	0
PASS-THROUGH PROGRAMS FROM:					
City of Montrose					
FEMA		PIA	83.FEMA-Montrose	3,451	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,451	0
SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				72,251	0
PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					

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:					
Pueblo County, CO					
Chemical Stockpile Emergency Preparedness Program		GGJ	83.UNKNOWN	50,346	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				50,346	0
SUBTOTAL PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY				50,346	0
SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				122,597	0
DEPARTMENT OF EDUCATION					
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
Twenty-First Century Community Learning Centers		DAA	84.287	237,399	9,470,019
SUBTOTAL DIRECT FROM:				237,399	9,470,019
SUBTOTAL ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION				237,399	9,470,019
DEPARTMENT OF EDUCATION					
DIRECT FROM:					
DEPARTMENT OF EDUCATION					
Unclassified Grants and Contracts		DAA	84.000	154,063	0
Hurricane Education Recovery		DAA	84.938	5,947	3,084,503
Hurricane Education Recovery		GFC	84.938	12,987	0
SUBTOTAL DIRECT FROM:				172,997	3,084,503
PASS-THROUGH PROGRAMS FROM:					
American Foundation for the Blind					
DOED - Web Based Distance Ed		GKA	84.Natl Literacy Ctr (NLC)	4,650	0
CA Foundation of Indep Living Centers (CFILC)					
Assitive Technology Research		GKA	84.H133A010702	37,721	0
John Carroll Univeristy					
Reading First Ohio		GTA	84.CSP#0A03034	(39)	0
NATIONAL WRITING PROJECT					
National Writing Project Model		GGB	84.928 / 84.03-C003	39,495	0
Nat'l Writing Project Corporation					
National Writing Project Model		GKA	84.928 / 84.Sub-contract #04-C004	52,740	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				134,567	0
SUBTOTAL DEPARTMENT OF EDUCATION				307,564	3,084,503
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					
Javits Gifted and Talented Students Education Grant Program		DAA	84.206	67,190	0
Fund for the Improvement of Education		DAC	84.215	83,743	0
Fund for the Improvement of Education		GKA	84.215	96,152	0
SUBTOTAL DIRECT FROM:				247,085	0
PASS-THROUGH PROGRAMS FROM:					
Dgo Sch Dist 9-R					
Fund for the Improvement of Education		GSA	84.215	25,715	0
Los Angeles County Office of Education					
Star Schools		DAA	84.203 / 84.026397:05:06	63,729	3,600
Pueblo West School District 70					
Fund for the Improvement of Education		GGJ	84.215	141,002	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				230,446	3,600
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				477,531	3,600

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Civil Rights Training and Advisory Services		GGB	84.004	537,616	0
Advanced Placement Program		DAA	84.330	277,580	14,848
SUBTOTAL DIRECT FROM:				815,196	14,848
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				815,196	14,848
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	56,879	0
Overseas_Group Projects Abroad		GTA	84.021	1,303	0
Higher Education: Institutional Aid		GFB	84.031	31,446	0
Higher Education: Institutional Aid		GGJ	84.031	109,786	0
Higher Education: Institutional Aid		GJD	84.031	215,654	0
Higher Education: Institutional Aid		GJH	84.031	344,117	0
Higher Education: Institutional Aid		GJK	84.031	727,347	0
Higher Education: Institutional Aid		GJM	84.031	195,213	0
Higher Education: Institutional Aid		GJR	84.031	328,877	0
Higher Education: Institutional Aid		GYA	84.031 / 84.N/A	353,259	0
Perkins Loan Cancellations		GFB	84.037	67,668	0
Perkins Loan Cancellations		GFC	84.037	49,112	0
Perkins Loan Cancellations		GFE	84.037	168,161	0
Perkins Loan Cancellations		GGB	84.037	42,359	0
Perkins Loan Cancellations		GGJ	84.037	46,769	0
Perkins Loan Cancellations		GJM	84.037	7,899	0
Perkins Loan Cancellations		GKA	84.037	124,647	0
Perkins Loan Cancellations		GSA	84.037	17,093	0
Perkins Loan Cancellations		GTA	84.037	126,511	0
Perkins Loan Cancellations		GZA	84.037	13,660	0
Leveraging Educational Assistance Partnership		GAA	84.069	1,003,773	0
Leveraging Educational Assistance Partnership		GFC	84.069	27,515	0
Leveraging Educational Assistance Partnership		GZA	84.069	36,450	0
Leveraging Educational Assistance Partnership		GLA	84.069 / 84.P063P021201	48,315	0
Fund for the Improvement of Postsecondary Education		GFB	84.116	144,868	16,814
Fund for the Improvement of Postsecondary Education		GFE	84.116	68,271	5,780
Fund for the Improvement of Postsecondary Education		GJE	84.116	17,025	0
Fund for the Improvement of Postsecondary Education		GSA	84.116 / 84.P116Z030130	249,243	0
Fund for the Improvement of Postsecondary Education		GSA	84.116 / 84.P116Z040221	33,619	0
Fund for the Improvement of Postsecondary Education		GSA	84.116 / 84.P116Z050092	32,643	0
College Housing and Academic Facilities Loans		GGB	84.142	(24,347)	0
College Housing and Academic Facilities Loans		GKA	84.142	50,536	0
Business and International Education Projects		GJA	84.153	16,100	0
Business and International Education Projects		GJJ	84.153	(185)	0
Javits Fellowships		GFB	84.170	38,517	0
Byrd Honors Scholarships		DAA	84.185	0	600,313
Byrd Honors Scholarships		GFC	84.185	6,750	0
Graduate Assistance in Areas of National Need		GFB	84.200	943,298	0
Centers for International Business Education		GFE	84.220	338,989	0
Demonstration Projects to Ensure Students With Disabilities Receive a Higher Education		GKA	84.333	196,977	16,834
Gaining Early Awareness and Readiness for Undergraduate Programs		GGJ	84.334	729,994	0
Gaining Early Awareness and Readiness for Undergraduate Programs		GJD	84.334	45,415	0
Gaining Early Awareness and Readiness for Undergraduate Programs		GJJ	84.334	7,317	0
Gaining Early Awareness and Readiness for Undergraduate Programs		GKA	84.334	2,782	0
Gaining Early Awareness and Readiness for Undergraduate Programs		EAA	84.334 / 84.P334A9900527-00	515,365	0
Gaining Early Awareness and Readiness for Undergraduate Programs		EAA	84.334 / 84.P334S050026	2,601,396	0
Child Care Access Means Parents in School		GFB	84.335	25,337	0
Child Care Access Means Parents in School		GFC	84.335	39,550	0
Child Care Access Means Parents in School		GGB	84.335	90,195	0
Child Care Access Means Parents in School		GJB	84.335	10,285	0
Child Care Access Means Parents in School		GJJ	84.335	8,254	0
Child Care Access Means Parents in School		GMA	84.335	42,486	0
Child Care Access Means Parents in School		GSA	84.335 / 84.P335A010015	19,867	0
Teacher Quality Enhancement Grants		DAA	84.336	410,388	1,568,811
Teacher Quality Enhancement Grants		GGJ	84.336	353,625	0
Teacher Quality Enhancement Grants		GTA	84.336	1,442,833	0
Teacher Quality Enhancement Grants		GWA	84.336 / 84.P336B040001	1,109,957	0
Learning Anytime Anywhere Partnerships		GFB	84.339	1,405,044	0
Learning Anytime Anywhere Partnerships		GGB	84.339	33,621	(8,589)
Preparing Tomorrow's Teachers to Use Technology		GFE	84.342	283,861	96,391
SUBTOTAL DIRECT FROM:				15,433,689	2,296,354

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:					
CCHE					
Leveraging Educational Assistance Partnership		GJT	84.069	2,874	0
Colorado Dept of Ed					
Teacher Quality Enhancement Grants		GGJ	84.336	343,364	0
Pueblo Community College					
Higher Education: Institutional Aid		GGJ	84.031 / 84.P0315050061	176,715	0
UNIVERSITY OF MIAMI					
Fund for the Improvement of Postsecondary Education		GFE	84.116 / 84.P116J010029	7,736	0
Wilbur Wright College					
Fund for the Improvement of Postsecondary Education		GJB	84.116	12,720	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				543,409	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				15,977,098	2,296,354
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	31,997,747	822,670
Rehabilitation Services: Service Projects		IHA	84.128	185,863	0
Rehabilitation Long-Term Training		GKA	84.129	461	0
Independent Living: State Grants		IHA	84.169	103,953	238,313
Supported Employment Services for Individuals with Severe Disabilities		IHA	84.187	356,348	0
Assistive Technology		GFE	84.224	394,680	31,117
Rehabilitation Training: Continuing Education		GKA	84.264	452,363	0
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training		IHA	84.265	23,752	0
SUBTOTAL DIRECT FROM:				33,515,167	1,092,100
PASS-THROUGH PROGRAMS FROM:					
THE UNIVERSITY OF KANSAS CENTER FOR RSCH, INC					
National Institute on Disability and Rehabilitation Research		GFA	84.133 / 84.KUCR	14,055	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				14,055	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				33,529,222	1,092,100
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	12,362,832	0
Vocational Education: Basic Grants to States		GJD	84.048	699,814	0
SUBTOTAL DIRECT FROM:				13,062,646	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION				13,062,646	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					
Bilingual Education		GJC	84.003	130,536	0
Bilingual Education: Professional Development		GFB	84.195	597,229	0
Bilingual Education: Professional Development		GFC	84.195	126,240	0
Bilingual Education: Professional Development		GFE	84.195	688,340	11,979
Bilingual Education: Professional Development		GJD	84.195	15,878	0
Bilingual Education: Professional Development		GJE	84.195	55,612	0
Bilingual Education: Professional Development		GKA	84.195	297,925	0
Bilingual Education: Professional Development		GYA	84.195 / 84.N/A	498,019	0
SUBTOTAL DIRECT FROM:				2,409,779	11,979
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Bilingual Education Support Services		GFB	84.194 / 84.T29R000009	17,377	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				17,377	0
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				2,427,156	11,979

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 EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
SEEDS		GJK	84.DE-FG34-00R01952	14,228	0
SUBTOTAL DIRECT FROM:				14,228	0
SUBTOTAL OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				14,228	0
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	1,542,636	108,639,992
Migrant Education: State Grant Program		DAA	84.011	956,694	6,813,420
Title I Program for Neglected and Delinquent Children		DAA	84.013	0	452,945
Migrant Education: High School Equivalency Program		GFB	84.141	1,378,600	27,793
Migrant Education: High School Equivalency Program		GJD	84.141	278,863	0
Migrant Education: College Assistance Migrant Program		GTA	84.149	132,702	0
Safe and Drug-Free Schools and Communities: National Programs		GSA	84.184 / 84.Q184H050105	90,588	0
Safe and Drug-Free Schools: State Grants		DAA	84.186	235,042	3,755,200
Safe and Drug-Free Schools: State Grants		EAA	84.186 / 84.Q186B050006	963,144	0
Education for Homeless Children and Youth		DAA	84.196	112,497	452,751
Even Start: State Educational Agencies		DAA	84.213	106,626	1,375,030
Even Start: Migrant Education		DAA	84.214	87,703	193,216
Charter Schools		DAA	84.282	328,597	4,294,869
State Grants for Innovative Programs		DAA	84.298	668,862	3,143,630
Education Technology State Grants		DAA	84.318	220,102	4,633,164
Comprehensive School Reform Demonstration		DAA	84.332	112,695	3,071,618
Early Childhood Educator Professional Development		GJD	84.349	344,652	0
Transition to Teaching		GGJ	84.350	256,789	0
Transition to Teaching		GWA	84.350 / 84.S350B02011	256,387	0
Reading First State Grants		DAA	84.357	1,939,425	13,749,344
Rural Education		DAA	84.358	20,555	357,738
English Language Acquisition Grants		DAA	84.365	329,830	9,456,300
Mathematics and Science Partnerships		DAA	84.366	46,183	1,036,966
Improving Teacher Quality State Grants		DAA	84.367	1,264,472	31,403,026
Improving Teacher Quality State Grants		GAA	84.367	1,007,235	0
Improving Teacher Quality State Grants		GGJ	84.367 / 84.B03-04-16	17,727	0
Improving Teacher Quality State Grants		GGJ	84.367 / 84.B04-05-1	7,215	0
Grants for Enhanced Assessment Instruments		DAA	84.368	29,699	25,000
Grants for State Assessments and Related Activities		DAA	84.369	9,645,727	10,230
SUBTOTAL DIRECT FROM:				22,381,247	192,892,232
PASS-THROUGH PROGRAMS FROM:					
CLAYTON FOUNDATION					
Parental Assistance Centers		GFE	84.310 / 84.CPIRC	15,706	0
Clayton Foundation/CPCF					
Parental Assistance Centers		GTA	84.310	10,009	0
Colorado Dept of Ed					
Improving Teacher Quality State Grants		GGJ	84.367 / 84.B03-04-16	48,329	0
Improving Teacher Quality State Grants		GGJ	84.367 / 84.B04-05-1	61,658	0
Improving Teacher Quality State Grants		GGJ	84.367 / 84.B05-03-1	992	0
Improving Teacher Quality State Grants		GGJ	84.367 / 84.B05-5	39,508	0
Dgo Sch Dist 9-R					
Safe and Drug-Free Schools and Communities: National Programs		GSA	84.184 / 84.Q184B040671-06	39,757	0
NW Regional Ed Laboratory					
Early Reading First		GTA	84.359	47,672	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				263,631	0
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				22,644,878	192,892,232
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
TRIO: Dissemination Partnership Grants		GGJ	84.344	211,227	0
SUBTOTAL DIRECT FROM:				211,227	0
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				211,227	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
Early Education for Children with Disabilities		GFE	84.024	(12,929)	0
Special Education: Personnel Development and Parent Training		GFE	84.029	(5,667)	0
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		GJE	84.160	197,143	0
Rehabilitation Services: Independent Living Services for Older Individuals Who are Blind		IHA	84.177	(52,892)	462,586
Special Education: Grants for Infants and Families with Disabilities		DAA	84.181	1,259,179	5,902,364
Special Education - State Personnel Development		DAA	84.323	865,561	312,153
Research in Special Education		GFE	84.324	164,745	71,261
Research in Special Education		GGB	84.324	29,005	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFB	84.325	356,361	138,039
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325	18,323	2,731
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GJE	84.325	82,876	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GKA	84.325	452,741	2,313
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GYA	84.325 / 84.N/A	235,602	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		DAA	84.326	125,245	29,000
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFE	84.326	1,123,578	197,466
SUBTOTAL DIRECT FROM:				4,838,871	7,117,913
PASS-THROUGH PROGRAMS FROM:					
California State Univ Los Angeles					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GKA	84.325 / 84.H325A010073	104,670	0
Pennsylvania College of Optometry					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GKA	84.325 / 84.H325U04001, Subcontra	71,831	0
TENNESSE VOICES FOR CHILDREN					
Research in Special Education		GFE	84.324 / 84.H324C030118	50,987	0
UNIVERSITY OF DENVER					
Special Education: Personnel Development and Parent Training		GFE	84.029 / 84.DU H029D50027-3	(4,904)	0
UNIVERSITY OF FLORIDA					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325 / 84.7536/UFPS0034	46,345	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFB	84.325 / 84.UF02097	61,617	0
UNIVERSITY OF SOUTH FLORIDA					
Research in Special Education		GFE	84.324	348,557	0
Research in Special Education		GFE	84.324 / 84.5830-0479-00-H	320,571	0
UNIVERSITY OF WASHINGTON					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325 / 84.NO. 202331	176,071	0
UNIVERSIYT OF CONNECTICUT					
Research in Special Education		GFE	84.324 / 84.05-0529	14,425	0
Univ of Arkensas Little Rock					
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		GKA	84.160 / 84.MARIE UALR	54,648	0
Univ. of Arizona/DOED					
Research in Special Education		GKA	84.324 / 84.H324C010142	28,973	0
University of Denver					
Research in Special Education		GKA	84.324 / 84.H325A030049	28,349	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,302,140	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				6,141,011	7,117,913
OFFICE OF THE SECRETARY					
DIRECT FROM:					
OFFICE OF THE SECRETARY					
Indian Education: Special Programs		GKA	84.299	94,757	23,043
SUBTOTAL DIRECT FROM:				94,757	23,043
SUBTOTAL OFFICE OF THE SECRETARY				94,757	23,043
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	974,682	5,117,647
Adult Education: State Grant Program		GJD	84.002	303,878	0
Tech-Prep Education		GJA	84.243	511,783	0
Literacy Programs for Prisoners		CAA	84.255 / 84.9800662	2,795	0
Literacy Programs for Prisoners		CAA	84.255 / 84.Q255A030053-04	131,937	0
Literacy Programs for Prisoners		CAA	84.255 / 84.Q255A030053-05	87,506	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Grants to States for Incarcerated Youth Offenders		CAA	84.331 / 84.Q331A040006	108,553	0
Grants to States for Incarcerated Youth Offenders		CAA	84.331 / 84.Q331A050006	236,030	0
Vocational Education_Occupational and Employment Information State Grants		GJA	84.346	59,948	0
SUBTOTAL DIRECT FROM:				2,417,112	5,117,647
SUBTOTAL OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION				2,417,112	5,117,647
SUBTOTAL DEPARTMENT OF EDUCATION				98,357,025	221,124,238
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 / 89.2005-013	6,904	0
SUBTOTAL DIRECT FROM:				6,904	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				6,904	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				6,904	0
ELECTION ASSISTANCE COMMISSION					
DIRECT FROM:					
ELECTION ASSISTANCE COMMISSION					
Help America Vote Act Requirements Payments		VAA	90.401	2,478,633	0
SUBTOTAL DIRECT FROM:				2,478,633	0
SUBTOTAL ELECTION ASSISTANCE COMMISSION				2,478,633	0
SUBTOTAL				2,478,633	0
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	1,304,716	1,883,283
State Court Improvement Program		JAA	93.586 / 93.75-3-1512	13,495	0
State Court Improvement Program		JAA	93.586 / 93.75-4-1512	172,116	0
SUBTOTAL DIRECT FROM:				1,490,327	1,883,283
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,490,327	1,883,283
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) -		GJD	93.558	667,247	0
Temporary Assistance for Needy Families (A) -		IHA	93.558	955,150	116,561,218
Child Support Enforcement Research		IHA	93.564	(73,092)	216,201
Low-Income Home Energy Assistance (LIHEAP)		IHA	93.568	1,599,643	48,413,932
Community-Based Child Abuse Prevention Grants		FAA	93.590	114,857	387,629
Grants to States for Access and Visitation Programs (B) -		JAA	93.597 / 93.75-X-1501 (2004)	21,930	0
Grants to States for Access and Visitation Programs (B) -		JAA	93.597 / 93.75-X-1501 (2005)	107,157	0
Chafee Education and Training Vouchers Program (ETV)		IHA	93.599	669,620	0
Head Start		GGB	93.600	142,423	0
Head Start		GJD	93.600	65,957	0
Head Start		GJH	93.600	5,453,146	0
Head Start		EAA	93.600 / 93.08CD001203	42,087	0
Head Start		EAA	93.600 / 93.08CD001204	86,178	0
Adoption Incentive Payments		IHA	93.603	60,166	351,759

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
Voting Access for Individuals with Disabilities_Grants to States		VAA	93.617	108,940	0
Developmental Disabilities Basic Support and Advocacy Grants		IHA	93.630	559,344	184,840
Developmental Disabilities Projects of National Significance		GFE	93.631	157,009	110,949
University Centers for Excellence in Developmental Disabilities Education, Research, and Service		GFE	93.632	486,730	19,756
Children's Justice Grants to States		IHA	93.643	206,825	67,620
Child Welfare Services: State Grants		IHA	93.645	0	4,019,549
Foster Care: Title IV-E		IHA	93.658	6,904,493	52,692,749
Adoption Assistance		IHA	93.659	1,493,322	18,935,582
Social Services Block Grant		IHA	93.667	106,263	40,993,671
Child Abuse and Neglect State Grants		IHA	93.669	339,922	71,600
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to States and Indian T		IHA	93.671	1,687,719	0
Chafee Foster Care Independence Program		IHA	93.674	424,873	1,726,476
SUBTOTAL DIRECT FROM:				22,387,909	284,753,531
PASS-THROUGH PROGRAMS FROM:					
DENVER DEPT OF HUMAN SERVICES					
Temporary Assistance for Needy Families (A) -		GFE	93.558 / 93.CE52144	37,840	0
Child Abuse and Neglect Discretionary Activities		GFE	93.670 / 93.PN:0506-204	334,441	0
HILLTOP COMMUNITY RESOURCES, INC.					
Early Learning Fund		GGB	93.577 / 93.90LO0141	12,118	0
PENNSYLVANIA COMMISSION ON CRIME & DELINQUENCY					
Temporary Assistance for Needy Families (A) -		GFE	93.558 / 93.2004/05-TF-01-14675	20,979	390,190
STATE OF WYOMING					
Child Abuse and Neglect State Grants		GFE	93.669 / 93.KC109900	16,707	0
Tri County					
Temporary Assistance for Needy Families (A) -		GJL	93.558	176,980	0
UNIVERSITY OF ILLINOIS					
Head Start		GFE	93.600 / 93.90YD0119/01	224,554	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				823,619	390,190
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				23,211,528	285,143,721
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	28,122	42,585
Special Programs for the Aging: Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and		SFA	93.041	92,278	46,000
Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individua		IHA	93.042	22,537	97,764
Special Programs for the Aging: Title III, Part D: Disease Prevention and Health Promotion Services		IHA	93.043	(22,034)	254,899
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects		IHA	93.048	20,962	0
Alzheimer's Disease Demonstration Grants to States		GGB	93.051	49,832	103,578
National Family Caregiver Support		IHA	93.052	32,671	1,597,982
SUBTOTAL DIRECT FROM:				224,368	2,142,808
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				224,368	2,142,808
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	206,334	428,268
SUBTOTAL DIRECT FROM:				206,334	428,268
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.SUB. #2611SC	23,218	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				23,218	0
SUBTOTAL AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				229,552	428,268
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					
Surveillance of Hazardous Substance Emergency Events		FAA	93.204	92,797	0
SUBTOTAL DIRECT FROM:				92,797	0
SUBTOTAL AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				92,797	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
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 Service Award in Primary Care Medicine		GFE	93.186	286,151	0
SUBTOTAL DIRECT FROM:				286,151	0
SUBTOTAL BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				286,151	0
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.PN200408-138	59,206	0
HIV Emergency Relief Project Grants		GFE	93.914 / 93.PN200603-284	13,319	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				72,525	0
SUBTOTAL BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				72,525	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					
National Death Index		FAA	93.0009630213	20,068	0
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		FAA	93.116	420,055	83,369
Injury Prevention and Control Research and State and Community Based Programs		FAA	93.136	1,047,816	453,195
Disabilities Prevention		FAA	93.184	425,980	22,094
HIV Prevention Initiative		FAA	93.200-2003-2361	144,479	6,868
EPI Spina Bifida Project		FAA	93.2002005M13443	26,599	0
State Capacity Building		FAA	93.240	94,626	0
Occupational Safety and Health Program		GFE	93.262	56,724	0
Occupational Safety and Health: Training Grants		GFE	93.263	18,905	0
Immunization Grants		FAA	93.268	2,565,729	1,930,886
Immunization Grants	*	FAA	93.268	0	11,881,134
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	15,976,751	15,130,379
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	552,398	130,627
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGB	93.283	362,574	(681)
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.U58/CCU822812	1,057,304	296,079
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Oth		DAA	93.938	698,111	219,703
HIV Prevention Activities: Health Department Based		FAA	93.940	2,792,002	1,711,843
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Viru		GGB	93.943	211,022	0
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		FAA	93.944	1,083,621	549,714
Assistance Programs for Chronic Disease Prevention and Control		FAA	93.945 / 93.U50/CCU819129-01	282,055	21,290
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		FAA	93.946	221,701	0
Preventive Health Services: Sexually Transmitted Diseases Control Grants		FAA	93.977	1,039,230	520,479
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		FAA	93.978	562,230	1,223,320
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		FAA	93.988	435,979	35,100
Preventive Health and Health Services Block Grant		FAA	93.991	784,548	251,916
SUBTOTAL DIRECT FROM:				30,880,507	34,467,315
PASS-THROUGH PROGRAMS FROM:					
Assoc State/Terr Health Officials					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93. U50/CCU313903	698	41,063
Craig Hospital					
Disabilities Prevention		FAA	93.184 / 93.Grant Number 2628	2,838	0
INDIANA UNIVERSITY					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.U62 PS000136-01	5,902	0
Pueblo Community Diabetes Project					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGJ	93.283	37,409	0
State of New Mexico					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.RO8/CCR620358-01	106,592	4,200
State of Wyoming					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	72,812	0
UNIVERSITY OF IOWA					
Occupational Safety and Health Program		GGB	93.262 / 93.4000519808	4,822	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				231,073	45,263
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				31,111,580	34,512,578

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
DIRECT FROM:					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Unclassified Grants and Contracts		UHA	93.000 / 93.500-04-0035C	65,982	0
Unclassified Grants and Contracts		UHA	93.000 / 93.500030033	27,966	0
Head Start-Higher Ed Hispanic/Latino		GSA	93.90YP0020/01	134,754	0
Women's Sexual Health PHS		GKA	93.Order #HHSP233200500331P	2,951	0
SUBTOTAL DIRECT FROM:				231,653	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				231,653	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		FAA	93.103	295,148	0
Food and Drug Administration: Research		BAA	93.103 / 93.223-02-4033	2,591	0
Food and Drug Administration: Research		FAA	93.103 / 93.223-02-4277	13,135	0
Food and Drug Administration: Research		BAA	93.103 / 93.HHSF223200540056P	7,446	0
FDA Pesticide Sample Collection		FAA	93.40N70127	1,399	0
SUBTOTAL DIRECT FROM:				319,719	0
SUBTOTAL FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				319,719	0
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 / 93.CBHP all	51,358,513	298,584
Medicare: Supplementary Medical Insurance		FAA	93.774	256,720	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		IHA	93.779	238,940	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		SFA	93.779	200,270	102,756
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		UHA	93.779 / 93.18-9-92019	168,621	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		UHA	93.779 / 93.18-P-9153280	323,283	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		UHA	93.779 / 93.18-P-9163080	146,462	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		UHA	93.779 / 93.95P93030801	81,009	0
SUBTOTAL DIRECT FROM:				52,773,818	401,340
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				52,773,818	401,340
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	120,725	242,051
Maternal and Child Health Federal Consolidated Programs		FAA	93.110	619,446	71,474
Maternal and Child Health Federal Consolidated Programs		GFE	93.110	1,019,286	175,193
Grants for Preventive Medicine		GFE	93.117	123,970	0
Emergency Medical Services for Children		FAA	93.127	118,867	0
Primary Care Services Resource Coordination and Development		FAA	93.130	164,141	0
AIDS Education and Training Centers		GFE	93.145	871,576	1,073,765
Coordinated Services and Access to Research for Women, Infants, Children, and Youth		GFE	93.153	354,436	30,096
Centers of Excellence		GFE	93.157	4,989	0
Grants to States for Loan Repayment Program		GFE	93.165	0	100,657
Health Education and Training Centers		GFE	93.189	19,967	0
Allied Health Special Projects		GFE	93.191	140,533	0
Traumatic Brain Injury State Demonstration Grant Program		IHA	93.234	78,980	0
Abstinence Education Program		FAA	93.235	92,565	516,736
Advanced Education Nursing Grant Program		GFE	93.247	199,385	0
State Planning Grants Health Care Access for the Uninsured		EAA	93.256 / 93.PO9HS00013	75,702	0
Nurse Faculty Loan Program (NFLP)		GFE	93.264	32,420	0
Advanced Education Nursing Traineeships		GFC	93.358	64,667	0
Advanced Education Nursing Traineeships		GFE	93.358	133,657	0
Advanced Education Nursing Traineeships		GKA	93.358	32,939	0
Basic Nurse Education, Practice and Retention Grants		GFE	93.359	293,435	18,725
Grants for Graduate Training in Family Medicine		GFB	93.379	(2,591)	0
Grants for Training in Primary Care Medicine and Dentistry		GFE	93.884	1,096,181	375,691
Health Care and Other Facilities		GKA	93.887	13,797	0
National Bioterrorism Hospital Preparedness Program		FAA	93.889	698,335	4,173,367
Grants for Faculty Development in Family Medicine		GFE	93.895	3,982	15,302
Rural Health Medical Education Demonstration Projects		GTA	93.906	71,995	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 Care Formula Grants		FAA	93.917	786,789	8,339,494
Ryan White HIV/AIDS Dental Reimbursements/Community Based Dental Partnership		GFE	93.924	111,544	92,317
Trauma Care Systems Planning and Development		FAA	93.952	22,961	0
Health Administration Traineeships Program		GFE	93.962	61,595	0
Public Health Traineeships		GFE	93.964	9,236	0
Academic Administrative Units In Primary Care		GFE	93.984	130,636	47,247
Maternal and Child Health Services Block Grant to the States		FAA	93.994	3,573,231	3,976,286
SUBTOTAL DIRECT FROM:				11,139,377	19,248,401
PASS-THROUGH PROGRAMS FROM:					
FOUNDATION FOR HEALTH					
Health Education and Training Centers		GFE	93.189 / 93.2004-437	243,264	0
The Piton Foundation					
HIV Care Formula Grants		FAA	93.917 / 93.5H89HA 00027-06	(1,334)	44,306
UNIVERSITY OF TEXAS AT SAN ANTONIO					
Coordinated Services and Access to Research for Women, Infants, Children, and Youth		GFE	93.153 / 93.121287/120805	31,370	0
UNIVERSITY OF UTAH					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.2105057-05	(28)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				273,272	44,306
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				11,412,649	19,292,707
INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Indian Health Services Cancer Study		FAA	93.2076014800	318	0
Indian Health Services Cancer Study		FAA	93.4076013400	2,500	0
SUBTOTAL DIRECT FROM:				2,818	0
SUBTOTAL INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,818	0
INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Urban Indian Health Services		GFE	93.193	2,022	0
SUBTOTAL DIRECT FROM:				2,022	0
SUBTOTAL INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,022	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	15,124	0
SUBTOTAL DIRECT FROM:				15,124	0
SUBTOTAL NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				15,124	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	95,585	0
SUBTOTAL DIRECT FROM:				95,585	0
PASS-THROUGH PROGRAMS FROM:					
Creare					
Research Related to Deafness and Communication Disorders		GKA	93.173 / 93.2R44DC005112-02A2, Su	5,821	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				5,821	0
SUBTOTAL NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				101,406	0
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
INTERGOVERNMENTAL PERSONNEL ACT AS		GGB	93.02478305	128,235	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Oral Diseases and Disorders Research		GFB	93.121	47,296	0
Mental Health Research Grants		GFB	93.242	23,941	0
Mental Health Research Grants		IHA	93.242	18,297	0
Alcohol National Research Service Awards for Research Training		GFB	93.272	21,742	0
Alcohol National Research Service Awards for Research Training		GFE	93.272	423,382	0
Drug Abuse National Research Service Awards for Research Training		GFB	93.278	234,530	0
Drug Abuse National Research Service Awards for Research Training		GFE	93.278	8,658	0
Drug Abuse and Addiction Research Programs		GFB	93.279	80,108	0
Drug Abuse and Addiction Research Programs		IHA	93.279	9,340	0
Mental Health Research Career/Scientist Development Awards		GFB	93.281	215,333	0
Mental Health National Research Service Awards for Research Training		GFB	93.282	230,813	0
Mental Health National Research Service Awards for Research Training		GFE	93.282	396,163	0
Nursing Research		GFE	93.361	6,547	0
Minority Biomedical Research Support		GFB	93.375	(11,891)	0
Minority Biomedical Research Support		GGJ	93.375	323,069	0
National Center for Research Resources		GFB	93.389	124,018	0
National Center for Research Resources		GFE	93.389	231,129	175,401
Cancer Detection and Diagnosis Research		GFE	93.394	8,525	0
Cancer Treatment Research		GGB	93.395	3,000	0
Cancer Centers Support		GGJ	93.397	100,672	0
Cancer Research Manpower		GFB	93.398	42,272	0
Cancer Research Manpower		GFE	93.398	412,502	18,115
Cell Biology and Biophysics Research		GFB	93.821	(2,686)	0
Heart and Vascular Diseases Research		GFB	93.837	408,852	0
Heart and Vascular Diseases Research		GFE	93.837	288,135	0
Heart and Vascular Diseases Research		GGB	93.837	34,830	0
Lung Diseases Research		GFE	93.838	1,705,904	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFB	93.846	24,834	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846	425,674	0
Arthritis, Musculoskeletal and Skin Diseases Research		GSA	93.846	40,380	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847	810,692	0
Digestive Diseases and Nutrition Research		GFE	93.848	529,117	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849	225,685	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFB	93.853	1,634	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853	354,819	0
Biological Basis Research in the Neurosciences		GFE	93.854	(80)	0
Allergy, Immunology and Transplantation Research		GFE	93.855	738,868	0
Microbiology and Infectious Diseases Research		GFB	93.856	6,007	0
Microbiology and Infectious Diseases Research		GFE	93.856	463,505	0
Pharmacology, Physiology, and Biological Chemistry Research		GFB	93.859	1,006,431	(4)
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859	1,313,442	0
Pharmacology, Physiology, and Biological Chemistry Research		GGJ	93.859	73,571	0
Genetics and Developmental Biology Research and Research Training		GFE	93.862	77	0
Population Research		GFB	93.864	2,198	0
Child Health and Human Development Extramural Research		GFB	93.865	247,140	0
Child Health and Human Development Extramural Research		GFE	93.865	456,925	0
Aging Research		GFE	93.866	421,682	0
Vision Research		GFE	93.867	57,872	0
Minority Access to Research Careers		GFE	93.880	30,403	0
Minority Access to Research Careers		GSA	93.880 / 93.1 T34 GM067584-01	87,418	0
Resource and Manpower Development in the Environmental Health Sciences		GFE	93.894	24,243	0
Global Health Paternships		IHA	93.YI40003901	98,585	0
SUBTOTAL DIRECT FROM:				12,953,838	193,512
PASS-THROUGH PROGRAMS FROM:					
AMERICAN ACADEMY CHILD ADOLESCENT PSYCHIATRY					
Career Development Awards		GFE	93.277 / 93.PN200509-313	38,709	0
KLEIN BRUNDEL, INC.					
Cancer Cause and Prevention Research		GFE	93.393 / 93.238-UCD	58,427	0
NATIONAL MIDDLE SCHOOL ASSOCIATION					
Cancer Research Manpower		GFE	93.398 / 93.PN: 0304-033	2,222	0
NATL JEWISH HOSPITAL					
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.22083702	11,792	0
UNIVERSITY OF MICHIGAN					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.5000000175	748	0
UNIVERSITY OF UTAH					
Medical Library Assistance		GFE	93.879 / 93.NO1-LM-1-3514	103,315	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				215,213	0
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				13,169,051	193,512

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 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	16,984,468	36,273,101
SUBTOTAL DIRECT FROM:				16,984,468	36,273,101
SUBTOTAL OFFICE OF CHILD SUPPORT ENFORCEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				16,984,468	36,273,101
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	287,238	5,520,323
Community Services Block Grant Formula and Discretionary Awards Community Food and Nutrition Programs		NAA	93.571	0	51,558
Empowerment Zones Program		IHA	93.585	0	8,579
SUBTOTAL DIRECT FROM:				287,238	5,580,460
SUBTOTAL OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				287,238	5,580,460
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	304,493	0
SUBTOTAL DIRECT FROM:				304,493	0
SUBTOTAL OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				304,493	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	(522)	0
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		FAA	93.006	44,983	0
SUBTOTAL DIRECT FROM:				44,461	0
SUBTOTAL OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				44,461	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	177,862	3,155,595
Adolescent Family Life: Demonstration Projects		GGB	93.995	(1,230)	0
SUBTOTAL DIRECT FROM:				176,632	3,155,595
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				176,632	3,155,595
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	1,001,664	141,644
Refugee and Entrant Assistance: Discretionary Grants		DAA	93.576	5,611	148,932
Refugee and Entrant Assistance: Discretionary Grants		FAA	93.576	77,432	(2,432)
Refugee and Entrant Assistance: Discretionary Grants		IHA	93.576	95,529	0
Refugee and Entrant Assistance: Wilson/Fish Programs		IHA	93.583	2,694,271	0
Refugee and Entrant Assistance_Targeted Assistance Grants		IHA	93.584	372,176	0
SUBTOTAL DIRECT FROM:				4,246,683	288,144
SUBTOTAL OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				4,246,683	288,144

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 RURAL HEALTH POLICY, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF RURAL HEALTH POLICY, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Telehealth Network Grants		GFE	93.211	100,693	0
Rural Health Care Services Outreach and Rural Health Network Development Program		GFE	93.912	10,467	0
SUBTOTAL DIRECT FROM:				111,160	0
SUBTOTAL OFFICE OF RURAL HEALTH POLICY, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				111,160	0
OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Policy Research and Evaluation Grants		IHA	93.239	84,904	0
SUBTOTAL DIRECT FROM:				84,904	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF IOWA					
Policy Research and Evaluation Grants		GFE	93.239 / 93.UIOWA 4000505977-01	22,563	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				22,563	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				107,467	0
PUBLIC HEALTH SERVICE					
DIRECT FROM:					
PUBLIC HEALTH SERVICE					
Vital Statistics PO		FAA	93.DSR95B0055	225,743	0
SUBTOTAL DIRECT FROM:				225,743	0
SUBTOTAL PUBLIC HEALTH SERVICE				225,743	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					
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		IHA	93.104	2,258,500	0
Protection and Advocacy for Individuals with Mental Illness		FAA	93.138	110,190	0
Projects for Assistance in Transition from Homelessness (PATH)		IHA	93.150	803,934	0
Consolidated Knowledge Development and Application (KD&A) Program		GFE	93.230	329,900	170,013
Consolidated Knowledge Development and Application (KD&A) Program		IHA	93.230	121,259	0
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		FAA	93.238	163,534	0
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		IHA	93.238	53,040	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GFE	93.243	553,564	142,267
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GGB	93.243	5,097	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		IHA	93.243	1,300,503	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		JAA	93.243 / 93.1-H79-TI14052-01	376,291	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		JAA	93.243 / 93.1-H79-TI15479-01	305,472	0
Block Grants for Community Mental Health Services		IHA	93.958	5,672,635	0
Block Grants for Prevention and Treatment of Substance Abuse		IHA	93.959	21,802,249	1,459,971
SUBTOTAL DIRECT FROM:				33,856,168	1,772,251
PASS-THROUGH PROGRAMS FROM:					
AMERICAN PSYCHIATRIC ASSOCIATION					
Block Grants for Community Mental Health Services		GFE	93.958 / 93.PN:0508-201	24,469	0
Northrop Grumman					
SAMHSA FASD		JAA	93.PO D037899-4000	160,644	0
SAMHSA FASD		JAA	93.PO D037903-4000	222,344	0
SIGNAL BEHAVIORAL HEALTH NETWORK					
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.PN:0406-207	(86,934)	0
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.PN:0505-310	2,181,830	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,502,353	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				36,358,521	1,772,251
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				193,593,954	391,067,768

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
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	66,544	0
State Commissions		EBB	94.003	113,532	0
State Commissions		GZA	94.003	306,125	0
Learn and Serve America: School and Community Based Programs		DAA	94.004	221,948	333,163
Learn and Serve America: School and Community Based Programs		EBB	94.004	213,049	0
AmeriCorps		EBB	94.006	1,187,322	0
AmeriCorps		GJA	94.006	1,626,274	0
Planning and Program Development Grants		EBB	94.007	29,343	0
Training and Technical Assistance		EBB	94.009	44,678	0
SUBTOTAL DIRECT FROM:				3,808,815	333,163
PASS-THROUGH PROGRAMS FROM:					
Colorado Compac					
AmeriCorps		GZA	94.006 / 94.CC-MSC-N	762	0
Colorado Parent Child Foundation					
AmeriCorps		GKA	94.006	9,263	0
University of Denver (UCAN Serve)					
AmeriCorps		GKA	94.006 / 94.Colorado Campus Contr	3,842	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				13,867	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				3,822,682	333,163
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				3,822,682	333,163
SOCIAL SECURITY ADMINISTRATION					
SOCIAL SECURITY ADMINISTRATION					
DIRECT FROM:					
SOCIAL SECURITY ADMINISTRATION					
Vital Statistics Birth & Death Records		FAA	96. 06000360065	169,611	0
SUBTOTAL DIRECT FROM:				169,611	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				169,611	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				169,611	0
DEPARTMENT OF HOMELAND SECURITY					
DEPARTMENT OF HOMELAND SECURITY					
DIRECT FROM:					
DEPARTMENT OF HOMELAND SECURITY					
Urban Areas Security Initiative		NAA	97.008	1,571,297	16,016,799
Urban Areas Security Initiative		RAA	97.008	(16,317)	0
Boating Safety Financial Assistance		PJA	97.012	623,213	0
Pre-Disaster Mitigation (PDM) Competitive Grants		NAA	97.017	74,053	622,279
Community Assistance Program: State Support Services Element (CAP-SSSE)		NAA	97.023	52,666	0
Flood Mitigation Assistance		NAA	97.029	18,914	0
Crisis Counseling		IHA	97.032	496,112	0
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		NAA	97.036	7,744,956	5,806,545
First Responder Counter-Terrorism Training Assistance		RAA	97.038	43,125	0
Hazard Mitigation Grant		NAA	97.039	15,867	158,802
Chemical Stockpile Emergency Preparedness Program		NAA	97.040	691,245	2,125,329
National Dam Safety Program		PEA	97.041	43,570	0
Emergency Management Performance Grants		NAA	97.042	9,298	1,478,034
Cooperating Technical Partners		PDA	97.045	969,132	0
Fire Management Assistance Grant		GGB	97.046	4,697,184	0
Pre-Disaster Mitigation		NAA	97.047	33,427	64,354
Map Modernization Management Support		PDA	97.070	140,102	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Rail and Transit Security Grant Program		NAA	97.075	30,428	0
Buffer Zone Protection (BZP)		NAA	97.078	36,046	321,488
Homeland Security Biowatch Program		FAA	97.091	10,626	0
SUBTOTAL DIRECT FROM:				17,284,944	26,593,630
PASS-THROUGH PROGRAMS FROM:					
NNALEA					
Tribal Border Security		GSA	97.UNKNOWN	14,299	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				14,299	0
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				17,299,243	26,593,630
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				17,299,243	26,593,630
FOREIGN FOOD DONATION					
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
ACADEMY FOR EDUCATIONAL DEVELOPMENT					
UNSAID Foreign Assistance for Programs Overseas		GFB	98.001 / 98.PTP# 293US05001	(2,091)	0
SPONSOR NAME NOT FOUND FOR YMAS07 **					
AN INTEGRATED PARTNERSHIP FOR IMPR		GGB	98.05076404	45,297	26,160
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				43,206	26,160
SUBTOTAL UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				43,206	26,160
SUBTOTAL FOREIGN FOOD DONATION				43,206	26,160
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
CONSUMER PRODUCT SAFETY COMMISSION					
DIRECT FROM:					
CONSUMER PRODUCT SAFETY COMMISSION					
Child Care Consultation Visits - Colorado		FAA	99.CPSC-W-05-0002	1,500	0
Consumer Product Safety		FAA	99.CPSC-Wyy-4203	6,808	0
SUBTOTAL DIRECT FROM:				8,308	0
SUBTOTAL CONSUMER PRODUCT SAFETY COMMISSION				8,308	0
OTHER FEDERAL AGENCIES					
DIRECT FROM:					
OTHER FEDERAL AGENCIES					
OF-CON		GFB	99.Unknown	15,582	0
SUBTOTAL DIRECT FROM:				15,582	0
SUBTOTAL OTHER FEDERAL AGENCIES				15,582	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				23,890	0
SUBTOTAL A - UNCLUSTERED PROGRAMS				965,334,374	803,205,749

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
AGING-CLUSTER					
**********					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
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 III, Part B: Grants for Supportive Services and Senior Centers		IHA	93.044	756,407	5,003,418
Special Programs for the Aging: Title III, Part C: Nutrition Services		IHA	93.045	199,522	4,738,426
Nutrition Services Incentive Program		IHA	93.053	0	1,091,390
SUBTOTAL DIRECT FROM:				955,929	10,833,234
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				955,929	10,833,234
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				955,929	10,833,234
SUBTOTAL AGING-CLUSTER				955,929	10,833,234

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
BILINGUAL EDUCATION-CLUSTER					
DEPARTMENT OF EDUCATION					
OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Bilingual Education: Systemwide Improvement Grants		GFE	84.291 / 84.T291R000009-03	54,638	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				54,638	0
SUBTOTAL OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				54,638	0
SUBTOTAL DEPARTMENT OF EDUCATION				54,638	0
SUBTOTAL BILINGUAL EDUCATION-CLUSTER				54,638	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
CCDF-CLUSTER					
**********					
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					
Child Care and Development Block Grant (CCDBG)		IHA	93.575	4,316,380	29,118,307
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (A) -		IHA	93.596	1,168,806	27,918,910
SUBTOTAL DIRECT FROM:				5,485,186	57,037,217
PASS-THROUGH PROGRAMS FROM:					
Qualistar					
Child Care and Development Block Grant (CCDBG)		GJL	93.575	426,578	0
SPONSOR NAME NOT FOUND FOR YMQUOO **					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (A) -		GGB	93.596 / 93.04215605	1,649	0
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (A) -		GGB	93.596 / 93.EL10ELF72005	27,059	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				455,286	0
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				5,940,472	57,037,217
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				5,940,472	57,037,217
SUBTOTAL CCDF-CLUSTER				5,940,472	57,037,217

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
CHILD 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	345	15,818,170
National School Lunch Program (NLSP)		DAA	10.555	0	72,333,877
National School Lunch Program (NLSP)	*	IHA	10.555	9,801,735	0
Special Milk Program for Children		DAA	10.556	0	49,235
Summer Food Service Program for Children		DAA	10.559	47,982	628,598
Summer Food Service Program for Children	*	IHA	10.559	7,595	0
SUBTOTAL DIRECT FROM:				9,857,657	88,829,880
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				9,857,657	88,829,880
SUBTOTAL DEPARTMENT OF AGRICULTURE				9,857,657	88,829,880
SUBTOTAL CHILD NUTRITION-CLUSTER				9,857,657	88,829,880

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
DISABILITY INSURANCE/SSI-CLUSTER					
**********					
SOCIAL SECURITY ADMINISTRATION					
SOCIAL SECURITY ADMINISTRATION					
DIRECT FROM:					
SOCIAL SECURITY ADMINISTRATION					
Social Security: Disability Insurance		IHA	96.001	17,504,694	202,948
SUBTOTAL DIRECT FROM:				17,504,694	202,948
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				17,504,694	202,948
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				17,504,694	202,948
SUBTOTAL DISABILITY INSURANCE/SSI-CLUSTER				17,504,694	202,948

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 FOOD ASSISTANCE-CLUSTER					
**********					
DEPARTMENT OF AGRICULTURE					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
Emergency Food Assistance Program (Administrative Costs)		IHA	10.568	384,375	421,276
Emergency Food Assistance Program (Administrative Costs)	*	IHA	10.568	2,887,689	0
SUBTOTAL DIRECT FROM:				3,272,064	421,276
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				3,272,064	421,276
SUBTOTAL DEPARTMENT OF AGRICULTURE				3,272,064	421,276
SUBTOTAL EMERGENCY FOOD ASSISTANCE-CLUSTER				3,272,064	421,276

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
EMPLOYMENT SERVICE-CLUSTER					
**********					
DEPARTMENT OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
Employment Service/Wagner-Peyser Funded Activities		KAA	17.207	3,980,077	8,823,084
SUBTOTAL DIRECT FROM:				3,980,077	8,823,084
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				3,980,077	8,823,084
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)		KAA	17.801	1,196,890	163,191
Local Veterans' Employment Representative Program		KAA	17.804	1,056,441	190,474
SUBTOTAL DIRECT FROM:				2,253,331	353,665
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				2,253,331	353,665
SUBTOTAL DEPARTMENT OF LABOR				6,233,408	9,176,749
SUBTOTAL EMPLOYMENT SERVICE-CLUSTER				6,233,408	9,176,749

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 TRANSIT-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	91,040	103,761
SUBTOTAL DIRECT FROM:				91,040	103,761
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				91,040	103,761
SUBTOTAL DEPARTMENT OF TRANSPORTATION				91,040	103,761
SUBTOTAL FEDERAL TRANSIT-CLUSTER				91,040	103,761

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
FISH AND WILDLIFE-CLUSTER					
DEPARTMENT OF THE INTERIOR					
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	4,996,929	1,060,411
Wildlife Restoration		PBA	15.611	5,100,406	149,125
SUBTOTAL DIRECT FROM:				10,097,335	1,209,536
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				10,097,335	1,209,536
SUBTOTAL DEPARTMENT OF THE INTERIOR				10,097,335	1,209,536
SUBTOTAL FISH AND WILDLIFE-CLUSTER				10,097,335	1,209,536

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	0	341,578,068
State Administrative Matching Grants for Food Stamp Program		IHA	10.561	6,966,747	21,204,113
SUBTOTAL DIRECT FROM:				6,966,747	362,782,181
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				6,966,747	362,782,181
SUBTOTAL DEPARTMENT OF AGRICULTURE				6,966,747	362,782,181
SUBTOTAL FOOD STAMP PROGRAM-CLUSTER				6,966,747	362,782,181

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
HIGHWAY PLANNING & CONST-CLUSTER					
DEPARTMENT OF TRANSPORTATION					
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
PASS-THROUGH PROGRAMS FROM:					
NATIONAL ACADEMY OF SCIENCE					
Highway Planning & Construction		GFB	20.205 / 20.HR-20-07 (172)	32,091	6,287
TEXAS A&M REESARCH FOUNDATION					
Highway Planning & Construction		GFB	20.205 / 20.SO40036	17,400	0
Total Title 23 of the U.S. Code					
Highway Planning & Construction		HAA	20.205	404,191,431	43,891,183
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				404,240,922	43,897,470
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				404,240,922	43,897,470
SUBTOTAL DEPARTMENT OF TRANSPORTATION				404,240,922	43,897,470
SUBTOTAL HIGHWAY PLANNING & CONST-CLUSTER				404,240,922	43,897,470

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
HIGHWAY SAFETY-CLUSTER					
DEPARTMENT OF TRANSPORTATION					
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	402,826	3,774,945
SUBTOTAL DIRECT FROM:				402,826	3,774,945
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				402,826	3,774,945
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	553,264	0
SUBTOTAL DIRECT FROM:				553,264	0
PASS-THROUGH PROGRAMS FROM:					
NATIONAL ACADEMY OF SCIENCE					
Federal Highway Safety Data Improvements Incentive Grants		GFB	20.603 / 20.HR 14-15	70,078	16,329
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				70,078	16,329
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				623,342	16,329
SUBTOTAL DEPARTMENT OF TRANSPORTATION				1,026,168	3,791,274
SUBTOTAL HIGHWAY SAFETY-CLUSTER				1,026,168	3,791,274

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
HOMELAND SECURITY-CLUSTER					
DEPARTMENT OF HOMELAND SECURITY					
DEPARTMENT OF HOMELAND SECURITY					
DIRECT FROM:					
DEPARTMENT OF HOMELAND SECURITY					
State Domestic Preparedness Equipment Support Program		NAA	97.004	3,904,094	14,424,139
State Domestic Preparedness Equipment Support Program		RAA	97.004	159,474	0
Homeland Security Grant Program		NAA	97.067	2,902,536	8,572,306
SUBTOTAL DIRECT FROM:				6,966,104	22,996,445
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				6,966,104	22,996,445
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				6,966,104	22,996,445
SUBTOTAL HOMELAND SECURITY-CLUSTER				6,966,104	22,996,445

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	3,994,052	0
Medical Assistance Program (Medicaid)		UHA	93.778 / 93.M0605C05028	1,407,067,191	0
Medical Assistance Program (Medicaid)		UHA	93.778 / 93.M0605C05048	64,588,285	6,245,373
SUBTOTAL DIRECT FROM:				1,475,649,528	6,245,373
PASS-THROUGH PROGRAMS FROM:					
BOHLING,INC.					
Medical Assistance Program (Medicaid)		GFE	93.778 / 93.PN200412-113	46,819	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				46,819	0
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,475,696,347	6,245,373
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 / 93.M0605C05001	1,945,571	0
SUBTOTAL DIRECT FROM:				1,945,571	0
PASS-THROUGH PROGRAMS FROM:					
ABT ASSOCIATES INC					
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.ABT500-00-0032 TO#7	456,097	0
URBAN INSTITUTE					
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.UI-07108-002-00-01	(504)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				455,593	0
SUBTOTAL HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,401,164	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 / 93.01-0501-5050	207,158	0
State Medicaid Fraud Control Units		LAA	93.775 / 93.01-0601-5050	572,463	0
SUBTOTAL DIRECT FROM:				779,621	0
SUBTOTAL OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				779,621	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,478,877,132	6,245,373
SUBTOTAL MEDICAID-CLUSTER				1,478,877,132	6,245,373

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
**********					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
DIRECT FROM:					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Unclassified Grants and Contracts		GFB	43.000	89,333	0
SUBTOTAL DIRECT FROM:				89,333	0
PASS-THROUGH PROGRAMS FROM:					
BALL AEROSPACE					
Unclassified Grants and Contracts		GFB	43.000 / .PO#05SAK0003	22,869	0
JET PROPULSION LABORATORY					
Unclassified Grants and Contracts		GFB	43.000 / .1281585	1,262	0
JOHNS HOPKINS UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .911436	8,835	0
SOUTHWEST RESEARCH INSTITUTE					
Unclassified Grants and Contracts		GFB	43.000 / .699035X	24,079	0
SPACE TELESCOPE SCIENCE INSTITUTE					
Unclassified Grants and Contracts		GFB	43.000 / .HST-GO-10467.01-A	7,446	0
STANFORD UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .PR1469305	2,795	0
TUFTS UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .OCG4784B	20,228	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				87,514	0
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				176,847	0
SMALL BUSINESS ADMINISTRATION					
DIRECT FROM:					
SMALL BUSINESS ADMINISTRATION					
Unclassified Grants and Contracts		GFB	59.000	257,362	0
SUBTOTAL DIRECT FROM:				257,362	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				257,362	0
SUBTOTAL				434,209	0
PEACE CORP					
PEACE CORPS					
DIRECT FROM:					
PEACE CORPS					
R&D		GGB	08.PC-04-8-069	718	0
SUBTOTAL DIRECT FROM:				718	0
SUBTOTAL PEACE CORPS				718	0
SUBTOTAL PEACE CORP				718	0
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
Agricultural Research Basic and Applied Research		GFE	10.001	12,997	0
Agricultural Research Basic and Applied Research		GGB	10.001	686,151	6,319
R&D		GGB	10.03-JV-11221617-296	5,760	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	10.58-1940-5-552	10,778	0
R&D		GGB	10.58-5402-2-609	2,104	0
R&D		GGB	10.58-5402-3-306 MOD 2	35,546	0
R&D		GGB	10.58-5402-5-345	16,807	0
R&D		GGB	10.58-8201-5-151	3,926	0
SUBTOTAL DIRECT FROM:				774,069	6,319
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF IDAHO					
Agricultural Research Basic and Applied Research		GGB	10.001 / 10.BJKC68-CSU MOD 3	7,119	0
UNIVERSITY OF NEBRASKA					
R&D		GGB	10.25-6235-0079-008	265	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				7,384	0
SUBTOTAL AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				781,453	6,319
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	489,378	0
Wildlife Services		GGB	10.028	50,981	0
R&D		GGB	10.04-7483-0489(CA)	47,974	0
R&D		GGB	10.04-7483-0524(CA)	19,932	0
R&D		GGB	10.04-7483-0533(CA)	9,810	0
R&D		GGB	10.04-7488-0540(CA)	18,501	0
R&D		GGB	10.04-9204-0133-CA	8,900	0
R&D		GGB	10.04-9708-1239-CA	74,503	0
R&D		GGB	10.05-7483-0489(CA)	41,723	0
R&D		GGB	10.05-7485-0559(CA)	17,141	0
R&D		GGB	10.05-8100-0875-CA	39,765	0
R&D		GGB	10.05-9108-0970-CA	69,935	0
R&D		GGB	10.05-9208-0039-CA REV 05-1	156,213	0
R&D		GGB	10.05-9208-0076-CA	67,340	0
R&D		GGB	10.05-9208-0148-CA REVSN #0	98,267	0
R&D		GGB	10.05-9708-1376CA	22,241	0
R&D		GGB	10.06-9708-1608-CA	2,439	0
R&D		GGB	10.06-9708-1609-CA	1,837	0
R&D		GGB	10.06-9708-1610-CA	2,055	0
SUBTOTAL DIRECT FROM:				1,238,935	0
PASS-THROUGH PROGRAMS FROM:					
NEVADA DIV OF WILDLIFE					
Wildlife Services		GFB	10.028 / 10.OCG4679B	2,247	0
UNIVERSITY OF PENNSYLVANIA					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025 / 10.5-45345-A PO 1622929	8,128	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				10,375	0
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				1,249,310	0
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.05314803	32,892	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200	2,900,488	425,833
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.2006-48540-03420	4,166	0
R&D		GGB	10.2003-34103-13847	5,498	0
R&D		GGB	10.2003-41530-01668	2,629	0
Cooperative Forestry Research		GFB	10.202	511	0
Cooperative Forestry Research		GGB	10.202	334,261	0
Payments to Agricultural Experiment Stations Under the Hatch Act		GGB	10.203	2,482,220	0
Grants for Agricultural Research: Competitive Research Grants		GFB	10.206	127,013	0
Grants for Agricultural Research: Competitive Research Grants		GFE	10.206	165,766	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206	1,270,058	188,398
Grants for Agricultural Research: Competitive Research Grants		GKA	10.206	7,439	0
Grants for Agricultural Research: Competitive Research Grants		GLA	10.206 / 10.2006-35504-16618	13,141	0
Animal Health and Disease Research		GGB	10.207	337,636	0
Food and Agricultural Sciences National Needs Graduate Fellowship Grants		GGB	10.210	38,830	0
Higher Education Challenge Grants		GGB	10.217	106,134	1,928
Biotechnology Risk Assessment Research		GGB	10.219	96,914	0
Initiative for Future Agriculture and Food Systems		GGB	10.302	113,950	169,137

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
Integrated Programs		GGB	10.303	1,115,908	509,808
Homeland Security_Agricultural (Homeland Security Program)		GGB	10.304	285,773	29,778
Cooperative Extension Service		GGB	10.500	67,434	0
SUBTOTAL DIRECT FROM:				9,508,661	1,324,882
PASS-THROUGH PROGRAMS FROM:					
CORNELL UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.46747-7597	0	2,788
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.48839-7977	156,293	0
IOWA STATE UNIVERSITY					
Integrated Programs		GGB	10.303 / 10.416-30-09	1,299	0
KANSAS STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO3056 .01 ADMINISTRA	3,308	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO3056 TASK 1	25,123	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO3056 TASK 2	36,457	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO3056 TASK 3	57,763	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO3056.01 TASK 4	18,625	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO4002 MOD 3	8,195	0
Homeland Security_Agricultural (Homeland Security Program)		GGB	10.304 / 10.SO3088.04	35,043	0
Cooperative Extension Service		GGB	10.500 / 10.SO4060	23,103	0
OHIO STATE UNIVERSITY					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.RF01003949	51,161	0
Biotechnology Risk Assessment Research		GGB	10.219 / 10.RF01003933 745518	11,805	0
Integrated Programs		GGB	10.303 / 10.RF01041910 #60003400	49,297	0
OKLAHOMA STATE UNIVERSITY					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.AB-5-60250-CO	1,318	0
OREGON STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.CO299A-A	53,418	8,268
RUTGERS - STATE UNIVERSITY OF NEW JERSEY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.2004-CO-001BPD	2,461	0
THE INSTITUTE FOR GENOMIC RESEARCH					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.TIGR-06-002	6,703	0
UNIVERSITY OF ARKANSAS					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.UA AES 90805-11	22,060	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.UA AES 90805-11 AMEND	28,449	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.04-019ETX	(15,717)	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.05-007ETX	78,318	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.05-012ETX	7,903	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.05-023ETX	2,000	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.06-007ETX	19,708	0
Initiative for Future Agriculture and Food Systems		GGB	10.302 / 10.00RA4654-CO	12,848	0
Integrated Programs		GGB	10.303 / 10.KO09607-C03	21,062	0
Integrated Programs		GGB	10.303 / 10.KO09607-CO1	5,638	0
UNIVERSITY OF DELAWARE					
Higher Education Challenge Grants		GGB	10.217 / 10.9824	21,118	0
UNIVERSITY OF MINNESOTA					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.Q6286224112	3,852	0
UNIVERSITY OF NEVADA, RENO					
Initiative for Future Agriculture and Food Systems		GFE	10.302 / 10.PO 12B31321	27,745	0
UNIVERSITY OF VERMONT					
Cooperative Extension Service		GGB	10.500 / 10.USDA 2003-38841-01643	7,992	0
UNIVERSITY OF WASHINGTON					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.143071	9,473	0
UNIVERSITY OF WISCONSIN					
Cooperative Extension Service		GGB	10.500 / 10.232H190	11,484	0
UNIVERSITY OF WYOMING					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.USDACSRE45206CS	30,674	0
UTAH STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.04-1535007	64,029	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.04-1535038	2,020	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.05-1687009	59,055	0
Cooperative Extension Service		GGB	10.500 / 10.CO29328	7,335	0
Cooperative Extension Service		GGB	10.500 / 10.CO31847	50,646	7,577
VIRGINIA POLYTECHNIC INSTITUTE					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.CR-19019-428157	25,661	0
WASHINGTON STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.103215_G001684_0	4,808	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.105047_G001871	9,904	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.G001533 OGRD NO 10174	600	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,060,037	18,633
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE				10,568,698	1,343,515

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 AGRICULTURE					
DIRECT FROM:					
DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.00-CR-11221611-248	30,282	0
Unclassified Grants and Contracts		GFC	10.000	74,187	0
R&D		GGB	10.01-CS-11021300-051 MOD.	46,479	0
R&D		GGB	10.02-CA-11272165-041	10,922	0
R&D		GGB	10.02-CR-11221611-248	3,591,137	0
R&D		GGB	10.02-JV-11221602-145 AMEND	119,969	0
R&D		GGB	10.03-CS-11221611-278 AMD.	47,984	0
R&D		GGB	10.03-CS-11221617-270	22,031	0
R&D		GGB	10.04-CR-11221625-219 MOD	16,102	0
R&D		GGB	10.04-JV-11221611-253 AMD.	31,101	0
R&D		GGB	10.04-JV-11221616-272	13,356	0
R&D		GGB	10.05-7488-0560(CA)	6,501	0
R&D		GGB	10.05-CR-11221611-173	40,005	0
R&D		GGB	10.05-CR-11221611-174 AMD #	18,802	0
R&D		GGB	10.05-CR-11221611-180	57,896	0
R&D		GGB	10.05-CR-11221611-181	53,533	0
R&D		GGB	10.05-CR-11221611-189	141,723	0
R&D		GGB	10.05-CR-11221611-190	125,001	0
R&D		GGB	10.05-CR-11221611-196	39,443	0
R&D		GGB	10.05-CR-11221611-230	114,288	0
R&D		GGB	10.05-CR-11221611-231	39,931	0
R&D		GGB	10.05-CR-11221611-233	19,083	0
R&D		GGB	10.05-CR-11221611-234	35,994	0
R&D		GGB	10.05-CR-11221611-244	26,400	0
R&D		GGB	10.05-CR-11221611-247	51,705	0
R&D		GGB	10.05-CR-11221611-268	16,610	0
R&D		GGB	10.05-CR-11221611-269	358	0
R&D		GGB	10.05-CR-11221611-270	25,788	0
R&D		GGB	10.05-CR-11221611-278	1,092	0
R&D		GGB	10.05-CR-11221611-282	24,526	0
R&D		GGB	10.05-CR-11221611-284	42,434	0
R&D		GGB	10.05-CS-1102000-076	4,320	0
R&D		GGB	10.05-CS-11221616-164	29,718	0
R&D		GGB	10.05198901	2,499	0
R&D		GGB	10.68-3A75-4-155 MOD. 1	70,375	0
R&D		GGB	10.68-7482-2-44Y AMEND. 5	183,608	0
R&D		GGB	10.68-7482-3-131 AMEND. 1	44,276	0
R&D		GGB	10.68-7482-3-158 AMEND. 1	1,773	0
R&D		GGB	10.68-7482-3-159 AMEND. 1	25,840	0
R&D, Goegraphic Info System Projects		GZA	10.USDA 02-CO-11020000-041	5,611	0
SUBTOTAL DIRECT FROM:				5,252,683	0
PASS-THROUGH PROGRAMS FROM:					
BOISE STATE UNIVERSITY					
R&D		GLA	10.2004-35102-14802	9,536	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
R&D		GGB	10.00-01758V AMEN #1	1,157	0
R&D		GGB	10.04-017ETX	201	0
UNIVERSITY OF MINNESOTA					
R&D		GGB	10.PO# S4036457101	216,475	0
UTAH STATE UNIVERSITY					
R&D		GGB	10.C029582	19,994	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				247,363	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				5,500,046	0
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.58-3148-5-052	16,158	0
Technical Agricultural Assistance		GGB	10.960	10,474	0
Scientific Cooperation and Research		GFB	10.961	1	0
Cochran Fellowship Program-International Training - Foreign Participant		GGB	10.962	269	0
SUBTOTAL DIRECT FROM:				26,902	0
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE				26,902	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.01-CA-11120107-017	18	0
R&D		GGB	10.01-CA-11130152-075	4,462	0
R&D		GGB	10.01-CS-11020000-088 MOD.	372	0
R&D		GGB	10.01-CS-11221616-074 MOD.	45,354	0
R&D		GGB	10.01-JV-11221609-264 AMEND	6,229	0
R&D		GGB	10.01-JV-11221615-186	47,834	0
R&D		GGB	10.01-JV-11221616-061	9,434	0
R&D		GGB	10.01-PA-11130149-235 MOD.	42,938	0
R&D		GGB	10.02-CR-11221611-248	1,042,135	0
R&D		GGB	10.02-CS-11020600-027	11,239	0
R&D		GGB	10.02-JV-11221602-145 AMEND	67,513	0
R&D		GGB	10.02-JV-11221610-112 MOD.	33,691	0
R&D		GGB	10.02-JV-11221616-275 AMD #	44,220	0
R&D		GGB	10.02-JV-11222007-004	22,620	0
R&D		GGB	10.02-JV-11272165-038	1,638	0
R&D		GGB	10.03-CA-11120101-009 MOD 2	24,578	0
R&D		GGB	10.03-CA-11272137-321	5,387	0
R&D		GGB	10.03-CR-11052007-079 AMEND	32,813	0
R&D		GGB	10.03-CS-11020000-052	6,911	0
R&D		GGB	10.03-CS-11020000-070 MOD.	21,504	0
R&D		GGB	10.03-CS-11020000-094 MOD.	38,696	0
R&D		GGB	10.03-CS-11020600-013	6,878	0
R&D		GGB	10.03-CS-11021006-035 MOD.	22,898	0
R&D		GGB	10.03-CS-11221611-257 MOD.	14,211	0
R&D		GGB	10.03-CS-11222033-315 AMEND	2,573	0
R&D		GGB	10.03-DG-11132762-164 MOD.	53,399	0
R&D		GGB	10.03-JV-11221605-298	8,381	0
R&D		GGB	10.03-JV-11221607-116 MOD.	19,165	0
R&D		GGB	10.03-JV-11221609-272 AMEND	15,350	0
R&D		GGB	10.03-JV-11221610-065 AMEND	28,228	0
R&D		GGB	10.03-JV-11221616-093	32,177	0
R&D		GGB	10.03-JV-11221616-232 AMEND	54,116	0
R&D		GGB	10.03-JV-11222065-292	100,603	0
R&D		GGB	10.03-JV-11231300-043	4,114	0
R&D		GGB	10.04-CA-11120101-047 MOD.	22,282	0
R&D		GGB	10.04-CS-11020000-049	417	0
R&D: Stratigraphic & Paleontological Survey, Morrison Formation		GKA	10.04-CS-11021206-046	519	0
R&D		GGB	10.04-CS-11221625-100 MOD.	26,167	0
R&D		GGB	10.04-JV-11221610-029 AMEND	21,647	0
R&D		GGB	10.04-JV-11221610-039 MOD.	129,725	0
R&D		GGB	10.04-JV-11221610-214 MOD.	9,776	0
R&D		GGB	10.04-JV-11221610-242 MOD.	11,998	0
R&D		GGB	10.04-JV-11221611-221 MOD.	8,740	0
R&D		GGB	10.04-JV-11221611-264 MOD.	8,846	0
R&D		GGB	10.04-JV-11221611-304 MOD.	3,981	0
R&D		GGB	10.04-JV-11221616-158 AMEND	110	0
R&D		GGB	10.04-JV-11221616-215	2,888	0
R&D		GGB	10.04-JV-11221616-292 MOD.	20,000	0
R&D		GGB	10.04-JV-11221616-308	25,651	0
R&D		GGB	10.04-JV-11221617-189 #1	648	0
R&D		GGB	10.04-JV-11222014-175 MOD.	5,696	0
R&D		GGB	10.04-JV-11222073-302	13,907	0
R&D		GGB	10.04-JV-11272164-428 AMEND	34,456	0
R&D		GGB	10.05-CA-11242343-029 MOD.	47,152	0
R&D		GGB	10.05-CR-11031600-083 MOD.	82,763	0
R&D		GGB	10.05-CR-11221611-175 AMEND	43,901	0
R&D		GGB	10.05-CR-11221611-279 MOD #	68,537	0
R&D		GGB	10.05-CS-11020000-075	15,240	0
R&D		GGB	10.05-CS-11020000-086	7,593	0
R&D		GGB	10.05-CS-11020000-088	12,133	0
R&D		GGB	10.05-CS-11021211-076 MOD.	18,253	0
R&D		GGB	10.05-CS-11031600-078 MOD.	56,253	0
R&D		GGB	10.05-CS-11221611-213 MOD.	45,649	0
R&D		GGB	10.05-CS-11221625-187	8,638	0
R&D		GGB	10.05-JV-11221607-106	36,499	0
R&D		GGB	10.05-JV-11221609-121 MOD.	42,225	0
R&D		GGB	10.05-JV-11221611-003 MOD.	728	0
R&D		GGB	10.05-JV-11221616-108	28,798	0
R&D		GGB	10.05-JV-11221616-209	18,925	0
R&D		GGB	10.05-JV-11221617-101 MOD.	86,870	0
R&D		GGB	10.05-JV-11221617-205	1,730	0
R&D		GGB	10.05-JV-11272131-019	25,182	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	10.06-CR-11052007-173	40,588	0
R&D		GGB	10.06-CR-11221611-0066	28,910	0
R&D		GGB	10.06-CR-11221611-008	37,338	0
R&D		GGB	10.06-CR-11221611-009	85,209	0
R&D		GGB	10.06-CR-11221611-013	103	0
R&D		GGB	10.06-CR-11221611-014	36,212	0
R&D		GGB	10.06-CR-11221611-024	23,698	0
R&D		GGB	10.06-CR-11221611-028	17,432	0
R&D		GGB	10.06-CR-11221611-029	77,829	0
R&D		GGB	10.06-CR-11221611-032	33,870	0
R&D		GGB	10.06-CR-11221611-033	458	0
R&D		GGB	10.06-CR-11221611-036	52,848	0
R&D		GGB	10.06-CR-11221611-038	41,139	0
R&D		GGB	10.06-CR-11221611-053	32,725	0
R&D		GGB	10.06-CR-11221611-054	26,725	0
R&D		GGB	10.06-CR-11221611-055	88,040	0
R&D		GGB	10.06-CR-11221611-058	20,562	0
R&D		GGB	10.06-CR-11221611-067	24,385	0
R&D		GGB	10.06-CR-11221611-078	132,729	0
R&D		GGB	10.06-CR-11221611-084	60,911	0
R&D		GGB	10.06-CR-11221611-085	165,078	0
R&D		GGB	10.06-CR-11221611-092	12,327	0
R&D		GGB	10.06-CR-11221611-093	9,330	0
R&D		GGB	10.06-CR-11221611-094	40	0
R&D		GGB	10.06-CR-11221611-107	16,321	0
R&D		GGB	10.06-CR-11221611-110	8,195	0
R&D		GGB	10.06-CR-11221611-111	21,159	0
R&D		GGB	10.06-CR-11221611-123	1,965	0
R&D		GGB	10.06-CR-11221611-132	16,542	0
R&D		GGB	10.06-CR-11221611-138	61,915	0
R&D		GGB	10.06-CR-11221611-151	12,031	0
R&D		GGB	10.06-CR-11221611-159	68,505	0
R&D		GGB	10.06-CR-11221611-160	34,749	0
R&D		GGB	10.06-CS-11020604-014	1,803	0
R&D		GGB	10.06-JV-11138150-011	7,147	0
R&D		GGB	10.1381-04-PA-015A MOD. 2	(1)	0
Forestry Research		GFB	10.652	93,697	0
Forestry Research		GFC	10.652	12,589	0
Forestry Research		GFE	10.652	17,100	0
Forestry Research		GGB	10.652	3,105,629	0
R&D		GGB	10.PNW 01-JV-11261988-056	6,408	0
R&D		GGB	10.PNW03-JV-11261955-265	1,624	0
SUBTOTAL DIRECT FROM:				7,402,066	0
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				7,402,066	0
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
Soil and Water Conservation		GGB	10.902	71,371	0
Environmental Quality Incentives Program		GGB	10.912	83,626	0
R&D: Grassland Bird Response to Land Use Changes		GKA	10.Coop Agreement 68-3A75-4	20,401	0
SUBTOTAL DIRECT FROM:				175,398	0
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YCLJOO **					
Environmental Quality Incentives Program		GGB	10.912 / 10.06144902	6,892	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,892	0
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE				182,290	0
RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE					
Commodity Partnerships for Risk Management Education		GGB	10.457	36,622	0
Commodity Partnerships for Small Agricultural Risk Management Education Sessions		GGB	10.459	6,054	0
SUBTOTAL DIRECT FROM:				42,676	0

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:					
MISSISSIPPI STATE UNIVERSITY					
Crop Insurance		GGB	10.450 / 10.320946-010500-06	14,206	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				14,206	0
SUBTOTAL RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE				56,882	0
RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE					
PASS-THROUGH PROGRAMS FROM:					
ROCKY MOUNTAIN FARMERS UNION					
Rural Cooperative Development Grants		GGB	10.771 / 10.04327704	12,000	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				12,000	0
SUBTOTAL RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE				12,000	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				25,779,647	1,349,834
DEPARTMENT OF COMMERCE					
DEPARTMENT OF COMMERCE					
DIRECT FROM:					
DEPARTMENT OF COMMERCE					
Unclassified Grants and Contracts		GFB	11.000	16,066	0
R&D		GFB	11.Unknown	61,397	0
SUBTOTAL DIRECT FROM:				77,463	0
SUBTOTAL DEPARTMENT OF COMMERCE				77,463	0
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Economic Development: Support for Planning Organizations		GFB	11.302	87,120	0
SUBTOTAL DIRECT FROM:				87,120	0
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				87,120	0
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
Weights and Measures Service		GFE	11.606	38,565	0
Measurement and Engineering Research and Standards		GFB	11.609	6,005,761	0
Measurement and Engineering Research and Standards		GFE	11.609	(795)	0
Measurement and Engineering Research and Standards		GGB	11.609	168,057	0
Measurement and Engineering Research and Standards		GLA	11.609 / 11.70NANB2H0092	(9,615)	0
Advanced Technology Program		GFB	11.612	265,586	0
Advanced Technology Program		GLA	11.612 / 11.70NANB6H6036	14,800	0
R&D		GLA	11.IP4016	85,518	0
R&D		GLA	11.IPA#3007	14	0
R&D		GLA	11.RA1341-05-SE-1341	20,990	0
SUBTOTAL DIRECT FROM:				6,588,881	0
PASS-THROUGH PROGRAMS FROM:					
MID-AMERICA MANUFACTURING TECHNOLOGY CENTER					
Manufacturing Extension Partnership		GFB	11.611 / 11.OCG4541B	189,551	30,823
TEXAS TECH UNIVERSITY					
R&D		GGB	11.1302/B762-04	5,490	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				195,041	30,823
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE				6,783,922	30,823

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
Climate and Atmospheric Research		GFB	11.431	864,300	0
Climate and Atmospheric Research		GFC	11.431	26,959	0
Climate and Atmospheric Research		GFE	11.431	29,951	37
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GFB	11.432	20,533,672	63,123
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GGB	11.432	8,053,152	33,848
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GGB	11.432 / 11.NA17RJ1228 #101	83,223	0
Marine Mammal Data Program		GGB	11.439	43,198	0
Environmental Sciences, Applications, Data, and Education		GFB	11.440	139,437	0
Special Oceanic and Atmospheric Projects		GFB	11.460	1	0
R&D		GGB	11.NA17RJ1228 #24	31,486	0
R&D		GGB	11.NA17RJ1228 #82	49,841	0
R&D		GGB	11.NA17RJ1228 #91	113,606	0
R&D		GGB	11.NA17RJ1228 AMEND. 24	33,596	0
R&D		GGB	11.NA17RJ1228 AMEND.100	5	0
R&D		GGB	11.NA17RJ1228 AMEND.109	146,693	0
R&D		GGB	11.NA17RJ1228 #102	75,128	0
R&D		GGB	11.NA17RJ1228 #106	25,381	0
R&D		GGB	11.NA17RJ1228 #110	1,548	0
R&D		GGB	11.NA17RJ1228 #39	11,924	0
R&D		GGB	11.NA17RJ1228 #46	45,118	0
R&D		GGB	11.NA17RJ1228 #68	240	0
R&D		GGB	11.NA17RJ1228 #71	66,517	0
R&D		GGB	11.NA17RJ1228 #79	66,608	0
R&D		GGB	11.NA17RJ1228 #80	75,961	0
R&D		GGB	11.NA17RJ1228 #84	90,041	0
R&D		GGB	11.NA17RJ1228 AMEND #24	10,034	0
R&D		GGB	11.NA17RJ1228 AMEND. 111	7,568	0
R&D		GGB	11.NA17RJ1228 AMEND. 21	3,164	0
R&D		GGB	11.NA17RJ1228 AMEND. 24	63,205	0
R&D		GGB	11.NA17RJ1228 AMEND. 76	150,471	0
SUBTOTAL DIRECT FROM:				30,842,028	97,008
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Climate and Atmospheric Research		GFB	11.431 / 11.SO6-54898	22,400	0
Climate and Atmospheric Research		GFB	11.431 / 11.SO5-56512	23,319	0
UNIVERSITY OF MIAMI					
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GFB	11.432 / 11.66080T/PO#P779141	22,942	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				68,661	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE				30,910,689	97,008
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE					
Hydrologic Research		GFB	11.462	72,348	0
SUBTOTAL DIRECT FROM:				72,348	0
PASS-THROUGH PROGRAMS FROM:					
UCAR-NCAR-COMET ATMOSPHERIC TECH. DIVIS.					
Meteorologic and Hydrologic Modernization Development		GGB	11.467 / 11.SO4-44700 MO1	22,046	0
Meteorologic and Hydrologic Modernization Development		GGB	11.467 / 11.SO4-49759 M2	48,195	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				70,241	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE				142,589	0
SUBTOTAL DEPARTMENT OF COMMERCE				38,001,783	127,831

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 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	1,943,376	14,576
Air Force Defense Research Sciences Program		GFC	12.800	14,232	0
Air Force Defense Research Sciences Program		GGB	12.800	359,501	0
R&D		GLA	12.F29601-02-C-0222	19,537	0
R&D		GLA	12.F41624-02-C-8085	30,717	0
R&D		GLA	12.FA8650-04-C-5044	1,113	0
R&D		GLA	12.FA8750-04-1-0298	161,311	0
R&D		GLA	12.FA8750-06-1-0001	72,279	0
R&D		GLA	12.N00014-06-1-0207	56,507	0
R&D		GLA	12.Service Order No. 452652	8,925	0
R&D		GLA	12.W912HQ-06-C-0018	6,941	0
R&D		GLA	12.W912HQ-06-C-0024	28,024	0
R&D		GLA	12.W912HQ-06-C-0028	74,551	0
SUBTOTAL DIRECT FROM:				2,777,014	14,576
PASS-THROUGH PROGRAMS FROM:					
ADA Technologies, Inc.					
R&D		GLA	12.05-0965S	90,294	0
BAE SYSTEMS					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.04078-6918	13,070	0
GE GLOBAL RESEARCH					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.PO 700118281	123,544	0
ITN ENERGY SYSTEMS INC.					
R&D		GLA	12.FA9550-04-C-0111	4,606	0
MIDE TECHNOLOGY CORPORATION					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.311	27,289	0
MLB COMPANY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.OCG4697B	19,380	0
NORTHWESTERN UNIVERSITY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.0650 300 F416 427	222,010	0
PARSONS ENGINEERING SCIENCE					
R&D		GLA	12.F41624-00-D-8024T024	(204)	0
Percep Tek, Inc.					
R&D		GLA	12.unkown	66,896	0
Princeton University					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.1040	248,119	0
ROCKWELL SCIENCE CENTER					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.B5U520036	31,622	0
Air Force Defense Research Sciences Program		GFB	12.800 / 12.B5U529136	79,529	0
SRI INTERNATIONAL					
R&D		GLA	12.FA8650-04-C-5224	489	0
STANFORD UNIVERSITY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.13833420-32954-A	26,945	0
TDA Research, Inc.					
R&D		GLA	12.CSM06.01	1,824	0
TECH-X CORPORATION					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.F2-1928	102,287	0
THE TIMKEN COMPANY					
R&D		GLA	12.F33615-03-D-2353	77,143	0
U.S AIR FORCE					
Air Force Defense Research Sciences Program		GFC	12.800 / 12.FA7000-04-P-0310	415	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.SA4391-32438PG	95,654	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,230,912	0
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE				4,007,926	14,576
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
Research & Technology Development		GFB	12.910	394,159	0
Research & Technology Development		GFC	12.910	(3,388)	0
Research & Technology Development		GGB	12.910	326,260	64,938
SUBTOTAL DIRECT FROM:				717,031	64,938

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:					
ACADEMY OF APPLIED SCIENCES					
Research & Technology Development		GFB	12.910 / 12.24-May	2,600	0
AGILENT TECHNOLOGIES					
Research & Technology Development		GFB	12.910 / 12.DAAD19-03-9-0001	(209,272)	0
NEXTGEN AERONAUTICS, INC.					
Research & Technology Development		GFB	12.910 / 12.PO # NGAI 05.0025	982	0
PERCEP TEK, INC.					
R&D		GLA	12.DARPA II SB022-042	3,932	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES					
Research & Technology Development		GGB	12.910 / 12.0145 G FB482	150,366	0
ZENWA, INC.					
Research & Technology Development		GFB	12.910 / 12.OCG4664B	(4,499)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(55,891)	0
SUBTOTAL DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE				661,140	64,938
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	364,494	0
Military Medical Research & Development		GFC	12.420	60,810	0
Military Medical Research & Development		GFE	12.420	1,669,334	0
Military Medical Research & Development		GGB	12.420	267,209	18,216
SUBTOTAL DIRECT FROM:				2,361,847	18,216
PASS-THROUGH PROGRAMS FROM:					
AXIOM RESOURCE MANAGEMENT, INC.					
Military Medical Research & Development		GFE	12.420 / 12.W81XWH-04-F-0828	28,807	0
NATIONAL REHABILITATION HOSPITAL					
Military Medical Research & Development		GFE	12.420 / 12.DAMD17-02-2-0032	49	0
SPONSOR NAME NOT FOUND FOR YYHE06 **					
Military Medical Research & Development		GGB	12.420 / 12.0000114836	111,236	0
UNIVERSITY OF WISCONSIN					
Military Medical Research & Development		GFE	12.420 / 12.V195786	290,549	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				430,641	0
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE				2,792,488	18,216
DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF DEFENSE					
Unclassified Grants and Contracts		GFB	12.000	225,816	0
R&D		GGB	12.DAAD19-01-2-0018	(17)	0
R&D		GGB	12.DAAD19-02-2-0005 P00005	554,119	0
R&D		GGB	12.DAAD19-02-2-0005 P00009	1,316,549	141,798
R&D		GGB	12.DACA42-03-P-0197	(10)	0
R&D		GGB	12.DACA72-01-C-0005 P00004	(1,157)	0
R&D		GGB	12.DACA72-01-C-0005 P00006	6,775	0
R&D		GGB	12.DACA87-04-H-001	41,374	0
R&D		GGB	12.DAMD17-01-1-0124	158,388	0
R&D		GGB	12.DAMD17-02-1-0347	19	0
R&D		GGB	12.DAPC49-02-D-0002 DO 00	5,487	0
R&D		GGB	12.DAPC49-02-D-0002 D.O. 00	51	0
R&D		GGB	12.MIPR4ECSU50057	5,604	0
R&D		GGB	12.N68711-04-LT-A0063	20,465	0
R&D		GGB	12.N68711-05-LT-A-0052	65,771	0
R&D		GLA	12.P116B040030	62,750	0
R&D		GGB	12.TASK ORDER ITAM04	45,697	0
R&D		GGB	12.W911NF-06-2-0015	189,152	0
R&D		GGB	12.W9128F-06-P-0072	88,613	0
R&D		GGB	12.W912HQ-04-C-0043 P00003	397,010	131,203
R&D		GGB	12.W912HQ-05-C-0028	261,662	0
R&D		GGB	12.W912HQ-05-C-0042 #01	69,769	20,213
R&D		GGB	12.W912HQ-06-C-0012 MOD. P0	30,006	0
R&D		GGB	12.W9132T-06-2-0018	10,195	0
R&D		GGB	12.W91CRB-04-C-0061 P0003	69,702	0
SUBTOTAL DIRECT FROM:				3,623,790	293,214

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:					
APC-ACADEMY OF APPLIED SCIENCE					
R&D		GGB	12.SUBGRANT 06-16 AND 06-17	2,570	0
CAMP DRESSER MCKEE					
R&D		GGB	12.6133-999-001-CS MOD. 00	13,000	0
ERC, INC.					
R&D		GGB	12.RP050721	47,102	0
FLORIDA A&M UNIVERSITY					
R&D		GGB	12.00493: C-1526	27,124	0
INFOSCITEX					
Unclassified Grants and Contracts		GFB	12.000 / 12.1124-1S2	16,600	0
JOHNS HOPKINS UNIVERSITY					
R&D		GGB	12.901410 AMENDMENT 1	71,827	0
PURDUE UNIVERSITY					
R&D		GGB	12.531-0532-01	29,702	0
Penn State					
R&D		GLA	12.1992-CSM-USDE-0044	8,148	0
PrSM Corporation					
R&D		GLA	12.W9113M-05-C-0119	14,175	0
SCIENCE APPLICATIONS INTERNATIONAL CORP					
Unclassified Grants and Contracts		GFB	12.000 / 12.4400124667	101,440	0
SHARED SPECTRUM COMPANY					
Unclassified Grants and Contracts		GFB	12.000 / 12.2005-13	116,971	0
SPONSOR NAME NOT FOUND FOR YCDE08 **					
R&D		GGB	12.N00014-05-C-0034	6,233	0
SPONSOR NAME NOT FOUND FOR YCNO12 **					
R&D		GGB	12.NWRA-03-S-071 001	16,081	0
SYNKERA TECHNOLOGIES, INC.					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4739B	56,359	0
THE NATURE CONSERVANCY					
R&D		GGB	12.04211004	40,114	0
UNIVERSITY OF PITTSBURGH					
R&D		GLA	12.070183-1	73	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				567,519	0
SUBTOTAL DEPARTMENT OF DEFENSE				4,191,309	293,214
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
Mathematical Sciences Grants Program		GFC	12.901	16,737	0
Information Security Grant Program		GFB	12.902	151,437	0
Information Security Grant Program		GFC	12.902	(13,173)	0
SUBTOTAL DIRECT FROM:				155,001	0
SUBTOTAL NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE				155,001	0
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
DIRECT FROM:					
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
R&D		GGB	12.05169404	6,094	0
Basic & Applied Scientific Research		GFB	12.300	2,923,500	405,214
Basic & Applied Scientific Research		GFC	12.300	165,702	212,130
Basic & Applied Scientific Research		GGB	12.300	1,276,829	33,017
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-02-1-0234	118,594	0
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-04-1-0156	382	0
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-06-1-0544	2,279	0
R&D		GLA	12.N00014-02-1-0665	892,075	0
R&D		GLA	12.N00014-05-1-0339	543,149	0
R&D		GLA	12.unkown	2,500	0
SUBTOTAL DIRECT FROM:				5,931,104	650,361
PASS-THROUGH PROGRAMS FROM:					
BAE SYSTEMS					
Basic & Applied Scientific Research		GFB	12.300 / 12.165974	244,989	0
COLORADO ENGINEERING INC					
Basic & Applied Scientific Research		GFC	12.300 / 12.FA9550.04.C0125	(2,956)	0
COLUMBIA UNIVERSITY					
Basic & Applied Scientific Research		GFC	12.300 / 12.N00014-03-1-0023 S2	19,027	0

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
Basic & Applied Scientific Research		GFC	12.300 / 12.N00014-05-1-0188	7,421	0
Basic & Applied Scientific Research		GFC	12.300 / 12.N00014-06-1-0032	14,188	0
Basic & Applied Scientific Research		GFB	12.300 / 12.SUB#: 1/NBCHC040040	257,489	0
InnovaTek, Inc.					
R&D		GLA	12.14329	19,618	0
Pathfinder Systems, Inc.					
R&D		GLA	12.unkown	15,826	0
QuesTek Innovations LLC					
R&D		GLA	12.PO No. 05-197	76,539	0
REMOTE REALITY					
Basic & Applied Scientific Research		GFC	12.300 / 12.PO-M10025	137,631	0
SCIENTIFIC MATERIALS CORP					
Basic & Applied Scientific Research		GFB	12.300 / 12.OCG4588B	117,510	0
SPONSOR NAME NOT FOUND FOR YCPA06 **					
R&D		GGB	12.05165403	19,766	0
TDA RESEARCH INC.					
Basic & Applied Scientific Research		GFB	12.300 / 12.UCB05.01	53,379	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Basic & Applied Scientific Research		GFB	12.300 / 12.SA3212	89,105	0
UNIVERSITY OF IDAHO					
Basic & Applied Scientific Research		GGB	12.300 / 12.KKK610	53,094	0
UNIVERSITY OF WISCONSIN					
Basic & Applied Scientific Research		GFE	12.300 / 12.UWISC # V169610	(10)	0
UTAH STATE UNIVERSITY					
Basic & Applied Scientific Research		GFB	12.300 / 12.CO19252	(2,518)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,120,098	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY				7,051,202	650,361
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 Plain Management Services		GFE	12.104	15,258	0
Collaborative Research & Development		GFB	12.114	423,156	134,402
Collaborative Research & Development		GGB	12.114	229,293	246,891
SUBTOTAL DIRECT FROM:				667,707	381,293
PASS-THROUGH PROGRAMS FROM:					
AERONAUTICAL INCORPORATED					
Collaborative Research & Development		GFB	12.114 / 12.177201	173,340	0
Collaborative Research & Development		GFB	12.114 / 12.177201 DEL ORDER 96	108,156	0
HONEYWELL INTERNATIONAL, INC.					
Collaborative Research & Development		GFB	12.114 / 12.GPA A007075,A006563	85,001	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				366,497	0
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				1,034,204	381,293
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	195,323	0
Basic, Applied, & Advanced Research in Science and Engineering		GFC	12.630	975,024	0
Basic, Applied, & Advanced Research in Science and Engineering		GGB	12.630	69,527	0
SUBTOTAL DIRECT FROM:				1,239,874	0
PASS-THROUGH PROGRAMS FROM:					
NORTHROP GRUMMAN					
Basic, Applied, & Advanced Research in Science and Engineering		GFB	12.630 / 12.16112QDP4S	1,315,734	49,842
ROCKWELL INTERNATIONAL					
Basic, Applied, & Advanced Research in Science and Engineering		GFB	12.630 / 12.B6U517361	145,313	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,461,047	49,842
SUBTOTAL OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE				2,700,921	49,842

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
DIRECT FROM:					
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
R&D		GGB	12.04062306	(53)	0
Basic Scientific Research		GFB	12.431	3,553,502	1,249,573
Basic Scientific Research		GFC	12.431	320,765	722,897
Basic Scientific Research		GFE	12.431	745	0
Basic Scientific Research		GGB	12.431	501,495	0
Basic Scientific Research		GLA	12.431 / 12.DAAD19-03-1-0292	113,991	0
Basic Scientific Research		GLA	12.431 / 12.W911NF-04-1-0169	80,434	0
R&D		GLA	12.DAAD19-01-1-0590	612	0
R&D		GLA	12.DAAD19-02-1-0221	11,364	0
R&D		GLA	12.DACA42-03-C-0067	756	0
R&D		GLA	12.DACA72-02-C-0012	25,078	0
R&D		GLA	12.DACA72-02-C-0019	119,554	0
R&D		GLA	12.DAMD17-02-P-0333	(15,624)	0
R&D		GLA	12.W81XWH-05-P-0644	45,000	0
R&D		GLA	12.W911NF-04-1-0430	11,828	0
R&D		GLA	12.W911NF-05-1-0141	64,024	0
R&D		GLA	12.W912HQ-04-C-0040	323,923	0
R&D		GLA	12.W912HZ-05-P-0120	13,675	0
SUBTOTAL DIRECT FROM:				5,171,069	1,972,470
PASS-THROUGH PROGRAMS FROM:					
AMERICAN MUSEUM OF NATURAL HISTORY					
Basic Scientific Research		GFB	12.431 / 12.SUB2-2005/PO#40004	46,082	0
APC-ACADEMY OF APPLIED SCIENCE					
R&D		GGB	12.05-31 05-66	3,953	0
Advanced Technology Institute					
R&D		GLA	12.2006-343	7,954	0
Functional Coating Technologies, LLC					
R&D		GLA	12.unkown	9,165	0
MICROSAT SYSTEMS INC					
Basic Scientific Research		GFB	12.431 / 12.04M-233	81,766	0
MITRETEK SYSTEMS, INC.					
R&D		GLA	12.FA8903-04-D-8715	59,733	0
RAYTHEON VISION SYSTEMS					
R&D		GLA	12.SG-6BW266GGAW5	(132)	0
SKY RESEARCH, INC.					
R&D		GLA	12.W912HQ-04-C-0009	48,615	0
TDA RESEARCH INC.					
Basic Scientific Research		GFB	12.431 / 12.CU-TDA02.2	(1)	0
TDA Research, Inc.					
R&D		GLA	12.CSM-05.1	22,165	0
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA					
Basic Scientific Research		GFB	12.431 / 12.KK0124	271,269	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				550,569	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				5,721,638	1,972,470
SUBTOTAL DEPARTMENT OF DEFENSE				28,315,829	3,444,910
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
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					
Equal Opportunity in Housing		GFE	14.400	130,954	144,686
SUBTOTAL DIRECT FROM:				130,954	144,686
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				130,954	144,686

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
STEVE WINTER ASSOCIATES, INC.					
Indian Housing Block Grants		GFE	14.867 / 14.HUD 18.1	264,367	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				264,367	0
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				264,367	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				395,321	144,686
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.CMK00000003	229,912	0
R&D		GGB	15.TO M40440/05/92620/92R00	15,300	0
SUBTOTAL DIRECT FROM:				245,212	0
SUBTOTAL BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR				245,212	0
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
R&D		GGB	15.1422 CAA030001 CAF040016	496	0
R&D		GGB	15.1422 CAA030001 CAF040019	5,999	0
R&D		GGB	15.1422 CAA030001 CAF050005	7,210	0
R&D		GGB	15.1422 CAA030001 CAF050006	5,873	0
R&D		GGB	15.1422 CAA030001 CAF050034	27,000	0
R&D		GGB	15.1422 CAA030001 CAF060013	3,154	0
R&D		GGB	15.1422 CAA030001 CAF060018	718	0
R&D		GGB	15.1422 CAA030001/CAF040040	7,484	0
R&D		GGB	15.1422 CAA030001/CAF050044	39,960	0
R&D, BLM GIS Projects for Students		GZA	15.1422 CAA050009	16,744	0
R&D		GGB	15.1422 CAA050023	40,701	0
R&D, Bureau of Land Mgmt		GZA	15.1422 CAA990017 CAF040025	1,527	0
Recreation Resource Management		GFB	15.225	22,912	0
R&D		GGB	15.JSA001013 TASK ORDER 2 A	(1)	0
R&D		GGB	15.JSA041004 TASK ORDER NO.	5,889	0
R&D		GGB	15.KAA000011 KAF031018	18,855	0
R&D		GGB	15.KAA000011 KAF031019 AMEN	2,101	0
R&D		GGB	15.KAA000011(CESU) KAF03101	11,689	0
R&D		GGB	15.KAA051037	219,665	0
R&D		GGB	15.LAA-04-0008	21,484	0
SUBTOTAL DIRECT FROM:				459,460	0
PASS-THROUGH PROGRAMS FROM:					
MONTANA STATE UNIVERSITY					
Cultural Resource Management		GGB	15.224 / 15.G257-05-W0094	3,763	0
THE NATURE CONSERVANCY					
R&D		GGB	15.TNC/CSU CY2005-02	20,344	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				24,107	0
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				483,567	0
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
R&D		GGB	15.00-FC-81-0213 MOD. 06	143	0
R&D		GGB	15.02-FC-40-6130	588,538	0
R&D		GGB	15.03-FC-40-2100 MOD. 002	19,651	0
R&D		GLA	15.04-FC-81-1053	42,086	0
R&D		GGB	15.04-FG-34-0002	766	0
R&D		GGB	15.04290804	119,737	0
R&D		GGB	15.04CS810989 3001	19,708	0

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
R&D		GGB	15.05-FG-40-2272	2,875	0
R&D		GGB	15.05CS201004 MOD. 0003	14,931	0
R&D		GGB	15.05FC601953	16,141	0
R&D		GGB	15.05FG602036	11,835	0
R&D		GGB	15.05PG303204 #02	24,993	0
R&D		GGB	15.05PG810424 #001	22,681	0
R&D		GGB	15.06D88530009	12,773	0
R&D		GGB	15.06FG204049	1,123	0
Water Reclamation and Reuse Program		GFB	15.504	720,370	0
R&D		GGB	15.99-FC-60-12140 MOD. #01	18,760	0
SUBTOTAL DIRECT FROM:				1,637,111	0
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YUCE01 **					
R&D		GGB	15.71501 PO#PO034556	66,792	0
WATER REUSE FOUNDATION					
R&D		GLA	15.WRF-03-014	167,132	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				233,924	0
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				1,871,035	0
DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
DEPARTMENT OF THE INTERIOR					
Unclassified Grants and Contracts		GFB	15.000	223,971	0
Unclassified Grants and Contracts		GFE	15.000	2,774	0
R&D		GLA	15.0105P039363	23,615	0
R&D		GLA	15.0106P039592	12,767	0
R&D		GGB	15.1425-05-FC-10-1135 #001	31,243	0
R&D		GGB	15.H1200040001 CSU-12	14,953	0
R&D		GGB	15.H1200040002 TASK CSU-95	3,918	0
R&D		GFE	15.Unknown	144,669	0
SUBTOTAL DIRECT FROM:				457,910	0
PASS-THROUGH PROGRAMS FROM:					
BBNT SOLUTIONS LLC					
Unclassified Grants and Contracts		GFB	15.000 / 15.9500008244	93,183	21,413
NORTHERN ARAPAHOE TRIBE					
Unclassified Grants and Contracts		GFB	15.000 / 15.OCG4774B	6,756	0
TEXAS A&M UNIVERSITY					
Unclassified Grants and Contracts		GFB	15.000 / 15.S020055	22,316	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				122,255	21,413
SUBTOTAL DEPARTMENT OF THE INTERIOR				580,165	21,413
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
Assistance to State Water Resources Research Institutes		GFB	15.805	641,474	0
Assistance to State Water Resources Research Institutes		GGB	15.805	26,395	12,810
Earthquake Hazards Reduction Program		GFB	15.807	93,055	0
Earthquake Hazards Reduction Program		GLA	15.807 / 15.04HQGR0108	35,914	0
Earthquake Hazards Reduction Program		GLA	15.807 / 15.06HQGR0004	15,181	0
Earthquake Hazards Reduction Program		GLA	15.807 / 15.06HQGR0006	1,515	0
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808	57,892	0
U.S. Geological Survey: Research & Data Acquisition		GGB	15.808	1,371,356	0
U.S. Geological Survey: Research & Data Acquisition		GKA	15.808	4,619	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.04CRAG0009	45,925	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.04CRAG0010	3,991	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.04CRAG0026	10,429	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.04CRGR0001	46,995	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.04HQGR0147	239	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.04HQGR015	13,784	0
SUBTOTAL DIRECT FROM:				2,368,764	12,810
PASS-THROUGH PROGRAMS FROM:					
Colorado State University					
Assistance to State Water Resources Research Institutes		GLA	15.805 / 15.G-1761-1	39,585	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
FLORIDA STATE UNIVERSITY					
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808 / 15.R00203	4,983	0
SCIENCE APPLICATIONS INTERNATIONAL CORP					
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808 / 15.4400059390	39,781	0
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808 / 15.4400085812	32,957	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				117,306	0
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				2,486,070	12,810
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
R&D		GLA	15.0103PO72188	28,788	0
R&D		GLA	15.0103PO73498	13	0
R&D		GLA	15.1435-01-04-36637	127,821	0
SUBTOTAL DIRECT FROM:				156,622	0
SUBTOTAL MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR				156,622	0
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
Historic Preservation Fund Grants-In-Aid		GFE	15.904	692	0
National Natural Landmarks Program		GFB	15.910	233	0
National Register of Historic Places		GFB	15.914	24,793	0
Technical Preservation Services		GFB	15.915	34,464	0
Technical Preservation Services		GFC	15.915	1,937	0
Technical Preservation Services		GKA	15.915	54,293	0
Outdoor Recreation: Acquisition, Development and Planning		GGB	15.916	505,409	0
Rivers, Trails, & Conservation Assistance		GFB	15.921	49,242	0
Native American Graves Protection and Repatriation Act		GFB	15.922	72,501	0
National Center for Preservation Technology and Training (B) -		GFB	15.923	17,773	0
National Center for Preservation Technology and Training (B) -		GFE	15.923	13,972	0
American Battlefield Protection		GFB	15.926	888	0
Save America's Treasures		GFB	15.929	5,275	0
Save America's Treasures		GFE	15.929	796	0
R&D		GGB	15.CA 1200-99-009 CSU-51, C	(14)	0
R&D		GGB	15.CA H1200040001 CSU-02	7,954	0
R&D		GGB	15.CA H2380040002 TO 04-09	134,399	0
R&D		GGB	15.CA1200-99-009 CSU-33,36,	2,588	0
R&D		GGB	15.CA238099001 TO 03-07 MOD	1,259	0
R&D		GGB	15.CA6000A0100 TA# J-2106-0	17,068	0
R&D		GGB	15.H1200040001 J1521050023	25,214	0
R&D		GGB	15.H1200040001 J7350060006	4,850	0
R&D		GGB	15.H1200040001 CSU-01	51,379	0
R&D		GGB	15.H1200040001 CSU-03	10,190	0
R&D		GGB	15.H1200040001 CSU-05	5,578	0
R&D		GGB	15.H1200040001 CSU-08, -04	28,247	0
R&D		GGB	15.H1200040001 CSU-09	7,078	0
R&D		GGB	15.H1200040001 CSU-10	734	0
R&D		GGB	15.H1200040001 CSU-11	1,936	0
R&D		GGB	15.H1200040001 CSU-16	15,477	0
R&D		GGB	15.H1200040001 CSU-18	4,490	0
R&D		GGB	15.H1200040001 CSU-19	16,592	0
R&D		GGB	15.H1200040001 CSU-20	10,565	0
R&D		GGB	15.H1200040001 CSU-22	14,374	0
R&D		GGB	15.H1200040001 CSU-23	33,621	0
R&D		GGB	15.H1200040001 CSU-27	62,060	0
R&D		GGB	15.H1200040001 CSU-28	13,005	0
R&D		GGB	15.H1200040001 CSU-30,15	25,602	0
R&D		GGB	15.H1200040001 CSU-31	30,706	0
R&D		GGB	15.H1200040001 CSU-32	1,414	0
R&D		GGB	15.H1200040001 CSU-33, 07,	67,449	0
R&D		GGB	15.H1200040001 CSU-34,29,21	144,731	0
R&D		GGB	15.H1200040001 CSURM-14,38	32,512	0
R&D		GGB	15.H1200040001 CSURM-26,44	56,270	0
R&D		GGB	15.H1200040001 CSURM-37	7,775	0
R&D		GGB	15.H1200040001 CSURM-42	9,499	0
R&D		GGB	15.H1200040002	4,385	0
R&D		GGB	15.H1200040002 CSU-101	10,210	0
R&D		GGB	15.H1200040002 CSU-103, CSU	81,736	0
R&D		GGB	15.H1200040002 CSU-104	10,000	0

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.H1200040002 CSU-105	11,898	0
R&D		GGB	15.H1200040002 CSU-107 CSU-	112,569	0
R&D		GGB	15.H1200040002 CSU-109	12,831	0
R&D		GGB	15.H1200040002 CSU-110	28,068	0
R&D		GGB	15.H1200040002 CSU-97	9,729	0
R&D		GGB	15.H1200040002 CSU-99	18,265	0
R&D		GGB	15.H1200040002 CSUCP-112	11,011	0
R&D		GGB	15.H120004001 TO 36 AND CSU	23,312	0
R&D, Native Plant Restoration, Colo Natl Mon		GZA	15.H1378040033	2,021	0
R&D: Inventory Of Wind Cave Biota: Microbial Diversity		GKA	15.H1505050004 - R156005CR0	7,257	0
R&D		GGB	15.H2380040002 TO 05-60	430,210	0
R&D		GGB	15.H2380040002 TO 04-01	(638)	0
R&D		GGB	15.H2380040001	40,366	0
R&D		GGB	15.H2380040001 T.O. 04-01	21,587	0
R&D		GGB	15.H2380040001 TO 04-59	10,650	0
R&D		GGB	15.H2380040001 TO J23400500	117,113	0
R&D		GGB	15.H2380040001 TO J23700501	62,417	0
R&D		GGB	15.H2380040001 TO J23700505	62,475	24,430
R&D		GGB	15.H2380040001 TO J25510530	35,113	0
R&D		GGB	15.H2380040002 02-19/J2485	172,683	0
R&D		GGB	15.H2380040002 T.O. 05-51	39,756	0
R&D		GGB	15.H2380040002 TO 04-20 MO	12,812	0
R&D		GGB	15.H2380040002 TO 04-21 MO	118,122	0
R&D		GGB	15.H2380040002 TO 05-56 O	459,443	0
R&D		GGB	15.H2380040002 J2350053125	336,227	0
R&D		GGB	15.H2380040002 J2485050105	48,456	0
R&D		GGB	15.H2380040002 T.O. 04-17	418,602	0
R&D		GGB	15.H2380040002 T.O. 05-51	23,299	0
R&D		GGB	15.H2380040002 TO 04-02 MOD	786,660	0
R&D		GGB	15.H2380040002 TO 04-04 AME	168,094	0
R&D		GGB	15.H2380040002 TO 04-05 MOD	47,290	0
R&D		GGB	15.H2380040002 TO 04-07	9,706	0
R&D		GGB	15.H2380040002 TO 04-12	154,525	0
R&D		GGB	15.H2380040002 TO 04-14	8,966	0
R&D		GGB	15.H2380040002 TO 04-16	11,489	0
R&D		GGB	15.H2380040002 TO 04-22	38,580	0
R&D		GGB	15.H2380040002 TO 04-53 05-	60,529	0
R&D		GGB	15.H2380040002 TO 04-56	108,367	0
R&D		GGB	15.H2380040002 TO 04-58	67,386	0
R&D		GGB	15.H2380040002 TO 05-60	576,242	0
R&D		GGB	15.H2380040002 TO J23400500	280,634	0
R&D		GGB	15.H2380040002 TO J23700530	160,086	0
R&D		GGB	15.H2380040002/J2370050079	244,134	0
R&D		GGB	15.P8333060005	13,241	0
SUBTOTAL DIRECT FROM:				7,114,784	24,430
PASS-THROUGH PROGRAMS FROM: E2M-ENGINEERING-ENVIRONMENTAL MANAGEMENT					
R&D		GGB	15.E2M-04-080 WORK PACKAGE	6,370	0
NATIONAL PARK FOUNDATION					
National Center for Preservation Technology and Training (B) -		GFB	15.923 / 15.OCG4544B	41,824	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				48,194	0
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				7,162,978	24,430
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
PASS-THROUGH PROGRAMS FROM: UNIVERSITY OF WYOMING					
Abandoned Mine Land Reclamation (AMLR) Program		GGB	15.252 / 15.WYDEQ49803	16,098	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				16,098	0
SUBTOTAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR				16,098	0
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM: U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
Fish & Wildlife Management Assistance		GFB	15.608	2,493	0
Fish & Wildlife Management Assistance		GGB	15.608	103,073	0
Coastal Program		GFB	15.630	84,377	0

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
State Wildlife Grants		GFB	15.634	272,485	0
Challenge Cost Share		GGB	15.642	6,681	0
SUBTOTAL DIRECT FROM:				469,109	0
PASS-THROUGH PROGRAMS FROM:					
MONTANA STATE UNIVERSITY					
R&D		GGB	15.G264-05-W0373	37,558	0
R&D		GGB	15.G265-05-W0373	25,595	0
R&D		GGB	15.G267-05-W0373	21,547	0
R&D		GGB	15.GC284-03-Z3252	(345)	0
R&D		GGB	15.GC284-04-Z3735	27,228	0
R&D		GGB	15.GC289-04-Z3735	20,530	0
SPONSOR NAME NOT FOUND FOR YMRM00 **					
R&D		GGB	15.CNHP-001-011906 TO# 1	23,744	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				155,857	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				624,966	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		GGB	15.00HQAG0008 00008HS003 #0	20,698	0
R&D		GGB	15.01HQGR0077 #0002	0	7,288
R&D		GGB	15.01HQGR0077 #0003	10,150	14,400
R&D		GLA	15.04CRSA0840	11,290	0
R&D		GGB	15.05HQGR0150	0	22,847
National Spatial Data Infrastructure Competitive Cooperative Agreements Program		GFB	15.809	4,868	0
National Cooperative Geologic Mapping Program		GLA	15.810 / 15.03HQAG0022	(271)	0
National Cooperative Geologic Mapping Program		GZA	15.810 / 15.05HQAG0036	3,796	0
Cooperative Research Units Program		GFB	15.812	16,448	0
Cooperative Research Units Program		GFE	15.812	10,866	6,432
R&D		GLA	15.FA8750-04-1-0298	22,796	0
R&D		GLA	15.unkown	81,518	0
SUBTOTAL DIRECT FROM:				182,159	50,967
PASS-THROUGH PROGRAMS FROM:					
COLORADO STATE UNIVERSITY					
R&D		GLA	15.G-4146-1	11,294	0
Colorado State University					
R&D		GLA	15.G-2963-2	14,400	0
LOUISIANA STATE UNIVERSITY					
National Spatial Data Infrastructure Competitive Cooperative Agreements Program		GFB	15.809 / 15.R141730	26,106	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				51,800	0
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR				233,959	50,967
SUBTOTAL DEPARTMENT OF THE INTERIOR				13,860,672	109,620
DEPARTMENT OF JUSTICE					
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		GFB	16.560	69,578	0
SUBTOTAL DIRECT FROM:				69,578	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE				69,578	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		GFB	16.710	157,259	0
SUBTOTAL DIRECT FROM:				157,259	0
SUBTOTAL OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE				157,259	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
Juvenile Justice & Delinquency Prevention: Allocation to States		GFB	16.540	142,416	523,771
Part E -Developing, Testing and Demonstrating Promising New Programs		GFB	16.541	960,518	0
Tribal Youth Program		GGB	16.731	114,109	0
SUBTOTAL DIRECT FROM:				1,217,043	523,771
PASS-THROUGH PROGRAMS FROM:					
OFFICE OF JUVENILE JUSTICE DELINQUENCY PREVENTION					
Part E -Developing, Testing and Demonstrating Promising New Programs		GFE	16.541 / 16.2005-MU-MU-001	287,485	133,817
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				287,485	133,817
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE				1,504,528	657,588
SUBTOTAL DEPARTMENT OF JUSTICE				1,731,365	657,588
DEPARTMENT OF LABOR					
DEPARTMENT OF LABOR					
DIRECT FROM:					
DEPARTMENT OF LABOR					
R&D		GGB	17.E9F5 0980	231,057	0
SUBTOTAL DIRECT FROM:				231,057	0
SUBTOTAL DEPARTMENT OF LABOR				231,057	0
MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
R&D		GLA	17.B2532537	198,433	0
SUBTOTAL DIRECT FROM:				198,433	0
SUBTOTAL MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				198,433	0
SUBTOTAL DEPARTMENT OF LABOR				429,490	0
DEPARTMENT OF STATE					
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE					
DIRECT FROM:					
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE					
Educational Partnerships Program		GFB	19.406	24,565	0
SUBTOTAL DIRECT FROM:				24,565	0
PASS-THROUGH PROGRAMS FROM:					
COUNCIL FOR INTERNATIONAL EXCHANGE OF SCHOLARS					
Educational Exchange: University Lecturers (Professors) and Research Scholars		GFE	19.401 / 19.IPG-87500011	1,455	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,455	0
SUBTOTAL BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE				26,020	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
PASS-THROUGH PROGRAMS FROM:					
MICHIGAN STATE UNIVERSITY					
R&D		GGB	19.61-3854	110,719	0
SPONSOR NAME NOT FOUND FOR YMAS07 **					
R&D		GGB	19.04173106	32,408	0
UNIVERSITY OF WYOMING					
R&D		GGB	19.CAUNV47803CSU	19,213	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				162,340	0
SUBTOTAL DEPARTMENT OF STATE				162,340	0
SUBTOTAL DEPARTMENT OF STATE				188,360	0
DEPARTMENT OF TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
DEPARTMENT OF TRANSPORTATION					
R&D		GGB	20.DTFH61-99-X-00009	69,587	0
SUBTOTAL DIRECT FROM:				69,587	0
PASS-THROUGH PROGRAMS FROM:					
NORTH DAKOTA STATE UNIVERSITY					
R&D		GGB	20.DTRS99-G-0008	79,332	0
R&D		GGB	20.DTRS99-G-0008 SUBCONTRAC	8,828	0
R&D		GGB	20.DTRSS99-G-0008	135	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				88,295	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				157,882	0
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Aviation Research Grants		GFB	20.108 / 20.SO6-57994	7,233	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				7,233	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				7,233	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				165,115	0
OFFICE OF PERSONNEL MANAGEMENT					
OFFICE OF PERSONNEL MANAGEMENT					
DIRECT FROM:					
OFFICE OF PERSONNEL MANAGEMENT					
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011	1,434,164	0
SUBTOTAL DIRECT FROM:				1,434,164	0
PASS-THROUGH PROGRAMS FROM:					
DENVER RESEARCH INSTITUTE					
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011 / 27.PN:0501-235	1,551	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,551	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				1,435,715	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				1,435,715	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
LIBRARY OF CONGRESS					
LIBRARY OF CONGRESS					
DIRECT FROM:					
LIBRARY OF CONGRESS					
Government Publications Sales and Distribution		GFB	42.002	17,357	0
Distribution of Library of Congress Cataloging		GFB	42.003	205,494	12,000
SUBTOTAL DIRECT FROM:				222,851	12,000
PASS-THROUGH PROGRAMS FROM:					
AEROASTRO, INC.					
Government Publications Sales and Distribution		GFB	42.002 / 42.2491-001 VERSION 01	21,018	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				21,018	0
SUBTOTAL LIBRARY OF CONGRESS				243,869	12,000
SUBTOTAL LIBRARY OF CONGRESS				243,869	12,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
DIRECT FROM:					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Aerospace Education Services Program		GFB	43.001	89,251	0
Aerospace Education Services Program		GGB	43.001	19,313	76,216
Technology Transfer		GFB	43.002	37,916,594	6,884,015
Technology Transfer		GFE	43.002	28,446	0
R&D		GLA	43.BES-0553970	19,373	0
R&D		GLA	43.CNS-0546712	18,148	0
R&D		GLA	43.NAG 9-1364	1,660	0
R&D		GLA	43.NAG 9-1535	22,823	0
R&D		GGB	43.NAG1-02008 SUPP. 3	(1,104)	0
R&D		GGB	43.NAG13-02005 SUPP. 6	32	0
R&D		GGB	43.NAG5-11109 SUPP 8	(9)	0
R&D		GGB	43.NAG5-11370 SUPPLEMENT 2	4,926	0
R&D		GGB	43.NAG5-11710 SUPPL. 2	26,595	0
R&D		GGB	43.NAG5-11737 SUPP. 3	65,315	0
R&D		GGB	43.NAG5-11816 SUPP. 5	(723)	0
R&D		GGB	43.NAG5-12105 SUPPLEMENT 3	9,881	0
R&D		GGB	43.NAG5-12105 SUPPLEMENT 4	6,221	0
R&D		GLA	43.NAG5-12754	66,804	0
R&D		GLA	43.NAG5-12971	25,256	0
R&D		GGB	43.NAG5-13562 SUPPL. 3	112,923	0
R&D		GGB	43.NAG5-13567 MOD 4	114,067	0
R&D		GGB	43.NAG5-13623 SUPP. 6	309,189	0
R&D		GGB	43.NAG5-13637 SUPPLEMENT 2	94,774	0
R&D		GGB	43.NAG5-13640 #2	61,503	0
R&D		GGB	43.NAG5-13694 SUPP. 7	145,921	0
R&D		GGB	43.NAG5-13712 SUPP. 8	91,402	0
R&D		GGB	43.NAG9 1569 SUPP #7	1,745,543	323,188
R&D		GGB	43.NAS1-99103 AMEND. 19	86,897	0
R&D		GGB	43.NAS5-99237 MOD #19	492,890	0
R&D		GGB	43.NAS5-99237 MOD. 19	314,482	0
R&D		GGB	43.NAS5-99237 MOD. 20	687,483	180
R&D		GGB	43.NCC5-621 SUPPLEMENT 2	(113,676)	0
R&D		GGB	43.NCC5-707 SUPP. 2	(45,754)	0
R&D		GGB	43.NGT5-30527 SUPPLEMENT 4	20,832	0
R&D		GLA	43.NNC04AA13A	43,612	0
R&D		GGB	43.NNC04GA40G NO. 3	8,390	0
R&D		GLA	43.NNC8-238	1,872,946	0
R&D		GLA	43.NNC04GA97G	28,889	0
R&D		GGB	43.NNG04GA22G #2	66,101	0
R&D		GGB	43.NNG04GB87G #01	69,557	5,983
R&D		GGB	43.NNG04GB97G SUPP. 3	175,158	0
R&D		GGB	43.NNG04GD75G SUPPLEMENT 1	55,886	0
R&D		GGB	43.NNG04GE35G	2,020	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	43.NNG04GF32A	(39,156)	0
R&D		GGB	43.NNG04GF52A #1	261,210	0
R&D		GGB	43.NNG04GH53G SUPP 1	175,324	117,807
R&D		GGB	43.NNG04GH63G SUPP. 2	267,057	133,392
R&D		GGB	43.NNG04GI25G #02	589,015	0
R&D		GGB	43.NNG04GL61G SUPPLEMENT 1	179,827	119,559
R&D		GLA	43.NNG04GL90G	139,746	0
R&D		GLA	43.NNG04GN40G	188,029	0
R&D		GGB	43.NNG04GO73G SUPP. 1	63,472	73,073
R&D		GGB	43.NNG04GP59G	99,257	0
R&D		GGB	43.NNG04GQ15H SUPP2	29,234	0
R&D		GGB	43.NNG04GR44G MOD1	113,803	0
R&D		GGB	43.NNG04HZ45C AMENDMENT 7	228,627	0
R&D		GGB	43.NNG05GA33G SUPP. 4	116,578	43,300
R&D		GLA	43.NNG05GC04G	12,508	0
R&D		GGB	43.NNG05GD15G	327,966	0
R&D		GGB	43.NNG05GF41G	123,898	0
R&D		GGB	43.NNG05GG12G SUPP 1	50,084	69,445
R&D		GGB	43.NNG05GK54G	187,000	0
R&D		GGB	43.NNG05GL07G	40,091	0
R&D		GLA	43.NNG05GL52H	21,636	0
R&D		GGB	43.NNG05GL85G SUPP1	42,447	0
R&D		GGB	43.NNG05GP53H	26,836	0
R&D		GGB	43.NNG06GA54G	77,847	0
R&D		GGB	43.NNG06GB41G	65,230	0
R&D		GGB	43.NNG06GB60G	33,444	0
R&D		GGB	43.NNG06GC10G	26,499	0
R&D		GGB	43.NNG06GC42G	86,715	0
R&D		GGB	43.NNG06GC46G	59,009	0
R&D		GGB	43.NNG06GE11A	17,632	10,000
R&D		GGB	43.NNG06GF00G	41,626	0
R&D		GGB	43.NNJ04HD83G MOD 5	227,269	0
R&D		GLA	43.NNJ05HD86G	66,975	0
R&D		GLA	43.NNJ05HE13G	36,754	0
R&D		GGB	43.NNL04AA36G SUPP. 2	142,188	0
R&D		GLA	43.NNM05AA88C	683,695	0
R&D		GGB	43.NNS06AB01A SUPP. 2	31,158	0
R&D		GLA	43.PO54108	652	0
R&D		GLA	43.SPO20919/UCB153-5097	683	0
SUBTOTAL DIRECT FROM:				49,601,702	7,856,158
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.01-079	358,297	0
BALL AEROSPACE					
Technology Transfer		GFB	43.002 / 43.02DLB10019	20,636	0
Technology Transfer		GFB	43.002 / 43.97BSM00005	580,131	52,933
Technology Transfer		GFB	43.002 / 43.99BSM00007	786,463	125,474
Technology Transfer		GFB	43.002 / 43.PO# 05SAK00003	444,041	0
BOSTON UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.GC 174055 NGA	(14)	0
Technology Transfer		GFB	43.002 / 43.GC 189636 NGA	79,139	0
BRIGHAM YOUNG UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.04-0127/PO#292	25,519	0
Battelle Pacific Northwest Division					
R&D		GLA	43.17313	35,000	0
CALIF. INST. OF TECH/JET PROPULSION LAB					
R&D		GGB	43.1246176 MOD. 02	(9,986)	0
R&D		GGB	43.1249018 MOD. 6	94,965	0
R&D		GGB	43.1280999	40,000	0
CARNEGIE INSTITUTE OF WASHINGTON					
Technology Transfer		GFB	43.002 / 43.9-3226-01	113,417	0
Technology Transfer		GFB	43.002 / 43.DTM-3250-01 PHASE E	152,141	0
Case Western Reserve University					
R&D		GLA	43.Nasa Grant NNC05GA29G	23,807	0
FIRESTAR ENGINEERING					
R&D		GLA	43.NOF-BOBS-1	29,080	0
GEORGIA INSTITUTE OF TECHNOLOGY					
Aerospace Education Services Program		GFB	43.001 / 43.G-35-B82-G1	25,026	0
HAMPTON UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.10-Mar	4,939,259	8,760,840
ITN Energy Systems Inc.					
R&D		GLA	43.PO#05I-0289/AP22-106	49,525	0
JET PROPULSION LABORATORY					
Technology Transfer		GFB	43.002 / 43.1208112	76	0

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 / 43.1217897	47,521	0
Technology Transfer	GFB	43.002 / 43.1225700	115,455	0
Technology Transfer	GFB	43.002 / 43.1234181	690	0
Technology Transfer	GFB	43.002 / 43.1238953	115,734	0
Technology Transfer	GFB	43.002 / 43.1241698	33,582	0
Technology Transfer	GFB	43.002 / 43.1252129	(6,316)	0
Technology Transfer	GFB	43.002 / 43.1252990	(5,174)	0
Technology Transfer	GFB	43.002 / 43.1253653	31,104	0
Technology Transfer	GFB	43.002 / 43.1253767	6,035	0
Technology Transfer	GFB	43.002 / 43.1258421	11,621	0
Technology Transfer	GFB	43.002 / 43.1259025	163,636	0
Technology Transfer	GFB	43.002 / 43.1259168	1,706	0
Technology Transfer	GFB	43.002 / 43.1259515	29,797	0
Technology Transfer	GFB	43.002 / 43.1261405	68,008	0
Technology Transfer	GFB	43.002 / 43.1264290	2,189	0
Technology Transfer	GFB	43.002 / 43.1264310	26,444	0
Technology Transfer	GFB	43.002 / 43.1264538	1,793	0
Technology Transfer	GFB	43.002 / 43.1265288	33,877	0
Technology Transfer	GFB	43.002 / 43.1265291	1,933	0
Technology Transfer	GFB	43.002 / 43.1265887	3,630	0
Technology Transfer	GFB	43.002 / 43.1267990	18,026	0
Technology Transfer	GFB	43.002 / 43.1268004	1,029	0
Technology Transfer	GFB	43.002 / 43.1268026	2,882	0
Technology Transfer	GFB	43.002 / 43.1269163	110,881	31,924
Technology Transfer	GFB	43.002 / 43.1269422	85,319	0
Technology Transfer	GFB	43.002 / 43.1275296	14,137	0
Technology Transfer	GFB	43.002 / 43.1275592	9,418	0
Technology Transfer	GFB	43.002 / 43.1275599	958	0
Technology Transfer	GFB	43.002 / 43.1276931	836	0
Technology Transfer	GFB	43.002 / 43.1276945	10,093	0
Technology Transfer	GFB	43.002 / 43.1278228	73,207	0
Technology Transfer	GFB	43.002 / 43.1279178	634,529	83,241
Technology Transfer	GFB	43.002 / 43.1282397	23,831	0
Technology Transfer	GFB	43.002 / 43.1283568	3,358	0
Technology Transfer	GFB	43.002 / 43.961196	550,623	88,322
JOHNS HOPKINS UNIVERSITY				
Technology Transfer	GFB	43.002 / 43.893472	43,983	0
LOCKHEED MARTIN				
Technology Transfer	GFB	43.002 / 43.SQ02H5801R	884,427	143,964
LOCKHEED MARTIN ASTRONAUTICS				
R&D	GLA	43.NNT04AA07C	44,842	0
Lockheed Martin Astronautics				
R&D	GLA	43.RF5-435200	233,354	0
MAKEL ENGINEERING				
R&D	GLA	43.NNJ05JB88C	8,394	0
MISSISSIPPI STATE UNIVERSITY				
Technology Transfer	GFB	43.002 / 43.191000 301873-01	8,947	0
MSFC GROUP				
Technology Transfer	GFC	43.002 / 43.SVT-0026	54,655	0
Makel Engineering				
R&D	GLA	43.PO-R06112	34,506	0
REDEFINE TECHNOLOGIES				
Technology Transfer	GFB	43.002 / 43.NNA06AA23C	22,762	0
RESEARCH CORP OF THE UNIVERSITY OF HAWAII				
Technology Transfer	GFB	43.002 / 43.Z702963	165,409	0
SCIENCE APPLICATIONS INTERNATIONAL CORP				
Aerospace Education Services Program	GFB	43.001 / 43.4400117701	30,652	0
Technology Transfer	GFB	43.002 / 43.4400120513	789	0
SCIENCE SYSTEMS & APPLICATIONS INC				
Technology Transfer	GFB	43.002 / 43.2303-03-028	2,820	0
SOUTHWEST RESEARCH INSTITUTE				
Technology Transfer	GFB	43.002 / 43.278985Q	134,551	0
Technology Transfer	GFB	43.002 / 43.299449Q	18,648	0
Technology Transfer	GFB	43.002 / 43.499877Q	228,141	4,292
Technology Transfer	GFB	43.002 / 43.499942Q	34,473	0
Technology Transfer	GFB	43.002 / 43.599791Q	53,053	0
Technology Transfer	GFB	43.002 / 43.599795X	15,612	0
Technology Transfer	GFB	43.002 / 43.PO #431541E	90,308	0
SPACE TELESCOPE SCIENCE INSTITUTE				
Technology Transfer	GFB	43.002 / 43.HST-AR-09221.01-A	(3)	0
Technology Transfer	GFB	43.002 / 43.HST-AR-09516.01-A	4,319	0
Technology Transfer	GFB	43.002 / 43.HST-AR-09536.08-A	43,339	0
Technology Transfer	GFB	43.002 / 43.HST-AR-09910.01-A	(113)	0
Technology Transfer	GFB	43.002 / 43.HST-AR-09928.01-A	16,137	0
Technology Transfer	GFB	43.002 / 43.HST-AR-09930.02-A	3	0
Technology Transfer	GFB	43.002 / 43.HST-AR-09947.01-A	2,499	0

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-09957.01-A	3,635	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10203.02-A	52,730	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10638.01-A	66,252	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10645.02-A	40,504	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10650.01-A	53,529	0
Technology Transfer		GFB	43.002 / 43.HST-EO-08257.02-A	8,068	0
Technology Transfer		GFB	43.002 / 43.HST-EO-10241.05-A	10,148	0
Technology Transfer		GFB	43.002 / 43.HST-GO-06593.01-A	5,389	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09384.03-A	(3)	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09506.01-A	4,827	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09507.41-A	8,542	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09511.05-A	27,937	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09688.01-A	22,092	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09778.01-A	32,114	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09804.01-A	41,425	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09825.01-A	33,558	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10114.02-A	988	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10114.03-A	828	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10241.01-A	2,311	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10489.01-A	15,757	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10496.08-A	3,621	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10549.09-A	15,951	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10626.01-A	76,944	0
Technology Transfer		GFB	43.002 / 43.HST-HF-01166.01-A	102,727	0
Technology Transfer		GFB	43.002 / 43.HST-HF-01183.01-A	87,623	0
STANFORD UNIVERSITY					
R&D		GGB	43.26966-B-14557840 AMEND#2	38,886	0
Stone Aerospace, Inc.					
R&D		GLA	43.unkown	37,355	0
TECHNOLOGY APPLICATIONS, INC.					
R&D		GLA	43.505-C29-011	831	0
TEXAS A&M UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.24715	45,832	0
Technology Transfer		GFB	43.002 / 43.29485	8,712	0
THE CATHOLIC UNIVERSITY OF AMERICA					
Technology Transfer		GFB	43.002 / 43.363246	5,158	0
Technology Applications, Inc.					
R&D		GLA	43.S06-C029-007	10,400	0
UCAR-NCAR-COMET ATMOSPHERIC TECH. DIVIS.					
R&D		GGB	43.S03-43483 MOD. M06	1,358,660	0
UNIV CALIFORNIA-LAWRENCE BERKELEY LAB					
R&D		GGB	43.6703058 MOD 10	101,818	0
UNIV OF CENTRAL FLORIDS					
R&D		GLA	43.UCF-FT04/NAS1003006	431,673	0
UNIVERSITIES SPACE RESEARCH ASSOCIATION					
Aerospace Education Services Program		GFE	43.001 / 43.09930-212	5,837	0
Technology Transfer		GFB	43.002 / 43.05115-C1P1-08	(70)	0
Technology Transfer		GFB	43.002 / 43.07605-003-053	110,901	0
Technology Transfer		GFB	43.002 / 43.SUBGRANT 03491-24	17,245	54,583
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Technology Transfer		GFB	43.002 / 43.S05-50919	26,019	0
Technology Transfer		GFB	43.002 / 43.S05-54057	25,989	0
UNIVERSITY OF ARIZONA					
Technology Transfer		GFB	43.002 / 43.Y402819	21,792	0
Technology Transfer		GFB	43.002 / 43.Y432803	79,211	0
UNIVERSITY OF CALIFORNIA					
R&D		GGB	43.00000026 AMD #2	109,527	0
UNIVERSITY OF CALIFORNIA AT BERKELEY					
R&D		GGB	43.SA4463-23236	181,034	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Aerospace Education Services Program		GFB	43.001 / 43.2004-1433	1,370	0
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA					
Aerospace Education Services Program		GFB	43.001 / 43.KK4133	31,795	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Technology Transfer		GFB	43.002 / 43.SA3649-26326	97,827	0
Technology Transfer		GFB	43.002 / 43.SA4585-10331	58,974	0
Technology Transfer		GFB	43.002 / 43.SA4890-26309	28,280	0
UNIVERSITY OF CALIFORNIA LOS ANGELES					
Aerospace Education Services Program		GFB	43.001 / 43.0995 G FC608	10,000	0
UNIVERSITY OF MARYLAND COLLEGE PARK					
Aerospace Education Services Program		GFB	43.001 / 43.Z610001	7,937	0
UNIVERSITY OF NEW HAMPSHIRE					
Technology Transfer		GFB	43.002 / 43.05-901	41,900	0
R&D		GGB	43.03-756 AMEND. 03	19,269	0
University of California					
R&D		GLA	43.S-00000167	21,502	0

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 Colorado - Boulder					
R&D		GLA	43.52808/154-1856	2,252	0
R&D		GLA	43.SPO28417/UCB153-9643	(1,672)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				15,839,162	9,345,573
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				65,440,864	17,201,731
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				65,440,864	17,201,731
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					
Grants to States		GZA	45.310	495	0
SUBTOTAL DIRECT FROM:				495	0
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				495	0
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: Division of Preservation and Access		GFB	45.149	4,055	0
Promotion of the Humanities: Fellowships and Stipends		GFB	45.160	40,000	0
Promotion of the Humanities_Professional Development		GFB	45.163	40,000	0
SUBTOTAL DIRECT FROM:				84,055	0
PASS-THROUGH PROGRAMS FROM:					
CORNELL UNIVERSITY					
R&D		GGB	45.44996-7627	15,634	0
UNIVERSITY OF DENVER					
Promotion of the Humanities: Division of Preservation and Access		GFE	45.149 / 45.36061-05-00	3,833	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				19,467	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				103,522	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				104,017	0
NATIONAL SCIENCE FOUNDATION					
NATIONAL SCIENCE FOUNDATION					
DIRECT FROM:					
NATIONAL SCIENCE FOUNDATION					
Unclassified Grants and Contracts		GFB	47.000	43,650	0
R&D		GGB	47.0203285 005	54,233	21,068
Engineering Grants		GFB	47.041	3,901,525	20,288
Engineering Grants		GFC	47.041	177,254	0
Engineering Grants		GFE	47.041	146,771	0
Engineering Grants		GGB	47.041	1,204,074	2,580,105
Engineering Grants		GLA	47.041 / 47.DMI-0547649	757	0
Engineering Grants		GLA	47.041 / 47.EEC-0529777	32,518	0
Mathematical and Physical Sciences		GFB	47.049	9,856,327	320,247
Mathematical and Physical Sciences		GFC	47.049	127,401	0
Mathematical and Physical Sciences		GFE	47.049	269,561	0
Mathematical and Physical Sciences		GGB	47.049	2,331,197	0
Mathematical and Physical Sciences		GKA	47.049	184,061	0
Mathematical and Physical Sciences		GLA	47.049 / 47.CHE-0515521	99,911	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMR-00103945	94,583	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMR-0103945	11,046	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMR-0200866	49,902	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMR-0303510	131,199	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMR-0304968	120,542	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMR-0520386	625,651	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMS-0222286	73,177	0
Mathematical and Physical Sciences		GLA	47.049 / 47.DMS-0539176	135,273	0

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
	GKA	47.049 / 47.NSF CHE-0532516	101,063	0
	GLA	47.049 / 47.PHY-0420357	197,535	0
	GFB	47.050	7,640,234	602,264
	GFC	47.050	(1,561)	0
	GFE	47.050	53,413	0
	GGB	47.050	6,049,245	30,305
	GZA	47.050	112,769	0
	GGB	47.050 / 47.0603720	20,678	0
	GLA	47.050 / 47.EAR-0107095	737	0
	GLA	47.050 / 47.EAR-0207217	83,283	0
	GLA	47.050 / 47.EAR-0327574	27,182	0
	GLA	47.050 / 47.EAR-0337379	135,686	0
	GLA	47.050 / 47.EAR-0409363	869	0
	GLA	47.050 / 47.EAR-041292	609	0
	GLA	47.050 / 47.EAR-0417910	970	0
	GLA	47.050 / 47.EAR-0423984	23,037	0
	GLA	47.050 / 47.EAR-0530873	64,106	0
	GLA	47.050 / 47.EAR-9985234	29,999	0
	GKA	47.050 / 47.NSF EAR-0305074	106,700	0
	GKA	47.050 / 47.NSF EAR-0518166	1,292	0
	GLA	47.050 / 47.OCE-0551715	5,706	0
	GGB	47.05087504	404	0
	GGB	47.0534608	90,869	0
	GFB	47.070	3,836,365	1,080,760
	GFE	47.070	201,601	0
	GGB	47.070	415,493	32,463
	GLA	47.070 / 47.ANI-0073699	(5,299)	0
	GLA	47.070 / 47.CNS-0208352	119,202	0
	GLA	47.070 / 47.CNS-0240558	10,899	0
	GLA	47.070 / 47.CNS-0435376	15,911	0
	GLA	47.070 / 47.CNS-0451431	(335)	0
	GLA	47.070 / 47.CNS-0546712	19,637	0
	GLA	47.070 / 47.EAR-0345935	17,917	0
	GFB	47.074	3,793,103	127,761
	GFC	47.074	67,214	0
	GFE	47.074	599,699	0
	GGB	47.074	3,224,460	392,609
	GLA	47.074 / 47.DBI-0454686	31,583	0
	GZA	47.074 / 47.DEB-0344220	3,085	0
	GZA	47.074 / 47.DEB-0346736	15,800	0
	GKA	47.074 / 47.NSF DBI-0237149	18,649	0
	GFB	47.075	1,465,641	239,713
	GFC	47.075	105,670	0
	GFE	47.075	20,259	0
	GGB	47.075	289,423	51,900
	GLA	47.075 / 47.INT-0106665	9,243	0
	GLA	47.075 / 47.SES-0228542	92	0
	GFB	47.076	2,593,827	825,629
	GFC	47.076	60,180	0
	GFE	47.076	91,099	0
	GGB	47.076	1,277,125	104,033
	GLA	47.076 / 47.DGE-0231611	375,329	0
	GZA	47.076 / 47.DUE-0094493	1,790	0
	GZA	47.076 / 47.DUE-0101820	68,869	0
	GZA	47.076 / 47.EHR-0217172	240	0
	GKA	47.076 / 47.NSF REC-0440103	201,743	23,843
	GFB	47.078	3,398,126	288,387
	GGB	47.078	195,133	142,641
	GLA	47.078 / 47.ANT-0530340	58,799	0
	GKA	47.078 / 47.NSF OPP-0425606	83,863	0
	GFB	47.079	82,632	0
	GGB	47.079	20,954	0
	GLA	47.079 / 47.OISE-0106665	3,645	0
	GLA	47.ANI-0240558	20,871	0
	GGB	47.ATM-0500061	186,314	0
	GLA	47.BES-0328187	29,315	0
	GLA	47.CMS-0324558	72,620	0
	GLA	47.CMS-0327509	113,465	0
	GLA	47.CMS-0408150	44,375	0
	GLA	47.CMS-0537537	1,268	0
	GLA	47.CTS-0093611	55,604	0
	GLA	47.CTS-0215958	27,402	0
	GLA	47.CTS-0419204	76,210	0
	GLA	47.CTS-0626226	3,867	0
	GGB	47.DEB-0217631	950,941	74,462
	GGB	47.DGE-0221595 007	469	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	47.DGE-0531499	39,938	0
R&D		GLA	47.DMI-9900053	6,883	0
R&D		GLA	47.DMS-0453600	81,316	0
R&D		GLA	47.DUE-0127806	31,551	0
R&D		GLA	47.DUE-0325492	42,625	0
R&D		GLA	47.DUE-0532684	352	0
R&D		GLA	47.DUE-9987037	1,837	0
R&D		GLA	47.EAR-0519409	30,370	0
R&D		GGB	47.EAR-0552526	60,285	0
R&D		GLA	47.ECS-0134130	49,403	0
R&D		GLA	47.ECS-0134132	84,633	0
R&D		GGB	47.ECS-0245291 AMEND. 002	117,841	0
R&D		GLA	47.EEC-0002918	33,110	0
R&D		GGB	47.EEC-0310717 #007	852,230	0
R&D		GGB	47.EEC-0310717 AMENDMENT 00	290,685	0
R&D		GGB	47.EEC-0310717#007	181,437	0
R&D		GGB	47.EIA-0306142	76,861	0
R&D		GGB	47.IOB-0335203	132,085	0
R&D		GLA	47.KXEA-3-33607-02	8	0
R&D		GGB	47.MCB-0314644 004	157,167	0
R&D		GGB	47.MCB-0314644 005	4,970	0
R&D		GLA	47.NAE-5944-04-001	36,330	0
R&D		GLA	47.PHY-0547845	20,775	0
R&D		GLA	47.REC-0330760	141,752	0
R&D		GLA	47.SES-0228542	(360)	0
R&D		GLA	47.XCE-6-66402-01	8,806	0
SUBTOTAL DIRECT FROM:				61,269,715	6,958,478
PASS-THROUGH PROGRAMS FROM:					
ABILENE CHRISTIAN UNIVERSITY					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4783B	1,093	0
ADA Technologies, Inc.					
R&D		GLA	47.06-0326S	29,303	0
ALD NANOSOLUTIONS, INC.					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4756B	29,252	0
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4779B	9,223	0
Engineering Grants		GFB	47.041 / 47.OCG4632B	39,004	0
Engineering Grants		GFB	47.041 / 47.OCG4633B	31,346	0
Engineering Grants		GFB	47.041 / 47.OCG4634B	35,584	0
Engineering Grants		GFB	47.041 / 47.OCG4711B	1,915	0
Engineering Grants		GFB	47.041 / 47.OCG4736B	14,730	0
Engineering Grants		GFB	47.041 / 47.OCG4740B	8,059	0
Engineering Grants		GFB	47.041 / 47.OCG4751B	32,477	0
AMERICAN SOCIETY FOR ENGR ED					
Education and Human Resources		GLA	47.076 / 47.DUE-0341127	165,913	0
ARIZONA STATE UNIVERSITY					
Biological Sciences		GFB	47.074 / 47.03-056/19103M00379	9,086	0
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.06-636	42,598	0
Education and Human Resources		GFB	47.076 / 47.KMD5276-25-39/SUB	(1)	0
Education and Human Resources		GFB	47.076 / 47.KMD5276-25-41/SUBHR	756	0
American Society for Engineering Education					
Education and Human Resources		GLA	47.076	5,097	0
BAROFOLD INC.					
Engineering Grants		GFB	47.041 / 47.OCG4636B	15,013	0
BOSTON UNIVERSITY					
Geosciences		GFB	47.050 / 47.GC177055NGA	586,322	2,965
BRANDEIS UNIVERSITY					
Unclassified Grants and Contracts		GFB	47.000 / 47.CNS-0551615	225	0
BROWN UNIVERSITY					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.PO #P978039	8,712	0
CALIFORNIA STATE UNIVERISTY, NORTHRIDGE					
Engineering Grants		GFB	47.041 / 47.F-03-1680-1.0/40013	7,379	0
CARNEGIE MELLON UNIVERSITY					
Engineering Grants		GFB	47.041 / 47.1120523-152253	10,238	0
Mathematical and Physical Sciences		GFB	47.049 / 47.543072-55801	(40,000)	0
CASE WESTERN RESERVE UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.OCG4484B	91,523	0
CENTRAL WASHINGTON UNIVERSITY					
Geosciences		GFB	47.050 / 47.OCG4572B/0000010466	14,090	0
COLUMBIA UNIVERSITY					
Geosciences		GFB	47.050 / 47.ONE(1)/OCE 02-14221	20,773	0
Geosciences		GFB	47.050 / 47.SUBAWARD NO 1	21,555	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
	GFB	47.050 / 47.SUBAWARD NO. TWO	6,635	0
	GFB	47.050 / 47.SUBAWRD2-PO#548016	4,874	0
	GFB	47.070 / 47.ONE(1)/PO #543198	215,824	0
	GGB	47.074 / 47.46160-7624	218,599	0
	GLA	47.G-3032-4 / P308274	17,624	0
	GFB	47.070 / 47.OCG4661B	26,313	0
	GFB	47.049 / 47.OCG4647B	26,701	0
	GGB	47.050 / 47.03-SC-NSF-1019 MOD. 0	9,760	0
	GFB	47.070 / 47.OCG4725B	17,882	0
	GFB	47.076 / 47.OCG4670B	85,128	0
	GFB	47.050 / 47.02-232A	17,699	0
	GFB	47.050 / 47.381-07	4,296	0
	GFB	47.050 / 47.381-08	6,020	0
	GFB	47.050 / 47.OCG4644B	12,032	0
	GLA	47.PO#05I-0417	14,252	0
	GLA	47.041 / 47.PO#05I-0564	75,826	0
	GFB	47.049 / 47.8601-06856	9,171	0
	GLA	47.USSSP 191-F001325	1,255	0
	GGB	47.074 / 47.S05005	5,940	0
	GFB	47.076 / 47.442192-C	5,154	0
	GFB	47.070 / 47.SUB #C05-0268	253,913	0
	GGB	47.050 / 47.C175665 AMEND 2	52,757	0
	GGB	47.076 / 47.GC046-02-Z2484 MOD 07	442,261	0
	GZA	47.076 / 47.College Algebra Grant	1,224	0
	GFB	47.075 / 47.34-3305-00-0-79-190	5,877	0
	GFB	47.041 / 47.OMSA-2004,V3.1	413,120	0
	GFB	47.041 / 47.NWRA-05-S-086	48,940	0
	GGB	47.074 / 47.F5206-03 - PO72002	40,571	0
	GFB	47.050 / 47.739204 PO#RF915335	(2,348)	0
	GGB	47.078 / 47.745140/961589 PO# RFO	36,047	0
	GGB	47.078 / 47.GRT8213500/60000263 R	126,989	0
	GFB	47.049 / 47.746336PO#RF00981315	58,815	0
	GFB	47.074 / 47.746336/PORF00981315	318	0
	GFB	47.078 / 47.GRT8212500/60000263	115,370	0
	GFB	47.075 / 47.3066-UC-NSF-2839	2,661	0
	GFB	47.070 / 47.NSF#EIA-029619	32,857	0
	GFB	47.075 / 47.OCG4581B	44,006	0
	GGB	47.074 / 47.501-1226-01	18,966	0
	GLA	47.unkown	10,577	0
	GFB	47.000 / 47.7002-0601	7,475	0
	GFB	47.074 / 47.Z689721	43,990	0
	GFE	47.070 / 47.RTI 1-81U-8248	23,094	39,146

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
RSCH FDN OF STATE UNIV OF NY, STONY BROOK					
Mathematical and Physical Sciences		GFB	47.049 / 47.37687/1051021	28,948	0
SAINT JOSEPH'S UNIVERSITY					
Education and Human Resources		GLA	47.076 / 47.DUE-0339734	41,227	0
SAN DIEGO STATE UNIVERSITY FOUNDATION					
Education and Human Resources		GFB	47.076 / 47.#52270AP16237802211	23,177	0
Education and Human Resources		GFB	47.076 / 47.52270AP16237802211	22,378	0
Polar Programs (B) -		GFB	47.078 / 47.53678A P1529 7804	56,071	0
SANTA FE INSTITUTE					
Biological Sciences		GFB	47.074 / 47.UCB-EF0526747	105,225	0
SPACE ENVIRONMENT CORPORATION					
Geosciences		GFB	47.050 / 47.SEC CONTRACT 03-2	(58)	0
SPONSOR NAME NOT FOUND FOR YMNA69 **					
Biological Sciences		GGB	47.074 / 47.CO-001-FY05 AMEND. 1	2,187	0
SPONSOR NAME NOT FOUND FOR YUAL03 **					
R&D		GGB	47.0508408, PO313367	11,609	0
SPONSOR NAME NOT FOUND FOR YUST01 **					
Mathematical and Physical Sciences		GGB	47.049 / 47.37687/1051021	60,266	0
SPONSOR NAME NOT FOUND FOR ZHUN01 **					
Education and Human Resources		GGB	47.076 / 47.1203.05.119D-06 #02	109,888	0
SRI INTERNATIONAL					
Geosciences		GFB	47.050 / 47.03-000027	97,189	0
Geosciences		GFB	47.050 / 47.03-000030	16,879	0
Computer and Information Science and Engineering		GFB	47.070 / 47.55-000342	75,189	0
Computer and Information Science and Engineering		GFB	47.070 / 47.55-000452	33,614	0
Computer and Information Science and Engineering		GFB	47.070 / 47.66-000195	4,847	0
ST. JOSEPH'S UNIVERSITY					
Education and Human Resources		GLA	47.076 / 47.NFF DUE-0302542	24,655	0
STANFORD UNIVERSITY					
Computer and Information Science and Engineering		GFB	47.070 / 47.13843890-32482-B	104	0
STATE UNIVERSITY NEW YORK RESEARCH FOUND					
Geosciences		GFB	47.050 / 47.1025099	5,939	0
STEVENS INSTITUTE OF TECHNOLOGY					
Computer and Information Science and Engineering		GFB	47.070 / 47.SUBAWARD 527032-01	59,227	0
Computer and Information Science and Engineering		GFB	47.070 / 47.SUBCONTRACT527947-1	5,738	0
Southwest Research Institute					
R&D		GLA	47.699021X	27,927	0
Stony Brook State University NY					
Mathematical and Physical Sciences		GLA	47.049 / 47.37687/1051021	252,407	0
THE UNIVERSITY OF KANSAS CENTER FOR RSCH, INC					
Biological Sciences		GFB	47.074 / 47.FY2006-008	6,485	0
UCAR-NCAR-NAT CTR FOR ATMOSPHERIC RES					
Geosciences		GGB	47.050 / 47.SO2-34377 M 05	(510)	0
UMASS-UNIVERSITY OF MASSACHUSETTS					
R&D		GGB	47.UM#04-002341 B 04	412,259	0
UNIV. OF WASHINGTON					
Education and Human Resources		GLA	47.076 / 47.ESI-0227558	213,227	0
Education and Human Resources		GLA	47.076 / 47.NSF NO.ESI-0227558	6,429	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Mathematical and Physical Sciences		GFB	47.049 / 47.PO #PO540675	9,183	0
Mathematical and Physical Sciences		GFB	47.049 / 47.SO3-42188	125,874	0
Mathematical and Physical Sciences		GFB	47.049 / 47.SO5-39607	139,146	155,964
Geosciences		GFB	47.050 / 47.PO#PO240650	9,488	0
Geosciences		GFB	47.050 / 47.SO3-39667	46,699	0
Geosciences		GFE	47.050 / 47.SO3-44105	5,080	0
Geosciences		GFB	47.050 / 47.SO4-44192	8,679	0
Geosciences		GFB	47.050 / 47.SO4-49367	101,177	0
Geosciences		GFB	47.050 / 47.SO5-52960	20,793	0
Computer and Information Science and Engineering		GFB	47.070 / 47.SO3-36368	12,142	0
Computer and Information Science and Engineering		GFB	47.070 / 47.SO3-40710	185,614	0
Education and Human Resources		GFB	47.076 / 47.SO3-32418	372,670	0
Education and Human Resources		GFB	47.076 / 47.SO4-13907	56,087	0
Education and Human Resources		GFB	47.076 / 47.SO4-47899	3,899	0
UNIVERSITY OF ALASKA					
Polar Programs (B) -		GFB	47.078 / 47.UAF 05-0009	178,271	0
UNIVERSITY OF ARIZONA					
Geosciences		GFB	47.050 / 47.PO# Y414431	78,708	0
Geosciences		GFB	47.050 / 47.PO#Y773372	(61,836)	0
UNIVERSITY OF CALIFORNIA					
Biological Sciences		GGB	47.074 / 47.S00059	(562)	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Computer and Information Science and Engineering		GFB	47.070 / 47.2003-1352	125,651	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO					
Engineering Grants		GFB	47.041 / 47.10255042	36,284	0
UNIVERSITY OF IOWA					
Engineering Grants		GFB	47.041 / 47.4000064934	22,802	0

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 MASSACHUSETTS					
Computer and Information Science and Engineering		GFB	47.070 / 47.PO#0001068580	(8,126)	0
UNIVERSITY OF MIAMI					
Geosciences		GFB	47.050 / 47.66189W/P100162	59,486	0
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.66080C	34,550	0
UNIVERSITY OF MINNESOTA					
Engineering Grants		GFB	47.041 / 47.T5206563101	15,597	0
Geosciences		GFB	47.050 / 47.T5366216009	58,020	0
Biological Sciences		GGB	47.074 / 47.X4416249101	164,279	0
UNIVERSITY OF NEVADA					
Polar Programs (B) -		GGB	47.078 / 47.UNR-02-71/PO# 12B3194	15,599	0
UNIVERSITY OF NEW MEXICO					
Engineering Grants		GFB	47.041 / 47.3-19122-7810	(14,172)	0
Engineering Grants		GFB	47.041 / 47.740023-874X	(2,725)	0
UNIVERSITY OF OKLAHOMA					
Education and Human Resources		GLA	47.076 / 47.DGE-0086457	7,836	0
UNIVERSITY OF TEXAS AT AUSTIN					
Geosciences		GFB	47.050 / 47.UTA03-298	747	0
UNIVERSITY OF WISCONSIN					
Mathematical and Physical Sciences		GFB	47.049 / 47.F082353	75,734	0
Education and Human Resources		GFB	47.076 / 47.X255113	42,659	0
UNIVERSITY OF WYOMING					
Geosciences		GFB	47.050 / 47.NSFLOC4800/4802SUBC	(4,081)	0
US CIVILIAN RESEARCH/DEVELOPMENT FDN					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.AR-E2-2584-YE-04	1,471	0
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.GEP1-3333-TB-03	4,145	0
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.RU-M1-2583-MO-04	13,159	0
University of Colorado - Boulder					
R&D		GLA	47.SPO# 0000051008	1,345	0
R&D		GLA	47.SPO33799/UCB153-6144	49,568	0
VIRGINIA TECH					
Education and Human Resources		GLA	47.076 / 47.NSF DUE-0230992	7,571	0
R&D		GLA	47.SES-0310592	(71)	0
Virginia Polytechnic Institute & State University					
Social, Behavioral, and Economic Sciences		GLA	47.075 / 47.19459-477347	33,433	0
WOODS HOLE OCEANOGRAPHIC INSTITUTION					
Engineering Grants		GFB	47.041 / 47.NA17RJ1223 37122357	91,649	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				7,575,775	198,075
SUBTOTAL NATIONAL SCIENCE FOUNDATION				68,845,490	7,156,553
SUBTOTAL NATIONAL SCIENCE FOUNDATION				68,845,490	7,156,553
INTERNATIONAL TRADE COMMISSION					
U.S. INTERNATIONAL TRADE COMMISSION					
DIRECT FROM:					
U.S. INTERNATIONAL TRADE COMMISSION					
R&D		GLA	61.ITC-PO-05-0035	20,906	0
SUBTOTAL DIRECT FROM:				20,906	0
SUBTOTAL U.S. INTERNATIONAL TRADE COMMISSION				20,906	0
SUBTOTAL INTERNATIONAL TRADE COMMISSION				20,906	0
TENNESSEE VALLEY AUTHORITY					
TENNESSEE VALLEY AUTHORITY					
DIRECT FROM:					
TENNESSEE VALLEY AUTHORITY					
TVA Energy Research and Technology Applications		GFB	62.001	306,305	0
SUBTOTAL DIRECT FROM:				306,305	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY				306,305	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY				306,305	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 Nursing Home Care		GFE	64.010	1,315	0
Sharing Specialized Medical Resources		GFE	64.018	229,337	0
SUBTOTAL DIRECT FROM:				230,652	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				230,652	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				230,652	0
ENVIRONMENTAL PROTECTION AGENCY					
ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GFB	66.606	1	0
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GGB	66.606	12,878	0
Pesticide Environmental Stewardship Regional Grants		GGB	66.714	15,677	0
SUBTOTAL DIRECT FROM:				28,556	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				28,556	0
ENVRIONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
ENVRIONMENTAL PROTECTION AGENCY					
R&D		GGB	66.CP-97801501-0	32,132	0
R&D		GGB	66.CP-98892801-01	35,336	0
R&D		GLA	66.OE FEA HAZ06000015	17,630	0
R&D		GLA	66.OE FEA HAZ06000016	24,924	0
R&D		GLA	66.PO 009670	13,045	0
R&D		GLA	66.PO FEA HAZ0500013	1,699	0
R&D		GLA	66.PO No. 009222	28,701	0
R&D		GGB	66.R-82951501-2	349	0
R&D		GGB	66.R-82951501-4	77,906	0
R&D		GGB	66.R-82958801-2	0	13,166
R&D		GGB	66.SU-83185601-0	258	0
SUBTOTAL DIRECT FROM:				231,980	13,166
PASS-THROUGH PROGRAMS FROM:					
AEROSOL DYNAMICS INC.					
R&D		GGB	66.04270303	61,843	0
COLORADO MOUNTAIN COLLEGE					
R&D		GLA	66.#1491	22,513	0
Colorado State University					
R&D		GLA	66.223-04-3004	21,739	0
R&D		GLA	66.G-5828/G-5829/P308732	(942)	0
R&D		GLA	66.G-5833-1	20,657	0
R&D		GLA	66.G-5851-1/PO P315947	48,323	0
HEALTH EFFECTS INSTITUTE					
R&D		GGB	66.4740-RFA04-4/06-1	10,218	6,000
OREGON STATE UNIVERSITY					
R&D		GGB	66.E0101A-A AMEND #2	175,151	0
SPONSOR NAME NOT FOUND FOR YCIC01 **					
R&D		GGB	66.PO# 26BL00019	10,725	0
STATE OF MICHIGAN					
R&D		GGB	66.2002-0270 AMEND. 3	4,901	0

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 DELAWARE					
R&D		GLA	66.R-82950001	31,149	0
University of Delaware					
R&D		GLA	66.Subgrant No. 718	17,422	0
WATER ENVIRONMENT RESEARCH					
R&D		GLA	66.X-83085101	109,036	0
WATER ENVIRONMENT RESEARCH FOUNDATION					
R&D		GGB	66.04-SW-4	15,849	0
R&D		GGB	66.PROJECT # 03-WSM-3 #1	97,943	0
Water Environment Research Foundation					
R&D		GLA	66.4-Dec-06	16,628	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				663,155	6,000
SUBTOTAL ENVRIONMENTAL PROTECTION AGENCY				895,135	19,166
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air A		GGB	66.034	26,669	0
SUBTOTAL DIRECT FROM:				26,669	0
PASS-THROUGH PROGRAMS FROM:					
AERODYNE RESEARCH, INC.					
Air Pollution Control Program Support		GFB	66.001 / 66.10343-2	15,000	0
BATTELLE MEMORIAL INSTITUTE					
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air A		GFB	66.034 / 66.187757	(879)	0
NATL JEWISH HOSPITAL					
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air A		GFE	66.034 / 66.NJH 22086201	9,579	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				23,700	0
SUBTOTAL OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY				50,369	0
OFFICE OF BROWNFIELDS CLEANUP AND REDEVELOPMENT, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF BROWNFIELDS CLEANUP AND REDEVELOPMENT, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY					
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements		GGB	66.814	12,333	4,148
SUBTOTAL DIRECT FROM:				12,333	4,148
SUBTOTAL OFFICE OF BROWNFIELDS CLEANUP AND REDEVELOPMENT, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY				12,333	4,148
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Education Grants		GFB	66.951	22,852	0
SUBTOTAL DIRECT FROM:				22,852	0
SUBTOTAL OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY				22,852	0
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Investigations, Training Demonstrations and Education Outreach		GGB	66.716	103,649	6,097
SUBTOTAL DIRECT FROM:				103,649	6,097
SUBTOTAL OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY				103,649	6,097
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	127,567	73,841
Environmental Protection-Consolidated Research		GGB	66.500	1,156,305	379,064
Environmental Protection-Consolidated Research		GLA	66.500 / 66.R 82951801	3,242	0
Environmental Protection-Consolidated Research		GLA	66.500 / 66.R-83043101-0	74,384	0
Science to Achieve Results (STAR) Research Program		GFB	66.509	324,408	14,465
Science to Achieve Results (STAR) Research Program		GGB	66.509	618,771	0

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
Science to Achieve Results (STAR) Research Program		GLA	66.509 / 66.RD-83153001-1	151,659	0
P3 Award: National Student Design Competition for Sustainability		GFB	66.516	2,779	0
P3 Award: National Student Design Competition for Sustainability		GFE	66.516	12,888	7,637
SUBTOTAL DIRECT FROM:				2,472,003	475,007
PASS-THROUGH PROGRAMS FROM:					
EMORY UNIVERSITY					
Environmental Protection-Consolidated Research		GGB	66.500 / 66.5-29275-G2	21,250	0
MACTEC ENGINEERING AND CONSULTING INC					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.6064035004-3230	3,576	0
MALCOLM PIRNIE					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.1700-035	44,787	0
METROPOLITAN WATER DIST SOUTHERN CALIFORNIA					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.57398	33,476	0
MONTANA STATE UNIVERSITY					
Environmental Protection-Consolidated Research		GGB	66.500 / 66.GC043-01-Z1975 MOD. 0	23,328	0
ST CLOUD STATE UNIVERSITY					
Science to Achieve Results (STAR) Research Program		GFB	66.509 / 66.PO 117225	5,893	0
UNIVERSITY OF CALIFORNIA RIVERSIDE					
Science to Achieve Results (STAR) Research Program		GFB	66.509 / 66.S0043	59,400	0
UNIVERSITY OF CHICAGO					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.22602-E	22,615	0
WERF					
Office of Research and Development Consolidated Research/Training		GLA	66.511 / 66.CR-83155901	82,874	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				297,199	0
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY				2,769,202	475,007
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements-Section 104		GFB	66.436	30,461	0
Water Quality Cooperative Agreements		GFB	66.463	157,086	0
Water Quality Cooperative Agreements		GGB	66.463	51,972	0
SUBTOTAL DIRECT FROM:				239,519	0
PASS-THROUGH PROGRAMS FROM:					
MOUNTAIN STUDIES INSTITUTE					
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements-Section 104		GFB	66.436 / 66.OCG4595B	(274)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(274)	0
SUBTOTAL OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY				239,245	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				4,121,341	504,418
DEPARTMENT OF ENERGY					
DEPARTMENT OF ENERGY					
DIRECT FROM:					
DEPARTMENT OF ENERGY					
Unclassified Grants and Contracts		GFB	81.000	100,048	0
R&D		GLA	81.00292-001-04 3N	681	0
R&D		GLA	81.16063-001-05	77,628	0
R&D		GLA	81.2006-3434300048178	49,346	0
R&D		GLA	81.24498-001-06 2A	111,629	0
R&D		GLA	81.25904-001-06 2A	55,000	0
R&D		GLA	81.282795/PO#A0344	81	0
R&D		GLA	81.403684	50,460	0
R&D		GLA	81.43822-001-029F	439	0
R&D		GLA	81.A0344/228627	24,470	0
R&D		GLA	81.ADJ-2-30630-05	83,687	0
R&D		GLA	81.B552989	52,229	0
R&D		GLA	81.B553854	16,000	0
R&D		GLA	81.DE-AF26-06NT00440	3,829	0
R&D		GGB	81.DE-FC02-01ER63163 A004	(4,064)	437,542
R&D		GLA	81.DE-FC07-051D14648	167,389	0
R&D		GLA	81.DE-FC26-02NT15342	158,500	0
R&D		GGB	81.DE-FC26-02NT41335 AMEND.	204,911	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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-FC26-04NT42270	(892)	0
R&D		GGB	81.DE-FG02-01ER63239 A006	329,690	0
R&D		GGB	81.DE-FG02-02ER15351	48,826	0
R&D		GGB	81.DE-FG02-02ER15376 M003	83,223	0
R&D		GGB	81.DE-FG02-02ER63365 M003	11,716	12,350
R&D		GGB	81.DE-FG02-02ER63370 AMEND.	772,988	0
R&D		GGB	81.DE-FG02-02ER63474 AMEND.	78,482	0
R&D		GLA	81.DE-FG02-03ER15390	72,201	0
R&D		GGB	81.DE-FG02-03ER15451	138,373	0
R&D		GLA	81.DE-FG02-03ER41242	74,986	0
R&D		GGB	81.DE-FG02-03ER41284	(1,146)	0
R&D		GGB	81.DE-FG02-03ER63645 AMD A0	73,686	0
R&D		GGB	81.DE-FG02-04ER15591	274,576	0
R&D		GLA	81.DE-FG02-04ER54775	34,289	0
R&D		GLA	81.DE-FG02-04ER63900	99,921	0
R&D		GLA	81.DE-FG02-05ER15739	46,562	0
R&D		GLA	81.DE-FG02-05ER46242	209,730	0
R&D		GGB	81.DE-FG02-05ER64087 A002	221,031	58,808
R&D		GGB	81.DE-FG02-05ER64137	67,204	0
R&D		GLA	81.DE-FG02-06ER15778	11,063	0
R&D		GGB	81.DE-FG02-06ER25724	1,056	0
R&D		GLA	81.DE-FG02-06ER64233	14,109	0
R&D		GLA	81.DE-FG02-93ER40789	268,001	0
R&D		GGB	81.DE-FG02-94ER61748 AMEND.	236,845	0
R&D		GLA	81.DE-FG02-95ER14568	49,003	0
R&D		GLA	81.DE-FG26-05NT42537	27,052	0
R&D		GLA	81.DE-FG36-06GO16032	31,969	0
R&D		GGB	81.DE-FG52-02NA00062 AMEND.	180,730	(20,749)
R&D		GGB	81.DE-FG52-06NA26152	41,472	4,000
R&D		GGB	81.DE-FG02-96ER14625 A016	93,286	0
R&D		GLA	81.DGE-0531499	756,796	0
R&D		GLA	81.KI40570	196,421	0
R&D		GLA	81.KXEA-3-33607-04	53,980	0
R&D		GLA	81.KXEA-3-33607-05	850	0
R&D		GLA	81.KXEA-3-33607-07	56,007	0
R&D		GLA	81.KXEA-3-33607-08	20,820	0
R&D		GLA	81.KXEA-3-33607-09	4,688	0
R&D		GLA	81.KXEA-3-33607-10	40	0
R&D		GLA	81.KXEA-3-33607-11	30,615	0
R&D		GLA	81.KXEA-3-33607-12	2,963	0
R&D		GLA	81.KXEA-3-33607-13	850	0
R&D		GLA	81.KXEA-3-33607-15	30,471	0
R&D		GLA	81.KXEA-3-33607-16	24,277	0
R&D		GLA	81.KXEA-3-33607-17	40,738	0
R&D		GLA	81.KXEA-3-33607-18	7,592	0
R&D		GLA	81.KXEA-3-33607-19	40,103	0
R&D		GLA	81.KXEA-3-33607-21	7,633	0
R&D		GLA	81.KXEA-3-33607-22	12,939	0
R&D		GLA	81.KXEA-3-33607-23	7,997	0
R&D		GLA	81.P00527	20,856	0
R&D		GLA	81.PO 03095 FY03	7,430	0
R&D		GLA	81.PO 4400153657	30,416	0
R&D		GLA	81.PO 66962	24,188	0
R&D		GLA	81.PO#173797	25,346	0
R&D		GLA	81.PO#A0344/228627	6,765	0
R&D		GLA	81.Subcontract No. 0895	82,537	0
R&D		GLA	81.W-31-109-ENG-38	31,158	0
R&D		GLA	81.XAT-5-55150-01	38,543	0
R&D		GLA	81.XCE-5-55513-01	40,488	0
R&D		GLA	81.XCO-2-32042-01	39,623	0
R&D		GLA	81.XEA-4-44218-01	13,498	0
R&D		GLA	81.XEA-5-44245-01	195,834	0
SUBTOTAL DIRECT FROM:				6,594,757	491,951
PASS-THROUGH PROGRAMS FROM:					
3M CORPORATE ENTERPRISE DEVEL.					
R&D		GLA	81.DE-FC04-02AL67621	30,461	0
ADVANCED TECHNOLOGY INSTITUTE					
R&D		GLA	81.DE-FC36-04GO14230	187,709	0
AMERICAN IRON AND STEEL INST.					
R&D		GLA	81.DE-FC36-97ID13554	105,901	0
BATTELLE, PACIFIC NORTHWEST LABORATORIES					
R&D		GGB	81.296727-A-Q2 ((PACQ 7096	28,703	0

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
BBNT SOLUTIONS LLC					
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG4748B	206,627	0
Bechtel Nevada					
R&D		GLA	81.53084	49,101	0
Bechtel SAIC Company, LLC					
R&D		GLA	81.NN-SRA-00004, TO 003	22,056	0
R&D		GLA	81.NN-SRA-00004, TO 6	78,166	0
R&D		GLA	81.NN-SRA-00004; TO 5	2,695	0
R&D		GLA	81.NN-SRA-0004, TO 002	28	0
Colorado State University					
R&D		GLA	81.G-2885-1	2,475	0
FERMI NTL ACCELERATOR LAB (FERMILAB)					
R&D		GGB	81.PO 552886	15	0
KANSAS STATE UNIVERSITY					
R&D		GGB	81.S05089	536	0
R&D		GGB	81.S06033	27,933	0
Kaiser-Hill Company, L.L.C.					
R&D		GLA	81.KH 023299	166,333	0
Los Alamos National Laboratory					
R&D		GLA	81.93670-001-04 47	12,649	0
MIDWEST RESEARCH INSTITUTE - NREL					
R&D		GGB	81.KXDJ-0-30622-01 MOD 4	15,110	0
R&D		GGB	81.XXL-5-44205-02 `MOD. 4	338,030	0
R&D		GGB	81.XXL-5-44205-03	170,215	0
MSE TECHNOLOGY APPLICATIONS					
R&D		GLA	81.DE-AC09-96EW96405	59,173	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-19	9,126	0
Unclassified Grants and Contracts		GFB	81.000 / 81.NCO-6-66378-01	58,280	0
Northeastern University					
R&D		GLA	81.560540	42,430	0
OAK RIDGE ASSOCIATED UNIVERSITIES					
R&D		GGB	81.DE-AC05-00OR22750	34,317	0
PENN STATE					
R&D		GLA	81.DE-FC26-04NT42098	51,119	0
SANDIA CORPORATION/SANDIA NATIONAL LAB.					
R&D		GGB	81.305149 ITEM #7	36,054	0
R&D		GGB	81.LC-3449 REV. 20	6	0
R&D		GGB	81.P.O. 288784	252	0
R&D		GGB	81.P.O. 441855	1,230	0
SOUTH CAROLINA UNIV RSRCH & EDUC FDN					
R&D		GGB	81.02399213	12,168	0
SOUTHWEST RESEARCH INSTITUTE					
R&D		GLA	81.DEFC2603NT41849	110,202	0
SPONSOR NAME NOT FOUND FOR YCBL01 **					
R&D		GGB	81.DE-FG02-*03ER83613 A002	66,377	0
R&D		GGB	81.DE-FG02-03ER83613 A002	51,262	0
STRATA PRODUCTION COMPANY					
R&D		GLA	81.DE-FG04-01AL67212	62,435	0
TDA RESEARCH INC.					
Unclassified Grants and Contracts		GFB	81.000 / 81.UCB05.02	81,430	0
TULANE UNIVERSITY					
R&D		GGB	81.TUL-504-05/06	8,900	17,300
UNIV. CALIFORNIA-LAWRENCE LIVERMORE LAB					
R&D		GGB	81.B539675	9,394	0
UNIV. CALIFORNIA-LOS ALAMOS NATIONAL LAB					
R&D		GGB	81.29598-001-06	102,796	785,212
R&D		GGB	81.66982-001-03-AA MOD #5	100,647	473,599
UNIVERSITY OF CALIFORNIA AT DAVIS					
R&D		GGB	81.K012567-01 AMEND. 1	19,536	0
UNIVERSITY OF NEBRASKA					
R&D		GGB	81.26-6223-7250-002 AMEND.	8,198	0
R&D		GGB	81.26-6223-7250-005 AMEND.	6,212	2,436
R&D		GGB	81.26-6223-7260-002 AMEND.	86,300	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,462,587	1,278,547
SUBTOTAL DEPARTMENT OF ENERGY				9,057,344	1,770,498
ENERGY INFORMATION ADMINISTRATION, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
ADA TECHNOLOGIES,INC					
National Energy Information Center		GFB	81.039 / 81.05-0258S	2,101	0

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
ITN ENERGY SYSTEMS, INC.					
National Energy Information Center		GFB	81.039 / 81.PO# 04I-0975	1,569	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,670	0
SUBTOTAL ENERGY INFORMATION ADMINISTRATION, DEPARTMENT OF ENERGY				3,670	0
OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
TULANE UNIVERSITY					
Stewardship Science Grant Program		GFB	81.112 / 81.TUL-508-05/06	76,643	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				76,643	0
SUBTOTAL OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY				76,643	0
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		GFB	81.041	88,401	0
Conservation Research & Development		GLA	81.086 / 81.DE-FG07-01ID14008	9,051	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		GFB	81.117	1,621,360	0
SUBTOTAL DIRECT FROM:				1,718,812	0
PASS-THROUGH PROGRAMS FROM:					
AVA TECHNOLOGIES					
Inventions and Innovations		GGB	81.036 / 81.05012105	12,561	0
M.I.T. MASSACHUSETTS INSTITUTE OF TECH.					
Conservation Research & Development		GGB	81.086 / 81.5710001428-12	124,588	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Inventions and Innovations		GFB	81.036 / 81.KXEA-3-33606-15	16,460	0
UNIVERSITY OF OREGON					
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		GFB	81.117 / 81.234151-1	29,600	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				183,209	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				1,902,021	0
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	860,348	9,995
SUBTOTAL DIRECT FROM:				860,348	9,995
PASS-THROUGH PROGRAMS FROM:					
AERODYNE RESEARCH, INC.					
Renewable Energy Research & Development		GFB	81.087 / 81.10366-2	27,596	0
Renewable Energy Research & Development		GFB	81.087 / 81.10366-3	14,796	0
BATTELLE, COLUMBUS DIVISION					
Renewable Energy Research & Development		GFB	81.087 / 81.4000025755	18,735	0
ITN ENERGY SYSTEMS, INC.					
Renewable Energy Research & Development		GFB	81.087 / 81.PO# 05I-0529	36,622	0
LAWRENCE LIVERMORE NATIONAL LABORATORY					
Renewable Energy Research & Development		GFB	81.087 / 81.B558352	48,437	0
NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS					
Renewable Energy Research & Development		GFB	81.087 / 81.OCG4587B	58,476	46,416
NATIONAL RENEWABLE ENERGY LABORATORY					
Renewable Energy Research & Development		GFB	81.087 / 81.KXDJ-9-29638-10	(2,730)	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXDK-9-29638-22	(2,121)	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-02	(19)	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-05	64,461	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-06	66,880	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-08	867	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-12	51,051	0
Renewable Energy Research & Development		GFB	81.087 / 81.XAT-5-33636-01	164,650	8,551
Renewable Energy Research & Development		GFB	81.087 / 81.XCO-4-44002-01	6,886	0
Renewable Energy Research & Development		GFB	81.087 / 81.XCX-3-32227-03	55,848	0
Renewable Energy Research & Development		GFB	81.087 / 81.XEA-5-55405-01	69,216	0

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
Renewable Energy Research & Development		GFB	81.087 / 81.XEA-6-55422-01	90,174	0
SANDIA NATIONAL LABORATORIES					
Renewable Energy Research & Development		GFB	81.087 / 81.15268	(31,668)	(2,668)
Renewable Energy Research & Development		GFB	81.087 / 81.206086	(7)	0
Renewable Energy Research & Development		GFB	81.087 / 81.35962	27,804	0
Renewable Energy Research & Development		GFB	81.087 / 81.76473	27,439	0
Renewable Energy Research & Development		GFB	81.087 / 81.PO177989	102,898	0
TDA RESEARCH INC.					
Renewable Energy Research & Development		GFB	81.087 / 81.#CU-TDA03.1	98,489	0
UNIVERSITY OF NEBRASKA					
Renewable Energy Research & Development		GGB	81.087 / 81.26-6223-7260-013	68,556	0
UNIVERSITY OF NEVADA AT LAS VEGAS					
Renewable Energy Research & Development		GFB	81.087 / 81.#RF-05-SHGR-006	393,507	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,456,843	52,299
SUBTOTAL OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				2,317,191	62,294
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	3,925,198	10,000
Office of Science Financial Assistance Program		GFE	81.049	35,913	24,217
Office of Science Financial Assistance Program		GGB	81.049	2,278,313	398,217
Office of Science Financial Assistance Program		GLA	81.049 / 81.DE-FG02-93ER14363	119,169	0
Office of Scientific & Technical Information		GFB	81.064	322,676	0
SUBTOTAL DIRECT FROM:				6,681,269	432,434
PASS-THROUGH PROGRAMS FROM:					
AERODYNE RESEARCH, INC.					
Office of Scientific & Technical Information		GFB	81.064 / 81.ARI-10303-1	50,587	0
Office of Scientific & Technical Information		GFB	81.064 / 81.ARI-10319-1	60,157	0
AEROSOL DYNAMICS INC.					
Office of Science Financial Assistance Program		GGB	81.049 / 81.DE-FG-04ER86179	30,398	0
CORNELL UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.47463-8054	19,281	0
FERMI NATIONAL ACCELERATOR LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.552817	3,981	0
LAWRENCE LIVERMORE NATIONAL LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.B218772	(238)	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.B347880	(13,362)	0
LOS ALAMOS NATIONAL LABORATORIES					
Office of Science Financial Assistance Program		GFB	81.049 / 81.95480-001-04 3F	69,447	0
MASSACHUSETTS INSTITUTE OF TECHNOLOGY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.5710001810	76,225	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.KAK-8-16810-11	(2,812)	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KXEA-3-33606-16	1,602	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KXEA-3-33606-17	26,307	0
Office of Scientific & Technical Information		GFB	81.064 / 81.KXEA-3-33606-14	5,287	0
SANDIA NATIONAL LABORATORIES					
Office of Science Financial Assistance Program		GFB	81.049 / 81.AS-9991	6,044	0
STATE UNIVER. OF NEW YORK AT STONYBROOK					
Office of Science Financial Assistance Program		GGB	81.049 / 81.39745/1055595	12,960	0
TULANE UNIVERSITY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.TUL-162-03/04	8,998	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.TUL-182-04/05	44,957	0
UNIVERSITY OF MISSOURI-ROLLA					
Office of Science Financial Assistance Program		GFB	81.049 / 81.OCG4401B	49,259	0
UNIVERSITY OF OREGON					
Office of Science Financial Assistance Program		GGB	81.049 / 81.234151T	4,720	0
UNIVERSITY OF UTAH					
Office of Scientific & Technical Information		GFB	81.064 / 81.2403133/PO#124856	17,254	0
UT BATTELLE LLC					
Office of Scientific & Technical Information		GFB	81.064 / 81.4000038129	90,543	0
YALE UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.Y-05-00-08	45,027	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				606,622	0
SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY				7,287,891	432,434

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
BECHTEL BWXT IDAHO LLC					
Office of Environmental Cleanup and Acceleration		GFB	81.104 / 81.28981	27	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				27	0
SUBTOTAL OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY				27	0
OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY					
University Coal Research		GLA	81.057 / 81.DE-FG26-03NT41792	62,543	0
Fossil Energy Research & Development		GLA	81.089 / 81.DE-FC26-04NT15505	172,920	0
SUBTOTAL DIRECT FROM:				235,463	0
PASS-THROUGH PROGRAMS FROM:					
ARGONNE NATIONAL LABORATORY - SEE UCHICAGO					
Fossil Energy Research & Development		GFB	81.089 / 81.5F-00462	30,014	0
BROOKHAVEN NATIONAL LAB					
Fossil Energy Research & Development		GFB	81.089 / 81.75854	(3,608)	0
FRONTLINE BIOENERGY, INC.					
Fossil Energy Research & Development		GFB	81.089 / 81.OCG4625B	6,601	0
Penn State					
Fossil Energy Research & Development		GLA	81.089 / 81.2970-CSM-DOE-2098	26,110	0
Fossil Energy Research & Development		GLA	81.089 / 81.DE-FC26-04NT42098	71,914	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				131,031	0
SUBTOTAL OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY				366,494	0
OFFICE OF NONPROLIFERATION AND NATIONAL SECURITY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF NONPROLIFERATION AND NATIONAL SECURITY, DEPARTMENT OF ENERGY					
Defense Nuclear Nonproliferation Research		GFB	81.113	218,007	0
SUBTOTAL DIRECT FROM:				218,007	0
SUBTOTAL OFFICE OF NONPROLIFERATION AND NATIONAL SECURITY, DEPARTMENT OF ENERGY				218,007	0
OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
PENNSYLVANIA STATE UNIVERSITY					
University Reactor Infrastructure and Education Support		GFB	81.114 / 81.2845-UC-DOE-4423	(3,032)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(3,032)	0
SUBTOTAL OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY				(3,032)	0
ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY					
DIRECT FROM:					
ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY					
Science & Engineering Training to Support Diversity-Related Programs		GFB	81.116	181,612	0
SUBTOTAL DIRECT FROM:				181,612	0
SUBTOTAL ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY				181,612	0
SUBTOTAL DEPARTMENT OF ENERGY				21,407,868	2,265,226

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 EDUCATION					
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
RMPBS/USDOED					
Ready to Teach		GZA	84.286 / 84.R286A050005	9,665	0
ROCKY MOUNTAIN PUBLIC BROADCASTING NETWORK, INC.					
Ready to Teach		GFC	84.286 / 84.AGREEMENT 10/12/05	77,028	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				86,693	0
SUBTOTAL ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION				86,693	0
DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
NATIONAL WRITING PROJECT					
R&D		GGB	84.03-C003	15,652	0
Sys Chg Proj to Expand Emp Opp for Individuals with Mental or Physical Disabilities		GFE	84.989 / 84.00-C002	45,923	0
SPONSOR NAME NOT FOUND FOR YCTH04 **					
R&D		GGB	84.ED-04-CO-0042/0001	45,056	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				106,631	0
SUBTOTAL DEPARTMENT OF EDUCATION				106,631	0
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					
Education Research, Development and Dissemination		GFB	84.305	594,895	14,789
SUBTOTAL DIRECT FROM:				594,895	14,789
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF CALIFORNIA LOS ANGELES					
Education Research, Development and Dissemination		GFB	84.305 / 84.0070 G CC911	110,054	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				110,054	0
SUBTOTAL INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION				704,949	14,789
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		GKA	84.215	30,758	0
SUBTOTAL DIRECT FROM:				30,758	0
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Fund for the Improvement of Education		GFE	84.215 / 84.S215X020233	14,639	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				14,639	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				45,397	0
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		GFB	84.016	10,273	0
Overseas_Faculty Research Abroad		GFB	84.019	26,519	0
Overseas_Doctoral Dissertation		GFB	84.022	39,232	0
Fund for the Improvement of Postsecondary Education		GZA	84.116	46,470	0
Graduate Assistance in Areas of National Need		GFE	84.200	175,485	0
Demonstration Projects to Ensure Students With Disabilities Receive a Higher Education		GGB	84.333	161,354	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
Gaining Early Awareness and Readiness for Undergraduate Programs		GFE	84.334	2,349	0
Teacher Quality Enhancement Grants		GFC	84.336	338,230	65,268
SUBTOTAL DIRECT FROM:				799,912	65,268
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				799,912	65,268
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: Service Projects		GGB	84.128	77,341	11,571
National Institute on Disability and Rehabilitation Research		GFE	84.133	823,698	539,628
SUBTOTAL DIRECT FROM:				901,039	551,199
PASS-THROUGH PROGRAMS FROM:					
REHABILITATION INSTITUTE RESEARCH CORP					
Rehabilitation Services Demonstration and Training Programs		GFB	84.235 / 84.OCG4727	35,070	0
UNIVERSITY OF ILLINOIS					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.H133EE020715	102,903	38,418
UNIVERSITY OF MINNESOTA					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.H133B031116 AMD#2	42,181	0
UNIVERSITY OF PITTSBURG					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.#070151-4	21,977	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				202,131	38,418
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				1,103,170	589,617
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		GFB	84.195	123,553	35,000
Bilingual Education: Professional Development		GFE	84.195	2	0
SUBTOTAL DIRECT FROM:				123,555	35,000
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				123,555	35,000
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Safe and Drug-Free Schools and Communities: National Programs		GFB	84.184	88,686	0
SUBTOTAL DIRECT FROM:				88,686	0
PASS-THROUGH PROGRAMS FROM:					
CENTENNIAL BOCES					
Improving Teacher Quality State Grants		GFE	84.367 / 84.#223.0330.6318	258,390	0
CLAYTON FOUNDATION					
Parental Assistance Centers		GFE	84.310	29,814	0
DENVER PUBLIC SCHOOLS					
Title I Grants to Local Educational Agencies		GFE	84.010 / 84.PN0101-031	(5,851)	0
Title I Grants to Local Educational Agencies		GFE	84.010 / 84.PN0207-173	(2,451)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				279,902	0
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				368,588	0
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
Research in Special Education		GFB	84.324	144,184	0
Research in Special Education		GFE	84.324	381,541	14,973
Research in Special Education		GGB	84.324	(1,817)	21,935
Research in Special Education		GKA	84.324	335,775	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFB	84.325	77,893	85,114
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325	216,925	17,520
SUBTOTAL DIRECT FROM:				1,154,501	139,542

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:					
CLAYTON FOUNDATION					
Special Education: Parent Information Centers		GFE	84.328	14,145	0
CLEMSON UNIVERSITY					
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GGB	84.326 / 84.874-7558-210-2003891	23,028	0
UNIVERSITY OF DENVER					
Research in Special Education		GFE	84.324 / 84.DU#35801C	(2,059)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				35,114	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				1,189,615	139,542
SUBTOTAL DEPARTMENT OF EDUCATION				4,528,510	844,216
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					
Abandoned Infants		GFE	93.551	353,553	0
Head Start		GFE	93.600	350,406	0
Head Start		GGB	93.600	14,928	0
Developmental Disabilities Projects of National Significance		GFE	93.631	308,306	66,264
Child Abuse and Neglect Discretionary Activities		GFE	93.670	85,346	0
SUBTOTAL DIRECT FROM:				1,112,539	66,264
PASS-THROUGH PROGRAMS FROM:					
CLAYTON FOUNDATION					
Early Learning Fund		GFE	93.577	(8,185)	0
MYCOLOGICS					
Job Opportunities and Basic Skills Training (JOBS)		GGB	93.561 / 93.03761905	23,912	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				15,727	0
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,128,266	66,264
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 IV: and Title II: Discretionary Projects		GFE	93.048	1,661,492	470,706
Alzheimer's Disease Demonstration Grants to States		GGB	93.051	1,439	13,214
SUBTOTAL DIRECT FROM:				1,662,931	483,920
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,662,931	483,920
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	122,035	0
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226	1,911,922	281,787
SUBTOTAL DIRECT FROM:				2,033,957	281,787
PASS-THROUGH PROGRAMS FROM:					
AMERICAN COLLEGE OF SURGEONS					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.AMCOL U18HS11913-03	125,393	0
FISHER BIOSERVICES CORP					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.MBS-95016-23	5,686	0
KAISER FOUNDATION					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.KAIS-UC1 HSO14249#1	6,220	0
MASSACHUSETTS GENERAL HOSPITAL					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.RO1 HSO13099-02	4,552	0
NATL JEWISH HOSPITAL					
Research on Health Care Outcomes and Quality		GFE	93.180 / 93.PN200302-079	13,938	0
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.444918-32776	7,662	0

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
UNIVERSITY OF UTAH					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.2305108	4,160	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				167,611	0
SUBTOTAL AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,201,568	281,787
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	(141)	0
SUBTOTAL DIRECT FROM:				(141)	0
PASS-THROUGH PROGRAMS FROM:					
ASSOCIATION OF UNIVERSITY CNTRS ON DISABILITIES					
Human Health Studies: Applied Research and Development		GFE	93.206 / 93.RTOI2005-1/2-07 416	59,324	16,981
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				59,324	16,981
SUBTOTAL AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				59,183	16,981
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					
Centers for Genomics and Public Health		GFE	93.063	184,162	63,685
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135	1,542,890	8,890
Injury Prevention and Control Research and State and Community Based Programs		GFE	93.136	467,023	92,282
Injury Prevention and Control Research and State and Community Based Programs		GGB	93.136	832,059	139,912
Health Program for Toxic Substances and Disease Registry		GGB	93.161	35,922	0
Occupational Safety and Health Program		GFB	93.262	509,856	43,787
Occupational Safety and Health Program		GFE	93.262	293,887	25,818
Occupational Safety and Health Program		GGB	93.262	888,795	121,519
Occupational Safety and Health Program		GGB	93.262 / 93.3 U50 OH008085-03S1	61,551	0
Occupational Safety and Health: Training Grants		GGB	93.263	103	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	867,653	1,321,253
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGB	93.283	284,462	1,371
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Viru		GGB	93.943	105,728	0
Assistance Programs for Chronic Disease Prevention and Control		GFE	93.945	429,009	9,713
SUBTOTAL DIRECT FROM:				6,503,100	1,828,230
PASS-THROUGH PROGRAMS FROM:					
ASSOCIATION OF MAERICAN MEDICAL COLLEGES					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.MM-0752-04/04	41,506	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.MM-0855-05/05	42,692	12,453
COLORADO INJURY CONTROL RESEARCH CENTER					
Injury Prevention and Control Research and State and Community Based Programs		GFE	93.136 / 93.CSU G-7873-8	11,339	0
DENVER HEALTH AND HOSPITAL					
HIV Prevention Activities: Health Department Based		GFE	93.940 / 93.DHHA-E1039D	6,177	0
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		GFE	93.978 / 93.DHH-E0958E6	9,801	0
DUKE UNIVERSITY					
Occupational Safety and Health Program		GFE	93.262 / 93.R01 OH008007-02	6,191	0
HDT BIOSYSTEMS					
Immunization Grants		GFE	93.268 / 93.PN0306-067	(1)	0
Immunization Grants		GFE	93.268 / 93.PN0402-122	(6,581)	0
Immunization Grants		GFE	93.268 / 93.PN:0504-195	94,223	0
INDIANA UNIVERSITY					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.IU ACCT 46-457-04	29,652	0
JOHNS HOPKINS UNIVERSITY					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.PN:0412-172	18,169	0
NOVA RESEARCH COMPANY					
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		GFE	93.978 / 93.R01-DA-14717	435	0
UNIVERSITY OF ARIZONA					
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135 / 93.Y432843	1,116	0
UNIVERSITY OF IOWA					
Occupational Safety and Health Program		GGB	93.262 / 93.PO #4000501471	2	0
Occupational Safety and Health Program		GGB	93.262 / 93.PO 4000531892	17,879	0
University of Missouri - Rolla					
Occupational Safety and Health Program		GLA	93.262 / 93.1-R25-OH003819-01	356,751	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
WESTAT, INC					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.7735-S035	915,358	377,993
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,544,709	390,446
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				8,047,809	2,218,676
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
R&D		GGB	93.2 R01 CA 085419-07	2,450	0
R&D		GGB	93.212-2005-M-13350 AMD #1	6,664	0
R&D		GGB	93.5 R01 AA10377-06	(410)	0
R&D		GGB	93.5 R01 CA051875-12	1	0
R&D		GGB	93.5 R01 CA70375-08	1,401	0
R&D		GGB	93.R49/CCR811509-09	2,904	0
R&D		GGB	93.R49/CCR811509-10	19,056	0
R&D		GGB	93.US3/CCU813420-10	83,481	0
SUBTOTAL DIRECT FROM:				115,547	0
PASS-THROUGH PROGRAMS FROM:					
AKTIV-DRY LLC					
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4745B	405,243	0
BATTELLE MEMORIAL INSTITUTE					
R&D		GGB	93.PO 182124 MOD 03	(3,523)	0
CITY OF BOULDER					
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4777B	43,185	0
STATE UNIVERSITY NEW YORK RESEARCH FOUND					
Unclassified Grants and Contracts		GFB	93.000 / 93.1049874-2-37135	291	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				445,196	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				560,743	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		GGB	93.103	638	0
R&D		GLA	93.223-04-3004	104,151	0
Pilot Clinical Pharmacology Training		GGB	93.948	123,338	0
R&D		GLA	93.D3921303	(4,879)	0
SUBTOTAL DIRECT FROM:				223,248	0
SUBTOTAL FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				223,248	0
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Medicare: Supplementary Medical Insurance		GFE	93.774	2,351,362	43,015
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779	98,474	0
SUBTOTAL DIRECT FROM:				2,449,836	43,015
PASS-THROUGH PROGRAMS FROM:					
COLORADO FOUNDATION MEDICAL CARE					
Medicare: Hospital Insurance		GFE	93.773 / 93.CFMC 500-02C001	14,836	0
DELMARVA FOUNDATION FOR MEDICAL CARE,INC.					
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779 / 93.500-02-MD02	44,708	0
IOWA FOUNDANTION FOR MEDICAL CARE					
Medicare: Supplementary Medical Insurance		GFE	93.774 / 93.IFMC 500-02-IA03	126,825	0
NEW YORK DEPARTMENT OF HEALTH					
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779 / 93.NYDOH C-015111	(246)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				186,123	0
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,635,959	43,015

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
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		GFE	93.110	103,711	43,356
Universal Newborn Hearing Screening		GFB	93.251	105,168	16,000
Minority Health and Health Disparities Research		GFE	93.307	879,623	403,245
Health Care and Other Facilities		GGB	93.887	2,090,050	0
Health Care and Other Facilities		GKA	93.887	72,938	0
Specially Selected Health Projects		GKA	93.888	61,807	0
SUBTOTAL DIRECT FROM:				3,313,297	462,601
PASS-THROUGH PROGRAMS FROM:					
ASSOC OF TEACHERS OF PREVENTATIVE MEDICINE					
Grants for Preventive Medicine		GFE	93.117 / 93.ATPM TS-0781	17,877	34,797
Grants for Preventive Medicine		GFE	93.117 / 93.ATPM: TS-0781	(2)	0
CHILDRENS HOSPITAL					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.PN0001-117	(72)	0
Grants to Increase Organ Donations		GFE	93.134 / 93.G06810-03	109,706	0
Grants to Increase Organ Donations		GFE	93.134 / 93.G06810-1&2/AMND#1,2	5,272	0
COLORADO FOUNDATION MEDICAL CARE					
Grants for Preventive Medicine		GFE	93.117 / 93.CNTRCT#500-02-C001	786	0
PUEBLO COMMUNITY HEALTH CENTER					
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		GFE	93.918 / 93.CU EIS CONTRCT2003	19,001	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES					
Maternal and Child Health Federal Consolidated Programs		GGB	93.110 / 93.1920 G EB561 AMD #1	7,349	0
UNIVERSITY OF FLORIDA					
Development and Coordination of Rural Health Services		GFE	93.223 / 93.R18 HL073326	6,915	0
UNIVERSITY OF TORONTO					
Centers for Medical Education Research		GFE	93.222 / 93.5-R01NR005075	129,055	0
UTAH STATE UNIVERSITY					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.USU# C032532	(109)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				295,778	34,797
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				3,609,075	497,398
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	152,129	0
SUBTOTAL DIRECT FROM:				152,129	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF WASHINGTON					
Human Genome Research		GFE	93.172 / 93.200311-009	1,817	0
Human Genome Research		GFE	93.172 / 93.PN200311-009	19,881	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				21,698	0
SUBTOTAL NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				173,827	0
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Agricultural Health and Safety Programs		GGB	93.956	249,483	28,332
SUBTOTAL DIRECT FROM:				249,483	28,332
SUBTOTAL NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				249,483	28,332
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
R&D		GLA	93.1R01 OH007493-01A2	169,816	0
R&D		GLA	93.254-2006-M-15778	11,499	0
R&D		GLA	93.U60/CCU816929-05	26	0
SUBTOTAL DIRECT FROM:				181,341	0

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:					
THE CENTER TO PROTECT WORKERS' RIGHTS					
Health and Safety Programs for Construction Work		GGB	93.955 / 93.1030-13 AMD1	159,560	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				159,560	0
SUBTOTAL NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				340,901	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	559,726	484,965
Research Related to Deafness and Communication Disorders		GFE	93.173	2,668,818	165,382
Research Related to Deafness and Communication Disorders		GGB	93.173	417,866	106,973
SUBTOTAL DIRECT FROM:				3,646,410	757,320
PASS-THROUGH PROGRAMS FROM:					
LOUISIANA STATE UNIVERSITY					
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.LSU R187697B	93	0
NORTHWESTERN UNIVERSITY					
Research Related to Deafness and Communication Disorders		GFB	93.173 / 93.0600 340 D339 1071	74,129	0
UNIVERSITY OF PITTSBURG					
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.UPITT 111077-1	7,130	0
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.UPITTS 108488-1	35,543	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				116,895	0
SUBTOTAL NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				3,763,305	757,320
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
R&D		GGB	93.05180402	2,134	0
R&D		GGB	93.06066502	5,178	0
R&D		GGB	93.1 R01 GM068011-01A1	2,400	0
R&D		GLA	93.1 R01 OH008709-01	105,274	0
Biological Response to Environmental Health Hazards		GFE	93.113	1,780,872	0
Biological Response to Environmental Health Hazards		GGB	93.113	651,156	0
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GGB	93.115	0	2,321
Oral Diseases and Disorders Research		GFB	93.121	1,228,804	89,138
Oral Diseases and Disorders Research		GFE	93.121	2,602,979	114,806
R&D		GGB	93.2 R01 CA051875-15	1,000	0
Research and Training in Complementary and Alternative Medicine		GFB	93.213	128,660	0
Research and Training in Complementary and Alternative Medicine		GFE	93.213	451,644	30,307
National Center on Sleep Disorders Research (B) -		GFB	93.233	9,093	0
Mental Health Research Grants		GFB	93.242	3,780,026	222,487
Mental Health Research Grants		GFE	93.242	7,687,808	1,162,575
Mental Health Research Grants		GGB	93.242	704,644	0
Alcohol Research Career Development Awards for Scientists and Clinicians		GFB	93.271	178,857	0
Alcohol National Research Service Awards for Research Training		GFB	93.272	2,750	0
Alcohol Research Programs		GFB	93.273	2,863,850	228,465
Alcohol Research Programs		GFE	93.273	6,263,549	126,756
Alcohol Research Programs		GGB	93.273	476,253	4,923
Career Development Awards		GFB	93.277	105,501	0
Career Development Awards		GFE	93.277	274,744	0
Drug Abuse and Addiction Research Programs		GFB	93.279	2,750,676	199,373
Drug Abuse and Addiction Research Programs		GFE	93.279	4,423,260	2,993,440
Drug Abuse and Addiction Research Programs		GGB	93.279	1,158,911	21,757
Mental Health Research Career/Scientist Development Awards		GFB	93.281	83,890	0
Mental Health Research Career/Scientist Development Awards		GFE	93.281	395,717	0
Mental Health National Research Service Awards for Research Training		GFB	93.282	25,829	0
Mental Health National Research Service Awards for Research Training		GFE	93.282	(401)	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GFB	93.286	431,821	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GFE	93.286	137,887	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GGB	93.286	833,847	138,184
Discovery and Applied Research for Technological Innovations to Improve Human Health		GLA	93.286 / 93.5 R21 EB001722-02	80,253	0
Trans-NIH Research Support		GGB	93.310	147	0
Clinical Research		GFE	93.333	2,262,588	4,061,675
Nursing Research		GFE	93.361	88,966	0
Biomedical Technology		GFB	93.371	(1)	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
	GFE	93.371	25,000	0
	GFE	93.375	(2,391)	4,319
	GFB	93.389	936,665	0
	GFE	93.389	5,418,454	1,078,949
	GGB	93.389	305,101	115,631
	GFB	93.393	136,974	0
	GFE	93.393	3,009,250	0
	GGB	93.393	2,224,867	51,757
	GFE	93.394	1,535,264	209,336
	GFB	93.395	243,906	0
	GFE	93.395	2,029,614	228,083
	GGB	93.395	1,120,220	83,025
	GFB	93.396	613,120	0
	GFE	93.396	4,881,359	38,676
	GGB	93.396	37,523	0
	GFE	93.397	6,384,532	236,872
	GFB	93.398	42,065	0
	GFE	93.398	797,795	1,708
	GGB	93.398	320,571	0
	GFB	93.399	301,098	21,422
	GFE	93.399	3,225,042	522,206
	GGB	93.5 R01 GM40525-12	46,016	14,396
	GGB	93.5 R01 HL068916-03	15,016	0
	GGB	93.5 R33 RR017025-05	281,062	0
	GGB	93.5 T32 RR007072-04	288,280	0
	GGB	93.5 U54 AI065357-02	2,913	0
	GFB	93.821	513,644	0
	GFE	93.821	(1,451)	0
	GFB	93.837	1,737,450	38,870
	GFE	93.837	7,226,097	791,413
	GGB	93.837	234,902	0
	GFB	93.838	23,153	0
	GFE	93.838	12,280,881	2,208,022
	GFB	93.839	164,665	0
	GFE	93.839	527,848	0
	GFB	93.846	888,782	0
	GFE	93.846	1,863,270	43,842
	GFE	93.847	14,863,999	558,596
	GGB	93.847	176,462	0
	GGB	93.847 / 93.2 R01 DK047416-10A1	45,143	0
	GFE	93.848	6,282,767	194,049
	GFE	93.849	7,550,858	165,714
	GGB	93.849	437,412	0
	GFB	93.853	395,269	0
	GFE	93.853	8,067,022	531,433
	GGB	93.853	2,333,161	142,632
	GFB	93.854	444	0
	GFE	93.854	697,760	(13,625)
	GFB	93.855	839,393	79,142
	GFE	93.855	10,564,000	4,467,289
	GGB	93.855	8,485	0
	GFB	93.856	1,701,365	107,294
	GFE	93.856	5,667,535	1,934,346
	GGB	93.856	16,368,833	4,103,593
	GFB	93.859	9,895,445	212,169
	GFE	93.859	4,669,934	122,412
	GGB	93.859	2,770,073	0
	GFB	93.862	428,173	0
	GFE	93.862	958,546	0
	GGB	93.862	77,964	0
	GFB	93.864	38,232	0
	GFE	93.864	194,479	6,382
	GFB	93.865	2,762,163	636,475
	GFE	93.865	7,123,586	1,108,055
	GGB	93.865	920,488	0
	GFB	93.866	3,180,905	(19,536)
	GFC	93.866	45,063	2,426
	GFE	93.866	3,658,424	503,232
	GGB	93.866	319,534	0
	GFB	93.867	504,933	127,202
	GFE	93.867	1,141,384	71,744
	GFE	93.879	798,506	0
	GGB	93.894	8,860	0
	GFE	93.934	1,728,341	18,173
	GFB	93.989	40,320	0
	GFE	93.989	8,171	37,189

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PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
International Research and Research Training		GGB	93.989	14,595	55,293
R&D		GGB	93.N01 AI-40091 MOD 3	991,583	0
R&D		GGB	93.N01-AI-25469 AMD #6	635,156	3,570
R&D		GGB	93.N01-AI-25491 MOD 5	796,864	376,438
R&D		GGB	93.N01-AI-95385 AMD 10	390,030	0
R&D		GGB	93.N01AA01013 AMD 8	76,874	45,000
R&D		GGB	93.N01 AI-40091 MOD 3	1,654,486	253,557
R&D		GLA	93.PO FEAHAZ0400027	286	0
SUBTOTAL DIRECT FROM:				223,492,429	30,914,978
PASS-THROUGH PROGRAMS FROM:					
ACRIN					
Cancer Detection and Diagnosis Research		GFE	93.394 / 93.ACRIN-6654	326,847	0
ALBERT EINSTEIN COLLEGE OF MEDICINE OF YERSHIVA U					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.R21 DA019980	10,001	0
AMC CANCER RESEARCH CENTER					
Cancer Treatment Research		GFE	93.395 / 93.AMC SUB#738-6813	(1,481)	0
AMERICAN COLLEGE OF RADIOLOGY					
Cancer Treatment Research		GFE	93.395 / 93.ACOR CA21661	73,979	0
BAYLOR COLLEGE OF MEDICINE					
Cancer Biology Research		GFE	93.396 / 93.PO# 100108810	75,044	0
BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.BRI3215.03 UDK62418	17,314	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.BRI3215.04 UDK62418	49,567	0
BOOZ ALLEN HAMILTON INC.MD					
Cancer Centers Support		GFE	93.397 / 93.SUB# 79556CBS10	42,769	0
BRIGHAM AND WOMENS HOSPITAL					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.PRIME GRANTEE #113218	72,636	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.BWH #129794	(1,432)	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.BWH #129795	19,821	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.BWH #701891	(1)	0
R&D		GGB	93.PRIME GRANTEE #113219	64,490	0
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Lung Diseases Research		GFB	93.838 / 93.19-1079538	145,466	0
CASE WESTERN RESERVE UNIVERSITY					
Lung Diseases Research		GGB	93.838 / 93.2 RO1 HL 55967-06 SUB	117,985	0
CHILDREN'S HOSPITAL RESEARCH CENTER					
Mental Health Research Grants		GFE	93.242 / 93.662-91193183-AMG	23,190	0
CHILDRENS HOSPITAL					
National Center for Research Resources		GFE	93.389 / 93.G06834-1	68,912	0
National Center for Research Resources		GFE	93.389 / 93.G06834-2	53,229	0
CHILDRENS HOSPITAL OF CINCINNATI					
National Center for Research Resources		GFE	93.389 / 93.CHMC# 470	17,214	0
CITY OF HOPE NATIONAL MEDICAL CENTER					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.30.6692.913851 SUB #2	66,504	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.30.6692.913852 SUB 2	68,501	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.NO. 200	1,594	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.NO. 201	(17)	0
CLARKSON UNIVERSITY					
Heart and Vascular Diseases Research		GFE	93.837 / 93.SUB# 375-32780-1	1	0
CLEVELAND CLINIC FOUNDATION					
Population Research		GFE	93.864 / 93.1R01HD041162 MOD#5	138,150	0
COLORADO SEMINARY					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.SC36028-01-00	96,446	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.SC#36070-02-01	59,340	0
COLUMBIA UNIVERSITY					
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846 / 93.U19 AI056362	30,800	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.COLUMBU-NS048125	1,751	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.R01 NS045294-03	33,311	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.7 U19 AI056362-04	30,795	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.U19 AI056362-03	30,800	0
COLUMBUS CHILDRENS RESEARCH INSTITUTE					
Cancer Control		GFE	93.399 / 93.RCA098217	33,085	0
CYTOMATION GTX, INC.					
Cancer Cause and Prevention Research		GGB	93.393 / 93.E95	12,717	0
Colorado State University					
Microbiology and Infectious Diseases Research		GLA	93.856 / 93.G-4733-2	59,351	0
DARTMOUTH COLLEGE					
Mental Health Research Grants		GGB	93.242 / 93.5-30676.576	1,709	0
Cancer Control		GFE	93.399 / 93.5-30190.5710	101,853	0
Cancer Control		GFE	93.399 / 93.5-30244.571	96,132	0
Cancer Control		GFE	93.399 / 93.5-30547.571	10,909	0
Cancer Control		GFE	93.399 / 93.5-37131.5715	27,216	0
DENVER HEALTH AND HOSPITAL					
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815A	181,435	15,426

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PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Lung Diseases Research		GFE	93.838 / 93.DHH - E1392B1	40,666	0
Lung Diseases Research		GFE	93.838 / 93.DHH - E1392B2	61,614	0
Lung Diseases Research		GFE	93.838 / 93.DHH - E1392B3	75,613	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.DHH E0966A	(4,493)	0
DUKE UNIVERSITY					
Cancer Treatment Research		GFE	93.395 / 93.7U10CA76001	16,317	0
Cancer Treatment Research		GGB	93.395 / 93.DS639 303-2472 PROJ	(603)	0
Cancer Treatment Research		GFE	93.395 / 93.PN0210-022	2,059	0
Heart and Vascular Diseases Research		GFE	93.837 / 93.RO1 HL075752-03	256,661	0
Aging Research		GFB	93.866 / 93.04-SC-NIH-1072	274,905	0
EMMES CORPORATION					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.EMMES CTN-0017	168,339	142,329
EMORY UNIVERSITY					
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GGB	93.115 / 93.5-20300	28,087	0
EMORY UNIVERSITY, ATLANTA					
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93.5-23315-G3	14,091	0
EPIMMUNE, INC					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.EPIM AI48238-04	11,288	0
GEORGE WASHINGTON UNIVERSITY					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU 05-B09	313,245	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU 03-C23	(689)	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU 04-E05	21,794	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU 05-E05	165,116	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWUINV #04-E04	16,182	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWUINV #05-E04	613,465	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.PTA#23301-2-CCLS201	52,798	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93.SUB # 05-B15	331,457	0
H T D BIOSYSTEMS,INC, CALIFORNIA					
Lung Diseases Research		GFE	93.838 / 93.PN200508-161	162,480	0
HENRY FORD HEALTH SYSTEM (HOSPITAL)					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.#1 RO1 AR050562-01	113,507	0
HOSPITAL FOR SPECIAL SURGERY					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.NO CONTRACT #	35,592	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.HSS AI055007-03 RO1	86,003	0
HTD BIOSYSTEMS					
Allergy, Immunology and Transplantation Research		GFB	93.855 / 93.OCG4573B	125,092	0
INDIANA UNIVERSITY					
Kidney Diseases, Urology and Hematology Research		GGB	93.849 / 93.16845	21,912	0
JOHNS HOPKINS UNIVERSITY					
Cancer Cause and Prevention Research		GFE	93.393 / 93.JHU 8408-56662-X	1,229	0
Lung Diseases Research		GFE	93.838 / 93.JHU 8410-66553-X	32,630	0
KAISER FOUNDATION					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.1 RO1 DK07553-01	32,955	0
KEYSTONE BIOMEDICAL INC					
Heart and Vascular Diseases Research		GFE	93.837 / 93.PN200411-152	27,039	0
M.D.ANDERSON CANCER CENTER AT UNIV OF TEXAS					
Cancer Treatment Research		GFE	93.395 / 93.PN200602-098	1,903	0
Cancer Control		GFE	93.399 / 93.14580-0-2000	439,706	0
MASSACHUSETTS GENERAL HOSPITAL					
Mental Health Research Grants		GFE	93.242 / 93.NO1 MH80001	24,140	43,450
Cancer Cause and Prevention Research		GFE	93.393 / 93.PN:0412-163	5,030	0
Cancer Treatment Research		GGB	93.395 / 93.214049 MOD 01	130,235	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859 / 93.5 U54 GM62119-03	1,151	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859 / 93.5 U54 GM62119-04	8,004	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859 / 93.5 U54 GM62119-05	26,497	0
MAYO CLINIC ROCHESTER					
Cancer Cause and Prevention Research		GFE	93.393 / 93.5 U01 CA89389-02	(36)	0
Cancer Control		GFE	93.399 / 93.2 U01 CA89389-04	61,184	0
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.MAYO DK66270-02	58,644	0
MEDICAL COLLEGE OF GEORGIA					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.MEDCG 05-10478A1	68,433	0
MEDICAL UNIERSITY OF SOUTH CAROLINA					
Mental Health Research Grants		GFE	93.242 / 93.RO1 MH068813	100,460	0
METAFLUIDICS,INC.					
Lung Diseases Research		GFE	93.838 / 93.R43 HL79741	879	0
MT.SINAI SCHOOL OF MEDICINE,NY					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.NS045719	25,462	0
NATIONAL JEWISH MEDICAL AND RESEARCH CENTER					
Lung Diseases Research		GFB	93.838 / 93.22080701/PO#1503955	(15,142)	0
Lung Diseases Research		GFB	93.838 / 93.NJ#24008710	13,555	0
Lung Diseases Research		GFE	93.838 / 93.NJH 22083601	22,493	0
Lung Diseases Research		GFE	93.838 / 93.NJMRC-P01 ES11810-4	187,630	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.HHSN266200400029C	21,288	0
NATL JEWISH HOSPITAL					
Biological Response to Environmental Health Hazards		GFE	93.113 / 93.NJH # 22072604	75,981	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GFE	93.286 / 93.NJH 22203002	173,486	0

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	GFE	93.838 / 93.ACCT#22078701	41,563	0
	GFE	93.838 / 93.ACCT#22078703	25,723	0
	GFE	93.838 / 93.NJH 24008309	8,857	0
	GFE	93.838 / 93.NJH 24008310	87,479	0
	GFE	93.838 / 93.NJH 24008708	1,991	0
	GFE	93.838 / 93.NJH 24008809	3,658	0
	GFE	93.838 / 93.NJH 24008810	32,142	0
	GFE	93.838 / 93.NJH 24012416	192,223	0
	GFE	93.838 / 93.NJH 24012516	232,154	0
	GFE	93.838 / 93.NJMRC #220689-04	16,264	0
	GFE	93.838 / 93.P01 HL36577	13	0
	GFE	93.838 / 93.P01 HL36577-20	238,630	0
	GFE	93.838 / 93.P50 HL067671-05	23,890	0
	GFE	93.838 / 93.P01HL34303	73,752	0
	GFE	93.849 / 93.22072504	16,220	0
	GFE	93.855 / 93.NJH 20027023	25,616	0
	GFE	93.855 / 93.NJH 22083001	25,596	0
	GFE	93.847 / 93.NCIRE-2 FRAM 770-02	30,440	0
	GFE	93.395 / 93.NSABP TFED32A-340	36,012	0
	GGB	93.855 / 93.04-0014 P079687-0 MOD	82,125	0
	GGB	93.273 / 93.RF01035633	33,370	3,611
	GGB	93.279 / 93.RF01034511	293,713	0
	GFE	93.848 / 93.OSHU-GPEDI0216A	10,728	0
	GFE	93.395 / 93.OHSU J373	5,935	0
	GFE	93.847 / 93.GPRC00605A5	32,569	0
	GGB	93.GPULM0070AA	87,948	0
	GFE	93.242 / 93.R01 MH059780	25,191	0
	GGB	93.PST29955, PST45578	58,064	0
	GFE	93.395 / 93.1-340-0209139	126,340	0
	GFE	93.837 / 93.R43 HL080826	12,638	0
	GFE	93.837 / 93.HL 067128-04	44,514	0
	GFE	93.856 / 93.PN:0211-023	308,943	0
	GFE	93.856 / 93.202PPCL02 #3	214,877	0
	GFE	93.856 / 93.203ICO03-MOD3	80,457	0
	GFE	93.856 / 93.204PC003	397,229	0
	GFE	93.856 / 93.AACTG.00044.UICTU	51,100	0
	GFE	93.856 / 93.AACTG.27.5073.02	250	0
	GFE	93.856 / 93.AACTG.49.5208.04	57,909	0
	GFE	93.856 / 93.SSS AI38858	51,310	0
	GFE	93.856 / 93.SSS-AACTG.33.49	18,508	0
	GFE	93.837 / 93.PN0306-045	301	0
	GFE	93.395 / 93.SWOG-04054	4,719	0
	GFE	93.395 / 93.SWOG-CA32102/37429	81,399	0
	GFE	93.395 / 93.SWOG-PN:0202-057	7,269	0
	GFE	93.399 / 93.CCOP-06000	21,474	0
	GFE	93.399 / 93.CCOP-06001	17,371	0
	GFE	93.399 / 93.SWOG CCOP-03010	(21,235)	0
	GFE	93.399 / 93.SWOG PCPT9310	13,791	0
	GFE	93.399 / 93.SWOG-CCOP-04013	43	0
	GFE	93.399 / 93.SWOG-CCOP-05008	311,494	0
	GFE	93.399 / 93.SWOG-SELECT-04004	373	0
	GFE	93.399 / 93.SWOG-SELECT-05004	152,697	0
	GGB	93.393 / 93.03650110	42,556	0
	GGB	93.393 / 93.209-CSU	104,231	0
	GGB	93.397 / 93.06-201743-01-S1414	116,762	0
	GGB	93.390 / 93.232245	41,797	0
	GGB	93.856 / 93.PRIME # 1045556 AMD #	41,991	0

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PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
STANFORD UNIVERSITY					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.PY-2638	75	0
TEXAS A & M					
R&D		GGB	93.S900220 AMD #4	105,667	0
THE SCRIPPS RESEARCH INSTITUTE					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.5-74083	79,318	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.5-74246	36,639	0
THE UNIVERSITY OF KANSAS CENTER FOR RSCH, INC					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.KU FY2001-67 MOD#5	15,714	0
THE WILLIAM AND FLORA HEWLETT FOUNDATION					
Child Health and Human Development Extramural Research		GFB	93.865 / 93.2005-6516	237,733	0
TUFTS UNIVERSITY					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.TUFTS-R01 NS036524	40,271	0
UMASS-UNIVERSITY OF MASSACHUSETTS					
Child Health and Human Development Extramural Research		GGB	93.865 / 93.6038887/RFS200047	12,804	0
UNIV OF KENTUCKY RESEARCH FOUNDATION					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.UKRF 4-68214-05-062	17,297	0
UNIV. OF TEXAS MEDICAL BRANCH/GALVESTON.					
R&D		GGB	93.03-030 MOD #6	1,056,113	25,117
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.01-065 MOD #7	24,211	0
UNIVERSITY OF ALABAMA					
Child Health and Human Development Extramural Research		GFE	93.865 / 93.036 ATN 056	824	0
UNIVERSITY OF ALABAMA AT BIRMINHAM					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.DK065958-02	1,405	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.N01-AI30025	178	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.UALAB-N01 AI15440	13,111	0
UNIVERSITY OF ARIZONA					
Cancer Cause and Prevention Research		GFE	93.393 / 93.Y431674	160,991	0
UNIVERSITY OF BRITISH COLUMBIA/CHILDRENS HOSPITAL					
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.1R21AI065179-01A1	45,812	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
Cancer Treatment Research		GFE	93.395 / 93.010342-UCHSC	2,774	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.00RA5261-UCHSC	58,182	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.K008522-01 AMD #3	71,562	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.200403-055	(1,436)	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.K-006198 AMEND#4	317,610	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Cancer Treatment Research		GFE	93.395 / 93.UCIR N01-CN-75019	(88,648)	0
Cancer Control		GFE	93.399 / 93.UCHSC-2003-1185 #3	42,991	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO					
Mental Health Research Grants		GFE	93.242 / 93.PO#10226927-001	27,918	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.PO#10228622-002	299,778	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.PO#10228622.SA	23,009	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.USD 10228623	25,812	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.USD 10228623-002	201,805	0
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.PO-10250895	7,844	0
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO					
Clinical Research		GFE	93.333 / 93.UCSF-#3068SC	40,716	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.UCSF 2831SC	22,119	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.ITN10095-00SC	28,803	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB# 0132SC	93,363	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB# 3117SC	115,459	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB# 3698SC	42,402	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.UCSF-#3109SC	147,649	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Mental Health Research Grants		GFE	93.242 / 93.SA4519-10269PG	97,708	0
Cancer Biology Research		GFB	93.396 / 93.SA4901-10810	113,291	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.1554 G EC081 AMD 1	103,369	0
UNIVERSITY OF CHICAGO					
Cancer Treatment Research		GFE	93.395 / 93.N01-CM17102	197	0
R&D		GGB	93.TRACS-31350	10,851	0
UNIVERSITY OF CINCINNATI					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.SPOTS#19492	457,020	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.3 U01 CA076293-05S1	269	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.SPOTS# 15343	64,671	0
Aging Research		GFB	93.866 / 93.PC03A-00994	31,126	0
UNIVERSITY OF ILLINOIS					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.2005-02129-01	25,140	0
UNIVERSITY OF KENTUCKY					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFB	93.853 / 93.4-65618-03-408	25,297	0
UNIVERSITY OF MICHIGAN					
Cancer Treatment Research		GFE	93.395 / 93.F014037	32,925	0
Cancer Treatment Research		GFE	93.395 / 93.UMICH F014036	38,875	0
UNIVERSITY OF MINNESOTA					
Lung Diseases Research		GFE	93.838 / 93.PN:0503-097	197	0

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 NEW MEXICO					
Alcohol Research Programs		GGB	93.273 / 93.028049-87A5 AMD01	170,134	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.HD38540-05	42,575	0
UNIVERSITY OF NORTH CAROLINA					
Child Health and Human Development Extramural Research		GFB	93.865 / 93.5-33983	8,769	0
UNIVERSITY OF NOTRE DAME					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.UND FUND #200897	46,731	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.200690 AMD#2	96,643	0
UNIVERSITY OF PENNSYLVANIA					
Research and Training in Complementary and Alternative Medicine		GFE	93.213 / 93.UPA 5-38977-A	199,188	0
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.5-38015C	8	0
UNIVERSITY OF PITTSBURG					
Mental Health Research Grants		GFE	93.242 / 93.UPITTS 107025	(101)	0
Mental Health Research Grants		GFE	93.242 / 93.UPITTS 108556	17,428	0
Lung Diseases Research		GFE	93.838 / 93.UPITTS 106908-2	30,772	0
Lung Diseases Research		GFE	93.838 / 93.UPITTS 106908-3	13,902	0
UNIVERSITY OF ROCHESTER					
Mental Health Research Grants		GFE	93.242 / 93.412722-G	28,788	0
Mental Health Research Grants		GFE	93.242 / 93.413141-G	118,895	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.UROCH PO# 412464-G	45,573	0
Heart and Vascular Diseases Research		GFE	93.837 / 93.PN:0410-150	(318)	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.NS37167-PO#412919-G	140	0
UNIVERSITY OF SOUTH CAROLINA					
Mental Health Research Grants		GFE	93.242 / 93.USCRF 03-0774	45,128	0
Mental Health Research Grants		GFE	93.242 / 93.USCRF 03-774	13,401	0
UNIVERSITY OF SOUTH FLORIDA					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.6119-1035-00-B	18,955	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.6119-1060-00-B	52,383	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.USF 6119-1060-00-L	472,024	6,035
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.USF# 6119-1035-00-I	152,304	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.USF# 6119-1060-00-I	119,761	0
Aging Research		GFE	93.866 / 93.6155-0032-00-A	347,992	0
Aging Research		GFE	93.866 / 93.AG04418-19	388	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Cancer Cause and Prevention Research		GGB	93.393 / 93.093864	65,458	0
Cancer Cause and Prevention Research		GGB	93.393 / 93.094794 AMD 01	33,182	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.H30632	267,676	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.USC 105801	80,418	0
UNIVERSITY OF TENNESSEE					
Alcohol Research Programs		GFB	93.273 / 93.U01 AA014425	27,316	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.RO73621159	149,019	0
UNIVERSITY OF TEXAS AT SAN ANTONIO					
Oral Diseases and Disorders Research		GFE	93.121 / 93.121874/121472	79,685	0
Oral Diseases and Disorders Research		GFE	93.121 / 93.122040/121476	77,487	0
UNIVERSITY OF TEXAS SW MEDICAL CENTER					
Cancer Centers Support		GFE	93.397 / 93.UTEX # GMO-400816	311,012	0
UNIVERSITY OF TEXAS, HOUSTON					
Cancer Centers Support		GFE	93.397 / 93.N01-AR-0-2249-06	19,581	0
Cancer Research Manpower		GFE	93.398 / 93.UTEXH-P50 CA098258	18,961	0
UNIVERSITY OF UTAH					
Mental Health Research Grants		GFE	93.242 / 93.2406136-01	24,346	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.UUTAH 9709055-1	112,944	0
Diabetes, Endocrinology and Metabolism Research		GGB	93.847 / 93.2410129	8,305	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.SUB# 2505058	137,226	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.SUB2112036-03	(282)	0
UNIVERSITY OF WASHINGTON					
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GFB	93.115 / 93.972343	135,926	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB # 226495	4,019	0
UNIVERSITY OF WISCONSIN					
Blood Diseases and Resources Research		GFE	93.839 / 93.L510871 MOD #4	72,974	0
University of California					
R&D		GLA	93.PO 10255091	46,392	0
VANDERBILT UNIVERSITY					
Cancer Control		GFE	93.399 / 93.VUMC31458-R	26,591	0
VANDERBILT UNIVERSITY MEDICAL CENTER					
Cancer Centers Support		GFE	93.397 / 93.VUMC 30745-R	36,657	0
WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE					
Heart and Vascular Diseases Research		GFE	93.837 / 93.WFUHS 19118	119,327	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.U01 DK62418-3	28,368	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.WFUHS18796	22,321	0
WASHINGTON STATE UNIVERSITY					
National Center for Research Resources		GFE	93.389 / 93.WSTU-G001905	13,601	0
WASHINGTON UNIVERSITY IN ST LOUIST					
Lung Diseases Research		GFE	93.838 / 93.WU-05-03	43,473	0
WESTAT, INC					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.N01-HD-3-3345	450,982	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
YALE UNIVERSITY					
Mental Health Research Grants		GFB	93.242 / 93.1R01MH65015-01 SUB	(6)	(27)
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.YALE-P01-NS044281	(388)	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.YALE-P01NS044281-02	(404)	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.YALE-P01NS044281-03	317,626	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.YALE-R01NS40822	(4,132)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				19,924,176	235,941
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				243,416,605	31,150,919
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					
Adolescent Family Life: Demonstration Projects		GGB	93.995	219,800	0
SUBTOTAL DIRECT FROM:				219,800	0
PASS-THROUGH PROGRAMS FROM:					
ABT ASSOCIATES INC					
Family Planning: Services		GFE	93.217 / 93.ABT C-00-99-0059-00	20,305	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				20,305	0
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				240,105	0
PUBLIC HEALTH SERVICE					
DIRECT FROM:					
PUBLIC HEALTH SERVICE					
R&D		GGB	93.5 P50 DA007074-13	26,693	0
SUBTOTAL DIRECT FROM:				26,693	0
SUBTOTAL PUBLIC HEALTH SERVICE				26,693	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		GKA	93.230	71,524	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GFE	93.243	154,303	109,425
SUBTOTAL DIRECT FROM:				225,827	109,425
PASS-THROUGH PROGRAMS FROM:					
DENVER HEALTH AND HOSPITAL					
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.DHH-E1042B1	(1,149)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(1,149)	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				224,678	109,425
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				268,564,379	35,654,037
SOCIAL SECURITY ADMINISTRATION					
SOCIAL SECURITY ADMINISTRATION					
DIRECT FROM:					
SOCIAL SECURITY ADMINISTRATION					
Social Security: Research and Demonstration		GFE	96.007	450,477	636,786
SUBTOTAL DIRECT FROM:				450,477	636,786
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				450,477	636,786
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				450,477	636,786

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 HOMELAND SECURITY					
DEPARTMENT OF HOMELAND SECURITY					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF MARYLAND COLLEGE PARK					
Centers for Homeland Security		GFB	97.061 / 97.Z988503	85,421	171,964
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				85,421	171,964
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				85,421	171,964
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				85,421	171,964
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
CENTRAL INTELLIGENCE AGENCY					
DIRECT FROM:					
CENTRAL INTELLIGENCE AGENCY					
R&D		GGB	99.NMA501-03--1-2009	57,603	0
SUBTOTAL DIRECT FROM:				57,603	0
SUBTOTAL CENTRAL INTELLIGENCE AGENCY				57,603	0
OTHER FEDERAL AGENCIES					
DIRECT FROM:					
OTHER FEDERAL AGENCIES					
R&D		GLA	99.RUE1-2653-MO-05	1,190	0
SUBTOTAL DIRECT FROM:				1,190	0
PASS-THROUGH PROGRAMS FROM:					
STARSYS RESEARCH					
R&D		GFB	99.PO# 25840	20,524	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				20,524	0
SUBTOTAL OTHER FEDERAL AGENCIES				21,714	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				79,317	0
SUBTOTAL RESEARCH AND DEVELOPMENT-CLUSTER				545,167,640	70,281,400

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
SCHOOLS AND ROADS-CLUSTER					
DEPARTMENT OF AGRICULTURE					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
Schools and Roads: Grants to States		WBA	10.665	0	6,362,941
SUBTOTAL DIRECT FROM:				0	6,362,941
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				0	6,362,941
SUBTOTAL DEPARTMENT OF AGRICULTURE				0	6,362,941
SUBTOTAL SCHOOLS AND ROADS-CLUSTER				0	6,362,941

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
SECTION 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					
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		IHA	14.856	58,621	0
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		NAA	14.856	278,629	22,544
SUBTOTAL DIRECT FROM:				337,250	22,544
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				337,250	22,544
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				337,250	22,544
SUBTOTAL SECTION 8-CLUSTER				337,250	22,544

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
SPECIAL EDUCATION (IDEA)-CLUSTER					
DEPARTMENT OF EDUCATION					
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
Special Education: Grants to States		DAA	84.027	8,176,583	112,361,289
Special Education: Preschool Grants		DAA	84.173	279,358	4,029,640
SUBTOTAL DIRECT FROM:				8,455,941	116,390,929
PASS-THROUGH PROGRAMS FROM:					
MARYLAND STATE DEPARTMENT OF EDUCATION					
Special Education: Grants to States		GFE	84.027 / 84.ROOP3206320	31,896	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				31,896	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				8,487,837	116,390,929
SUBTOTAL DEPARTMENT OF EDUCATION				8,487,837	116,390,929
SUBTOTAL SPECIAL EDUCATION (IDEA)-CLUSTER				8,487,837	116,390,929

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
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	1,088,199	0
Federal Supplemental Educational Opportunity Grants		GFC	84.007	223,935	0
Federal Supplemental Educational Opportunity Grants		GFE	84.007	426,380	0
Federal Supplemental Educational Opportunity Grants		GGJ	84.007	495,764	0
Federal Supplemental Educational Opportunity Grants		GJB	84.007	84,201	0
Federal Supplemental Educational Opportunity Grants		GJC	84.007	102,032	0
Federal Supplemental Educational Opportunity Grants		GJD	84.007	179,788	0
Federal Supplemental Educational Opportunity Grants		GJE	84.007	222,654	0
Federal Supplemental Educational Opportunity Grants		GJF	84.007	31,416	0
Federal Supplemental Educational Opportunity Grants		GJG	84.007	17,964	0
Federal Supplemental Educational Opportunity Grants		GJH	84.007	43,697	0
Federal Supplemental Educational Opportunity Grants		GJJ	84.007	166,034	0
Federal Supplemental Educational Opportunity Grants		GJK	84.007	148,175	0
Federal Supplemental Educational Opportunity Grants		GJL	84.007	57,945	0
Federal Supplemental Educational Opportunity Grants		GJM	84.007	85,304	0
Federal Supplemental Educational Opportunity Grants		GJR	84.007	14,536	0
Federal Supplemental Educational Opportunity Grants		GJT	84.007	19,026	0
Federal Supplemental Educational Opportunity Grants		GKA	84.007	224,585	0
Federal Supplemental Educational Opportunity Grants		GSA	84.007	185,119	0
Federal Supplemental Educational Opportunity Grants		GTA	84.007	489,571	0
Federal Supplemental Educational Opportunity Grants		GWA	84.007	120,170	0
Federal Supplemental Educational Opportunity Grants		GZA	84.007	93,513	0
Federal Supplemental Educational Opportunity Grants		GYA	84.007 / 84.N/A	145,580	0
Federal Supplemental Educational Opportunity Grants		GLA	84.007 / 84.P063P010245	263,269	0
Federal Family Education Loans		GDA	84.032	121,996,056	0
Federal Family Education Loans		GFC	84.032	27,545,611	0
Federal Family Education Loans		GFE	84.032	52,329,956	0
Federal Family Education Loans		GGJ	84.032	17,062,730	0
Federal Family Education Loans		GJB	84.032	7,378,341	0
Federal Family Education Loans		GJC	84.032	4,566,380	0
Federal Family Education Loans		GJD	84.032	6,955,181	0
Federal Family Education Loans		GJE	84.032	15,412,059	0
Federal Family Education Loans		GJF	84.032	1,066,378	0
Federal Family Education Loans		GJG	84.032	963,453	0
Federal Family Education Loans		GJH	84.032	2,462,397	0
Federal Family Education Loans		GJK	84.032	10,246,860	0
Federal Family Education Loans		GJM	84.032	1,774,937	0
Federal Family Education Loans		GJR	84.032	1,655,038	0
Federal Family Education Loans		GKA	84.032	44,515,764	0
Federal Family Education Loans		GLA	84.032	12,674,917	0
Federal Family Education Loans		GRA	84.032	33,769,417	0
Federal Family Education Loans		GTA	84.032	52,354,231	0
Federal Family Education Loans		GZA	84.032	16,354,115	0
Federal Family Education Loans		GSA	84.032 / 84.College Access Networ	9,172,035	0
Federal Family Education Loans		GYA	84.032 / 84.N/A	14,198,441	0
Federal Family Education Loans		GSA	84.032 / 84.Non-CAN Loans	332,951	0
Federal Work-Study Program		GFB	84.033	1,656,268	0
Federal Work-Study Program		GFC	84.033	427,419	0
Federal Work-Study Program		GFE	84.033	890,470	0
Federal Work-Study Program		GGB	84.033	1,602,301	0
Federal Work-Study Program		GGJ	84.033	367,109	0
Federal Work-Study Program		GJB	84.033	121,567	0
Federal Work-Study Program		GJD	84.033	341,156	0
Federal Work-Study Program		GJE	84.033	320,009	0
Federal Work-Study Program		GJF	84.033	35,949	0
Federal Work-Study Program		GJG	84.033	30,048	0
Federal Work-Study Program		GJH	84.033	46,138	0
Federal Work-Study Program		GJJ	84.033	249,256	0
Federal Work-Study Program		GJK	84.033	161,745	0
Federal Work-Study Program		GJL	84.033	98,244	0
Federal Work-Study Program		GJM	84.033	72,373	0
Federal Work-Study Program		GJR	84.033	90,768	0
Federal Work-Study Program		GJT	84.033	25,478	0

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		GKA	84.033	364,988	0
Federal Work-Study Program		GSA	84.033	144,451	0
Federal Work-Study Program		GTA	84.033	621,914	0
Federal Work-Study Program		GWA	84.033	165,858	0
Federal Work-Study Program		GZA	84.033	161,102	0
Federal Work-Study Program		GYA	84.033 / 84.N/A	260,388	0
Federal Work-Study Program		GLA	84.033 / 84.P033A010707	207,349	0
Federal Perkins Loan Program: Federal Capital Contributions	*	GTA	84.038	161,012	0
Federal Perkins Loan Program: Federal Capital Contributions		GLA	84.038 / 84.P063P021201	24,425	0
Federal Direct Student Loans		GFB	84.268	106,819,884	0
Federal Direct Student Loans		GFE	84.268	41,610,120	0
Federal Direct Student Loans		GGB	84.268	89,559,452	0
SUBTOTAL DIRECT FROM:				706,353,346	0
PASS-THROUGH PROGRAMS FROM:					
guaranteed by CAN					
Federal Family Education Loans		GJL	84.032	5,144,882	0
CAN					
Federal Family Education Loans		GJT	84.032	1,074,108	0
CO College Access Network					
Federal Family Education Loans		GWA	84.032	6,518,960	0
Can Guaranteed					
Federal Family Education Loans		GJJ	84.032	8,876,025	0
Non-Can Loans					
Federal Family Education Loans		GJJ	84.032	274,516	0
OFFICE OF CONTRACTS & GRANTS CLEARING ACCOUNT					
Federal Work-Study Program		GFB	84.033 / 84.OCGA CLEARING ACCT	124,864	0
Out of State banks					
Federal Family Education Loans		GJL	84.032	12,750	0
Various lenders					
Federal Family Education Loans		GJT	84.032	20,150	0
various state and private lenders					
Federal Family Education Loans		GWA	84.032	191,012	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				22,237,267	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				728,590,613	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Federal Pell Grant Program		GFB	84.063	9,745,417	0
Federal Pell Grant Program		GFC	84.063	4,065,210	0
Federal Pell Grant Program		GFE	84.063	5,268,559	0
Federal Pell Grant Program		GGB	84.063	9,217,696	0
Federal Pell Grant Program		GGJ	84.063	4,944,580	0
Federal Pell Grant Program		GJB	84.063	2,943,059	0
Federal Pell Grant Program		GJC	84.063	3,062,871	0
Federal Pell Grant Program		GJD	84.063	6,282,828	0
Federal Pell Grant Program		GJE	84.063	6,943,759	0
Federal Pell Grant Program		GJF	84.063	1,004,344	0
Federal Pell Grant Program		GJG	84.063	1,174,594	0
Federal Pell Grant Program		GJH	84.063	2,195,488	0
Federal Pell Grant Program		GJJ	84.063	6,762,954	0
Federal Pell Grant Program		GJK	84.063	6,868,619	0
Federal Pell Grant Program		GJL	84.063	2,701,027	0
Federal Pell Grant Program		GJM	84.063	2,437,902	0
Federal Pell Grant Program		GJR	84.063	1,068,155	0
Federal Pell Grant Program		GJT	84.063	536,824	0
Federal Pell Grant Program		GKA	84.063	5,096,837	0
Federal Pell Grant Program		GSA	84.063	2,858,608	0
Federal Pell Grant Program		GTA	84.063	13,703,039	0
Federal Pell Grant Program		GWA	84.063	1,378,608	0
Federal Pell Grant Program		GZA	84.063	5,207,212	0
Federal Pell Grant Program		GYA	84.063 / 84.N/A	3,447,427	0
Federal Pell Grant Program		GLA	84.063 / 84.P033A020707	1,364,579	0
SUBTOTAL DIRECT FROM:				110,280,196	0
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				110,280,196	0
SUBTOTAL DEPARTMENT OF EDUCATION				838,870,809	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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					
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		GGB	93.342	5,219	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GFE	93.925	289,430	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GGB	93.925	90,632	0
SUBTOTAL DIRECT FROM:				385,281	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				385,281	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				385,281	0
SUBTOTAL STUDENT FINANCIAL AID-CLUSTER				839,256,090	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
TRIO-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					
TRIO: Student Support Services		GFB	84.042	412,858	0
TRIO: Student Support Services		GFE	84.042	97,716	0
TRIO: Student Support Services		GGB	84.042	328,670	0
TRIO: Student Support Services		GGJ	84.042	234,279	0
TRIO: Student Support Services		GJD	84.042	283,176	0
TRIO: Student Support Services		GJF	84.042	216,803	0
TRIO: Student Support Services		GJJ	84.042	217,852	0
TRIO: Student Support Services		GJK	84.042	287,334	0
TRIO: Student Support Services		GJM	84.042	384,023	0
TRIO: Student Support Services		GJR	84.042	186,587	0
TRIO: Student Support Services		GKA	84.042	279,756	0
TRIO: Student Support Services		GTA	84.042	214,105	0
TRIO: Student Support Services		GYA	84.042 / 84.N/A	224,423	0
TRIO: Student Support Services		GSA	84.042 / 84.P042A020971	275,333	0
TRIO: Talent Search		GGB	84.044	369,703	0
TRIO: Talent Search		GJB	84.044	208,590	0
TRIO: Talent Search		GJD	84.044	299,577	0
TRIO: Talent Search		GJM	84.044	320,884	0
TRIO: Talent Search		GSA	84.044	289,332	0
TRIO: Talent Search		GYA	84.044 / 84.N/A	338,306	0
TRIO: Upward Bound		GFB	84.047	453,677	0
TRIO: Upward Bound		GGB	84.047	370,901	0
TRIO: Upward Bound		GGJ	84.047	662,652	0
TRIO: Upward Bound		GJK	84.047	297,687	0
TRIO: Upward Bound		GJM	84.047	775,322	0
TRIO: Upward Bound		GKA	84.047	221,312	0
TRIO: Upward Bound		GSA	84.047	236,527	0
TRIO: Upward Bound		GTA	84.047	598,247	0
TRIO: Upward Bound		GYA	84.047 / 84.N/A	506,032	0
TRIO: Educational Opportunity Centers		GGB	84.066	591,971	0
TRIO: Educational Opportunity Centers		GGJ	84.066	403,786	0
TRIO: Educational Opportunity Centers		GJD	84.066	742,579	0
TRIO: McNair Post-Baccalaureate Achievement		GFB	84.217	206,155	0
TRIO: McNair Post-Baccalaureate Achievement		GFE	84.217	77,135	0
TRIO: McNair Post-Baccalaureate Achievement		GGB	84.217	245,278	0
TRIO: McNair Post-Baccalaureate Achievement		GKA	84.217	226,956	0
SUBTOTAL DIRECT FROM:				12,085,524	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				12,085,524	0
SUBTOTAL DEPARTMENT OF EDUCATION				12,085,524	0
SUBTOTAL TRIO-CLUSTER				12,085,524	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
WIA-CLUSTER					
**********					
DEPARTMENT OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
WIA Adult Program		KAA	17.258	1,938,184	8,487,350
WIA Youth Activities		KAA	17.259	1,464,275	9,134,334
WIA Dislocated Workers		KAA	17.260	5,171,146	14,716,563
SUBTOTAL DIRECT FROM:				8,573,605	32,338,247
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				8,573,605	32,338,247
SUBTOTAL DEPARTMENT OF LABOR				8,573,605	32,338,247
SUBTOTAL WIA-CLUSTER				8,573,605	32,338,247
TOTAL				4,331,326,630	1,636,129,154

STATE OF COLORADO
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 5 of the Basic 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 basic 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 Assistance (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 consider to be assistance.

A. The State Department of Labor and Employment expended $335,494,197 for grant 17.225 - Unemployment Insurance and 17.Unknown for FECA Reimbursable, Federal EB and TEUC Benefit Payments. The total expenditure amount includes the federal portion of the grants and the required state match in the amounts of $47,792,535 and $287,701,659, respectively.

B. The State Department of Higher Education expended $490,499,651 for grant 84.032 - Federal Family Education Loans. Of this amount, $121,996,056 has been or will be received from the federal government related to incentive fees and reinsurance costs of student loan defaults paid to lenders. The remaining amount is made up of new loan issuances of which $356,617,006 was guaranteed by the Colorado College Access Network, and $11,886,589 was guaranteed by other entities. The outstanding balance of the Federal Family Education Loan program since its inception was $9,901,157,162 as of June 30, 2006.

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.

Note 5. State Agency Codes and Names

Agency Code	Agency Name	Agency Code	Agency Name	Agency Code	Agency Name
AMA	DOIT - BUSINESS SERVICES	GJD	COMMUNITY COLLEGE OF DENVER	KAA	DEPT OF LABOR AND EMPLOYMENT
BAA	DEPARTMENT OF AGRICULTURE	GJE	FRONT RANGE COMMUNITY COLLEGE	LAA	DEPARTMENT OF LAW
CAA	CORRECTIONS ADMINISTRATION	GJF	LAMAR COMMUNITY COLLEGE	NAA	DEPARTMENT OF LOCAL AFFAIRS
DAA	DEPARTMENT OF EDUCATION	GJG	MORGAN COMMUNITY COLLEGE	OAA	DIVISION OF NATIONAL GUARD
EAA	OFFICE OF THE GOVERNOR	GJH	OTERO JUNIOR COLLEGE	PAA	DNR - EXECUTIVE DIRECTOR
EBB	COMMISSION ON COMMUNITY SVR	GJJ	PIKES PEAK COMMUNITY COLLEGE	PBA	DIVISION OF WILDLIFE
EDA	OFFICE OF ECONOMIC DEVELOPMENT	GJK	PUEBLO COMMUNITY COLLEGE	PDA	WATER CONSERVATION BOARD
EFA	GOV OFF OF ENERGY MGMT/CONSERV	GJL	RED ROCKS COMMUNITY COLLEGE	PEA	DIVISION OF WATER RESOURCES
FAA	DEPT OF PUB HLTH & ENVIRONMENT	GJM	TRINIDAD STATE JUNIOR COLLEGE	PHA	OIL AND GAS CONSERVATION COMM
GAA	COLO COMMISSION ON HIGHER ED	GJR	NORTHEASTERN JUNIOR COLLEGE	PIA	COLORADO GEOLOGICAL SURVEY
GBA	COLORADO COUNCIL ON THE ARTS	GJT	NORTHWESTERN COMMUNITY COLLEGE	PJA	PARKS AND OUTDOOR RECREATION
GCA	STATE HISTORICAL SOCIETY	GKA	UNIVERSITY OF NORTHERN COLO	PKA	DIV OF MINERALS AND GEOLOGY
GDA	COLORADO COLLEGE ACCESS NETWRK	GLA	COLORADO SCHOOL OF MINES	RAA	DEPARTMENT OF PUBLIC SAFETY
GFA	CU - SYSTEM OFFICES	GMA	AURARIA HIGHER EDUCATION CTR	SDA	CIVIL RIGHTS DIVISION
GFB	CU - BOULDER	GRA	COLLEGE INVEST	SFA	DIVISION OF INSURANCE
GFC	CU - COLORADO SPRINGS	GSA	FORT LEWIS COLLEGE	SGA	PUBLIC UTILITIES COMMISSION
GFD	CU - DENVER	GTA	METROPOLITAN STATE COLLEGE	SJS	PHARMACY BOARD
GFE	CU - HEALTH SCIENCE CENTER	GWA	WESTERN STATE COLLEGE	TAA	REVENUE - ADMINISTRATION
GGB	COLORADO STATE UNIVERSITY	GYA	ADAMS STATE COLLEGE	UHA	DEPT OF HLTH CARE POLICY & FIN
GGJ	CO STATE UNIVERSITY - PUEBLO	GZA	MESA STATE COLLEGE	VAA	DEPARTMENT OF STATE
GJA	COLO COMM COLL & OCC ED SYS	HAA	COLO DEPT OF TRANSPORTATION	WBA	TREASURY - OPERATING
GJB	ARAPAHOE COMMUNITY COLLEGE	IHA	DEPARTMENT OF HUMAN SERVICES		
GJC	COMMUNITY COLLEGE OF AURORA	JAA	JUDICIAL		

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SALLY SYMANSKI, CPA
State Auditor

STATE OF COLORADO

OFFICE OF THE STATE AUDITOR
303.869.2800
FAX 303.869.3060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

December 8, 2006

Required Communications Letter

Members of the Legislative Audit Committee:

We have audited the financial statements of the State of Colorado for the year ended June 30, 2006, and have issued our report thereon dated December 8, 2006. Under auditing standards generally accepted in the United States of America, we are providing you with the following information related to the conduct of our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

We have a responsibility to conduct our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. In carrying out this responsibility we planned and performed our audit to obtain reasonable assurance about whether the State's financial statements are free from material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements, due to error or fraud, may exist and not be detected by us. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, we obtained an understanding of the State's internal controls sufficient to plan the audit and determine the nature, timing, and extent of audit procedures to be performed for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Significant Accounting Policies

The significant accounting policies used by the State are described in the notes to the financial statements contained in the Comprehensive Annual Financial Report issued under separate cover. As explained in the introduction to the Summary of Significant Accounting Policies, the State implemented Governmental Accounting Standards Board Statements No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries;* No. 44, *Economic Condition Reporting: The Statistical Section*; No. 46, *Net Assets Restricted by Enabling Legislation*; and No. 47, *Accounting for Termination Benefits,* as of July 1, 2005.

Management Judgements and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the State's Fiscal Year 2006 financial statements include taxes receivable, allowance for doubtful accounts, depreciation of capital assets, deferred revenue, compensated absence liabilities, self-insurance liabilities, medical assistance liabilities, unclaimed property liabilities, scholarship allowances, and unemployment benefits payable. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

Professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgement, may not have been detected except through our auditing procedures. Uncorrected misstatements identified during the Fiscal Year 2006 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 increase the net assets by nearly $360,000, increase assets by about $3 million, decrease liabilities by nearly $12 million, decrease revenue by over $4.4 million, and increase expenditures by nearly $15.5 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.

Disagreements with Management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to confer with us to determine that the consultant has all relevant facts. To the best of our knowledge, there were no such consultations, written or oral, from other independent accountants during the past year.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

* * * * * *

This report is intended solely for the information and use of the Legislative Audit Committee, and the State's management and is not intended to be and should not be used by anyone other than these specified parties.

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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 Corrections				
1	33	Continue to improve its controls over inmate banking by (a) maintaining complete and accurate documentation to support all activity in inmate accounts; (b) implementing procedures that assure all facilities are properly enforcing Department of Corrections Administrative Regulations to help ensure required deductions are made and inmate account activity is processed accurately; and (c) researching the benefits of expanding the percentage of time its internal auditor spends on testing compliance with regulations, policies, and procedures over inmate banking activities.	N/A	Agree	6/2007	N/A
		Department of Health Care Policy and Financing				
2	36	Routinely reconcile accounts receivable balances on the Colorado Financial Reporting System to subsidiary ledgers and make necessary adjustments in a timely manner.	N/A	Agree	Implemented	N/A
3	38	Ensure that all assets recorded on the Colorado Financial Reporting System are properly valued.	N/A	Agree	Implemented	N/A
4	40	Establish consistent policies and procedures for calculating the year-end Incurred But Not Reported accrual and monitor the accuracy of the calculation through review of the prior year expenditures and by monitoring the liquidation of estimates made at year end for the Incurred But Not Reported estimates.	N/A	Agree	Implemented	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	41	Ensure receivables related to bankruptcies are fairly stated by periodically obtaining the updated status of each bankruptcy case.	N/A	Agree	6/2007	N/A
6	43	Make improvements to its internal controls over financial reporting by ensuring that there is an adequate supervisory review of all employees' work prior to submission to the Office of the State Controller or other parties.	N/A	Agree	Implemented	N/A
31	136	Ensure that remaining backlogs of Medicaid and Children's Basic Health Plan cases on the Colorado Benefits Management System that require cleansing are eliminated as soon as possible.	93.767, 93.777, 93.778 (E) HHS	Agree	4/2007	Donna Kellow (303)866-3676
32	139	Ensure that Medicaid and Children's Basic Health Plan cases are processed within federal guidelines.	93.767, 93.777, 93.778 (E) HHS	Agree	Ongoing	Donna Kellow (303)866-3676
33	142	Improve controls over eligibility determination for the Medicaid program by (a) establishing an effective means for documenting and substantiating beneficiary eligibility determinations for each paid claim, (b) reviewing eligibility data in the Colorado Benefits Management System for accuracy and consistency with source and certified documentation via scanned or copied documentation maintained in the files, (c) requiring counties or Medical Assistance sites to maintain copies of verification documents, and (d) evaluating the training program that the State currently has in place and determining where improvements can be made to reduce the number of caseworker errors that are being repeated.	93.767, 93.775, 93.777, 93.778 (E) HHS	a. Agree b. Agree c. Agree d. Partially Agree	a. Contingent upon the Office of CBMS b. Ongoing c. Ongoing d. Ongoing	Donna Kellow (303)866-3676

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
34	145	Follow up on any uncompleted cases for the Payment Error Rate Measurement (PERM) project and take action necessary to verify that the contractor completes the testing for the PERM project.	93.767, 93.777, 93.778 (N) HHS	Disagree	Not Applicable	Donna Kellow (303)866-3676
35	146	Take necessary action to ensure accurate Medicaid claims paid data runs on hospital cost data are generated on a timely basis and that required audits of cost report data are performed timely.	93.777, 93.778 (N) HHS	Agree	6/2008	Donna Kellow (303)866-3676
36	148	Develop and implement a plan to automate the process for updating licenses for providers in the Medicaid program.	93.777, 93.778 (N) HHS	Agree	7/2008	Donna Kellow (303)866-3676
37	150	Ensure that Medicare is the primary payer on claims processed through the Medicaid Management Information System (MMIS) for dual eligible Medicaid recipients by (a) reviewing the Medicaid claims identified during the audit as potentially eligible for Medicare reimbursement and billing Medicare as appropriate, (b) reviewing the procedure codes and edit settings for claims on behalf of dual-eligible recipients and ensuring that Medicare is identified as the primary payer as appropriate, and (c) updating MMIS for any procedure code changes issued by Medicare on a regular basis.	93.777, 93.778 (A) HHS	a. Partially Agree b. Agree c. Agree	7/2007	Donna Kellow (303)866-3676

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
38	169	Improve utilization management in the Medicaid Community Mental Health Services Program by (a) requiring Behavioral Health Organizations (BHOs) to disclose the nature and extent of their financial and organizational relationship with the Community Mental Health Centers (CMHCs) to the Department annually; (b) reviewing the ownership and governance relationship between the CMHCs and BHOs to ensure that oversight of utilization management is sufficiently transparent and accountable given the potential for conflicts on interest between the CMHCs and BHOs; (c) working with the BHOs to develop requirements for a minimum set of utilization management procedures and incorporating these requirements into the State's contracts with the BHOs in order to supervise the activities of all providers, whether part of the BHO's internal or external provider networks; and (d) requiring BHOs to establish formal delegation agreements when delegating utilization management functions to any agency, especially their providers.	93.775, 93.777, 93.778 (P) HHS	Agree	a. 7/2007 b. 7/2007 c. 10/007 d. 12/2007	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624

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
39	177	Improve reporting and analysis of financial and performance information related to the Medicaid Community Mental Health Services Program by (a) reviewing existing financial and clinical performance measures reported by the Behavioral Health Organizations (BHOs) to ensure the data elements are reported consistently across the BHOs; (b) developing standardized financial reports and performance measures that reflect key aspects of the Medicaid Community Mental Health Services Program and are consistent with nationally recognized measures; and (c) implementing periodic analysis of information reported by BHOs and their provider networks, including analysis of rates versus actual reported costs, detailed per member per month cost analysis by spending and eligibility category, rates by eligibility category, and clinical quality performance indicators.	93.775, 93.777, 93.778 (P) HHS	Agree	a. Ongoing b. 7/2008 c. 7/2007	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624
40	180	Ensure adequate performance of telephone access lines maintained by Behavioral Health Organizations (BHOs) by identifying performance standards and incorporating those standards into BHO contracts, along with penalties for noncompliance.	93.775, 93.777, 93.778 (P) HHS	Agree	1/2008	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
41	182	Work with the Behavioral Health Organizations (BHOs) to improve processes for identifying third party payers and recovering payments in its Medicaid Community Mental Health Services Program by (a) ensuring compliance with BHO contracts by reviewing and assessing the adequacy of BHO procedures for identifying and recovering from third party payers and ensuring that third party recovery efforts are adequate for services provided through both the internal and external provider networks and (b) requiring BHOs to actively monitor the third party recovery efforts of all providers.	93.775, 93.777, 93.778 (P) HHS	Agree	1/2008	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624
42	185	Require Behavioral Health Organizations to monitor and report on the use of allocated state mental health hospital beds by Medicaid members.	93.775, 93.777, 93.778 (P) HHS	Agree	7/2007	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624
43	192	Ensure that encounter data for the Medicaid Community Mental Health Services Program from the Behavioral Health Organizations (BHOs) and other providers are reliable and valid for rate setting purposes by (a) conducting data analysis to determine the validity of current BHO and other provider encounter data, (b) implementing a process for monitoring encounters reported by service providers and BHOs to ensure that encounters are reported consistently and accurately, and (c) establishing a process to address and resolve discrepancies identified in the BHOs' tracking and reporting of encounter data as a result of these activities.	93.775, 93.777, 93.778 (P) HHS	Agree	a. 7/2008 b. 1/2007 c. 12/2007	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
44	193	Develop a standardized encounter reporting manual for the Medicaid Community Mental Health Services Program to ensure all services are coded by the service provider, at the point of service, in accordance with the Health Insurance Portability and Accountability Act-compliant procedure codes and to ensure the accuracy and consistency of encounter data reported.	93.775, 93.777, 93.778 (P) HHS	Agree	7/2008	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624
45	197	Initiate a cost study to assess and verify the fee schedule used to price encounters in the Medicaid Community Mental Health Services Program.	93.775, 93.777, 93.778 (P) HHS	Agree	7/2008	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624
46	204	Work with the General Assembly to seek change in statutes related to Medicaid mental health capitation payments to align Colorado law with changes made to federal regulations.	93.775, 93.777, 93.778 (P) HHS	Partially Agree	5/2007	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624
47	205	Work with its actuaries to revise its rate setting methodology for the Medicaid Community Mental Health Services Program.	93.775, 93.777, 93.778 (P) HHS	Agree	7/2008	Barbara Prehmus (303)866-3058 Lisa Esgar (303)866-5624

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Department of Higher Education				
		University of Colorado				
48	211	Establish a management review of calculations to ensure the Return of Title IV calculations are performed properly.	84.007, 84.032, 84.033 84.063, 84.268 (N) ED	Agree	Implemented	Roger Cusworth (303)492-9714
		Colorado State University - Pueblo				
49	212	Strengthen procedures and controls to ensure that Pell payment data is submitted to the students within the specified time frame.	84.033, 84.063, 84.268, 93.342, 93.925 (N) ED	Agree	Implemented	Harvey Wilds (719)549-2952
50	214	Strengthen procedures to ensure that the Return of Title IV funds calculations and the related returns are performed on a timely basis.	84.033, 84.063, 84.268, 93.342, 93.925 (N) ED	Agree	Implemented	Harvey Wilds (719)549-2952
		Colorado School of Mines				
51	215	Assure that adequate review procedures are in place to verify that its policies are adhered to with respect to disbursing Federal Family Education Loan program funds within the federally mandated time frame.	84.032 (N) ED	Agree	7/2006	Kirsten Volpi (303)273-3262

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52	216	Review all costs charged to federal programs to assure that they are allowable under federal regulations and specific grant provisions.	43.NASA (A) NASA	Agree	1/2007	Kirsten Volpi (303)273-3262

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
53	218	Assure that its expanded procedures for the monitoring of subrecipients to include review of the Federal Audit Clearinghouse database and the monitoring of for-profit subrecipients are consistently followed and documented.	12.05-0965S, 12.070183-1, 12.14329, 12.1992-CSM-USDE-0044, 12.2006-343, 12.300 / 12.N00014-02-1-0234, 12.300 / 12.N00014-04-1-0156, 12.300 / 12.N00014-06-1-0544, 12.431 / 12.DAAD19-03-1-0292, 12.431 / 12.W911NF-04-1-0169, 12.800 / 12.1040, 12.CSM-05.1, 12.CSM06.01, 12.DAAD19-01-1-0590, 12.DAAD19-02-1-0221, 12.DACA42-03-C-0067, 12.DAMD17-02-P-0333, 12.DARPA II SB022-042, 12.F29601-02-C-0222, 12.F33615-03-D-2353, 12.F41624-00-D-8024TO24, 12.F41624-02-C-8085, 12.FA8650-04-C-5044,	Agree	6/2006	Kirsten Volpi (303)273-3262

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			12.FA8650-04-C-5224, 12.FA8750-04-1-0298, 12.FA8750-06-1-0001, 12.FA8903-04-D-8715, 12.FA9550-04-C-0111, 12.N00014-02-1-0665, 12.N00014-05-1-0339, 12.N00014-06-1-0207, 12.P116B040030, 12.PO No. 05-197, 12.Service Order No. 452652, 12.SG-6BW266GGAW5, 12.unkown, 12.W81XWH-05-P-0644, 12.W9113M-05-C-0119, 12.W911NF-04-1-0430, 12.W911NF-05-1-0141, 12.W912HQ-04-C-0009, 12.W912HQ-04-C-0040, 12.W912HQ-06-C-0024, 12.W912HQ-06-C-0028, 12.W912HZ-05-P-0120, 81.00292-001-04 3N, 81.049 / 81.DE-FG02-93ER14363, 81.057 / 81.DE-FG26-03NT41792,			

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			81.086 / 81.DE-FG07-01ID14008, 81.089 / 81.2970-CSM-DOE-2098, 81.089 / 81.DE-FC26-04NT15505, 81.089 / 81.DE-FC26-04NT42098, 81.16063-001-05, 81.2006-3434300048178, 81.24498-001-06 2A, 81.25904-001-06 2A, 81.282795/PO#A0344, 81.403684, 12.W912HQ-06-C-0018, 81.43822-001-029F, 81.53084, 81.560540, 81.93670-001-04 47, 81.A0344/228627, 81.ADJ-2-30630-05, 81.B552989, 81.B553854, 81.DE-AC09-96EW96405, 81.DE-AF26-06NT00440, 81.DE-FC04-02AL67621,			

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			81.DE-FC07-051D14648, 81.DE-FC26-02NT15342, 81.DEFC2603NT41849 81.DE-FC26-04NT42098, 81.DE-FC36-04GO14230, 81.DE-FC36-97ID13554, 81.DE-FG02-03ER15390, 81.DE-FG02-03ER41242, 81.DE-FG02-04ER54775, 81.DE-FG02-04ER63900, 81.DE-FG02-05ER15739, 81.DE-FG02-05ER46242, 81.DE-FG02-06ER15778, 81.DE-FG02-06ER64233, 81.DE-FG02-93ER40789, 81.DE-FG02-95ER14568, 81.DE-FG04-O1AL67212, 81.DE-FG26-05NT42537, 81.DE-FG36-06GO16032,			

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			81.DGE-0531499, 81.G-2885-1, 81.KH 023299, 81.KI40570, 81.KXEA-3-33607-04, 81.KXEA-3-33607-05, 81.KXEA-3-33607-07, 81.KXEA-3-33607-08, 81.KXEA-3-33607-09, 81.KXEA-3-33607-10, 81.KXEA-3-33607-11, 81.KXEA-3-33607-12, 81.KXEA-3-33607-13, 81.KXEA-3-33607-15, 81.KXEA-3-33607-16, 81.KXEA-3-33607-17, 81.KXEA-3-33607-18, 81.KXEA-3-33607-19, 81.KXEA-3-33607-21, 81.KXEA-3-33607-22, 81.KXEA-3-33607-23,			

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			81.NN-SRA-00004, TO 003, 81.NN-SRA-00004, TO 6, 81.NN-SRA-00004; TO 5, 81.NN-SRA-0004, TO 002, 81.P00527, 81.PO 03095 FY03, 81.PO 4400153657, 81.PO 66962, 81.PO#173797, 81.PO#A0344/228627, 81.Subcontract No. 0895, 81.W-31-109-ENG-38, 81.XAT-5-55150-01, 81.XCE-5-55513-01, 81.XCO-2-32042-01, 81.XEA-4-44218-01, 81.XEA-5-44245-01, (M) DOD, DOE			

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		Colorado Community College System				
54	221	Improve its subrecipient monitoring by implementing policies, procedures, and controls to ensure compliance with Office of Management and Budget (OMB) *Circular A-133*. Specifically, CCCS should (a) develop a risk based approach for monitoring subrecipients, including written policies and procedures, in compliance with OMB *Circular A-133*; (b) require all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements; (c) develop written policies, procedures, and documentation requirements for subrecipients to support allowability and appropriateness of grants expenditures and other compliance requirements; (d) provide training to improve the technical skill of staff responsible for subrecipient monitoring; and (e) provide adequate oversight and supervisory review of the Perkins monitoring process.	84.048 (M) ED	Agree	7/2007	Lisa Grefrath (303)595-1575
		Colorado Community College System Front Range Community College				
55	222	Ensure Front Range Community College enhances procedures to ensure that the institution's portion of a student's unearned Title IV funds are returned within 30 days after the school has determined a student has withdrawn.	84.063 (N) ED	Agree	6/2007	Mike Kupcho (303)404-5546

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Colorado Community College System Front Range Community College and Pikes Peak Community College				
56	223	Ensure Front Range Community College and Pikes Peak Community College enhance procedures to ensure that students are not allowed additional days of eligibility before they are reported to the National Student Loan Data System.	84.063 (N) ED	Agree	FRCC 6/2007 PPCC 11/2006 and Ongoing	Mike Kupcho (303)404-5546
		Colorado Community College System				
57	237	Improve its evaluation of new and renewal program applications by ensuring that programs provide students with entry-level skills, job readiness skills, or the ability to articulate to further training.	84.048 (E) ED	Agree	12/2006	Barbara McDonnell (303)595-1549
58	240	Ensure that programs whose approvals have expired do not receive Colorado Vocational Act (CVA) or Perkins funding by (a) prohibiting reimbursement for programs that are expired, as determined by Board criteria; (b) routinely monitoring the status of programs using the Expired Programs report before processing CVA and Perkins reimbursement requests; and (c) reevaluating its regulations to ensure that programs do not receive continued CVA and Perkins funding without being renewed timely.	84.048 (E) ED	Agree	7/2007	Barbara McDonnell (303)595-1549

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
59	242	Clarify whether school districts may receive Colorado Vocational Act and/or Perkins reimbursement for academic courses such as English, biology, and American History offered through Alternative Cooperative Education programs.	84.048 (A) ED	Agree	7/2006	Barbara McDonnell (303)595-1549
60	246	Improve the reliability of accountability data for career and technical education programs by (a) developing and implementing a risk-based approach to conducting on-site data reliability testing; (b) ensuring that staff review appropriate sample sizes at each site; and (c) requiring subrecipients with identified data reporting errors to develop and implement a corrective action plan, subject to the Colorado Community College System's review and approval, that identifies the causes of the errors and minimizes future errors.	84.048 (L)(M) ED	Agree	12/2006	Barbara McDonnell (303)595-1549
61	248	Improve its oversight of Perkins grant subrecipients by developing and implementing a more systematic process for using local improvement plans.	84.048 (P) ED	Agree	7/2007	Barbara McDonnell (303)595-1549
62	252	Ensure that matching requirements are met for Perkins administrative costs by designing and implementing a process that assigns Perkins administrative costs equally between Perkins and non-federal cost centers.	84.048 (G) ED	Agree	1/2006	Barbara McDonnell (303)595-1549

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
63	254	Ensure salaries charged to the Perkins grant and the Perkins non-federal administrative match are accurate, properly substantiated, and reported by (a) requiring that employees whose salaries are charged to cost centers associated with the Perkins grant or the Perkins non-federal administrative match submit time reports in accordance with Office of Management and Budget (OMB) *Circular A-87* and (b) reviewing the time reports periodically and adjusting the amount of salaries charged to Perkins, as appropriate, in accordance with OMB *Circular A-87.*	84.048 (B)(G)(L) ED	Agree	1/2006	Barbara McDonnell (303)595-1549
64	256	Reevaluate its use of Perkins leadership funds to maximize their effectiveness.	84.048 (P) ED	Agree	7/2007	Barbara McDonnell (303)595-1549
65	261	Improve its on-site subrecipient monitoring of Perkins grant expenditures by (a) including specific steps in its monitoring process to test the allowability and appropriateness of Perkins grant expenditures made by subrecipients. (b) improving the technical skills of on-site reviewers through additional training and considering using the Colorado Community College System's internal audit staff to supplement the monitoring review teams, and (c) defining documentation requirements for subrecipients to support the allowability and appropriateness of Perkins grant expenditures.	84.048 (B)(M) ED	Agree	12/2006	Barbara McDonnell (303)595-1549

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
66	264	Improve its Perkins administrative and program monitoring processes by (a) considering reassigning staff duties so that more resources are devoted to monitoring activities or revising monitoring procedures to focus on those areas with the greatest risk; (b) requiring staff to complete monitoring checklists and issue formal reports of findings and recommendations; (c) instituting a supervisory review to ensure that monitoring checklists and reports have been completed sufficiently; (d) following up on all monitoring recommendations to ensure they have been implemented; and (e) establishing time frames in its monitoring procedures for the timely completion of monitoring reports, supervisory reviews, and follow-up on recommendations.	84.048 (M) ED	Agree	12/2006	Barbara McDonnell (303)595-1549
67	267	Improve its monitoring process for the federal Perkins program by (a) reassessing its monitoring schedule to ensure that it meets its commitment to monitor each subrecipient once every five years as provided in the State's Perkins plan, (b) expanding monitoring policies to include written policies that outline the number of schools and programs required for review during each program monitoring visit, and (c) ensuring that consortium administrators complete on-site monitoring visits in accordance with established procedures.	84.048 (M) ED	Partially Agree	7/2007	Barbara McDonnell (303)595-1549
68	269	Ensure that Perkins subrecipients comply with Office of Management Budget (OMB) *Circular A-133* audit requirements by (a) implementing a process to help identify subrecipients subject to OMB *Circular A-133* audit requirements and (b) amending the Perkins grant agreement to include a provision requiring all subrecipients to submit either their annual OMB *Circular A-133* audit or a statement attesting that they are not subject to OMB *Circular A-133* audit requirements.	84.048 (M) ED	Agree	7/2006	Barbara McDonnell (303)595-1549

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		Adams State College				
69	271	Improve the timeliness of the return of unearned Title IV funds and ensure federal timeframes are met.	84.007, 84.033, 84.038, 84.063 (N) ED	Agree	6/2007	Bill Mansheim (719)587-7728
70	272	Improve controls over additional authorizations of Federal Work-Study by implementing the policy currently in place to ensure that appropriate documentation is maintained for requests and authorizations for increases in student work-study funding.	84.003 (A) ED	Agree	6/2007	Bill Mansheim (719)587-7728
		Metropolitan State College				
71	274	Ensure that federal requirements for return of funds under Title IV are met by changing the approach to calculating the number of days per semester and ensuring calculations are accurate.	84.007, 84.063, 84.268 (N) ED	Agree	6/2007	Liza Larsen (303)556-4843

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		Colorado College Access Network				
72	277	Implement and strengthen controls over the claims system and claims review process by (a) establishing history capabilities within the claims system to reflect all individual changes made to all claims; (b) establishing segregation of duties between those making changes to the system and those approving the changes to the system and ensuring that all approving sign-offs are present to ensure the integrity of the information on the system; and (c) ensuring that the quality control process over claims performed by the Colorado College Access Network and by NelNet are appropriately documented, conducted timely and consistently, and that results are evaluated and used to implement changes to the claims process when needed.	84.032 (N) ED	a. Partially Agree b. Partially Agree c. Agree	2/2007	Mike Glowocki (720)264-8510
		Department of Human Services				
7	48	Complete its research of nursing home capital asset accounting problems identified during Fiscal Year 2006 and make adjusting entries to the Colorado Financial Reporting System as appropriate. The Department should also ensure that capital asset accounting staff are adequately trained and supervised to ensure similar problems do not occur in future years.	N/A	Agree	5/2007	N/A
8	51	Improve controls over the patient revenue reconciliation process at the mental health institutes and regional centers by (a) performing revenue reconciliations in a timely manner and making corrections to financial data, as appropriate and (b) ensuring staff members performing revenue reconciliations are adequately trained and supervised.	N/A	Agree	3/2007	N/A

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9	53	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) ensuring staff preparing exhibits are adequately trained on exhibit preparation requirements and (b) enhancing the secondary review process over exhibits to include a detailed review of all supporting documentation used to prepare the exhibits.	N/A	Agree	a. 5/2007 b. 8/2007	N/A
10	56	Improve controls over the preparation of the Schedule of Federal Expenditures, or Exhibit K, by (a) developing formal, written procedures for the preparation of the Exhibit K, including steps required to prepare adequate supporting documentation; (b) expanding its supervisory review process over the Exhibit K to include a review of supporting documentation; and (c) providing training to staff preparing supporting reconciliations and the Exhibit K that addresses the format to be used for reconciliations and the importance of accurate information.	N/A	Agree	a. 3/2007 b. 9/2007 c. 6/2007	N/A
11	58	Improve controls over payroll by (a) working with the Department of Personnel & Administration to determine the appropriate method to be used for calculating leave taken without pay adjustments, (b) establishing a written procedure for payroll staff to follow when calculating leave taken without pay, and (c) reviewing all future leave taken without pay adjustments to ensure compliance with Department procedures.	N/A	Agree	a. 4/2007 b. 5/2007 c. 6/2007	N/A

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12	62	Improve its internal controls over purchasing cards by (a) instituting a formal policy requiring approving authorities to report to Department procurement staff regarding disciplinary or other actions taken for employee purchasing card errors and misuse, (b) tracking and enforcing consequences for violations of purchasing card policies, (c) providing ongoing training focusing on responsibilities of cardholders and approving authorities and consequences for policy violations, and (d) considering the use of a graduated point system as a cardholder consequence for repeated violations of the procurement card system.	N/A	a. Agree b. Disagree c. Agree d. Agree	a. 3/2007 b. Not Applicable c. 5/2007 d. 6/2008	N/A
13	65	Strengthen controls over travel expenditures by ensuring adequate supporting documentation accompanies each expenditure, expenditures are appropriately coded on the Colorado Financial Reporting System, and all other state and Department policies regarding travel are followed.	N/A	Agree	9/2007	N/A
73	284	Ensure that remaining backlogs of Food Stamps and Temporary Assistance for Needy Families/Colorado Works cases on the Colorado Benefits Management System that require cleansing are eliminated as soon as possible.	10.551, 10.561, 93.558 (E) HHS, USDA	Disagree	Not Applicable	Dick Taylor (303)866-5808
74	287	Ensure that Food Stamps and Temporary Assistance for Needy Families/Colorado Works cases are processed within federal and state guidelines.	10.551, 10.561, 93.558 (E) HHS, USDA	Agree	4/2007	Dick Taylor (303)866-5808

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
75	291	Improve eligibility determination and allowable cost internal controls over the Temporary Assistance for Needy Families/Colorado Works program by (a) directing county departments of human/social services to institute effective supervisory review processes over eligibility determinations, (b) directing county departments of human/social services to provide training or access state-provided training to appropriate staff regarding allowable and unallowable program benefits, and (c) using eligibility determination monitoring procedures currently in place to review for compliance with eligibility requirements and to assess the county supervisory review function .	93.558 (A)(B)(E)(M) HHS	Agree	5/2007	Dick Taylor (303)866-5808
76	294	Take immediate steps to correct the income disregard and Monthly Status Report problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	93.558 (E) HHS	Agree	2/2007	Dick Taylor (303)866-5808
77	294	Use its eligibility determination monitoring procedures to identify and work with the counties to correct overpayments related to the income disregard and Monthly Status Report problems in the Colorado Benefits Management System and any additional system-related problems.	93.558 (E)(M) HHS	Agree	Implemented	Dick Taylor (303)866-5808
78	296	Work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies within 45 days as required by federal and state regulations.	93.558 (E)(M) HHS	Agree	5/2007	Dick Taylor (303)866-5808

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79	299	Ensure that case file documentation for the Temporary Assistance for Needy Families/Colorado Works program is adequate to support all benefit payments to recipients by (a) using existing monitoring procedures to ensure required eligibility information is contained in county case files and (b) communicating timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.	93.558 (E)(M) HHS	Agree	Implemented	Dick Taylor (303)866-5808
80	304	Improve controls over Food Stamps eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of human/social services to institute effective supervisory review processes over data entry into CBMS and eligibility determinations and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS.	10.551, 10.561 (A)(B)(E)(M) USDA	Agree	2/2007	Dick Taylor (303)866-5808
81	306	Take immediate steps to correct the Food Stamps redetermination and change reporting problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	10.551, 10.561 (E) USDA	Agree	Implemented	Dick Taylor (303)866-5808
82	307	Use its eligibility determination monitoring procedures to identify and correct overpayments related to the Food Stamps redetermination and change reporting problems in the Colorado Benefits Management System and any additional system-related problems.	10.551 (E)(M) USDA	Agree	Implemented	Dick Taylor (303)866-5808

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
83	309	Ensure that case file documentation for the Food Stamps program is adequate to support all benefit payments to recipients by (a) utilizing established monitoring procedures to ensure required eligibility information is contained in county case files and (b) communicating timely to appropriate Department staff, changes in policies and procedures affecting required case documentation.	10.551, 10.561 (E)(M) USDA	Agree	Implemented	Dick Taylor (303)866-5808
84	311	Ensure that county departments of human/social services address all of the Colorado Benefits Management System alerts in a timely manner.	10.551, 10.561 (E)(M) USDA	Agree	6/2007	Dick Taylor (303)866-5808
85	312	Improve controls over the administration of the Foster Care Grant Program in order to ensure that the State is in compliance with federal requirements for the grant in the areas of activities allowed or unallowed, allowable costs/cost principles, reporting, and subrecipient monitoring.	93.658 (A)(B)(L)(M) HHS	Agree	Contingent upon completion of the Foster Care Performance Audit in 2007	Dick Taylor (303)866-5808
86	314	Ensure that signed certifications on compliance with federal debarment and suspension provisions have been received from all contractors and perform followup as needed.	10.555, 10.558, 10.559, 10.561, 14.871, 84.126, 93.558, 93.563, 93.568, 93.596, 93.575, 93.658, 93.659, 93.667, 93.959, 96.001 (I) ED, HHS, HUD, SSA, USDA	Agree	3/2007	Dick Taylor (303)866-5808

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 Labor and Employment				
14	69	Improve controls over federal expenditure and revenue reporting and draw downs by implementing a periodic reconciliation process to identify and resolve discrepancies between the Financial Accounting and the Reporting System and the Colorado Financial Reporting System (COFRS) in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement.	N/A	Agree	12/2006	N/A
15	71	Ensure that Petroleum Storage Tank reimbursements are disbursed within the statutorily established thirty days of the application approval.	N/A	Agree	12/2007	N/A
16	72	Process unemployment insurance refunds in a timely manner and ensure the refunds are processed in the proper fiscal year.	N/A	Agree	9/2007	N/A
87	316	Ensure time sheets for the Unemployment Insurance Program are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing electronic time sheet certifications by both the employee and supervisor.	17.225 (A)(B) DOL	Agree	9/2007	Shawn Milne (303)318-8101

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 Local Affairs				
88	321	Improve controls over the purchasing and payment processes for the Homeland Security Grant Program by (a) continuing to work with subrecipients to inform them of grant requirements and to ensure compliance with federal requirements that purchases are substantiated by appropriate supporting documentation, documentation is adequately maintained by regional fiscal agents, including information on inventory location, and expenditures must be paid prior to requesting reimbursement from the State and (b) improving review of reimbursement requests and payments to subrecipients to help ensure that all items and activities reimbursed are allowable and substantiated by appropriate supporting documentation maintained by regional fiscal agents.	97.067 (M) DHS	Agree	4/2007	Rose Marie Auten (303)866-2252
		Department of Military and Veterans Affairs				
17	78	Improve controls for processing applications and administering the Tuition Assistance Program to ensure compliance with all statutory and regulatory requirements by (a) reconciling information provided by member applicants with information provided by higher education institutions related to tuition payments, and identifying and resolving discrepancies prior to payment; (b) maintaining adequate documentation to support amounts paid; and (c) formalizing current policy in regard to the payment of fees.	N/A	Agree	4/2007	N/A

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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				
18	81	Enforce its payroll policies and strengthen its controls over personnel and payroll activities by (a) reviewing time sheets to ensure they are signed off by the employee and approved by the manager at the end of each pay period and (b) verifying employment of all personnel and ensuring that the Department pays only bona fide employees through the use of the Payroll Certification Form.	N/A	Agree	3/2007	N/A
19	83	Improve controls over capital expenditures by (a) reviewing the expenditures related to capital projects incurred in Fiscal Year 2006 at the Division level to ensure that costs are appropriately capitalized as an asset rather than expensed on the Colorado Financial Reporting System (COFRS), (b) enforcing the existing quarterly review procedure for transactions recorded on COFRS to identify and correct coding errors, and (c) providing adequate training to Division staff regarding the proper usage of expenditure accounts.	N/A	Agree	Implemented	N/A
		Department of Personnel & Administration				
20	87	Strengthen controls over payroll by (a) ensuring adjustments are calculated correctly and documented appropriately and (b) accurately reflecting these adjustments on the State's accounting system.	N/A	Agree	2/2007	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
21	89	Improve controls over capital assets by (a) ensuring that expenditures for all future capital asset projects are reviewed and recorded appropriately on the Colorado Financial Reporting System in accordance with the State Fiscal Procedures Manual and (b) reviewing expenditures related to the Department's capital projects incurred prior to Fiscal Year 2006.	N/A	Agree	6/2007	N/A
22	91	Ensure that the Office of the State Controller develops and implements formal procedures for communicating with all entities that are component units of the State to inform the component units of financial reporting requirements and to request audited financial statements in a timely manner.	N/A	Agree	6/2007	N/A
23	96	Strengthen its controls over the mainframe computer and the Colorado Financial Reporting System (COFRS) by (a) monitoring for agency compliance with COFRS security policies, including those in place over multiple and generic IDs; (b) implementing a process that will provide for the timely detection of changes in user employment status and ensure that access to COFRS is deleted immediately; and (c) immediately addressing mainframe security issues identified in the audit.	N/A	a. Agree b. Partially Agree c. Agree	a. 12/2007 b. 5/2007 c. 6/2007	N/A
24	99	Ensure the security of employee benefit information contained in Benefitsolver by establishing user administration procedural controls including (a) ensuring that agencies have access only to the information related to the employees within their respective agencies, (b) disabling or deleting user accounts in a timely manner, and (c) performing periodic reviews of existing user access.	N/A	Agree	a. Implemented b. 4/2007 c. 12/2007	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
25	103	Improve controls over the Benefitsolver system by (a) requiring agency Benefitsolver administrators and their back-ups to attend training that includes training on requirements for the synchronization of employee data between the Colorado Personnel and Payroll System (CPPS) and Benefitsolver, as well as the validation of employee and dependent data entered into Benefitsolver; (b) continuing to conduct monthly reconciliations of CPPS and Benefitsolver data and making adjustments to employee pay, as appropriate; (c) exploring ways to automate the synchronization of employee termination information in the Colorado Personnel and Payroll System and Benefitsolver system; and (d) conducting insurability and eligibility audits on a regular basis.	N/A	a. Partially Agree b. Agree c. Agree d. Agree	a. Implemented b.Implemented c. Implemented d. 6/2008	N/A
		Department of Public Health and Environment				
89	328	Improve its procedures and review process related to requesting federal reimbursements for the Women Infants and Children's program to ensure compliance with the federal Cash Management Improvement Act.	10.557 (C) USDA	Agree	11/2006	Scott Toland (303)692-2105

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	333	The Department of Public Health and Environment and the Department of Health Care Policy and Financing should periodically reexamine the methodology used to calculate Medicaid reimbursement rates for targeted case management services provided through the Nurse Home Visitor Program. This examination should consider (a) methodologies used to develop reimbursement rates for targeted case management services for other Medicaid-funded programs, (b) eliminating site-specific rates and developing one statewide rate for targeted case management services across all sites, (c) using funded caseload rather than actual caseload when calculating the reimbursement rates, (d) including data on a site's total Nurse Home Visitor Program costs in setting targeted case management reimbursement rates, and (e) revising the Medicaid State Plan to include the rate-setting methodology and submitting the revision to the Federal Government for approval.	93.775, 93.777, 93.778 (P) HHS	DPHE Agree HCPF Agree	DPHE a. 1/2007 b. 7/2007 c. 1/2007 d. 1/2007 e. 1/2007 HCPF 12/2006	DPHE Scott Toland (303)692-2105 HCPF Donna Kellow (303)866-3676
91	338	Ensure the maximization of Medicaid reimbursements at local sites by working with the National Center and its subcontractors, the Nurse-Family Partnership, Inc. and Invest in Kids, to (a) visit local sites and review a sample of client files to verify that bills have been submitted for Medicaid services provided, (b) share the aggregate data provided by the Department of Health Care Policy and Financing with sites so that sites may review their billings and reimbursements for reasonableness, (c) ensure that all Medicaid-eligible participants are identified and receive assistance with enrollment, and (d) work with the Department of Health Care Policy and Financing to provide additional training to local sites regarding Medicaid client enrollment and billing procedures.	93.775, 93.777, 93.778 (P) HHS	a. Disagree b. Agree c. Agree d. Agree	a. Not Applicable b. Ongoing c. Ongoing d. 1/2007	Scott Toland (303)692-2105

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 Regulatory Agencies				
26	109	Adhere to the appropriation process and generally accepted accounting principles by recording revenue for contributed services and related expenditures on the Colorado Financial Reporting System.	N/A	Agree	7/2006	N/A
		Department of Revenue				
27	113	The Information Technology Division should continue to improve the Department's compliance with the Security Standards and Policy Document to prevent unauthorized access to the Department's network and confidential information by (a) requiring employees to use a password-protected screensaver set to activate after no more than 15 minutes of inactivity and (b) training employees on the importance of password protection and securing their computers.	N/A	Agree	Implemented	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 Transportation				
28	127	Implement adequate controls over capital asset transactions and balances by (a) preparing a monthly roll forward report of capital asset transactions that shows beginning of the month asset balances, additions and deletions during the month, and end of the month balances; (b) establishing a process in which the monthly roll forward report of capital asset transactions is reviewed and approved by an individual other than the preparer, reconciled to the general ledger, and any differences between the roll forward and the general ledger be identified, researched and resolved each month; and (c) assigning the responsibility for determining when and how a capital asset transaction is recorded to Department accounting personnel rather than regional business managers.	N/A	Agree	6/2007	N/A
29	130	Improve controls over reimbursements to employees by ensuring that appropriate supporting documentation is obtained and reviewed by accounting personnel prior to issuing payment for any reimbursement requests and maintaining this documentation for the required period.	N/A	Agree	3/2007	N/A
30	131	Ensure that the Security Administrator or his or her designee review the Top Secret "Security Activity/Incidents Report" at least weekly to identify high risk or suspicious events as outlined in the State's policy. Any identified events or errors should be investigated and resolved, and the documentation of the resolution should be filed along with the report in a secure location.	N/A	Agree	3/2007	N/A

(A) Activities Allowed or Unallowed
(B) Allowable Costs/Cost Principles
(C) Cash Management
(D) Davis-Bacon Act
(E) Eligibility
(F) Equipment and Real Property Management
(G) Matching, Level of Effort, Earmarking
(H) Period of Availability of Federal Funds
(I) Procurement, Suspension, and Debarment
(J) Program Income
(K) Real Properly Acquisition and Relocation Assistance
(L) Reporting
(M) Subrecipient Monitoring
(N) Special Tests and Provisions
(P) Other

BIA - Bureau of Indian Affairs
CSREES - Cooperative State Research, Education, and Extension Service
DARPA - Defense Advanced Research Agency
DHS - Department of Homeland Security
DOC - Department of Commerce
DOD - Department of Defense
DOE - Department of Energy
DOJ - Department of Justice
DOI - Department of the Interior
DOL - Department of Labor
DOT - Department of Transportation
DVA - Department of Veterans Affairs
ED - Department of Education
EPA - Environmental Protection Agency
FEMA - Federal Emergency Management Agency
HHS - Department of Health and Human Services
HUD - Department of Housing and Urban Development
IMLS - Institute of Museum & Library Services
NASA - National Aeronautics and Space Administration
NIST - National Institute of Standards and Technology
NOAA - National Oceanic & Atmospheric Administration
NSF - National Science Foundation
SSA - Social Security Administration
USDA - United States Department of Agriculture

APPENDIX B

Net Passed Audit Adjustments by Agency
For the Fiscal Year Ended June 30, 2006
Increase (Decrease)

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ -	$ -	$ -	$ -	$ -
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	-	-	-	-	-
Health Care Policy and Financing	5,119,435	(14,300,000)	-	(5,119,435)	14,300,000
Higher Education	(2,331,207)	2,471,127	667,722	631,292	923,069
Human Services	17,583	0	-	38,385	-
Judicial	-	(98,120)	(310,248)	-	408,368
Labor and Employment	-	-	-	-	-
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	0
Military Affairs	-	-	-	-	-
Natural Resources	-	-	-	-	-
Personne l& Administration	166,152	(18,961)	-	32,945	(180,136)
Public Health and Environment	-	-	-	-	-
Public Safety	-	-	-	-	-
Regulatory Agencies	-	-	-	-	-
Revenue	1,000	2,804	-	-	(3,804)
State	-	-	-	-	-
Transportation	-	-	-	-	-
Treasury	-	-	-	-	-
Net Increase (Decrease)	$ 2,972,963	$ (11,943,150)	$ 357,474	$ (4,416,813)	$ 15,447,497

Gross Passed Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2006

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ -	$ -	$ -	$ -	$ -
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	-	-	-	-	-
Health Care Policy and Financing	8,880,565	14,300,000	-	8,880,565	14,300,000
Higher Education	4,698,433	3,756,201	1,511,040	718,911	1,044,839
Human Services	74,298	-	-	62,224	0
Judicial	-	98,120	310,248	-	408,368
Labor and Employment	-	-	-	-	-
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	-
Military Affairs	-	-	-	-	-
Natural Resources	-	-	-	-	-
Personnel & Administration	364,762	18,961	-	32,945	416,668
Public Health and Environment	-	-	-	-	-
Public Safety	-	-	-	-	-
Regulatory Agencies	-	-	-	-	-
Revenue	1,000	4,804	-	-	3,804
State	-	-	-	-	-
Transportation	-	-	-	-	-
Treasury	-	-	-	-	-
	$ 14,019,058	$ 18,178,086	$ 1,821,288	$ 9,694,645	$ 16,173,679

Net Posted Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2006
Increase (Decrease)

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ (72,286)	$ -	$ 15,168	$ 2,371,219	$ (2,045,103)
Corrections	$ (118,830)	$ 160,754	$ 21,954	$ 628,118	$ 1,284,009
Education	(1,039,652)	212,062	$ (9,848,011)	15,216,409	(3,798,991)
Governor	$ (534,261)	$ (1,170,000)	$ 106,916	$ 5,790,899	$ (3,956,307)
Health Care Policy and Financing	67,651,064	0	$ (101,438,566)	49,618,182	(14,842,330)
Higher Education	192,930,853	(4,592,717)	(141,406,747)	(1,230,591,362)	1,186,586,902
Human Services	(222,712)	6,306,368	$ (5,741,811)	4,273,407	(2,075,613)
Judicial	$ (183,666)	0	$ 8,849	$ 174,817	$ 750,726
Labor and Employment	(527,661)	(315,951)	(283,650)	3,179,616	(1,357,768)
Law	$ (105,851)	$ 10,821	$ 16,753	$ 78,277	$ 682,945
Legislative	$ (8,356)	$ -	$ 3,328	$ 5,028	$ 454,618
Local Affairs	(1,882,723)	(1,170,000)	$ 435,827	9,092,212	(6,105,247)
Military Affairs	$ (46,068)	$ -	$ 5,144	$ 40,120	$ 185,215
Natural Resources	(3,286,066)	90,562	555,253	3,313,774	1,502,818
Personnel & Administration	(14,949,153)	18,396,051	(1,596,085)	618,193	(21,502,507)
Public Health and Environment	$ (1,499,544)	287,353	$ (181,134)	3,461,900	$ (1,318,871)
Public Safety	$ (69,511)	$ -	$ 8,061	$ 8,617,516	$ (7,668,288)
Regulatory Agencies	(31,349)	$ 988	$ 9,365	26,559	441,672
Revenue	(2,384,103)	(1,174,773)	$ 304,954	3,253,922	$ 786,432
State	$ (519,368)	0	$ 107,168	412,200	$ 132,279
Transportation	(80,161,831)	(6,332,303)	$ 232,899,403	8,094,329	(153,140,694)
Treasury	(42,772,753)	24,904,812	$ (8,533,510)	32,778,697	(6,377,246)
Net Increase (Decrease)	$ 110,166,173	$ 35,614,027	$ (34,531,371)	$ (1,079,545,968)	$ 968,618,651

Gross Posted Audit Adjustments By Agency
For Fiscal Year Ended June 30, 2006

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ 512,144	$ -	$ 4,233,960	$ 3,579,378	$ 3,984,333
Corrections	163,248	167,258	257,744,328	672,026	17,922,294
Education	12,213,590	769,818	9,893,187	19,509,134	19,533,540
Governor	748,093	1,170,000	106,916	6,004,731	10,109,812
Health Care Policy and Financing	86,378,344	-	101,525,028	203,647,590	194,856,832
Higher Education	990,571,079	71,308,863	244,083,986	2,203,535,279	1,739,104,544
Human Services	742,548	69,622,898	6,453,429	82,654,076	24,188,249
Judicial	201,364	-	8,849	3,143,036	3,816,473
Labor and Employment	7,607,597	417,563	529,282	8,948,114	5,433,798
Law	143,403	14,867	16,753	20,736,941	790,304
Legislative	32,388	-	3,328	245,186	491,474
Local Affairs	5,094,377	1,170,000	435,827	17,609,344	39,256,487
Military Affairs	56,356	-	263,872	52,016	524,027
Natural Resources	4,551,834	196,350	6,108,625	8,292,935	9,691,156
Personnel & Administration	20,389,997	18,396,051	670,854,880	47,832,372	41,943,877
Public Health and Environment	1,687,518	599,217	360,840	8,516,990	5,867,735
Public Safety	85,633	44,055	39,643	15,560,811	10,344,591
Regulatory Agencies	1,215,851	1,352	9,365	1,500,331	1,376,375
Revenue	(3,227,969)	4,802,073	3,718,692	5,923,002	8,050,365
State	733,704	-	107,168	626,536	132,279
Transportation	296,025,888	7,158,006	1,496,181,166	26,326,309	269,193,359
Treasury	79,335,073	25,602,588	11,350,624	46,172,117	13,086,036
	$ 1,505,262,060	$ 201,440,959	$ 2,814,029,748	$ 2,731,088,254	$ 2,419,697,940

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