REPORT OF

THE

STATE AUDITOR

STATE OF COLORADO
STATEWIDE SINGLE AUDIT

Fiscal Year Ended June 30, 2008

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STATE OF COLORADO

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February 17, 2009

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, 2008. 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, 2008. The report includes our reports on compliance and other matters 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 2008, 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 federal 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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OTHER REPORTS ISSUED APPLICABLE TO THE SINGLE AUDIT

The State's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008, is available in hard copy from the Office of the State Controller and electronically at:

http://www.colorado.gov/dpa/dfp/sco/cafr/cafr08/cafr08.htm

Sally Symanski, CPA
State Auditor

STATE OF COLORADO
STATEWIDE SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2008

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 2008.

The purpose of this audit was to:

- Express an opinion on the State's financial statements for the fiscal year ended June 30, 2008.
- Express an opinion on the State's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2008.
- Review internal accounting and administrative control procedures as required by generally accepted auditing standards and *Government Auditing Standards.*
- Evaluate compliance with applicable state and federal laws, rules, and regulations.
- Evaluate progress in implementing prior audit recommendations.

We have issued three reports in connection with our audit. First, we issued an unqualified opinion on the State's financial statements for the fiscal year ended June 30, 2008. Our opinion on the financial statements is presented in the State's Comprehensive Annual Financial Report for Fiscal Year 2008, which is available in hard copy from the Office of the State Controller and electronically at http://www.colorado.gov/dpa/dfp/sco/CAFR/cafr08/cafr08.htm.

Second, we issued a report on the State's compliance with internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards.* These standards and Statement on Auditing Standards No. 112 (SAS 112) issued by the American Institute of Certified Public Accountants (AICPA) require that we communicate

matters related to the State's internal control over financial reporting identified during our audit of the State's financial statements. The standards define three levels of internal control weaknesses that must be reported. These are described below.

- A *control deficiency* is the least serious level of internal control weakness. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. Control deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 1-3, 5, 6, 16, 25-29, 37-41, 45-49, and 61.

- A *significant deficiency* is a higher level of internal control weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. Significant deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 4, 7-15, 17, 18, 20-24, 30-36, 42-44, 51-53, 63, 64, and 67.

- A *material weakness* is the most serious level of internal control weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. We did not note matters involving the internal control over financial reporting and its operation during our audit that we consider to be material weaknesses.

Prior to each recommendation in this report, we have indicated the classification of the finding.

The third report we issued is a report on the State's compliance with requirements applicable to major federal programs and internal control over compliance in accordance with the federal Office of Management and Budget's (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. 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. As with matters identified during our audit of the State's internal control over the financial reporting, we are required to communicate internal control issues related to each of the major federal programs in similar manner. These three levels of internal control weaknesses over major federal programs are as follows:

- A *control deficiency* is the least serious level of internal control weakness. A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course

of performing their assigned functions, to prevent or detect noncompliance with a compliance requirement of a federal program on a timely basis. Control deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 61,68-70, 74, 75, 77, 78, 80, 90-92, 94, 97, 100, 105-107.

- A *significant deficiency* is a higher level of internal control weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. Significant deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 53-60, 62-67, 71, 73, 76, 79, 81-89, 93, 95, 96, 98, 99, 101-104, and 109.

- A *material weakness* is the most serious level of internal control weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Material weaknesses are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 53, 55-57, 59, 60, 62-64, 76, 81, 83, 84, and 86-88.

Prior to each recommendation in this report, we have indicated the classification of the finding.

During our testing of compliance with federal requirements, 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); Special Tests and Provisions that are applicable to the Federal Family Education Loans (CFDA No. 84.032) and Federal Pell Grant Program (CFDA No. 84.063); Subrecipient Monitoring that is applicable to the Vocational Education Basic Grants to States program (CFDA No. 84.048); Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Temporary Assistance for Needy Families (CFDA No. 93.558); Eligibility and Subrecipient Monitoring that are applicable to the State Children's Insurance Programs (CFDA No. 93.767); and Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility; Subrecipient Monitoring; and Special Tests and Provisions that are applicable to the Medicaid Cluster (CFDA Nos. 93.777 and 93.778). 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. 53, 55, 56, 60, 62, 64, 79, 81, 83, 84, and 86-88.

Current Year Findings and Recommendations

The Statewide Single Audit report presents our financial and compliance audit of the State of Colorado for Fiscal Year 2008. 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 federal Single Audit Act, this report includes all findings and questioned costs related to federal awards that came to our attention through our audit.

As part of our 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 section 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

State 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:

- The Departments of Human Services, Military and Veterans Affairs, Natural Resources, and Revenue lacked sufficient controls over purchasing cards. Specifically, at the Department of Human Services, 29 percent of the transactions tested contained at least one error, including coding errors and lack of required signatures on cardholder statements. At the Department of Military and Veterans Affairs, 12 percent of the monthly purchasing card statements lacked evidence of supporting documentation for purchases. At the Department of Natural Resources, 24 percent of the transactions tested contained at least one error, including employees splitting purchases into multiple transactions to circumvent their card limits. In 6 percent of the sampled cardholders at the Department of Revenue, required signatures were absent on cardholder account forms and monthly statements.

- Four agencies' internal controls over travel expenditures were inadequate. Transactions tested at the Departments of Human Services, Public Safety, and Regulatory Agencies, as well as the Colorado Historical Society showed a combined error rates of 37 percent. Some of the problems identified were reimbursements lacking sufficient supporting documentation, to employees claiming excess mileage reimbursements, and coding errors.

- The Office of the Governor, and the Departments of Health Care Policy and Financing, Human Services, Personnel & Administration, and Revenue, did not have sufficient physical and user access controls in place over the State's mainframe and critical computer systems including the State's payroll system, the State's eligibility system for public and medical assistance, the Colorado Benefits Management System, the State's public assistance electronic benefits distribution system, the Medicaid Management Information System, and the Department of Revenue's tax and refund systems.

- The Department of Revenue had internal control weaknesses related to severance tax refunds, cash, data security, and electronic funds transfers.

- Four agencies did not have adequate controls over the preparation of year-end exhibits. The Office of the Governor and the Departments of Human Services, Military and Veterans Affairs, and Revenue's exhibits contained errors and/or omissions when submitted to the Office of the State Controller. These exhibits are necessary to ensure appropriate disclosures are made in the State's annual financial statements.

- Four agencies did not have adequate payroll controls. At the Department of Human Services 18 percent of the 120 payroll adjustments tested identified over- and under-payments, as well as delayed payments to employees. At the Department of Natural Resources time sheet calculation errors resulted in payment errors, questionable information on time sheets, and an overall lack of controls related to hourly payroll. The Department of Personnel & Administration's payroll review process failed to catch payroll adjustment errors. The Department of Local Affairs did not correctly allocate employee payroll expenses to the appropriate programs.

Financial Reporting

State agencies are responsible for reporting financial activity accurately, timely, 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 agencies' and institutions' control processes, policies, and procedures related to financial reporting and tested a sample of financial transactions to ensure that controls were adequate and financial activity was reported properly. We found:

- The Department of Human Services continues to be unable to reconcile differences between amounts due to or due from the counties recorded on the State's accounting system, COFRS, and amounts recorded on the Department's County Financial Management System, CFMS. During our Fiscal Year 2008 audit the difference was approximately $3.3 million.

- At the Department of Health Care Policy and Financing, inadequate controls caused the allowance for doubtful accounts to be understated and total assets to be overstated by $1.1 million on the State's financial statements.

- The Department of Labor and Employment is unable to verify the accuracy of the unemployment insurance tax refund balance of approximately $24 million. The balance increased nearly $10 million from prior year.

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- The Departments of Human Services and Military and Veterans Affairs failed to fully record $1 million and $2.1 million, respectively, in completed building projects to the appropriate asset account on COFRS in a timely fashion.

- The Department of Transportation failed to review all fiscal year-end deferred revenue balances, which caused a $7.4 million overstatement on COFRS. The Department submitted a correcting entry to the Office of the State Controller prior to the issuance of the State's financial statements.

Federal Grants

The State expended approximately $6.6 billion in federal grants in Fiscal Year 2008. As part of our audit, we determined compliance with federal regulations and grant requirements, such as activities allowed or unallowed, allowable costs, cash management, eligibility, reporting, and subrecipient monitoring.

Colorado Benefits Management System (CBMS): For Fiscal Year 2008 we evaluated transactions processed by CBMS through review of four federal programs. Two programs are overseen by the Department of Human Services (DHS): Temporary Assistance for Needy Families (TANF) and Food Stamps. The other two programs, Medicaid and the Children's Basic Health Plan (CBHP), are overseen by the Department of Health Care Policy and Financing. We reviewed the Departments' procedures for complying with federal requirements for determining individuals' eligiblility to receive Food Stamps, TANF, Medicaid and CBHP. For all four programs we found significant error rates. In general, these errors related to problems with the recipient's eligibility or the amount of the benefit issued.

- TANF/Colorado Works: We found that 17 of the 60 benefit payments in our sample (28 percent) contained at least one error. For these 17 payments we identified questioned costs of $1,195 out of the total sampled costs of $11,347 (11 percent of costs). Over the last four years, the payment error rate is the second highest and the dollar error rate remained the lowest, the same as in Fiscal Year 2007.

- Fiscal Year 2008 payment error rate 28 percent
  dollar error rate 11 percent
- Fiscal Year 2007 payment error rate: 22 percent
  dollar error rate: 11 percent
- Fiscal Year 2006 payment error rate: 38 percent
  dollar error rate: 33 percent
- Fiscal Year 2005 payment error rate: 25 percent
  dollar error rate: 20 percent

Total TANF benefit payments for Fiscal Year 2008 were $53 million, and the average monthly caseload was 9,300.

- Food Stamps: We found that 23 of the 60 benefit payments in our sample (38 percent) contained at least one error. For these 23 payments we identified questioned costs of $585 out of the total sampled costs of $11,806 (5 percent of costs). Over the last four years, the payment error rate is the second lowest and the dollar error rate is the lowest.

  - Fiscal Year 2008 payment error rate 38 percent
    dollar error rate 5 percent
  - Fiscal Year 2007 payment error rate: 57 percent
    dollar error rate: 21 percent
  - Fiscal Year 2006 payment error rate: 18 percent
    dollar error rate: 9 percent
  - Fiscal Year 2005 payment error rate: 72 percent
    dollar error rate: 20 percent

  Total Food Stamps benefit payments for Fiscal Year 2008 were $321 million, and the average monthly caseload was 107,626.

- Medicaid: We found that 29 of the 60 benefit payments in our sample (48 percent) contained at least one error. For these 29 payments we identified questioned costs of $2,151 out of the total sampled costs of $95,721 (2 percent). Over the last four years, the payment error rate is the highest and the dollar error rate is the lowest.

▸	Fiscal Year 2008	payment error rate	48 percent
		dollar error rate	2 percent
▸	Fiscal Year 2007	payment error rate:	37 percent
		dollar error rate:	15 percent
▸	Fiscal Year 2006	payment error rate:	45 percent
		dollar error rate:	36 percent
▸	Fiscal Year 2005	payment error rate:	37 percent
		dollar error rate:	15 percent

- CBHP: We found that 26 of the 60 benefit payments in our sample (43 percent) contained at least one error. For these 26 payments we identified questioned costs of $5,798.

Medicaid and the Children's Basic Health Plan: The Medicaid program is the State's largest federal program with expenditures for administration and claims paid by HCPF totaling about $3.2 billion (state and federal funds) during Fiscal Year 2008. For CBHP, HCPF expended nearly $124 million (state and federal funds) during Fiscal Year 2008. In addition to the error rates noted above we found significant problems with the management of the Medicaid and CBHP programs.

- The Department requested and received $6.5 million in excess payments from the federal government for the Medicare Supplementary Medical Insurance Benefits (SMIB) due to an overall lack of staff knowledge regarding the program and from a flawed system reporting function.

- The Department continues to perform inadequate follow-up to errors noted during its federally mandated Medicaid Eligibility Quality Control process. Of 40 eligibility sites reviewed, the Department failed to receive responses to errors noted for six of the sites. Further, 75 percent of corrective actions plans reviewed did not adequately address the areas of concern.

- Federal regulations require the primary recipient of federal funds to ensure subrecipients are in compliance with federal requirements. The Department continues to lack adequate controls over its subrecipients for Medicaid and CBHP by not establishing policies and procedures for reviewing audit reports submitted by the counties, Single Entry Points (SEPs), and Medical Assistance (MA) sites. Further, the Department could not provide results to follow-up procedures on 93 SEP deficiencies identified in the previous fiscal year. In addition, the Department did not require MA sites to submit required audit reports.

In addition the following issues were specific to CBHP:

- 21 of 203 applications reviewed contained eligibility determination errors or insufficient supporting documentation to support the eligibility decisions, resulting in about $48,300 in questioned costs.

- 9 percent of the 86 applications reviewed were processed up to 91 days late, which is in excess of the 45 day federal requirement.

- Inadequate disenrollment procedures were identified in 831 cases where pregnant women remained enrolled in CBHP past their 60-day post-partum eligibility period and 54 children remained enrolled after their eligibility terminated at age 19, resulting in questioned costs of about $109,400.

- Questioned cost totaling $234,000 were identified during testing of claims processing. In reviewing a sample of 52 CBHP claims, errors were found in 27 of the claims, causing about $54,800 in overpayments and $20 in underpayments.

Child Care Assistance Program (CCAP): During Fiscal Year 2008, the Department of Human Services expended approximately $86.2 million at the state and local level to provide child care for about 35,100 children. The Department receives federal funds from several sources to pay for child care services, the largest of which is the federal Child Care and Development Fund. For Fiscal Year 2008, the Department spent about $61.5 million in federal funds on the CCAP. We found significant problems in the management of the CCAP.

- 30 of 53 CCAP files reviewed contained calculation errors or omissions of required information, such as incorrect income and parent fee calculations, insufficient documentation of the applicant's income, and inconsistent verification of county residence. Although eligibility was not impacted by the errors or omissions, they did result in changes to the amount of parental fees required by the program.

- Out of 65 files reviewed in which the county caseworker overrode the denial of an applicant's eligibility in CCAP's automated system, 45 files did not contain adequate documentation to support the need to for an override or evidence of a supervisory review. Further, of the 45 files in question the county could not provide documentation to support the appropriateness of the override. In addition, two caseworkers in one county were identified as being responsible for 22 percent of all overrides in the State during Fiscal Year 2007.

- Questioned costs of $83,000 were identified through a review of 72 quality initiative transactions. Of these 14 (19 percent) were determined to be unallowable, unreasonable, or not supported by adequate documentation. The questioned costs included entertainment

expenses, payment of child care staff's personal rent, and funds subgranted to a non-profit organization for which minimal monitoring occurred.

Student Financial Aid and the Research and Development Cluster: State higher education institutions disbursed about $783.6 million in student loans and grants and expended $606.5 million in research and development (R&D) funds in Fiscal Year 2008. We found the following problems at various state institutions:

- The Colorado School of Mines during Fiscal Year 2008 expended approximately $2.3 million in R&D funds to contracting entities that were not reviewed to determine if the entities were either suspended or debarred from receiving federal dollars. Further, six percent of cost transfers to federal R&D projects lacked evidence of approval by the School's Office of Research Administration, ensuring such costs meet the federal requirement that funds only be used for activities that further the objectives R&D projects.

- The Colorado Community College System expended approximately $20.2 million on the Carl Perkins Vocational Education Program during Fiscal Year 2008 and continues to lack adequate controls to ensure subrecipients were in compliance with federal regulations.

- The University of Northern Colorado and the Colorado Community College System lacked adequate controls for ensuring the return of Title IV funds was in compliance with federal requirements.

Communication of Audit-Related Matters

There were no unusual or significant audit-related matters to report in connection with the audit of the State of Colorado for the year ended June 30, 2008. Uncorrected misstatements identified during the Fiscal Year 2008 audit were determined by management and the Office of the State Auditor to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The net effect of the uncorrected misstatements would have been to decrease the net assets by nearly $932,000, decrease assets by more than $1.7 million, increase liabilities by nearly $2.7 million, increase revenue by over $9.7 million, and increase expenditures by nearly $5.5 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 of this report.

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 2007 or earlier are not included.

Outstanding Statewide Single Audit Report Recommendations by Fiscal Year								
	Total	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Implemented	47	39	5	-	3	-	2	1
Partially Implemented	53	36	11	2	1	-	2	1
Not Implemented	29	27	2	-	-	-	-	-
Deferred	14	14	-	-	-	-	-	-
Implemented and Ongoing	4	3	1	-	-	-	-	-
No Longer Applicable	-	-	-	-	-	-	-	-
Total	**147**	**119**	**19**	**2**	**4**	**0**	**2**	**1**

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Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____yes__X__ no
- Significant deficiencies 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
- Significant deficiencies 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 Stamps Program Cluster, Federal Family Education Loans, Federal Pell Grant Program, Vocational Education: Basic Grants to States, Temporary Assistance for Needy Families, State Children's Health Insurance Program, and Medicaid Cluster, 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
10.553, .555, .556, .559	Nutrition Cluster
10.558	Child and Adult Care Food Program
17.207, .801, .804	Employment Service Cluster
17.225	Unemployment Insurance
17.258, .259, .260	Workforce Investment Act Cluster
20.205	Highway Planning and Construction
84.048	Vocational Education: Basic Grants to States
90.401	Help America Vote Act
93.044, .045, .053	Aging Cluster
93.069	Public Health Emergency Preparedness
93.558	Temporary Assistance for Needy Families (TANF)
93.568	Low-Income Home Energy Assistance Program (LIHEAP)
93.658	Foster Care: Title IV-E
93.767	State Children's Insurance Program
93.775, .777, .778	Medicaid Cluster
96.001	Social Security – Disability Insurance
97.004, .067	Homeland Security Cluster
Various	Research and Development Cluster
Unknown	Royalties Management

Various	Student Financial Aid Cluster (including CFDA No. 84.032 Federal Family Education Loans-Lenders)

Dollar threshold used to distinguish
between type A and B programs: $15.5 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	46	The Department of Corrections should ensure that adequate supervisory review procedures are performed in connection with all aspects of the maintenance of Colorado Correctional Industries' inventory system, including maintaining perpetual inventory records, conducting physical inventory counts, and costing inventory items.	Agree	June 2009
2	55	The Office of the Governor should improve its internal controls over financial reporting by ensuring that exhibits are adequately reviewed by a supervisor prior to submission to the Office of the State Controller and any errors identified are corrected.	Agree	December 2008
3	56	The Office of the Governor should improve controls over expenditures by strengthening its supervisory review process to ensure that duplicate payments are not made and follow up on the duplicate payment identified during the audit.	Partially Agree	Implemented
4	60	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by (a) implementing audit recommendations related to network security and user access communicated to OIT in 2006 under separate cover, (b) periodically reviewing Top Secret security parameters to ensure compliance with best practices and OIT security policies, (c) ensuring password management controls are in compliance with State Cyber Security Policies, (d) setting Top Secret security parameters to ensure user IDs automatically suspend after 60 days of inactivity, (e) establishing policies and procedures for agency security administrators to follow when creating generic IDs, (f) restricting system administrator-level privileges to those who have a documented business need for such access, (g) ensuring all mainframe security administrators are properly trained and understand their roles and responsibilities, (h) overseeing the activities of agency security administrators to ensure compliance with established information system controls and security policies and procedures, and (i) researching instances identified during this audit where user IDs for terminated employees were used after the date of termination and taking action as appropriate.	Agree	January 2010

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
5	65	The Department of Health Care Policy and Financing should ensure that calculation of allowance for doubtful accounts policies and procedures are clearly written and adequately documented and that the year-end allowance balance on COFRS is appropriately adjusted.	Agree	March 2009
6	70	The Colorado Historical Society should strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately approved, travel reimbursements are supported by adequate supporting documentation, travel expenditures are coded correctly on COFRS, and that all other State Fiscal Rules regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess mileage and lodging reimbursements.	Agree	July 2008
7	74	The Department of Human Services should ensure that amounts reported on COFRS related to counties' administration of public assistance programs are accurate and complete by (a) documenting clear procedures for performing monthly reconciliations between the County Financial Management System (CFMS) and COFRS; (b) assigning responsibility to a specific employee for the monthly reconciliation process to identify and resolve discrepancies between CFMS and COFRS for amounts payable to and receivable from the counties; and (c) determining the cause of the discrepancies between the balances reported on CFMS and those reported on COFRS for amounts due to or from the counties at June 30, 2008, and making necessary adjustments.	Agree	June 2009
8	77	The Department of Human Services should establish adequate controls over benefit authorization and issuance data for the cash programs by (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System, County Financial Management System, the State's Electronic Benefits Transfer (EBT) 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 not involved in preparing the reconciliations; and (c) making any necessary adjustments in a timely manner to the appropriate systems.	Agree	June 2010
9	79	The Department of Human Services should ensure that capital construction expenditures are properly recorded during the construction phase and in accordance with generally accepted accounting principles and state regulations.	Agree	July 2008

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
10	81	The Department of Human Services should improve controls over the year-end preparation of the Exhibit M and the confirmation of funds held by commercial financial institutions by (a) adequately reviewing the returned confirmations and following up with the institution(s) on any information that is incorrect, incomplete, or not confirmed; (b) adequately reviewing the Exhibit M for completeness and accuracy prior to submission; and (c) ensuring that bank accounts are established in accordance with State Fiscal Rules.	Agree	a. May 2009 b. August 2009 c. May 2009
11	84	The Department of Human Services should improve controls over Medicare Part D revenue, receipts, and expenditures at the Fort Logan and Pueblo Mental Health Institutes by (a) periodically reconciling Part D revenue and related accounts receivable balances in the State's accounting system to calculated billings from the pharmacy subsystem, and making adjustments as appropriate and (b) properly recording revenues and expenditures on COFRS.	Agree	February 2009
12	87	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 and required fiscal year-end entries to offset federal program receivable and payable balances; (b) ensuring its supervisory review process over the Exhibit K includes 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, the required fiscal year-end federal grant accounting offset entries, and the importance of accurate information.	Agree	September 2009
13	89	The Department of Human Services should improve controls over payroll by (a) reviewing adjustments to ensure they are calculated correctly, made timely, and supported by appropriate documentation; (b) ensuring that employee information is entered into the Colorado Personnel and Payroll System in a timely manner; and (c) correcting all over and underpayments to employees identified in this audit.	Agree	a. February2009 b. April 2009 c. July 2008

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14	92	The Department of Human Services should improve its internal controls over purchasing cards by (a) completing implementation of the automated violation tracking system's reporting function and utilizing the system's reports to monitor the results of the Department's internal purchasing card audits and actions taken by approving authorities in response to cardholder violations, (b) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and consequences for policy violations, and (c) ensuring purchasing card accounts are closed in a timely manner upon employee termination.	Agree	January 2009
15	95	The Department of Human Services should strengthen controls over travel expenditures by ensuring consistent compliance with existing State and Department travel policies.	Agree	April 2009
16	99	The Department of Human Services (DHS) should strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by (a) developing a plan with established project milestones for implementing all User Control Considerations contained in the SAS 70 Report of JP Morgan's EBT transaction processing; (b) working with JP Morgan to ensure EBT system password parameters comply with State Cyber Security Policies and DHS requirements; (c) ensuring that only authorized EBT security administrators have the ability to add new users and that EBT users are only added after receipt of an authorized access request form; (d) updating DHS procedures to require counties to immediately notify the EBT security administration group of all terminations and transfers; (e) performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate; (f) working with JP Morgan to identify and correct problems with its automated control for suspending inactive user accounts; and (g) working with JP Morgan to segregate the recipient eligibility and EBT card authorization and issuance functions at the 25 counties identified in the report.	Agree	October 2010
17	103	The Department of Labor and Employment should implement a process to evaluate the accuracy and completeness of the liability to employers for overpayment of Unemployment Insurance taxes.	Agree	December 2009
18	104	The Department of Labor and Employment should implement more formal procedures for preparing, reviewing, and approving significant estimates including a detailed review of the relevant factors and assumptions used and a retrospective review of prior estimates compared to the current year.	Agree	May 2009

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
19	106	The Department of Labor and Employment should change the methodology for calculating the fund balance of the Petroleum Storage Tank Fund in accordance with statute and charge the appropriate environmental response surcharge fee.	Agree	July 2009
20	109	The Department of Law should improve controls over the year-end closing process to ensure that required spending authority comparisons and related adjusting entries are made.	Agree	July 2009
21	113	The Department of Local Affairs should ensure that all appropriate parties approve Personnel Action Request (PAR) created for new employees and for employees when their duties change.	Agree	February 2009
22	115	The Department of Local Affairs should strengthen its internal controls over purchasing and ensure proper segregation of duties by requiring adequate documentation for properly reviewing, approving, and recording expenditures during the year.	Agree	August 2008
23	119	The Department of Military and Veterans Affairs should continue to improve controls over the preparation of the Exhibit K by (a) ensuring that staff preparing exhibits are adequately trained, annually, on Exhibit K preparation requirements and (b) implementing a secondary review over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.	Agree	September 2009
24	120	The Department of Military and Veterans Affairs should improve controls over capital assets by (a) annually performing a reconciliation of the construction in progress account to identify costs for completed construction projects and reclassifying them to their respective capital asset accounts and (b) performing an annual inventory of all software, furniture, and equipment to identify discrepancies and follow up as needed and making adjustments to asset records as determined appropriate.	Agree	June 2009
25	123	The Department of Military and Veterans Affairs should improve controls over procurement cards by (a)vrequiring the staff that have been issued procurement cards to complete procurement card training, (b) establishing a review process over purchases made by senior-level employees, (c) ensuring that procurement cards are not issued without proper authorization, and (d) improving the existing review process in place over procurement card purchases to ensure that purchases are reviewed and contain appropriate supporting documentation.	Agree	February 2009

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
26	125	The Department of Military and Veterans Affairs should improve its controls over the implementation of statutory provisions that affect the Department accounting functions to ensure that all necessary steps are taken in a timely manner to fully implement the provisions.	Agree	January 2009
27	130	The Department of Natural Resources should enforce its payroll policies and strengthen its controls over personnel and payroll activities by (a) reinforcing the importance of supervisory review of the accuracy of time sheet data to ensure employee payroll is correct and (b) implement procedures to require supervisory review of any pay rate changes occurring prior to posting of payroll to COFRS or reassign incompatible duties within the Payroll Accountants and Payroll Technician positions to other individuals.	Partially Agree	January 2009
28	131	The Department of Natural Resources should improve its controls over capital expenditures by (a) reviewing the expenditures related to capital projects and construction in progress in a timely manner to ensure that all completed capital projects are properly capitalized and depreciation taken in the appropriate fiscal year and (b) ensuring that expenditures for capital asset projects are reviewed and recorded appropriately on COFRS in accordance with the State Fiscal Procedures Manual.	Partially Agree	June 2009
29	134	The Colorado Division of Reclamation, Mining and Safety should strengthen its controls over performance bond account reconciliations by (a) creating and implementing policies and procedures related to the monthly and/or quarterly reconciliation of COFRS accounts to the Division's internal records and (b) implementing procedures to require supervisory review of monthly and/or quarterly reconciliation of its COFRS accounts, including making adjustments as needed.	Agree	January 2009

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
30	136	The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to establish adequate controls over the receipt and use of Great Outdoors Colorado (GOCO) moneys to ensure the State's financial statements are complete and accurate and to ensure assets are safeguarded. Specifically, the Department and the Division should (a) implement controls over the receipt of all GOCO funds to ensure that all related revenues, expenditures, capital assets, and other affected accounts are accurately and completely reflected in COFRS, the State's financial system; (b) reconcile the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division and make all necessary adjustments to COFRS; (c) perform a reconciliation from Fiscal Year 1993 through Fiscal Year 2008 of the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division; and (d) ensure that the Division's list of capital assets is updated no less than annually and reflects capital purchases made with GOCO funds.	Agree	a. June 2008 b. September 2008 c. December 2010 d. December 2010
31	140	The Division of Parks and Outdoor Recreation should strengthen its controls over park pass and permit assignment and cash collection processes by (a) ensuring functions related to assigning passes and permits and collecting, recording, depositing, and preparing cash reconciliations and reports are performed by different employees; (b) controlling access to park passes and permits and cash by keeping them locked in a drawer during the day and locked in a safe at night; (c) reviewing all monthly reports and reconciliations submitted by the park and region offices for completeness and accuracy, including supporting documentation, prior to entering information into the State's accounting system; (d) developing written policies and procedures that address proper segregation of duties, cash handling, and reconciliation and reporting requirements; and (e) including requirements related to ensuring proper cash handling practices in job descriptions, performance plans, and evaluations for all employees responsible for cash collections; and taking appropriate disciplinary action when problems are found.	Agree	May 2009

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32	147	The Division of Parks and Outdoor Recreation and the Department of Natural Resources (DNR) should improve accountability and provide adequate oversight and monitoring of contract scope, deliverables, and payments. Specifically, the Division and Department should (a) define staff responsibilities for developing, reviewing, approving, or monitoring contract deliverables or payments in job descriptions and performance plans and evaluate performance of these duties during annual performance reviews; (b) provide contract monitoring staff with contract management training and ongoing supervision and guidance, including, but not limited to, proper procedures for defining contract scope of work, providing ongoing monitoring and review of contract work and deliverables, and approving and tracking payments; and (c) complete their investigation of the questions raised in our audit regarding three personal services contracts and take action as appropriate, including requiring repayment of state funds spent for work performed prior to contract execution or outside of the contract scope.	*Division of Parks:* Agree *DNR*: Agree	*Division of Parks:* a. May 2009 b. December 2008 c. September 2008 *DNR*: June 2009
33	152	The Department of Natural Resources and the Division of Parks and Outdoor Recreation should work together to improve controls over procurement cards (ProCards) by (a) ensuring that cardholders adequately document all purchases and that supervisors review and approve, as appropriate, all purchases monthly and (b) providing ProCard refresher training on a periodic basis determined by the Department and the Division to cardholders to ensure understanding of the rules on proper and allowable card use.	Agree	December 2008
34	153	The Department of Natural Resources should improve its oversight of the ProCard program by (a) expanding the ProCard audit process to include a review of the areas in which problems were identified during our audit and regularly reviewing all relevant reports available from the State's ProCard vendor to identify violations of card use; (b) requiring that approving supervisory authorities report to the Department's procurement office on instances of errors or employee misuse of ProCards and on disciplinary or other actions taken related to the errors or misuse; (c) developing a system for tracking instances of card abuse by individual cardholders and establishing policies regarding the penalties that cardholders will incur, on the basis of the frequency and severity of the violations; and (d) reviewing information in the tracking system from Part c. and taking appropriate disciplinary action when abuses are found.	Agree	December 2008

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
35	156	The Division of Parks and Outdoor Recreation should ensure compliance with time keeping requirements for seasonal workers by making improvements by (a) reviewing and clarifying, where needed, existing time keeping policies and procedures, including the format in which time will be recorded; (b) disseminating clear policy directives throughout the park system, including the Division's administrative office, and training supervisors and others as appropriate on their responsibilities; and (c) holding supervisors responsible for compliance with policies and procedures through job descriptions, performance planning, and evaluations.	Agree	May 2009
36	158	The Division of Parks and Outdoor Recreation should improve its controls over cabin inventory by instituting Division-wide policies for safeguarding cabin assets that address (a) the frequency of inventory checks, (b) items that should be included in each inventory check, (c) procedures for pursuing recovery for any items lost through theft or damage,(d) use of inventory tags to identify items as the property of the State, and (e) a method for communicating the policy on losses and damages to cabin visitors.	Agree	June 2009
37	163	The Department of Personnel & Administration should strengthen controls over payroll by (a) ensuring that an adequate review process is in place to identify and correct payroll adjustment errors and (b) ensuring that all documentation required for the hire of an employee is obtained at the time of hiring.	Agree	a. September 2009 b. January 2009
38	167	The Department of Personnel & Administration should strengthen its oversight of the Colorado Personnel and Payroll System (CPPS) user access controls by (a) immediately disabling CPPS user IDs belonging to terminated employees, (b) removing unnecessary generic and duplicate CPPS user IDs and implementing security policies specifying when such user IDs are appropriate, (c) working with the Governor's Office of Information Technology to ensure CPPS password parameters comply with State Cyber Security Policies, and (d) implementing existing controls regarding the segregation of personnel and payroll functions in CPPS.	Agree	March 2009
39	171	The Department of Personnel & Administration should improve controls over accounting for capital assets by (a) improving the review process over capital asset transactions to ensure that all ancillary costs necessary to place assets in use, including freight charges, are capitalized and that any necessary capital assets accounting adjustments are made to the Colorado Automotive Reporting System (CARS) and COFRS and (b) ensuring that data essential to its annual building depreciation reconciliation is safeguarded by prohibiting access to this data by non-essential staff members.	Agree	a. July 2009 b. January 2009

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40	175	The Department of Public Safety should strengthen controls over travel expenditures by (a) ensuring that travel reimbursements contain a purpose for travel, reimbursements paid are supported by documentation, and all other State Fiscal Rules regarding travel are followed and (b) training staff and supervisors on state travel rules and policies.	Agree	May 2009
41	180	The Department of Regulatory Agencies should strengthen controls over travel expenditures by (a) ensuring that travel expenditures are recorded accurately and appropriately on COFRS, that travel reimbursements are recorded in the proper period, and that all other state policies regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) collecting the $50 in overpayments identified in our audit from employees who were overpaid for travel expenditures.	Agree	June 2009
42	184	The Department of Revenue should improve controls over the processing of severance tax refunds by (a) reviewing the current system edits to determine if additional edits are necessary, (b) establishing a secondary review process for refunds released from manual review, and (c) reviewing its current established threshold for severance tax refunds for efficiency and accuracy.	Agree	a. July 2009 b. November 2008 c. July 2009
43	188	The Department of Revenue should improve internal controls over cash receipts, Motor Vehicle payments, and confidential data by (a) establishing a tracking process for the transfer of Motor Vehicle payments and other confidential documents between the Sherman Street Annex and the Pierce Street office which includes requiring multiple employee signoffs at each location and requiring that all bags transferred between locations be locked until they reach their destination; (b) implementing policies limiting the amount of cash that can be maintained in cashier drawers at driver's license offices, requiring a more timely collection of daily Motor Vehicle payments by an armored vehicle, and prohibiting driver's license staff from counting cash receipts at publicly accessible counters; (c) ensuring existing policies regarding physical access controls over secured areas and cash receipt drawers are followed; and (d) adding additional security at the driver's license offices, including locked safes and security cameras in offices where cash receipts are kept.	a. Disagree b. Agree c. Agree d. Agree	a. Not Applicable b. January 2009 c. January 2009 d. When funding becomes available.

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
44	194	The Department of Revenue should strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by (a) immediately addressing the network and configuration management issues we identified in the audit and provided to the Department under separate cover; (b) developing and implementing a formalized application development and change management process for its mainframe-based applications; (c) performing regression and user acceptance testing on changes to source code prior to moving the code into production; (d) identifying the production libraries containing the source code for the mainframe-based applications and ensuring access to those libraries is limited; (e) requiring management to perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production; and (f) developing and implementing a formalized user access management program, including periodically producing and reviewing a list of current system users and linking the human resources and user access management functions.	Agree	a. June 2009 b. June 2011 c. June 2011 d. June 2009 e. June 2009 f. December 2009
45	198	The Department of Revenue should improve controls to ensure that data is safeguarded by prohibiting access to the data by nonessential staff members.	Agree	June 2009
46	200	The Department of Revenue should strengthen controls over electronic fund transfer (EFT) payments by implementing a secondary review over the EFT reconciliation process, including supporting documentation, to identify and correct any errors in a timely manner.	Agree	March 2009
47	202	The Department of Revenue should ensure compliance with its policy requiring employees to sign and submit annual Statements of Understanding to the Department's Office of Human Resources by implementing an automated system for tracking signed Statements and continuing to improve its process for notifying supervisors of missing Statements.	Agree	October 2008
48	204	The Department of Revenue should improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by strengthening its review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.	Partially Agree	June 2009

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
49	206	The Department of Revenue should improve its internal controls over purchasing cards by ensuring that (a) required forms are obtained and completed prior to card issuance and (b) required supporting documentation is completed and has been properly reviewed and approved.	Agree	January 2009
50	213	The Office of the State Treasurer should clarify existing policies and procedures over unclaimed securities to address (a) how the best interest of the State is determined when making decisions about whether or not to sell unclaimed securities; (b) how reasonable action to sell a security will be documented, if a decision is made to sell a security; and (c) how often the inventory of unclaimed securities will be reviewed to determine if a security should be sold and how the review will be documented.	Agree	February 2009
51	223	The Department of Transportation should ensure the accounting system is properly applying deferred revenue against accounts receivable by reviewing all deferred revenue balances at fiscal year-end and making adjustments as necessary.	Agree	June 2010
52	224	The Department of Transportation should improve fiscal year-end procedures to ensure all grant revenue is properly recorded by providing additional staff training, and adequately supervising and reviewing staff's work.	Agree	June 2009

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
Federal Award Findings				
53	229	The Department of Health Care Policy and Financing should improve controls over its Medicare Supplementary Medical Insurance Benefit Program (SMIB) to ensure that federal reporting and reimbursements are accurate and properly supported by (a) documenting policies and procedures related to the SMIB program, including reporting and accounting responsibilities, (b) ensuring staff are cross-trained in program and accounting areas and that supervisors perform adequate reviews; (c) performing adequate testing of new systems to ensure they are operating as intended prior to implementation; and (d) working with the Centers for Medicare and Medicaid Services to resolve amounts that were overbilled to the federal government.	Agree	June 2009
54	233	The Department of Health Care Policy and Financing should ensure that all program processing guidelines for eligibility are met by (a) initiating a Colorado Benefits Management System (CBMS) change request to ensure that the Exceeding Processing Guidelines report accurately reflects all cases exceeding program processing guidelines, (b) monitoring and utilizing CBMS reports to identify long-term-care cases exceeding processing guidelines, and (c) working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness to ensure that new cases and redeterminations for Medicaid and State Children's Health Insurance Program are processed within state and federal guidelines.	a. Partially Agree b. Agree c. Agree	a. Ongoing b. June 2009 c. June 2009
55	236	The Department of Health Care Policy and Financing should ensure that CBMS issues discussed in this finding are addressed and that Medicaid eligibility is terminated in a timely manner when individuals are no longer eligible for the program by (a) ensuring that county departments of human/social services and Medical Assistance sites address all CBMS alerts in a timely manner and (b) using existing eligibility determination monitoring procedures to identify additional inappropriate Medicaid payments related to timeliness of eligibility determination and following up on problems identified, as appropriate.	Agree	a. Ongoing b. October 2009
56	240	The Department of Health Care Policy and Financing should ensure that case file documentation for the Medicaid and Children's Basic Health Plan programs is adequate to support all eligibility determinations by complying with established monitoring procedures to ensure that required eligibility information is contained in county case files and that CBMS accurately reflects the documents in the case file.	Agree	Ongoing

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
57	243	The Department of Health Care Policy and Financing should improve controls over Medicaid and Children's Basic Health Plan program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of human/social services and Medical Assistance sites to institute effective supervisory review processes over data entry into CBMS and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS at counties and Medical Assistance sites.	Agree	Ongoing
58	245	The Department of Health Care Policy and Financing should improve controls over Medicaid payments related to deceased individuals by (a) investigating and implementing automated links or matches on a regular basis between CBMS and other state or federal death record databases that would eliminate the manual processes of reporting and recording deaths of Medicaid beneficiaries that are currently required of caseworkers and facilities and (b) continue seeking reimbursement from providers for erroneous payments for services provided after date of death.	Agree	Implemented and Ongoing
59	247	The Department of Health Care Policy and Financing should ensure that county departments of human/social services are addressing Income, Eligibility, and Verification System data discrepancies within 45 days of receiving notification, including those related to Department of Labor and Employment data, as required by federal regulations and in accordance with its State Plan filed with the federal government.	Agree	June 2009
60	250	The Department of Health Care Policy and Financing should improve the Medicaid Eligibility Quality Control (MEQC) system by (a) ensuring that county departments of human/social services and Medical Assistance sites respond to findings and that corrective action plans adequately address deficiencies identified, (b) performing follow-up and recovery on any improper payments identified as a result of the MEQC process, and (c) ensuring that pilot program reporting requirements are met.	a. Agree b. Partially Agree c. Partially Agree	a. Implemented and Ongoing b. May 2009 c. Implemented

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
61	253	The Department of Health Care Policy and Financing (HCPF) should improve user access controls over the Medicaid Management Information System (MMIS) by (a) evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users; (b) establishing a written procedure that HCPF IT security staff follow when MMIS access is requested; (c) ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls; and (d) periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel and Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.	Agree	June 2009
62	256	The Department of Health Care Policy and Financing should improve controls over subrecipient monitoring for the Medicaid and the State Children's Health Insurance programs by (a) implementing written policies and procedures for conducting and documenting reviews of subrecipients, (b) conducting timely and appropriate follow-up on all audit findings in subrecipient audit reports within six months after receipt of the reports, and (c) requiring all subrecipients with federal expenditures of $500,000 or more within a fiscal year to provide annual audits performed in accordance with *Circular A-133* requirements.	Agree	a. Implemented and Ongoing b. October 2009 c. June 2009
63	259	The Department of Health Care Policy and Financing should improve internal controls related to cash receipts by (a) developing and implementing written policies and procedures for receiving and depositing checks including stamping the date received on each check, developing a reconciliation process between checks received and amounts deposited with the State Treasury, and establishing additional procedures to track checks received; (b) keeping the checks received at the front desk in a locked area; (c) restricting access to the mail room; and (d) depositing all checks in a timely manner, consistent with state requirements.	a. Agree b. Agree c. Partially Agree d. Agree	a. March 2009 b. December 2008 c. December 2008 d. March 2009
64	262	The Department of Health Care Policy and Financing should improve controls over updating Medicaid provider licenses in MMIS by (a) ensuring that all Medicaid providers required to have a license have current license information entered into MMIS, (b) continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program, and (c) developing a process for obtaining all current licenses for all out-of-state providers.	Agree	a. June 2009 b. December 2010 c. June 2009

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
65	265	The Department of Health Care Policy and Financing should improve its oversight of certifications required for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by (a) maintaining written notification of Colorado Department of Public Health and Environment recommendations to certify or terminate certifications, to document compliance with the interagency agreement and (b) developing and implementing a certification tracking mechanism to monitor and document recommendations for certifications and terminations of certifications.	Agree	Implemented
66	267	The Department of Health Care Policy and Financing should ensure the CMS-64 *Quarterly Expense Report* and the PSC-272 *Quarterly Federal Cash Transaction Report* are accurate and complete prior to submission to the federal government by (a) protecting all supporting spreadsheets from unauthorized access for these reports, (b) ensuring that formulas that are used to perform calculations are appropriate and accurate, and (c) ensuring an adequate review process is in place to review electronic spreadsheet support along with the final reports prior to submission to the federal government.	Agree	a. March 2009 b. June 2009 c. June 2009
67	269	The Department of Health Care Policy and Financing should improve controls to ensure compliance with federal debarment and suspension requirements for all contracts and subawards by reviewing the federal Excluded Parties List System, including a clause regarding suspension or debarment in all Department contracts or obtaining a certification regarding suspension and debarment from the contractor.	Agree	June 2009
68	277	The Department of Health Care Policy and Financing should reduce eligibility-determination errors for Children' s Basic Health Plan (CBHP) by improving oversight and training of eligibility sites. Specifically, the Department should (a) expand efforts to establish a comprehensive program for monitoring the CBHP eligibility-determination process, (b) expand CBHP training and technical assistance provided to eligibility sites to target the key issues identified through the Department's monitoring program, (c) require eligibility sites to improve their quality/supervisory review processes to ensure that workers correctly enter data into the Colorado Benefits Management System (CBMS) and review and approve CBHP eligibility determinations, and (d) investigate to determine the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct the errors.	Agree	a. November 2008 b. Ongoing c. January 2009 d. July 2008

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
69	282	The Department of Health Care Policy and Financing should improve its monitoring of application processing for the Children's Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should (a) develop reports in the Colorado Benefits Management System (CBMS) and compile statistics on program performance with respect to timely processing of applications; (b) work with the eligibility sites to investigate the underlying factors contributing to processing delays, including the reasons CBHP applications, supporting documentation, or enrollment fees have not been entered or processed in CBMS; (c) further target training and technical assistance to address the underlying problems of late processing; and (d) consider the costs and benefits of expanding the eligibility and enrollment contract on either a permanent or temporary basis to reduce backlogs at the eligibility sites.	Agree	a. December 2008 b. January 2009 c. January 2009 d. July 2009
70	286	The Department of Health Care Policy and Financing should improve the redetermination process and improve retention for the CBHP program by (a) routinely calculating program retention rates and analyzing data on program retention; (b) modifying the redetermination application to clarify the requirements for documentation and reporting of changes in circumstances; (c) beginning to send reminders to families regarding the submission of their redetermination applications as soon as possible; and (d) considering the use of periodic surveys, focus groups, or review of existing research to identify barriers to reapplication, as well as other methods to remind families to reapply, such as those used by other State Children's Health Insurance Program (SCHIP) programs.	Agree	a. July 2008 b. May 2009 c. May 2009 d. October 2009
71	290	The Department of Health Care Policy and Financing should ensure ineligible women and children are properly and timely disenrolled from CBHP. Specifically, the Department should (a) review the 885 individuals identified during our audit who were not disenrolled on time, ensure any ineligible individuals identified through the review have been properly disenrolled, and review and recover payments made for the ineligible individuals; (b) strengthen efforts to ensure that, until the planned changes to CBMS and the Medicaid Management Information Sytem (MMIS) are fully implemented and working properly, participants are disenrolled from CBHP as soon as their eligibility ends; and (c) prioritize changes to MMIS and CBMS to ensure disenrollments occur timely and accurately in the future.	Agree	a. June 2008 b. September 2008 c. May 2008
72	293	The Department of Health Care Policy and Financing should ensure its procedures for approving applicants for CBHP are consistent with federal regulations by continuing to work with the Centers for Medicare and Medicaid Services to ensure the corrective action plan, including both the temporary and permanent procedures for implementing the Deficit Reduction Act as it affects CBHP, is acceptable.	Agree	Ongoing

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
73	302	The Department of Health Care Policy and Financing should improve the accuracy of claims payments for the State Managed Care Network by (a) continuing to work with Anthem to assess the extent of payment errors, such as those identified in this audit and in the external contractor's review, in the Children's Basic Health Plan (CBHP) claims paid in Fiscal Years 2006 and 2007; (b) using this audit and the review recommended in part a to determine the total dollar amount of claims paid in error and seeking recovery of such payments; (c) implementing an on-site review process going forward to assess the Administrative Services Organization (ASO) contractor's: (1) controls to pay and deny claims in accordance with all applicable requirements, and (2) accuracy and timeliness in processing CBHP claims; (d) establishing a process to follow up with the ASO contractor on any problems identified from the on-site claims review process to ensure corrective action is taken; and (e) amending the ASO contract to include a liquidated damages provision for paying claims filed by providers after the established deadlines and paying claims without having negotiated with non-participating providers.	Agree	a. Ongoing b. January 2009 c. July 2010 d. Implemented and Ongoing e. January 2009
74	308	Colorado State University - Pueblo should implement procedures to ensure that there is documented proof that the notifications to students and parents regarding disbursement of federal financial aid required by federal regulations is maintained.	Agree	Implemented
75	310	The University of Northern Colorado should improve procedures to ensure that pertinent data affecting the calculation for the return of Title IV funds is input correctly and the amount to be returned to the lender is computed accurately.	Agree	June 2009
76	312	The Colorado School of Mines should verify that entities are not suspended or debarred or otherwise excluded from contracting for work involving Federal funds and documentation should be maintained to support such verification procedures for covered transactions.	Agree	July 2008
77	313	The Colorado School of Mines should ensure that its existing policy for documenting approval of cost transfers to federal research and development projects be strictly adhered to prior to recording accounting entries for such cost transfers.	Agree	January 2009
78	315	The Colorado School of Mines should ensure proper policies and procedures are in place to determine that data reported in the National Student Loan Data System Enrollment Timeline matches the students' academic files and if discrepancies are noted, that such discrepancies are reported timely.	Agree	June 2009

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
79	318	The Colorado Community College System should work with Colorado Northwestern Community College (CNCC) and Trinidad State Junior College (TSJC) to enhance procedures to comply with return of Title IV requirements by (a) ensuring all students who are subject to a postwithdrawal disbursement receive notification within the required time frame of 30 days, (b) requiring reviews of return of Title IV calculations, and (c) establishing procedures to ensure that withdrawal dates of students are determined timely and the return is made no later than 45 days after the date of this determination.	*CNCC:* Agree *TSJC:* Agree	*CNCC:* September 2008 *TSJC:* March 2009
80	319	The Colorado Community College System should work with the Community College of Denver (CCD), Colorado Northwestern Community College (CNCC), and Trinidad State Junior College (TSJC) to implement monitoring procedures over the verification process.	*CCD:* Agree *CNCC:* Agree *TSJC:* Agree	*CCD:* November 2008 *CNCC:* October 2008 *TSJC*: November 2008
81	322	The Colorado Community College System (CCCS) should improve its subrecipient monitoring for the Perkins program 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) perform periodic site visits based upon the risk-based approach to ensure 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; (c) 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; and (d) provide adequate oversight and supervisory review of the Perkins monitoring process.	Agree	June 2009
82	328	The Department of Human Services should ensure that applications for Food Stamps and Temporary Assistance for Needy Families/Colorado Works benefits are processed within federal and state guidelines.	*Food Stamps:* Agree *TANF:* Agree	*Food Stamps:* Implemented *TANF:* Implemented and Ongoing

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
83	332	The Department of Human Services should continue to work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies for the Temporary Assistance for Needy Families/Colorado Works program within 45 days as required by federal and state regulations.	Agree	April 2009
84	335	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) continuing to use existing monitoring procedures to ensure that required eligibility information is contained in county case files; (b) continuing to provide training to ensure that county departments of human/social services are aware of the types of eligibility information that should be maintained in case files; and (c) continuing to communicate timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.	Agree	Implemented and Ongoing
85	337	The Department of Human Services should ensure it has adequate management tools to monitor for compliance with federal requirements for the Temporary Assistance for Needy Families program by (a) developing a reporting function for extracting and compiling information contained within the Colorado Benefits Management System (CBMS) for Income, Eligibility and Verification System and accounting-related data and (b) reviewing reports monthly to identify discrepancies, monitor for federal compliance, and take appropriate action.	*TANF:* Agree Division of Accounting: Agree	a. December 2008 b. February 2009 a. Not applicable b. September 2009
86	341	The Department of Human Services should take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	Agree	December 2009
87	343	The Department of Human Services should ensure that Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	Agree	December 2009
88	345	The Department of Human Services should work with the county departments of human/social services to (a) ensure that they address Income, Eligibility, and Verification System (IEVS) data discrepancies for the Food Stamps Program within 45 days, as required by federal and state regulations and (b) properly dispose of or clear IEVS "hits" from the CBMS system when caseworkers have fully investigated the IEVS discrepancies.	Agree	Implemented and Ongoing

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
89	348	The Department of Human Services should strengthen controls over the Low Income Energy Assistance Program (LEAP) by (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required; (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files; (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process; and (d) instituting a programming change to the LEAP system documenting when a change occurs to Estimated Home Heating Cost by including record of the initial heat costs.	Agree	September 2009
90	352	The Department of Human Services should ensure it is in compliance with federal Disability Determination Services (DDS) reporting requirements by (a) ensuring that staff preparing federal DDS reports are adequately trained, (b) ensuring that adequate supervisory reviews are in place for all aspects of the federal reporting process to identify the kinds of errors we identified in our audit, and (c) improving communication between DDS program and accounting staff to ensure reports adhere to the Social Security Administration requirements.	Agree	September 2008
91	355	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over the Colorado Benefits Management System (CBMS) user access by (a) identifying and documenting CBMS user profiles that, when combined, provide incompatible system privileges; (b) communicating the list of incompatible CBMS user profiles to the appropriate staff; (c) reviewing existing CBMS users and removing all unnecessary incompatible profiles; (d) implementing a process to periodically review and certify the appropriateness of CBMS user access levels; and (e) reviewing those IT staff with update access to CBMS production data to determine if such access is necessary.	*HCPF:* Agree *DHS:* Agree	*HCPF:* a. June 2009 b. August 2009 c. December 2009 d. August 2009 e. July 2009 *DHS:* a. June 2009 b. August 2009 c. December 2009 d. August 2009 e. July 2009

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
92	358	The Department of Human Services should strengthen controls over the Title IV-E Foster Care program by (a) conducting ongoing monitoring to ensure that county case files contain required information and adequately support eligibility determinations and (b) ensuring that county personnel are properly trained on Title IV-E case file documentation requirements and HB 06S-1023 requirements.	Agree	Implemented and Ongoing
93	360	The Department of Human Services should improve oversight of child placement agencies for the foster care program by (a) establishing risk-based schedules for licensing and monitoring child placement agencies, (b) establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation, and (c) evaluating current licensing and monitoring procedures to identify and eliminate duplication.	Partially Agree	March 2009
94	371	The Department of Human Services should improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by (a) clarifying to the counties that three months of income documentation are necessary to verify irregular income for CCCAP applicants, (b) ensuring that counties maintain complete documentation to support income and parental fee calculations, (c) developing a standard income and parent fee calculation form to be used by counties and providing training to implement the tool, (d) strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in this report, and (e) implementing a rule requiring counties to verify county residency for CCCAP applicants.	Agree	a. July 2009 b. July 2009 c. July 2009 d. July 2009 e. April 2009
95	375	The Department of Human Services should improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within Child Care Automated Tracking System (CHATS) by (a) developing rules governing the acceptable reasons for overrides and documentation required at the counties to support them; (b) requiring that the counties establish supervisory review and approval for all overrides; (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides; (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system; (e) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up; and (f) following up on information provided to the Department from our audit on the high rate of overrides within one county.	Agree	a. June 2009 b. July 2009 c. July 2009 d. August 2010 e. April 2009 f. September 2008

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
96	383	The Department of Human Services should ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by (a) promulgating rules to clarify that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities, (b) working with counties to improve the counties' internal control systems, (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors, and (d) requiring that counties submit corrective action plans to address problems identified in part "c" and following up on these plans as appropriate.	Agree	a. June 2009 b. June 2009 c. July 2009 d. July 2009
97	385	The Department of Human Services should ensure that county departments of human/social services do not pay Colorado Child Care Assistance Program providers higher rates than those charged to private-pay customers by (a) working with the counties to develop policies and procedures for periodically checking whether providers are charging counties higher rates than the providers charge private-pay customers and monitoring implementation of these procedures and (b) requiring those counties identified to follow up with the providers at risk of receiving overpayments to determine if recoveries should be made from the providers.	Agree	April 2009
98	388	The Department of Human Services should improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews, (b) providing guidance to the counties on how to select samples of providers' attendance sheets for the reviews, and (c) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	Agree	a. July 2009 b. April 2009 c. June 2009

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
99	392	The Department of Human Services should improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary by (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider, (b) requiring Prowers County to immediately renegotiate the current slot contract between Prowers County and its county-owned child care center to ensure that the contracts do not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable, and (c) considering increasing its audit coverage of Prowers County using the Department's Audit Division and current resources until the problems with its county-owned child care center have been resolved.	Agree	a. July 2009 b. January 2009 c. July 2009

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
100	394	The Department of Human Services should improve controls over county slot contracts under the Colorado Child Care Assistance Program by (a) considering revising its method for measuring slot usage to better reflect the reasonableness of the amount of care being provided, (b) establishing methods to ensure that county departments of human/social services can pay providers multiple slot rates until and after the Child Care Automated Tracking System is replaced, and (c) consistently following current Department policy to review and approve county slot contracts to verify that the rates meet federal and state requirements for reasonableness and do not exceed providers' private-pay rates.	Agree	a. July 2009 b. August 2010 c. January 2009
101	399	The Department of Human Services should improve its oversight of quality initiative spending by county departments of human/social services by (a) instituting a regular review of a sample of quality initiative transactions from all counties to determine if these transactions comply with all applicable requirements; (b) auditing the $2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements; (c) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately; (d) ensuring that guidance given to counties about the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements; and (e) clarifying whether administrative expenses and paying for the expenses of other programs like Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for these expenses.	Agree	a. June 2009 b. June 2009 c. April 2009 d. April 2009 e. April 2009
102	405	The Department of Labor and Employment should establish procedures to ensure compliance and consistency with the Cash Management Improvement Act and federal grant cash management requirements.	Agree	March 2009
103	406	The Department of Labor and Employment should ensure time sheets for salaries and wages charged either directly or indirectly to federal programs are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing certifications by both the employee and supervisor prior to issuing payments.	Agree	December 2008

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
104	408	The Department of Labor and Employment should improve controls over federal reporting by instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation.	Agree	May 2009
105	411	The Department of Public Health and Environment should contact the United States Department of Agriculture, Food and Nutrition Services, to request that future grant funding award documents reflect the correct program.	Partially Agree	September 2008
106	414	The Department of Public Health and Environment should ensure that future discrepancies in federal grant information are investigated and addressed and that any required changes are communicated timely to subrecipients.	Partially Agree	January 2009
107	416	The Department of Public Health and Environment should thoroughly review subrecipient's Office of Management and Budget (OMB) *Circular A-133* audits and clearly document whether any deficiencies pose a risk to the Department's administration of federal grants.	Partially Agree	January 2009
108	420	The Office of the State Treasurer should ensure the Treasurer-State Agreement under the Cash Management Improvement Act (CMIA) accurately reflects programs subject to CMIA annually by ensuring programs in the same CFDA number are combined when evaluating expenditures against the required threshold.	Agree	September 2008
109	424	The Department of Transportation should track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have $500,000 or more in federal funds as required by OMB *Circular A-133*.	Agree	December 2009

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 Colorado Correctional Industries (CCI). The canteens provide various personal items for purchase by inmates, including hygiene items, snack foods, and phone services. CCI operates businesses that employ inmates, including furniture manufacturing facilities, metal fabrication, security cells and furnishings, modular office systems, garment shops, 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 2008 appropriation was 6,311 full-time equivalent staff and $709.5 million, of which $623.6 million, or 88 percent, was general funds. Administrative offices for the Department are located in Cañon City, Colorado and Colorado Springs, Colorado. During Fiscal Year 2008, DOC owned and operated 22 of the State's 28 correctional facilities. State-owned correctional facilities are located throughout Colorado and include sites in Buena Vista, Cañon 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, Walsenburg, and Brush. DOC contracts with various counties or cities, which in turn subcontract with private firms, to provide correctional services at most of these facilities, with the exception of the pre-release facility located in Colorado Springs which is a direct contract with the operator. During the latter part of Fiscal Year 2008, the Department transferred offenders from an out-of-state privately owned and operated prison in Sayre, Oklahoma back to facilities located in Colorado.

A high security prison (Colorado State Penitentiary II) is being constructed at the East Cañon City Complex. CCI is making 967 steel cells at its metal shop for this project. The facility is needed due to the State's growth in prison population. This facility is expected to be completed in the spring of 2010.

The following comments were prepared by the public accounting firm BKD, LLP, which performed Fiscal Year 2008 audit work at the Department of Corrections.

Inventories

Department of Corrections' (DOC) inventories as of June 30, 2008, totaled approximately $18.2 million and are comprised of supplies ($5.1 million), resale inventories ($0.5 million), raw materials ($5.8 million), work-in-progress ($2.4 million), finished goods ($2.8 million) and livestock ($1.6 million). Inventories include, among other things, dairy herd and dairy supplies, manufactured furniture, manufactured garment products, manufactured metal products, manufactured leather products, pharmacy items, inmate uniforms and canteen supplies. Colorado Correctional Industries' (CCI) inventories represent approximately $13 million (71 percent) of total inventories as of June 30, 2008.

Forty three percent of CCI's programs (manufacturing and non-manufacturing) maintain book inventory using a perpetual inventory system whereby additions to and deletions from inventory are recorded as they occur. CCI performs periodic physical counts of its inventory, including a year-end physical count, in order to adjust quantities on its books to the physical count, as applicable. CCI also adjusts cost recorded in its inventory system by multiplying the number of units, by inventory item, per the physical count by the unit cost for each item. Unit cost amounts for work-in-progress and finished goods include a CCI allocation of manufacturing overhead and indirect labor costs. CCI provides detailed instructions for performing physical count procedures to all count supervisors prior to the count teams' performance of count procedures.

Many of the tasks related to maintenance of CCI's inventory recordkeeping system are performed by inmates, including performing physical counts and performing costing of the inventory.

We independently observed CCI's year-end inventory count procedures at the Fremont Correctional Facility's Furniture Factory (the Factory), located in Cañon City, Colorado, and performed test counts for purposes of verifying the accuracy of CCI's physical count results. We judgmentally selected 30 inventory items for testing including raw materials, work-in-progress, and finished goods. Our procedures included tracing 15 items located on the Factory floor to the inventory listing and tracing 15 items from the inventory listing to the items located on the Factory floor. The results of our test counts were as follows:

Total inventory items tested	30
Total number of exceptions	11
Total dollar valuation of sample tested	$79,314
Total dollar valuation of errors noted	$1,061
Dollar valuation error percentage	1.34%
Error percentage of items tested	36.67%

Of the 11 exceptions noted, two were for items that were listed on the book inventory but could not be located, one had been recorded at the incorrect unit measure and eight had been miscounted during the physical inventory.

Additionally, we compared the detailed inventory listing prepared by CCI of its Factory raw materials inventory as of June 30, 2008, to its Factory raw materials detailed inventory listing as of April 30, 2008, and noted an increase of approximately $2.8 million from April 30, 2008, to year-end, from approximately $900,000 to $3.7 million.

Based on the results of our inventory observation procedures and the significance of the disparity between the April 30, 2008, and year-end detailed inventory listings for raw materials, we requested that CCI recount its Factory raw materials inventory at year-end, which CCI did.

We tested 15 additional raw material inventory items after the recount with the following results:

Total inventory items tested	15
Total number of exceptions	1
Total dollar valuation of sample tested	$21,413
Total dollar valuation of errors noted	$135
Dollar valuation error percentage	0.63%
Error percentage of items tested	6.67%

The exception noted had been miscounted.

As a result of the recount, the Factory's raw materials inventory valuation decreased by approximately $2.8 million from $3.7 million prior to the recount to approximately $949,000 after the recount. The preliminary raw material inventory overstatement was the result of inaccurate counts of individual items and incorrect unit of measure quantities used to value the raw material inventory. Lack of supervision of inmates performing the counts and assigning unit of measure quantities to individual inventory items was the principal cause of the inaccuracies going undetected by CCI.

Additionally, CCI allocates manufacturing overhead and indirect labor costs to work-in-progress and finished goods inventory based on historical cost. However, CCI has not recently used current direct labor costs and indirect labor costs to calculate the cost allocation for indirect labor, nor has it recently used current cost information in calculating manufacturing overhead, that is comprised of personal services, operating expenses and depreciation as a function of direct labor costs. Cost data for various elements of the indirect costs and manufacturing overhead allocations of the Factory have not been updated for an estimated five to seven years.

For CCI's physical inventory count procedures and subsequent costing of the inventory to be effective, procedures performed by inmates must be reviewed by CCI personnel to determine that all required procedures are performed and that such procedures are performed accurately. Additionally, costs used in calculating indirect cost allocations for work-in-progress and finished goods inventory must reflect current actual cost data in order to accurately assign such costs to year-end inventory.

(Classification of Finding: Control Deficiency.)

Recommendation No. 1:

The Department of Corrections should ensure that adequate supervisory review procedures are performed in connection with all aspects of the maintenance of Colorado Correctional Industries' (CCI) inventory system, including maintaining perpetual inventory records, conducting physical inventory counts, and costing inventory items. Additionally, in order to accurately value inventory at year-end and cost of goods sold for the fiscal period, the Department should improve the accuracy of CCI indirect cost allocations for all programs by determining the actual cost of indirect labor and manufacturing overhead no less frequently than annually and using current costs to value inventories.

Department of Corrections Response:

Agree. Implementation date: June 1, 2009.

The $2.8 million raw material variance as noted by the auditors occurred when their comparison was made between the values from a preliminary monthly inventory report and inventory values that were accepted and processed previously by CCI from a prior month's report. Inventory values from preliminary reports are not accepted and recorded onto the COFRS accounting system until the data has been considered reflective of the revenue production efforts for the period affected, as they relate to cost of

goods sold (cost of goods sold as a percent of sales) and inventory turn frequency. CCI strongly believes that adequate existing internal controls are in place which would have identified such a large inventory variance as noted by the auditors and that the inaccuracy would not have gone undetected prior to entry onto COFRS. CCI will continue to monitor its perpetual inventory process test counts and value extensions with on-site supervision and review by shop staff members. All CCI inventory cost allocations including indirect labor and manufacturing overhead will be reviewed and updated at least annually using current costs to value inventories.

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Department of Education

Introduction

Article IX of the Colorado Constitution places responsibility for the general supervision of the State's public schools with the Colorado State Board of Education (the Board). The Board appoints the Commissioner of Education to oversee the Department of Education (the Department) which serves as the administrative arm of the Board by providing assistance to 178 local school districts and the Charter School Institute and implementing administrative rules. The Department's Fiscal Year 2008 appropriation was approximately $4.1 billion with 306 full-time equivalent staff, or FTE. Of this amount $2.7 billion, or 66 percent, was general funds.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed the audit at the Department of Education for Fiscal Year 2008.

State Board of Education Expenditures

The Board is composed of seven elected officials representing Colorado's seven congressional districts. Board members serve for six-year terms. Every other year the State Board, with the exception of the Commissioner of Education who acts as non-voting secretary to the Board, elects a chairman and vice-chairman from its own membership. The Board's mission is to provide all of Colorado's children equal access to quality, thorough, uniform, well-rounded educational opportunities in a safe and civil learning environment, with a vision that all children in Colorado will become educated and productive citizens. Under Colorado law, the Board has a duty to promulgate and adopt policies, rules, and regulations concerning general supervision of the public schools, the Department of Education, and educational programs maintained and operated by all state governmental agencies for persons who have not completed the twelfth-grade level of instruction.

According to Article IX, Section 1 of the Colorado Constitution: "The members of said Board shall serve without compensation, but they shall be reimbursed for any necessary expenses incurred by them in performing their duties as members of said Board." Expenditures incurred by the State, including Board members, are subject to State Fiscal Rules. As stated in Fiscal Rule 5-1, Board members may be reimbursed for reasonable, actual, and necessary expenses incurred in the performance of their duties. Board members may also be reimbursed for childcare

services. The chief executive officer, or delegate, of the state agency shall determine the need for childcare reimbursement.

Board expenses are either paid directly by the Department or are paid by the Board members who are reimbursed by the Department. The Director for State Board Relations is responsible for reviewing and approving payment for any expenses incurred by the Board that will be paid directly by the Department.

For reimbursements not to be considered taxable income to the Board members, all documentation necessary to qualify as an accountable plan, as defined by the Internal Revenue Service (IRS), must be obtained by the Department. Necessary documentation includes an itemized receipt showing the amount, date, place, and essential character of the expense and a written description of the business purpose. Reimbursement requests must be submitted to the Department within 60 days after they were paid or incurred. Board members must return any reimbursement that exceeds expenses incurred within a reasonable period of time. Expenses that will not be reimbursed include: alcoholic beverages, entertainment expenses, personal hygiene items, travel insurance, traffic fines and parking tickets, political expenses, magazines, and newspapers. All supporting documentation obtained by the Department relating to reimbursement payments are considered public records and are available for inspection by any person.

Below is a chart containing the total amount of Board expenses, including amounts reimbursed to Board members, incurred during Fiscal Year 2004 through Fiscal Year 2008:

Colorado Department of Education
Expenditures of the State Board of Education
Fiscal Years 2004 through 2008

Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Total Board Expenses
$328,462	$345,093	$343,477	$287,708	$273,461	$1,578,201

Source: BKD, LLP, analysis of Board expenditures.

We tested four of the Board's 44 expense categories for compliance with State Fiscal Rules for Fiscal Years 2007 and 2008. The four categories tested were: in-state travel/non-employees, out-of-state travel/non-employees, official functions, and customer workshops. We selected a sample of expenses for each of the four expense categories as indicated in the following table. The total value of the expenses we tested was $132,234. Included in the total were expenses for each Board member

and expenses not attributable to a specific Board member, such as expenses incurred by Board staff. Sample sizes were determined by the scope of 30 items or 20 percent of the total population, whichever was less, for each expense category from February 2, 2006 (the point at which policies and procedures relating to Board expenses were implemented) through June 30, 2008. The number of items selected from each fiscal year was determined by allocating the total sample amount based on each fiscal year's total expenditures. The chart below contains the number of samples and the values selected from each fiscal year for each expense category:

Colorado Department of Education
Expenditures of the State Board of Education
Number and Value of Items Tested
Fiscal Years 2007 and 2008

Expense Category	Fiscal Year 2007 Number of Items Tested	Fiscal Year 2007 Value Tested	Fiscal Year 2008 Number of Items Tested	Fiscal Year 2008 Value Tested	Total Items Tested	Total Value Tested
In-State Travel	16	$34,509	14	$28,549	30	$63,058
Out-of-State Travel	6	14,132	5	13,970	11	28,102
Official Functions	5	10,347	5	3,744	10	14,091
Customer Workshops	17	16,767	4	10,216	21	26,983
Totals	**44**	**$75,755**	**28**	**$56,479**	**72**	**$132,234**

Source: BKD, LLP, analysis of Board expenditures.

We found no exceptions in the 72 expenditures tested in the four expense categories. On the basis of the documentation reviewed, all expenditures tested were for official state business and were deemed to be actual, reasonable, and necessary. All tested payments made directly on behalf of the Board by the Department were approved by the Director for State Board Relations or another authorized signer. All reimbursements tested were supported by documentation, including copies of itemized receipts and expense reimbursement forms, and complied with IRS guidelines for an accountable plan.

Although we did not identify any exceptions during testing, we did note one unusual item. Specifically, in 2007 a party was held for a departing Board member and some of the party expenses were inadvertently paid for by the Department. However, the

Board member subsequently reimbursed the Department after the error was discovered by Department staff. No similar expenses were noted in the remaining items tested.

No recommendation is made in this area.

Office of the Governor

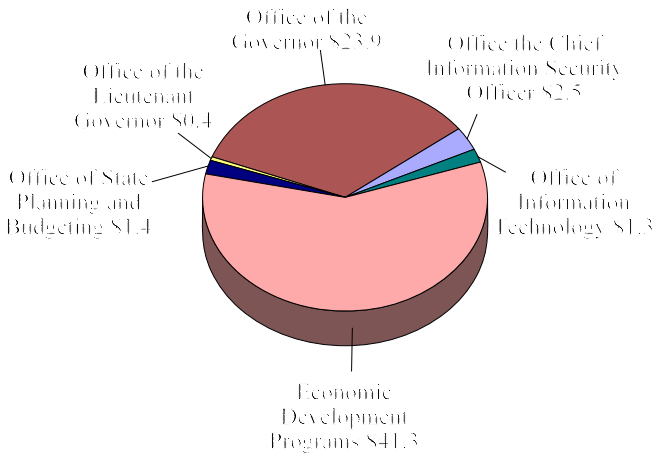
Introduction

The Office of the Governor is responsible for carrying out the directives of the Governor of the State of Colorado. The Office of the Governor comprises twelve offices, including the following:

- Office of Workforce Development
- Office of State Planning and Budgeting
- Office of Homeland Security
- Citizens' Advocate Office
- Office of the Chief Information Security Officer (also known as Office of Cyber Security)
- Office of Information Technology

In Fiscal Year 2008 the Office of the Governor was appropriated approximately $70.8 million, with 121.5 full-time equivalent staff, or FTE. The following chart shows the Office of the Governor appropriations for Fiscal Year 2008 by major administrative sections:

Office of the Governor
Fiscal Year 2008 Appropriations by Administrative Section
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Exhibit Preparation

At the end of each fiscal year, the Office of the State Controller (OSC) requires that each department submit financial and financial-related information that aids the preparation of the State's financial statements and footnote disclosures in accordance with generally accepted accounting principles. The OSC requires that all departments submit this information on uniform reports, or "exhibits."

During Fiscal Year 2008, we reviewed exhibits that had been prepared and submitted to the OSC by the Office of the Governor (Office). We identified errors and/or omissions on three of the 15 exhibits (20 percent) submitted by the Office. Specifically, we identified the following problems:

- **Schedule of Changes in Capital Assets (Exhibit W1)**. This exhibit is used to report changes in capital assets owned or used by governmental funds and internal service funds. We found that the Office incorrectly reported amounts for accumulated depreciation for equipment as accumulated depreciation for leasehold and land improvements.

- **Schedule of Federal Assistance (Exhibit K)**. This exhibit is required for preparing the Statewide Schedule of Expenditures of Federal Awards (SEFA). During our audit, we found that the Office submitted Exhibit K's to the OSC for two of its 11 agencies that contained beginning balances that did not tie to the prior year's ending balances.

The Office corrected and resubmitted each of the exhibits to the OSC prior to the issuance of the State's Comprehensive Annual Financial Report.

These errors indicate that the Office does not have an adequate supervisory review process over the submission of exhibits. While the Agency has procedures in place to ensure individual transactions are reviewed, the Office should improve procedures to adequately ensure that the overall compilation of accounting information is accurate and complete. The Office should strengthen its internal controls over financial reporting to ensure that the amounts reported and disclosures made to the OSC and included in the State financial statements are materially correct and complete.

(Classification of Finding: Control Deficiency.)

Recommendation No. 2:

The Office of the Governor should improve its internal controls over financial reporting by ensuring that exhibits are adequately reviewed by a supervisor prior to submission to the Office of the State Controller and that any errors identified are corrected.

Office of the Governor Response:

Agree. Implementation date: December 2008.

While the procedure to more carefully review exhibits will begin immediately, on a practical level exhibits are generally prepared and submitted at fiscal year end therefore the results of the new procedures will not be realized until beginning August 2009.

More careful exhibition preparation procedures should be implemented at the Office of Economic Development and International Trade to ensure accuracy of information presented. In addition, all exhibits should be reviewed by the Chief Financial Officer (CFO) of the Office of the Governor or the person so delegated by the CFO of the Office of the Governor before submission to the Records and Analysis section of the Office of the State Controller.

Expenditures Controls

State agencies are responsible for having adequate controls in place to ensure compliance with laws and regulations and with management's objectives. Within the Office of the Governor (Office), accounting staff are responsible for performing all accounting-related functions, including the processing of expenditure transactions to ensure that payments are appropriate, supported by invoices and/or other documentation, properly coded, and processed timely.

As part of our audit, we tested the Office's internal controls over the processing of payment transactions. Specifically, we tested a sample of 60 expenditure transactions and noted that the Office paid one invoice for $19,200 twice–once in February 2008 and once in May 2008. Based on further discussions with the Office, we found that in February, Office staff recorded the invoice number incorrectly on the Office's payment voucher form. As a result, Office staff processed and paid the same invoice again in May because Office staff were unable to determine that a payment had been made for the invoice based on its number. The payment voucher

form is a summary worksheet that Office staff used to record information from invoices before entering the information into the State's accounting system, COFRS. The Office discontinued the use of the payment voucher form described above in late Fiscal Year 2008 and began entering information from invoices directly into COFRS in order to reduce the possibility of data entry errors.

The Office has a review process in place over payment transactions, and the process includes a review of supporting documentation. However, the error we identified indicates that this review process is lacking. An inadequate review of financial information increases the risk that inappropriate payments will be made. Therefore, the Office should strengthen its supervisory review procedures over payments to ensure that invoices are paid appropriately.

(Classification of Finding: Control Deficiency.)

Recommendation No. 3:

The Office of the Governor should improve controls over expenditures by strengthening its supervisory review process to ensure that duplicate payments are not made and follow up on the duplicate payment identified during the audit.

Office of the Governor Response:

Partially agree. Implementation date: Implemented.

The circumstances in which two checks were issued for the same invoice were unusual and are unlikely to recur with process changes implemented in April 2008. The invoice number was incorrectly copied to a payment voucher form. Had this not occurred, the double payment would have been caught. The Office changed procedures before this error was brought to our attention by the Office of the State Auditor. Invoice information is now entered directly into COFRS. As a result of this business process change, the chance for data entry errors has been minimized. In addition, the standard procedure is that invoices are reviewed and approved by the supervisor authorizing the expenditure.

Mainframe Controls

The Governor's Office of Information Technology (OIT) manages the State mainframe computer. The State mainframe houses a number of critical state government applications, including the State's accounting system, COFRS, Colorado Personnel and Payroll System, CPPS, and the Department of Revenue's tax systems. As custodian of the State mainframe, OIT is responsible for the confidentiality, integrity, and availability of the data and systems that reside on it.

OIT has delegated some of the security responsibilities for the State's mainframe to state agency security administrators. Specifically, agency security administrators are responsible for setting up new users, reviewing and acting upon security violation reports, and removing or suspending user IDs belonging to those who no longer need access to the mainframe. Although user ID management is primarily handled at the agency level, OIT maintains responsibility for the overall security of the State mainframe and is therefore responsible for providing adequate guidance and oversight to agency security administrators. It is imperative that OIT staff and agency security administrators work cooperatively to ensure the security of the State mainframe.

We reviewed security over the State's mainframe and found that OIT needs to strengthen several key security controls. Specifically, mainframe user access, as well as access to data sets, is controlled through Top Secret, a commercially developed access control software. Commercial systems such as Top Secret must be securely configured or hardened to ensure that the proper or expected levels of security are achieved. System hardening includes properly configuring the system's security parameters; implementing strong password management controls; removing unneeded services, applications, and IDs; and enabling auditing mechanisms.

We found that OIT has hardened many areas of Top Secret, but should further harden Top Secret in three primary areas. First, we found that OIT does not periodically review the Top Secret security parameters. Rather, OIT has relied on the universal settings of the Top Secret software. Second, we noted that OIT has not configured Top Secret to require that user passwords contain combinations of letters, numbers, and special characters as required by State Cyber Security Policies. Third, according to OIT staff, Top Secret user IDs should automatically suspend after 60 days of inactivity; however, we found that many accounts were set to suspend after 90 days.

We also reviewed the actions taken by agency security administrators with regard to user access management and identified several problems, as described below.

- **Revocation of Access**. We reviewed access to the State mainframe and found that OIT lacks sufficient controls to ensure that user access is

immediately removed upon termination. State Cyber Security Policies require that all system access be removed immediately upon termination of employment or when a change in job responsibility occurs. As of June 17, 2008, there were more than 13,700 active user IDs for the mainframe from 23 state agencies and institutions. Of these IDs, we found 109 assigned to individuals who were no longer employed by the State. We also noted that of these 109 IDs, 64 were used to access the mainframe after the employees' termination dates. We notified OIT of these 64 IDs, and OIT staff reported they could not conduct a more detailed analysis of the access use during the period of our audit. The time these IDs were active and accessed the mainframe after the date of the employees' termination to the date of our review ranged from 15 to approximately 360 days. We identified similar problems during our November 2008 audit of OIT's Data Center and made specific recommendations for ensuring user IDs belonging to terminated users are removed promptly. OIT agreed to implement the recommendations by January 2010.

- **User ID ownership**. To ensure the appropriate level of system accountability and auditability, generally accepted information security standards stipulate that all users and their IT system activities be uniquely identifiable. To achieve this, all users need to be assigned an individual ID and all IDs must have an identified owner. During our review, we noted that since August 2006 agencies have created approximately 4,300 new IDs for mainframe access. Of this total, 5 percent, or 230 IDs, were created as generic IDs. This means that agencies did not designate specific owners for the IDs. It should be noted that we had a similar finding in 2006, and OIT has made significant progress in reviewing and controlling the number of generic IDs since that time. Lack of specific ID designation can undermine security because there is no individual accountability for the activity initiated through them.

- **Access privileges.** Access privileges vary, depending upon the functions a user needs to perform on a specific system. One of the highest levels of access is administrator access. A user with administrator privileges has the ability to modify Top Secret security parameters and create and modify mainframe user IDs. Administrator privileges, if used inappropriately, could severely impact the security of the State's mainframe computer. Generally accepted information security standards and State Cyber Security Policies specify that the number of users with administrator privileges be limited. We reviewed all IDs possessing administrator-level privileges and noted that these privileges are not always restricted to users with an established need. We identified 44 users with administrator-level privileges for whom access was inconsistent with their job duties. Three of these 44 users had escalated

administrator privileges. These three users were OIT enterprise-level staff. These three OIT staff had system privileges greater than those of an agency security administrator and could perform tasks such as shutting down the State's mainframe. This level of access greatly exceeded that necessary for these users to perform their jobs and creates an unnecessary security risk.

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 14 state departments and agencies and institutions of higher education.

Office of Information Technology
System Access Controls
As of June 17, 2008

Agency/ Institution	Total Number of IDs	Control Weaknesses Identified		
		Lack of Access Revocation	Generic User IDs[1]	Users with Inappropriate Administrative Privileges
Health Care Policy and Financing	74		4	
Higher Education	33	2		
Historical Society	4	1		
Human Services	3,990	38	130	3
Judicial	402	4		
Labor and Employment	3,424	28	52	31
Local Affairs	45	1		
Military Affairs	7	2	1	
Office of Information Technology	697	5	9	3
Personnel & Administration	307	1	3	
Public Health and Environment	420	2		
Public Safety	125	3		
Regulatory Agencies	82		1	
Revenue	3,256	22	30	7
Total	**12,866**	**109**	**230**	**44**

Source: Office of the State Auditor analysis of active mainframe user IDs. Only departments with exceptions are listed. Thus, this table does not include all departments.
[1]These are the number of new generic IDs created between August 22, 2006 and June 17, 2008.

Additionally, as part of the Statewide Single Audit for Fiscal Year 2006, we made eight recommendations in a separate, confidential report to OIT to strengthen its controls and comply with statewide policies and procedures related to network security and user access. During our Fiscal Year 2008 audit we assessed the implementation status of these recommendations and found that OIT failed to implement one recommendation. OIT's failure to implement this recommendation increases the risk of unauthorized access to the State mainframe and unintentional disclosure of confidential information. Due to the sensitive nature of the control deficiency, we have provided the details to OIT under separate cover.

Overall, the control deficiencies we identified occurred due to insufficiently trained agency security administrators, a lack of documented procedures and guidelines, and failure by OIT staff to properly configure Top Secret security parameters and oversee the activities of agency security administrators. OIT will need to work closely with agency security administrators to resolve the problems we identified. It is critical that all administrators collectively understand their roles and responsibilities and follow documented information system security procedures.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 4:

The Office of the Governor of Information Technology should strengthen its controls over the State mainframe computer by:

a. Implementing audit recommendations related to network security and user access communicated to OIT in 2006 under separate cover.

b. Periodically reviewing Top Secret security parameters to ensure compliance with best practices and OIT security policies.

c. Ensuring password management controls are in compliance with State Cyber Security Policies.

d. Setting Top Secret security parameters to ensure user IDs automatically suspend after 60 days of inactivity.

e. Establishing policies and procedures for agency security administrators to follow when creating generic IDs.

f. Restricting system administrator-level privileges to those who have a documented business need for such access.

g. Ensuring all mainframe security administrators are properly trained and understand their roles and responsibilities.

h. Overseeing the activities of agency security administrators to ensure compliance with established information system controls and security policies and procedures.

i. Researching instances identified during this audit where user IDs for terminated employees were used after the date of termination and taking action as appropriate.

Office of the Governor of Information Technology Response:

Agree. Implementation date: January 2010.

Ensuring the security of the mainframe computing environment and more specifically, effectively managing Top Secret Security Administration is a priority for the Governor's Office of Information Technology (OIT). As noted by the Office of the State Auditor, Top Secret security has been managed in a distributed environment since inception. Specifically, departmental administrators were responsible for maintaining the integrity of the data sets and user IDs in their purview. OIT has provided high level administration and oversight to the system but the data and application owners at the department level have had the sole responsibility for security at this level.

While OIT still believes that each department has the primary responsibility over granting, monitoring, and maintaining security over their data and applications, we recognize that we are in the best position to ensure statewide compliance with security practices. OIT has kicked off a project to strengthen the Top Secret security posture for the State. This will include targeted training for departmental Top Secret Security Administrators, updated policies and related auditing by OIT to ensure policies are adhered to and additional reporting which departments can utilize. This will ensure the types of issues found during this audit are addressed in a proactive manner.

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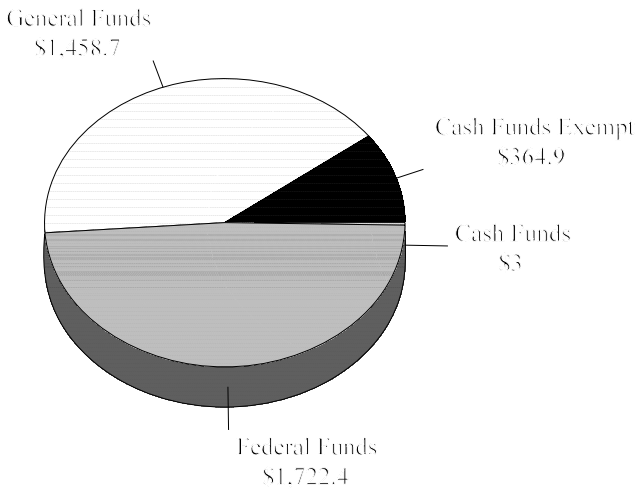
Department of Health Care Policy and Financing

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 federal State Children's Health Insurance Program, known in Colorado as the Children's Basic Health Plan, which furnishes subsidized health insurance for children 18 years or younger in low-income families not eligible for Medicaid, as well as low-income pre-natal women 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. The Children's Basic Health Plan, marketed in Colorado as Child Health Plan Plus or CHP+, is funded by approximately two-thirds federal funds and one-third state funds.

In Fiscal Year 2008, the Department was appropriated approximately $3.5 billion and 257.3 full-time equivalents, or FTE. The chart on the following page shows the appropriations by funding source within the Department for Fiscal Year 2008:

Department of Health Care Policy and Financing
Fiscal Year 2008 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

We identified 17 overall areas where the Department could make improvements to its operations—one related to financial controls and 16 related to federal awards. Please refer to the HCPF chapter in the Federal Award Findings section for recommendations related to federal awards.

Allowance for Doubtful Accounts

The Department is owed various payments related to drug rebates and bankruptcies and from Medicaid providers. Based on accounts receivable history, the Department has determined that it will not recover the full amount of receivables from these and other sources. Therefore, the Department records an allowance for doubtful accounts, which reduces the value of its accounts receivable to a more realistic level. As part of the fiscal year-end process, the Department reviews its accounts receivable balances and then calculates the allowance for doubtful accounts for these balances.

For Fiscal Year 2008 the Department calculated the allowance for doubtful accounts balance at June 30, 2008, to be approximately $7.7 million for accounts receivable totaling about $34.3 million. However, we found that the Department recorded the

allowance on the State's accounting system, COFRS, as approximately $6.6 million. This difference was due to the lack of understanding that COFRS should be adjusted to reflect the allowance calculation. This problem caused the allowance accounts to be understated by more than $1.1 million and total assets to be overstated by this amount on the State's financial statements.

Further, based on discussions with Department accounting staff, we noted that the Department does not have adequate written procedures in place for allowance calculations. For example, existing procedures do not include all necessary steps for the calculation of the amount to be recorded on COFRS. Specifically, the procedures do not require the amount recorded on COFRS to be calculated using the prior year's allowance for doubtful accounts year-end balance and the write-off activity recorded during the current fiscal year. As a result, staff calculated the allowance accounts for the accounts receivables only considering the difference between the current year and the previous year's calculated balances and did not include the write-off activity that occurred during the current fiscal year.

The Department should ensure written policies and procedures for recording the allowance for doubtful accounts are accurate and complete.

(Classification of Finding: Control Deficiency.)

Recommendation No. 5:

The Department of Health Care Policy and Financing should ensure that calculation of allowance for doubtful accounts policies and procedures are clearly written and adequately documented and that the year-end allowance balance on COFRS is appropriately adjusted.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: March 31, 2009.

The Department will review its current policies and procedures for the calculation of allowance for doubtful accounts. The Department will update these policies and procedures to ensure they are clear and adequately documented so that the year-end allowance for doubtful accounts balance is recorded appropriately in COFRS.

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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 Student Loan Program dba College Assist, CollegeInvest, the Colorado 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

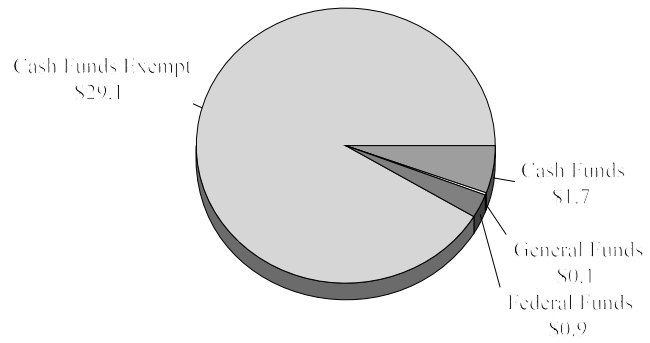
- **Trustees of Western State College**
  Western State College

Colorado Historical Society

The Colorado Historical Society (Society) is statutorily designated as an "educational institution" in the Department of Higher Education. The Society has exclusive control over the State's historical monuments and, in this capacity, has the duty of surveying suitable sites and structures for historical designation. The Society is also responsible for the administration of the state register of historical properties, and it distributes gaming revenue through a grant program for historic preservation.

The Society was appropriated $31.8 million and 126.9 full-time equivalent, or FTE, staff for Fiscal Year 2008.

Colorado Historical Society
Fiscal Year 2008 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Travel Expenditures

During Fiscal Year 2008, the Society expended more than $144,000 for employees' in-state and out-of-state business travel. State Fiscal Rules issued by the Office of the State Controller require state agencies to follow certain procedures concerning business travel.

After returning from business travel, employees are required to complete a travel expense form, itemizing all travel expenses incurred and stating the purpose of travel. The travel expense form must be signed by the employee and the employee's supervisor. If the travel was to an out-of-state location and/or the travel expenses are greater than $1,000, the executive director must sign the travel expense form as well. Department accounting staff review each travel expense form before entering and approving it in the State's accounting system, COFRS.

As part of our Fiscal Year 2008 audit, we reviewed a sample of 40 of the Society's travel expenditures. We identified problems with 17 of the 40 (43 percent) expenditures selected for review.

We noted the following (some of the forms had more than one error):

- Eight reimbursement requests totaling $5,881 did not contain all of the necessary approving signatures on the travel expense form.
- Two purchase requisitions for bus transportation totaling $3,180 did not contain all the required approving signatures.
- One travel reimbursement claimed 965 miles for reimbursement when the actual driven distance was 510 miles. As a result, the employee was overpaid $177.
- One travel reimbursement included $183 for an extra day of lodging claimed in error.
- Four travel expenditures totaling $1,653 were coded incorrectly on COFRS.
- Four travel reimbursements totaling $4,651 did not contain supporting documentation for a total of $20 in expenditures.

In addition, we found three travel reimbursements totaling $1,227 for travel made prior to September 30, 2007, that lacked supporting documentation for $362 in meals. State Fiscal Rules in place through September 30, 2007, required receipts for meals when the total amount of reimbursement requested for the day exceeded $25. Therefore, support should have been provided for the $362.

Although State Fiscal Rules require review and approval and supporting documentation for travel expenditures, our review indicates that employees and supervisors are not consistently adhering to these requirements.

Based on our audit testwork, the Society needs to strengthen its controls over travel expenditures. Specifically, the Society should adhere to requirements under State Fiscal Rules for travel expenditures and ensure that employees and supervisors are adequately trained on state travel rules and policies.

(Classification of Finding: Control Deficiency.)

Recommendation No. 6:

The Colorado Historical Society should strengthen controls over travel expenditures by:

a. Ensuring that travel expenditures are appropriately approved, travel reimbursements are supported by adequate supporting documentation, travel expenditures are coded correctly on COFRS, and that all other State Fiscal Rules regarding travel are followed.

b. Training staff and supervisors on state travel rules and policies. For supervisors, emphasis should be placed on the importance of conducting a thorough review of all requests for travel reimbursements with respect to compliance with State Fiscal Rules and resolving any problems prior to approval for payment.

c. Obtaining repayment from employees for excess mileage and lodging reimbursements.

Colorado Historical Society Response:

Agree. Implementation date: July 1, 2008.

A new accounting staff person was hired to take over the travel reimbursement function. The new staff understands State Fiscal Rules and is reviewing travel reimbursements more carefully. Any errors are discussed with the employee and supervisor and corrected prior to reimbursement.

All travel reimbursements are reviewed for proper approval, support, coding, and adherence to State Fiscal Rules.

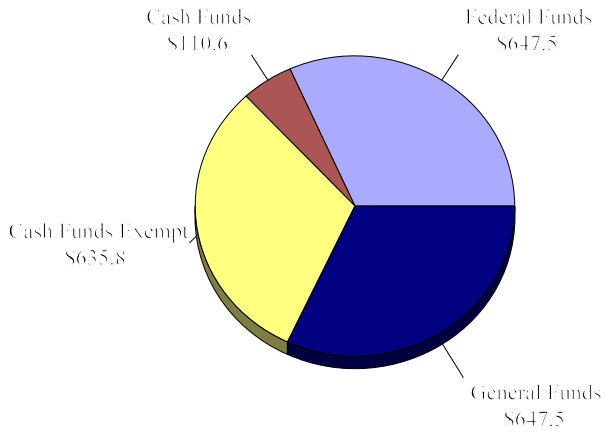
All over/underpayments were resolved at the time of discovery.

Department of Human Services

Introduction

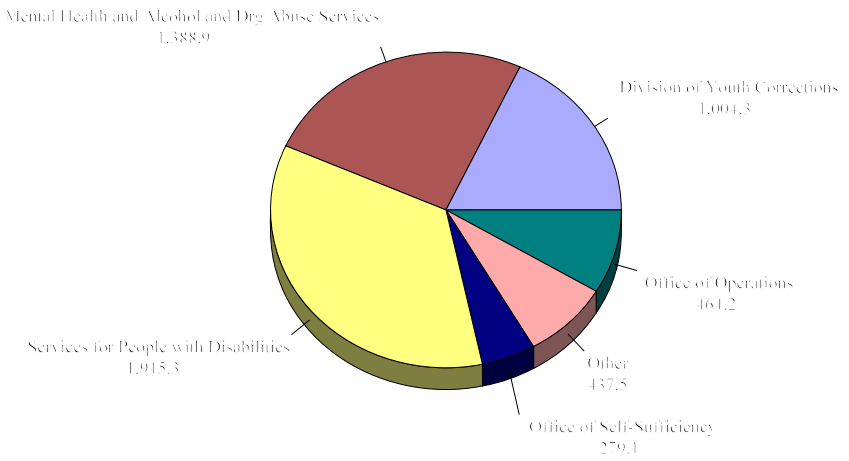
The Department of Human Services (DHS) is solely responsible, by statute, for administering, managing, and overseeing the delivery of the State's public assistance and welfare programs throughout the State of Colorado. Most of these programs are administered through local county or district departments 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. In Fiscal Year 2008 the Department was appropriated approximately $2 billion and nearly 5,500 full-time equivalent staff, or FTE. The following charts show the appropriations by funding source and FTE by major areas within the Department, respectively, for Fiscal Year 2008:

Department of Human Services
Fiscal Year 2008 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Department of Human Services
Fiscal Year 2008 Full-Time Equivalents (FTE) by Major Areas



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

We identified 22 overall areas where the Department could make improvements to its operations—10 related to financial controls and 12 related to federal awards. Please refer to the DHS chapter in the Federal Award Findings section for recommendations related to federal awards.

County Administrative Expenditures

The Department oversees the county administration of public assistance programs for the 64 county departments of social services. Counties incur administrative costs for the operation of the public assistance programs, and the Department reimburses them for a portion of these costs. The counties enter financial information into the County Financial Management System (CFMS). CFMS accumulates the information and calculates the appropriate reimbursement. The information processed through CFMS is uploaded to the State's accounting system, COFRS, each month. When the upload is performed, transactions are recorded in either an accounts receivable or payable account on COFRS, based on whether the transactions represents an amount due from or due to each county.

During Fiscal Year 2007, we noted that amounts reported on CFMS and COFRS for the net liability due to the counties for costs associated with the administration of public assistance programs at June 30, 2007, differed by more than $5 million. The

Department could not provide an explanation for the difference, and therefore we recommended that the Department institute a reconciliation process and determine the cause of discrepancies between CFMS and COFRS.

During Fiscal Year 2008, we reviewed the Department's progress toward implementing the Fiscal Year 2007 recommendation. We reviewed the Department's reconciliation between CFMS and COFRS through March 2008; however, the Department was unable to provide supporting documentation or explanations for the adjustments made to the reconciliation. In addition, the Department did not provide us with a reconciliation for the end of Fiscal Year 2008; therefore, the Department could not determine whether CFMS or COFRS was correct. According to CFMS, the Department owed the counties a total of $22.5 million at the end of Fiscal Year 2008; however, amounts recorded on COFRS reflected that the Department owed approximately $19.2 million to the counties, a difference of more than $3.3 million between the two systems. The Department stated that it is having difficulty performing the reconciliations because the employee who was performing these left the Department in Fiscal Year 2008. The Department lacks adequate controls over these amounts to know the reasons for the discrepancies and whether adjustments are needed to either CFMS or COFRS. Therefore, the Department is making payments to the counties without assurance that payments are accurate and complete.

We found that the Department has not established monthly reconciliation procedures between amounts reported on CFMS as owed to and from the counties and amounts reported on COFRS to identify differences between the two systems and investigate and resolve discrepancies. We also found that the Department lacks clear reconciliation procedures to guide staff.

In order to ensure that amounts are reported accurately on CFMS and COFRS and that the counties are reimbursed appropriately, the Department should institute a monthly reconciliation process between CFMS and COFRS. Reconciliation procedures are intended to enable the Department to identify errors and make appropriate corrections to its financial information in a timely manner. Further, the Department should determine the cause of the discrepancy at June 30, 2008, and determine the need for any adjustments to CFMS or COFRS to correct payments to the counties.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 7:

The Department of Human Services should ensure that amounts reported on COFRS related to counties' administration of public assistance programs are accurate and complete by:

a. Documenting clear procedures for performing monthly reconciliations between CFMS and COFRS.

b. Assigning responsibility to a specific employee for the monthly reconciliation process to identify and resolve discrepancies between CFMS and COFRS for amounts payable to and receivable from the counties. The reconciliation process should include investigating and resolving all discrepancies and making adjustments as appropriate. The reconciliation should be reviewed by a supervisor, and the review should be documented.

c. Determining the cause of the discrepancies between the balances reported on CFMS and those reported on COFRS for amounts due to or from the counties at June 30, 2008, and making necessary adjustments.

Department of Human Services Response:

Agree. Implementation date: June 30, 2009.

The Colorado Department of Human Services, Division of Accounting, is in the process of identifying the transactions, and transaction types, that cause the Due To/Due From account in CFMS to be out of balance with its control account in COFRS. Once these are identified, procedures will be documented and a monthly reconciliation will be developed to ensure that COFRS reflects an accurate balance due to the counties on the State's financial statements. We currently believe there will be no net financial impact resulting from the discrepancies and that the adjustments will be within and between balance sheet accounts.

The initial effort to identify the causes for the differences was completed through March 2008 by the County Accounting Supervisor but has not been undertaken since that date due to his resignation in May 2008. Since this vacancy created an extremely heavy year-end workload for the Department, the reconciliation was put on hold until all audits and the corresponding responses were completed. This situation was exacerbated by the hiring freeze that continues to leave this Department only 60 percent staffed with only one employee having more than a year of experience in his/her position.

The responsibility to develop the reconciliation has been assigned to the Supervisor of Program Accounting in the interim and the reconciliation development will once more be undertaken. Once the reconciliation process has been developed and the staffing shortage addressed, the reconciliation will be reassigned to an EBT Accountant and will be reviewed by the unit supervisor. It is anticipated that the necessary adjustments and the reconciliation will be current by June 30, 2009.

Reconciliation of County Expenditures

In Colorado the county departments of social services administer most of the State's public assistance and welfare programs under the supervision of the Department. Programs are classified by the Department as either food assistance such as the federal Food Stamps program, or cash programs, such as the Temporary Assistance to Needy Families (TANF) program. The State distributes welfare benefits for these two programs, among others, through an electronic benefit system. Eligible families are provided with Electronic Benefit Transfer (EBT) cards that can be used to make purchases at participating stores through the use of point-of-sale terminals. Colorado contracts with a vendor, currently JP Morgan Chase, for its EBT payment processing. During Fiscal Year 2008, JP Morgan Chase issued approximately $320 million in food assistance and $165 million in cash benefit payments for the Department.

Financial data for the Department's EBT programs are contained in four primary systems: the Department's eligibility system, Colorado Benefits Management System (CBMS); the Department's financial record-keeping system, County Financial Management System (CFMS); the State's accounting system (COFRS); and JP Morgan Chase's information system. Information flows between these systems in the following manner:

1. Staff at the county departments of social services input client information into CBMS, which calculates client benefit amounts and authorizes benefit payments.

2. CBMS files containing benefit authorizations are uploaded to CFMS daily for processing.

3. CFMS generates daily payment files that are sent to JP Morgan Chase for payment of benefits via the EBT card.

4. At the end of each month, information contained in CFMS is translated into a journal entry containing account information, which is uploaded to COFRS.

5. JP Morgan Chase provides daily data on benefit payments made through the EBT cards to the Department.

The Department uses the financial information generated through these processes to (1) reimburse the counties for allowable expenditures under federal guidelines, (2) report financial activity on federal programs to the federal government, (3) reimburse JP Morgan Chase for benefits paid on EBT cards, and (4) report financial activity on the State's financial statements.

During our Fiscal Year 2005 audit, we noted that the Department was not performing routine reconciliations of expenditure and revenue data in CFMS to JP Morgan Chase's benefit authorization data for the Food Stamp program and TANF. We recommended that the Department establish adequate controls over benefit authorization issuance data by performing routine and comprehensive reconciliations between CBMS, CFMS, JP Morgan Chase, and COFRS; ensuring that the reconciliations are reviewed by knowledgeable personnel; and making any necessary adjustments in a timely manner to the appropriate systems. The Department agreed with the recommendation.

During Fiscal Years 2006 and 2007, we found that the Department had obtained the reports necessary to perform the reconciliations of the food assistance programs, but did not perform complete reconciliations over the benefits being issued for the cash programs, such as TANF.

During Fiscal Year 2008, we determined that the Department is still not performing complete reconciliations over the benefits being issued for the cash programs, such as TANF. Although the Department does reconcile expenditure and revenue data transferred between CFMS and COFRS for the cash programs, it does not perform reconciliations of the data transferred from CBMS to CFMS, or from CFMS to JP Morgan Chase for the cash programs.

Department staff report that system limitations in CBMS continue to preclude the creation of reports that would aid in the completion of reconciliations for the cash programs. Further, Department staff indicate that the cash programs are more complicated and diverse in nature than the food assistance programs. The Department submitted change requests in April 2007 for additional CBMS reports, similar to those now produced for the food assistance program, that would allow the Department to reconcile the cash programs. However, as of the end of our fieldwork, the Department reported the additional CBMS reports have not been made available.

The Department is responsible for safeguarding state assets, which includes ensuring that funds are spent only for state business, and for reporting complete and accurate data on the State's activity. By not performing routine reconciliations among the

four systems noted, the Department does not have controls in place to identify and resolve differences and to determine if errors or irregularities exist. Further, it cannot ensure that benefit recipients are paid correctly and that counties and JP Morgan Chase are reimbursed appropriately. The Department should institute routine and comprehensive reconciliation processes over data transferred among CBMS, CFMS, JP Morgan Chase, and COFRS to ensure differences are identified and resolved timely and all appropriate adjustments are recorded on COFRS for cash programs administered by the counties.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 8:

The Department of Human Services should establish adequate controls over benefit authorization and issuance data for the cash programs by:

a. Performing routine and comprehensive reconciliations among the Colorado Benefits Management System, County Financial Management System, the State's EBT service provider, and the State's accounting system to ensure that financial information is accurately and completely recorded. As part of the reconciliation, the Department should investigate and resolve any differences.

b. Ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations.

c. Making any necessary adjustments in a timely manner to the appropriate systems.

Department of Human Services Response:

Agree. Implementation date: June 30, 2010.

These reconciliations are being developed by the Supervisor of the EBT Processing Group and will be reviewed by the Manager of the County Processing Unit on a monthly basis. This reconciliation process will include reconciliation from the eligibility systems, including CBMS, to CFMS to JP Morgan, from CFMS to COFRS, and from CFMS to the Activity Detail Database file. Although CBMS has prepared most of the reporting necessary to reconcile several of the State's cash benefit programs and those reports are in the testing and verification phase, it is not possible for that particular

eligibility system to produce all of the reports necessary to complete this reconciliation.

The State uses JP Morgan as the EBT processor to pay benefits that are determined by other eligibility systems that have no interface with CBMS. Since all cash benefits are aggregated, paid, and reported through one JP Morgan cash benefits reporting site, it is not possible to completely reconcile cash programs with JP Morgan without information from the other eligibility systems.

The County Processing Unit has requested that each of the eligibility systems that issue EBT or EFT benefits through the State's EBT processor develop the reports necessary to verify that their benefits are properly paid to the clients. These systems have agreed to develop and provide these reports over the six-month period ending in March 2009. It is anticipated that there will a period of about one year to test and refine all of the needed reports before an accurate and reliable reconciliation can be accomplished.

As part of the testing and reconciliation process, Accounting shall investigate and resolve any differences between the JP Morgan system and the appropriate eligibility system by making any necessary adjustments in a timely manner. This identification and resolution is already a part of the Food Stamps portion or the reconciliation and Accounting takes immediate action to make any adjustments needed. That standard and process will be extended to each eligibility system as their respective reconciliations are accomplished.

Recording of Capital Construction Projects

The Department is responsible for about $286 million in capital assets, net of related depreciation. Capital assets are overseen and maintained within each of the Department's accounting districts by staff assigned as capital asset custodians. The Department has designated one staff person at Central Accounting as the overall capital asset coordinator. As part of our audit, we reviewed the Department's construction in progress (CIP) account and completed capital construction projects. We identified problems with CIP and recording completed capital construction projects. The Fiscal Procedures Manual (Manual) published by the Office of the State Controller states that at the end of the fiscal year, agencies should review all capital construction projects to identify projects completed and closed during the year. For capital construction projects completed and closed during the fiscal year, the Manual requires that agencies transfer the total cost of the project, including costs previously recorded in CIP, to the appropriate balance sheet account. For

capital construction projects not completed by the end of the year, the agency is required to record CIP expenditures incurred to date that meet capitalization criteria in the CIP asset account.

During our Fiscal Year 2008 testwork, we noted that the Department failed to record a completed project in a timely fashion in accordance with state fiscal procedures. Specifically, in Fiscal Year 2005, the Department completed construction on a $1 million building; however, accounting staff did not record the full amount of the construction project in CIP, and staff failed to record the full cost of the asset on the State's balance sheet in COFRS until Fiscal Year 2008. As a result, the State's building asset account was understated by more than $1 million, less accumulated depreciation, from Fiscal Year 2005 through Fiscal Year 2008. The Department states that this error occurred because of staff turnover and a failure to record the asset under construction.

The Department should improve its controls in order to ensure that expenditures related to construction projects are properly and timely recorded in COFRS and in accordance with generally accepted accounting principles.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 9:

The Department of Human Services should ensure that capital construction expenditures are properly recorded during the construction phase and in accordance with generally accepted accounting principles and state regulations. Completed capital construction projects should be moved to the appropriate capital asset account on the balance sheet in a timely manner.

Department of Human Services Response:

Agree. Implementation date: July 31, 2008.

The Department has implemented a review of all capital construction projects as part of the year-end closing process. Capital construction projects that are not complete are recorded in Construction in Progress in COFRS. Completed construction projects are capitalized as new fixed assets according to the Fiscal Procedures Manual and generally accepted accounting principles.

Cash Compliance

On a yearly basis, the Department is required by the Office of the State Controller (OSC) to confirm the fiscal year end balance of each checking, savings, and certificate of deposit account that is deposited with a commercial financial institution and held in the Department's name. The OSC provides a bank confirmation form and instructions in the Fiscal Procedures Manual to assist the Department in verifying deposits, insurance, and collateralization. The Department uses this information to confirm balances and determine risk categories for each account on the Exhibit M.

As of the end of Fiscal Year 2008, the Department had approximately $17.1 million in cash and cash-equivalent accounts at various institutions. During the Fiscal Year 2008 audit, we found the following four problems with cash compliance at the Department:

Confirmation of PDPA numbers. The confirmation process provides he Department, as well as the OSC, with specific information on the balances including whether funds are federally insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by the commercial financial institution as required under the Public Deposit Protection Act (PDPA). Each governmental entity must request and be assigned unique PDPA numbers by the Colorado Division of Banking. The purpose of the PDPA is to ensure that public funds are protected in the event that the commercial financial institution holding public deposits becomes insolvent. At fiscal year-end, each department is required to confirm PDPA numbers with the commercial banking institution and verify that the number associated with the account is a PDPA number assigned to the department. If the PDPA number does not agree, the department is required to contact the bank to resolve the difference.

We noted problems relating to the confirmation of PDPA numbers in our Fiscal Year 2007 audit at the Department and continued to note problems in this area. During our Fiscal Year 2008 audit, we tested year-end bank confirmations obtained by Department staff for 58 bank accounts. Bank confirmations for 24 accounts were returned by the bank with a missing or incorrect PDPA number. The Department contacted the banks to correct the PDPA numbers. However, in four out of 58 bank accounts (7 percent), the bank still had an incorrect PDPA number on file as of the date of our audit. In three out of 58 accounts (5 percent), the Department did not obtain a bank confirmation.

The failure to confirm PDPA numbers associated with the account and to verify that the PDPA number is assigned to the Department could potentially result in public funds held by a commercial financial institution being unprotected and lost in the event of the institution's becoming insolvent. The Department should ensure that

staff preparing and reviewing confirmations are adequately trained in the information that should be included on the form and confirmed by the commercial financial institution, as well as the importance of the Public Deposit Protection Act.

Risk Category Classification. The bank confirmation provides information on the insured or collateralized status of the account balances. With this information the Department can determine the appropriate risk category to be reported on the Exhibit M, for inclusion in the required note disclosures in the State's financial statements. We found errors in the Exhibit M in reporting these risk categories. Specifically, we found six bank deposits totaling more than $107,500 reported inaccurately within the Exhibit M risk category. In addition, we found three bank deposits totaling about $220,300 that did not include sufficient information to determine the risk category.

Preparation of Exhibit M. The Exhibit M is used by the State to make disclosures in the State's Comprehensive Annual Financial Report; therefore, it is important that this Exhibit is accurate and complete. We found three instances in which a bank balance was duplicated on the Exhibit M, resulting in an overstatement of about $14,300. We found an additional error in which a bank balance was reported incorrectly, resulting in an overstatement of $400. As a result of these errors, the total bank balance reported on the Exhibit M was overstated by approximately $14,700. The Department did not detect these errors during its review and approval of the Exhibit M.

External Bank Account Approval Process. In addition to the above problems, we noted one instance in which a bank account was opened without approval by the State Controller and the State Treasurer. State Fiscal Rules require a state agency or institution of higher education to obtain written approval from the State Controller and State Treasurer prior to establishing a bank account. The Department's Central Accounting staff stated that it became aware of the unapproved account during the Fiscal Year 2008 bank confirmation process and instructed the DHS division that opened the account to close it. The account was closed prior to our testwork in this area.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 10:

The Department of Human Services should improve controls over the year-end preparation of the Exhibit M and the confirmation of funds held by commercial financial institutions by:

a. Adequately reviewing the returned confirmations and following up with the institution(s) on any information that is incorrect, incomplete, or not confirmed.

b. Adequately reviewing the Exhibit M for completeness and accuracy prior to submission.

c. Ensuring that bank accounts are established in accordance with State Fiscal Rules.

Department of Human Services Response:

a. Agree. Implementation date: May 15, 2009.

The Department will conduct training for responsible staff on the requirements of the bank confirmation form to ensure that all required information, including the Public Deposit Protection Act (PDPA) information, is obtained from, and confirmed by, the commercial financial institutions. The responsible staff will assure the completeness and accuracy of information on the bank confirmation form prior to submission.

b. Agree. Implementation date: August 15, 2009.

The person responsible for preparing the Exhibit M will review the required information on the bank confirmation form for completeness and accuracy. In the event of any missing and/or incorrect information, the form will be returned to the responsible staff for follow-up with the appropriate bank account custodian to resend the bank confirmation form to the commercial financial institution. The Department will ensure that the Exhibit M reporting is in compliance with the Fiscal Procedures Manual.

c. Agree. Implementation date: May 15, 2009.

The Department will communicate to all parties, who are in a position to open external bank accounts, the proper procedures for establishing bank accounts and ensure that they are approved in accordance with State Fiscal Rules.

Mental Health Institutes Revenue

The Department operates both the Fort Logan Mental Health Institute and the Pueblo Mental Health Institute for the care of children and adults who have been diagnosed with mental illnesses or have been legally determined to be in need of mental health services. The two Institutes receive payments for services from various sources, including patients, Medicare, and Medicaid. In Fiscal Year 2008 the Fort Logan Institute and the Pueblo Institute earned approximately $9.9 million and $18.4 million, respectively, in revenue from all sources.

In December 2003 federal Public Law 108-173 added Part D to the Medicare program. In Part D, Medicare contracts with specific drug insurance companies to provide prescription drug benefits to Medicare recipients. The drug insurance companies act as the payers and insurers for the prescription drug benefit. Fiscal Year 2007 was the first full fiscal year in which the Institutes received revenue related to Part D. In Fiscal Year 2008 the Fort Logan Institute and the Pueblo Institute received about $180,931 and $788,622, respectively, in Part D pharmacy revenue.

The Institutes' staff maintain all financial information, except for pharmacy information, for patients within a computerized information system, AVATAR. Periodically, information from AVATAR is manually entered into the State's accounting system, COFRS, and the staff at the Institutes are responsible for performing reconciliations to ensure that the data on COFRS are consistent with AVATAR. The Department maintains a pharmacy sub-system for tracking doctor orders, filling prescriptions, and creating itemized claims for Medicare Part D.

For Fiscal Year 2007 we recommended that the Department improve controls over the revenue and receipt process for Medicare Part D at the Institutes by developing methods for reconciling the detail on all Medicare Part D reimbursement claims to the related receivable from the drug insurance companies and recording revenue and related accounts receivable on COFRS, the State's accounting system, in accordance with generally accepted accounting principles.

During our Fiscal Year 2008 audit, we performed testwork on the Department's revenue reconciliation processes, including the Institutes' year-end reconciliation of revenue between AVATAR and COFRS. Based on our testwork, we found that the Department has implemented a method for reconciling Medicare Part D reimbursement claims to drug insurance receivables. However, we found that the Department did not reconcile Fiscal Year 2008 Part D revenue and the related receivable information in COFRS to calculated billings from the Department's pharmacy subsystem. In addition, when performing our testwork we found seven transactions—one at Ft. Logan and six at Pueblo—where the Department reduced

Part D revenue rather than recording an expenditure to pay patients' premiums for their pharmacy drug plans. Under the appropriation process, all departments receive appropriations, and departmental expenditures are charged against specific appropriation codes set up in COFRS to track each agency's utilization of its legally established spending authority. Therefore, the Department should have recorded the transactions as expenditures in COFRS and should not have reduced revenue. As a result of incorrect recording of the transactions, both revenue and expenditures for the Fort Logan and Pueblo Institutes were understated by approximately $8 and $377, respectively, at June 30, 2008.

While the amounts identified in our testwork are not material in terms of the Department's overall Fiscal Year 2008 revenue, the lack of reconciliations of revenue and related receivable accounts at fiscal year end and incorrect recording of transactions lead to inaccurate financial reporting.

The Department should ensure the Mental Health Institutes' Medicare Part D revenue and the related receivable accounts are appropriately recorded and that information on the State's financial statements is accurate and complete by performing year-end reconciliations. In addition, the Department should ensure that funds are spent and recorded under the proper appropriation and expenditure codes.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 11:

The Department of Human Services should improve controls over Medicare Part D revenue, receipts, and expenditures at the Fort Logan and Pueblo Mental Health Institutes by:

a. Periodically reconciling Part D revenue and related accounts receivable balances in the State's accounting system to calculated billings from the pharmacy subsystem, and making adjustments as appropriate.

b. Properly recording revenues and expenditures on COFRS.

Department of Human Services Response:

Agree. Implementation date: February 28, 2009.

a. As of the beginning of Fiscal Year 2009, reconciliation is being performed between COFRS and the pharmacy subsystem data for Medicare Part D and any adjustments are being made where appropriate.

b. The Part D premium expenditures will be recorded separately from the revenue retroactive to July 1, 2008. Recording the patient premium expense will have an impact on the agencies' budgets. The Division of Accounting will inform the programmatic areas so that they can prepare the necessary budgetary requests to deal with the impact on their operating budgets.

Preparation of Federal Award Expenditures Exhibit and Fiscal Year-End Grant Accounting Entries

During Fiscal Year 2008 the Department administered more than 70 federal programs and expended more than $957 million in federal funds. Each year the Department is required to prepare a report, or "exhibit," to aid the Office of the State Controller (OSC) 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 provide information required for completion of the Exhibit K, Department program accounting staff prepare two types of reconciliations that reconcile federal funds received and expended by the Department: summary reconciliations and R-120 worksheets. 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 OSC.

We previously identified problems with the Department's preparation of the Exhibit K during our Fiscal Year 2006 audit. During our Fiscal Year 2008 audit, we found problems with the Department's supporting documentation used for the preparation of the Exhibit K. Specifically, we found the following:

- Fiscal Year 2008 beginning balances for five summary reconciliations prepared by program accounting staff did not agree to Fiscal Year 2007 ending balances. Further, three of the five reconciliations did not cross-foot.

- For three programs contained on R-120 reconciliations, the format for deferred revenue reporting was not consistent with the deferred revenue reporting for the other federal programs. Although the information was

correctly reported on the Exhibit K, the reconciliations for all programs should be prepared in a standardized format.

During our Fiscal Year 2006 audit we recommended that the Department develop formal, written procedures for the preparation of the Exhibit K, including steps required to prepare adequate supporting documentation. Further, we recommended the Department expand its supervisory review process over the Exhibit K to include a review of supporting documentation. According to Department staff, the Department has not written formal procedures for the preparation of the Exhibit K or its supporting documentation. Additionally, based on our testwork, the Department has not instituted a supervisory review process for the Exhibit K that includes a review of supporting documentation such as the summary reconciliations and the R-120 worksheets.

We also found during our Fiscal Year 2008 audit that the Department did not prepare fiscal year-end accounting entries to net federal receivable and payable balances for federal programs. The Department uses three COFRS accounts – two receivable accounts and one payable account – to record and track federal program balances. For example, the Department may show a receivable balance for a program for expenditures incurred at the same time it shows a payable balance for the same program for funds due back to the federal government for a federal disallowance. As a result, at any given time, the Department may show that the Department both owes to and is due money from the federal government for the same program. In recent years, the Department has prepared accounting entries to offset the federal program receivable and payable balances at fiscal year end to determine an accurate status for each program. That is, by offsetting the receivable and payable balances, the Department was able to easily determine for each federal program whether the Department owed money to or was due money from the federal government. Based on our discussions with Department staff, we determined that the Department does not have a formal policy in place for offsetting the balances at fiscal year-end. As a result, for Fiscal Year 2008, new staff in place over federal grant accounting did not realize that an entry should be made and did not make the entry.

The federal grant program COFRS balances are used by accounting staff to prepare the Exhibit K and its supporting reconciliations. Therefore, by not making the offsetting federal payable and receivable entries on COFRS at fiscal year end, the Department increases its risk of errors on the Exhibit K and the supporting reconciliations.

The lack of procedures over the Exhibit K preparation and fiscal year-end federal grant offset accounting entries, and the lack of a detailed supervisory review is of particular concern because the Department is responsible for about 14 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 required fiscal year-end federal grant program closing entries and provide training to current and new staff on the requirements. The Department should also ensure that its annual review process over the Exhibit K includes a review of supporting documentation used to prepare the exhibit.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 12:

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 and required fiscal year-end entries to offset federal program receivable and payable balances.

b. Ensuring its supervisory review process over the Exhibit K includes 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, the required fiscal year-end federal grant accounting offset entries, and the importance of accurate information.

Department of Human Services Response:

Agree. Implementation date: September 30, 2009.

a. The Department will develop a written procedures manual to include step-by-step instructions, including instructions to ensure that entries to offset federal program receivables and payables are made where appropriate. These instructions will explain what supporting documentation is needed to successfully prepare the Exhibit K and how to prepare the information.

b. The Department will implement a review process by a supervisor for the supporting documentation done on a quarterly basis to ensure accurate information is being reported. This review will assist the Department in ensuring the accuracy of the Exhibit K.

c. The Department will provide training to its federal grant accounting staff annually to review and update them on any changes to the reconciliation process. This training will include the overview of the importance of the reconciliation and the necessity of providing accurate information as well as preparation of grant accounting offset entries.

Payroll

During Fiscal Year 2008 the Department spent more than $241 million on salaries and wages and had appropriated full-time equivalents, or FTE, of nearly 5,500. The Department's Payroll and Human Resources staff across the various divisions work together to ensure that employees are paid appropriately through the Colorado Personnel and Payroll System (CPPS) and that payroll amounts are accurately reflected on COFRS. Human Resources staff are required to enter information into CPPS prior to payroll processing on either a monthly or biweekly basis. Payroll staff prepare routine payroll reconciliations of expected to actual payroll to ensure that all necessary adjustments are accurately reflected on COFRS and that employees' pay is appropriate. Reconciliations compare the current regular payroll and any adjustments needed to reflect reductions or increases in employees' pay with the anticipated payroll for the next pay period.

As part of our Fiscal Year 2008 audit we reviewed a sample of 120 payroll adjustments—60 monthly payroll adjustments and 60 biweekly payroll adjustments. The Divisions included in this testing were the Department's primary administrative and grant program agency, the Mental Health Institute at Pueblo, and the Division of Youth Corrections. We identified problems with 21 of the 120 (18 percent) adjustments we reviewed. Specifically, we identified the following:

- Six adjustments were calculated incorrectly, resulting in two overpayments totaling $47 and four underpayments totaling $109. For example, in two cases, payroll staff incorrectly used the monthly hourly rate instead of the annualized hourly rate to calculate the adjustment. In one case, payroll staff used the incorrect salary to calculate the adjustment.

- One payroll adjustment made to reduce the monthly salary for an employee transferring out of the Department did not have a Personnel Action Form, as required by Department policy.

- In 11 instances Human Resources staff did not enter employee information including resignations, promotions, terminations, and new hires, in a timely manner. Because of the lack of timely input by the Human Resources' staff, an adjustment totaling $410 had to be prepared by the payroll staff to reimburse an employee for a promotion which occurred nearly two months prior.

- In two instances, payroll staff did not enter employee payroll adjustments totaling $229 and $9 timely into CPPS. The adjustments were posted, and employees were paid for these adjustments about six months and one month, respectively, after the affected payroll period.

We also found that the Department did not have supporting documentation for one adjustment totaling about $260 for one employee's overtime hours. Based on additional testwork performed and discussions with Department staff, we determined that the employee improperly claimed a total of 222 hours of overtime from June 2007 to April 2008 and, as a result, was overpaid approximately $7,570. The Department pursued legal action and recovered the overpayment from the employee.

The problems we identified in our current audit point to a lack of adherence to policies and procedures and supervisory review to ensure policies and procedures are followed and entries and calculations are accurate and timely. While the amounts identified in our sample are small in terms of the Department's overall Fiscal Year 2008 operations, payroll is an inherently high-risk area, as demonstrated by the excess hours claimed by one employee in our sample. The lack of adequate controls and supervision indicate an environment where errors and irregularities could and did occur and may 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 and policies are in compliance with State Personnel Rules.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 13:

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

a. Reviewing adjustments to ensure they are calculated correctly, made timely, and supported by appropriate documentation.

b. Ensuring that employee information is entered into CPPS in a timely manner.

c. Correcting all over and underpayments to employees identified in this audit.

Department of Human Services Response:

a. Agree. Implementation date: February 2009.

Both payroll supervisors will review all audit findings with timekeeping and payroll staff. Staff will be provided additional training and clarification on any issues that were recurrent. The importance of review and verification of all information and the highest level of attention to accuracy of variables and calculations will be emphasized in the trainings. All adjustments will be reviewed and signed off by another payroll officer or supervisor to ensure accuracy and adequacy of documentation.

b. Agree. Implementation date: April 2009.

The Department agrees to ensure that employee information is entered into CPPS in a timely manner. Human Resources (HR) will train employees who are responsible for initiating HR paperwork. The training will include communicating all of the required documentation for HR personnel actions, reviewing the compensation plan for understanding and importance, and initiating cross-training within HR to provide additional back-up for entering employee information. HR will also institute a tracking and follow-up system for entering information into CPPS and ensuring that information is entered timely.

c. Agree. Implementation date: July 2008.

The Department will continue to make all corrections for overpayments and underpayments as errors are discovered for active employees. Due to time and budget constraints, decisions on whether or not to go through the collection process for small overpayments to terminated employees will continue to be based on whether an overpayment will or can be corrected in various reporting systems and the cost of collecting and processing the overpayment.

Purchasing Cards

The purchasing card program was adopted by the Department to facilitate purchases of less than $5,000. The goal of the program is to make it easier for approved state

employees to acquire goods and services that cost less than $5,000 while providing more timely payment to merchants and reducing the number of small-dollar payments issued by the traditional vouchering system.

During Fiscal Year 2008, the Department expended approximately $10.5 million through the use of purchasing cards. For that period, the Department reported that its average monthly purchasing card purchases totaled nearly $877,000, with an average number of almost 4,000 monthly transactions. As of the end of Fiscal Year 2008, approximately 900 Department employees, or nearly 17 percent of its 5,500 employees, had been issued purchasing cards.

All Department employees are potentially eligible for a purchasing card, but each is evaluated on his or her need to make purchases. An employee becomes a cardholder by completing the cardholder account form, attending training, and obtaining approval from his or her designated approving official, 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 must 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 official, 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 and approving official must review and sign off on the monthly statement by the end of the following month.

As part of our Fiscal Year 2008 audit, we selected a sample of 51 purchasing card transactions. We identified a total of 19 problems with 15 of the 51 (29 percent) transactions we reviewed.

Specifically, we found the following:

- **Cardholder statement reviews.** We found 11 transactions in which the cardholder and/or approving official either had not signed the cardholder statement or had not signed the cardholder statement within the required time frame. Specifically, for 11 transactions totaling approximately $3,650, the cardholder and/or approving official did not sign the statement within the required time frame. In four of the 11 transactions, totaling $489, the cardholder/approving official had not signed the cardholder statement at the time of our review. These purchases had occurred approximately four to eleven months earlier.

- **Account coding errors.** We found four transactions totaling approximately $1,330 that were coded to an improper account code.

We also performed testwork to determine whether the Department was closing purchasing card accounts in a timely manner for those employees no longer working for the Department. When an employee leaves the Department, the employee's approving official is required by Department policy to return the employee's purchasing card to the Department's Procurement Office with an account closure form. Department Procurement Office staff are to destroy the card and close the cardholder's account at the time of receipt. We identified four instances in which the approving officials responsible for returning the procurement cards to the Procurement Office did not return the cards for approximately one to three months after the employees' last date of employment. Therefore, the purchasing card accounts remained open for that same timeframe.

During our Fiscal Year 2007 audit, we also identified problems with the Department's internal controls over purchasing cards. During Fiscal Year 2008, the Department implemented an automated system for tracking actions taken by approving officials on cardholder violations. However, the Department was still testing the reporting function for the system. The automated system will enable the Department to monitor and follow up on purchasing card violations.

Adequate controls over purchasing cards are important because the cards are a high-risk area for fraud and abuse. Because of the number of employees within the Department that have purchasing cards, ongoing monitoring and training are imperative.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 14:

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

a. Completing implementation of the automated violation tracking system's reporting function and utilizing the system's reports to monitor the results of the Department's internal purchasing card audits and actions taken by approving authorities in response to cardholder violations.

b. Continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and consequences for policy violations. The training should clearly emphasize the time frame for review and sign-off of monthly statements.

c. Ensuring purchasing card accounts are closed in a timely manner upon employee termination.

Department of Human Services Response:

Agree. Implementation date: January 31, 2009.

a. The Department has now completed the database and began to track the results of Department's internal purchasing card audits and actions taken since July 1, 2008. Management reports will be sent to the approving officials and Executive Management Team members for their follow up on purchasing card violations.

b. The Department continues to train the approving officials and cardholders on their responsibilities to ensure that purchase card transactions are processed in compliance with Department policy. Communication via e-mail will go out to the approving officials on a quarterly basis reiterating that the cardholder statements need to be reviewed and signed in a timely manner.

c. The Department relies heavily on the approving officials to notify the Purchasing Office when a cardholder is leaving the Department. The approving officials will be reminded of their responsibilities to ensure that cards are closed when a cardholder has left the Department. In addition, CDHS Human Resources will provide a list of terminated employees each month to the District Procurement Offices as additional information to make ensure that purchasing card accounts are closed in a timely manner upon employee termination.

Travel Expenditures

During Fiscal Year 2008 the Department expended nearly $2 million for in-state and out-of-state business travel. State Fiscal Rules issued by the Office of the State Controller require state agencies to follow certain procedures concerning business travel. In addition, the Department has issued its own policies and procedures governing authorization for travel and reimbursement of travel expenses for its employees.

As part of our Fiscal Year 2008 audit, we reviewed a sample of 40 travel expense forms totaling nearly $19,000 in expenditures. We identified a total of 20 problems with 18 of the 40 (45 percent) expense forms we reviewed.

We noted the following problems:

- One travel reimbursement totaling $127 was paid without the proper reimbursement form. The employee used the Request to Use Private Automobile form in place of the travel expense form required under both Department policy and State Fiscal Rules. There was also no supervisory approval on the form.

- One travel expenditure totaling $90 was paid twice for the same hotel room.

- One per diem amount of $16 was paid for an employee's lunch during the time in which the employee was on annual leave.

- One travel expenditure totaling $89 was coded incorrectly on COFRS, the State's accounting system.

- Two travel reimbursements totaling $566 did not contain a purpose for the travel, as required by State Fiscal Rules and Department policy.

- One travel reimbursement request totaling $218 was not submitted within 60 days of the travel as required by Department policy.

- Twelve travel reimbursements totaling $3,961 did not have supporting documentation related to the business purpose of the travel, such as agendas for either meetings or seminars attended, as required by Department policy.

Although Department policies and State Fiscal Rules require review and approval and supporting documentation for travel expenditures, our review indicates that employees and supervisors are not consistently adhering to the policies, and the Department is not consistent in its enforcement of the policies. For example, the Department's policy specifically states agendas for conferences, meetings, or seminars must be attached to the travel expense reimbursement request. However, the results of our testing indicate that in some cases travel expenditures are approved without proper support.

We identified similar weaknesses with the Department's controls over travel expenditures during our Fiscal Year 2006 audit. Based on our current audit, the Department needs to strengthen controls over travel expenditures. Specifically, 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.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 15:

The Department of Human Services should strengthen controls over travel expenditures by ensuring consistent compliance with existing State and Department travel policies. This should include ensuring that correct forms are used, adequate supporting documentation accompanies each expenditure, and expenditures are appropriately coded on COFRS before approval. Additionally, staff and supervisors should be periodically trained on State and Department travel rules and policies.

Department of Human Services Response:

Agree. Implementation date: April 30, 2009.

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. The Department travel policy will be updated to provide specific guidelines about the supporting documentation related to the business purpose of the travel when staff plans to attend a meeting. The travel reimbursement open forum will be continuously conducted on a quarterly basis to provide a department-wide training opportunity available to staff and supervisors. The forum will consistently address the understanding of Department travel policy, the proper use of travel related forms, the accurate coding of travel expenditures, the requirement of supporting documentations, the completion of reimbursement requests, the responsibilities of reviewers/approvers, and the compliance of rules and policies.

Colorado Electronic Benefits Transfer System

The Colorado Electronic Benefits Transfer (EBT) system, implemented in 1997, is the information system used by the Department to deliver benefits to eligible recipients through EBT cards and direct deposit payments. EBT cards work like bank-issued debit cards. The Department authorizes a set amount of money for the recipient's account based on eligibility and program requirements. As the benefit recipient makes eligible purchases with the EBT card, the recipient's account balance is debited, or reduced. The Department also uses the EBT system to track and report financial expenditures for state and federal grant programs. In addition to the Food Stamps, Adult Financial, and Temporary Assistance to Needy Families (TANF) programs operated through the Colorado Benefits Management System (CBMS), the EBT system supports the Child Care Program (CHATS), State Automated Child

Welfare Information System (Trails), and Low-Income Energy Assistance Program (LEAP). Annually EBT processes information related to more than $800 million in public assistance payments.

The Department has contracted with JP Morgan Chase (JP Morgan) as the fiscal agent for the Colorado EBT system. As the fiscal agent, JP Morgan is responsible for benefit account management, including creation of benefit accounts and transaction posting, EBT card production, benefit transaction authorization, benefit redemption reporting, merchant disputes and settlement, and settlement with state and federal agencies. JP Morgan is also responsible for the technical management and operations of the EBT system. The Department and county staff are responsible for establishing recipient eligibility, activating and distributing EBT cards, and transferring state and federal funds to JP Morgan to settle or fund recipient accounts.

In 2007 JP Morgan contracted with PricewaterhouseCoopers (PwC), LLP, to perform a SAS 70 review of JP Morgan's controls over the processing of EBT transactions. SAS 70 (Statement on Auditing Standards No. 70, *Service Organizations*) is a standard developed by the American Institute of Certified Public Accountants. A SAS 70 review allows a service organization, like JP Morgan, to engage an independent third party to review and report on the service organization's control activities and processes to its customers (the Department and counties) and its customers' auditors (Office of the State Auditor and county financial auditors). Our audit work consisted of following up on the User Control Considerations (UCCs) identified in the SAS 70 Report. UCCs are the controls that the Department and counties are responsible for implementing to ensure the confidentiality, integrity, and availability of the EBT system. We also performed additional detailed work in the area of user identity and access management.

We found that the Department failed to implement all of the UCCs identified in the 2007 SAS 70 Report. Specifically, the Department failed to implement controls that would ensure that:

- Only authorized and appropriately trained employees are granted access to administrative terminals, and access for terminated or transferred employees is removed or updated on a timely basis.

- Transactions entered by employees are appropriately authorized, complete, and accurate.

- Erroneous input data are corrected and resubmitted.

- All output reports prepared by JP Morgan are reviewed by appropriate users for completeness and accuracy, and discrepancies are escalated to JP Morgan.

- Data provided on EBT reports are routinely balanced to relevant control totals.

- Benefit issuers are reviewing the report files provided by EBT to ensure all transmissions are received completely and posted accurately.

- Reports provided by the EBT system are reviewed by appropriate personnel for completeness and accuracy, and that data provided on the reports are balanced routinely to relevant control totals.

- The DHS EBT security group is notified of personnel changes including terminations and transfers, that only one user ID is requested for authorized use for each individual, and that the local security officers request and review user access reports.

- The DHS EBT security group is notified of personnel changes, including terminations and transfers, and is requesting and reviewing user access reports.

The EBT system's proper functioning is dependent on the implementation of the above-listed UCCs. As such, the Department should take immediate steps to effectively implement these controls.

User Identity and Access Management

User identity and access management is the process of deciding who is allowed to access specific information systems, granting access to users commensurate with job responsibilities, and then monitoring to ensure user access is appropriate. In conjunction with user identity and access management, logical access controls are needed to protect EBT system data from loss or unintended disclosure. Logical access controls are information security features that control how users and systems communicate and interact with other systems and resources. Our review of the Department's user identity and access management practices and logical access controls found problems in the following four areas.

Password controls. The EBT system's password parameters do not comply with State Cyber Security Policies. State Cyber Security Policies require that state passwords be a minimum of eight characters, changed at least every 60 days, and contain a combination of capital letters, lower-case letters, numbers, and special characters. We found that EBT system passwords are only six characters in length, and the system does not require that passwords contain combinations of letters, numbers, and special characters. We also found that the Department has not ensured that password parameters are systematically enforced. Specifically, the Department's policy is that password parameters be configured to expire every 30

days. Of the 240 active EBT system users, we found that 75, or approximately 31 percent, had passwords parameters set to expire in excess of the 30-day requirement.

User access request forms and authorizations. We found that not all EBT system users had an authorized access request form on file with the Department. According to DHS's policies, to gain access to the EBT system state and county workers must submit an access request form, signed by the local security administrator, to DHS's EBT Security Group. To confirm that the request was properly authorized, the EBT Security Group verifies the local security administrator's signature against a signature log. Of a sample of 26 EBT system users, neither we nor the Department could locate the access request forms for three, or 12 percent, of the users. We also found that the Department could not identify the person who created 13 of the 556 EBT system user IDs established during the last nine months. User IDs should only be created by authorized individuals in DHS's EBT Security Group. Creating a user ID without the appropriate authorization increases the risk that persons may gain unauthorized access to the system or receive privileges that are not compatible with the user's job duties.

Terminated users. The Department's procedures for removing terminated users' access to the EBT system are ineffective. State Cyber Security Policies require departments to establish procedures to ensure that the IT security group is notified *immediately* when an employee has resigned or been terminated. In addition, State Cyber Security Policies require that a list of terminated staff be reconciled periodically with active user accounts to ensure all access credentials are revoked, retrieved, changed, or otherwise made inaccessible to the terminated employee. We found that although the Department procedures require counties to notify EBT security administrators when a user terminates, there is no timeframe stipulated for this notification. The Department staff reported that counties often take months to notify them of terminations. Additionally, the Department does not conduct periodic reviews to ensure that all terminated users have been identified and removed. Finally, automated EBT system controls do not appear to be working properly. According to JP Morgan, EBT user accounts should suspend after 90 days of inactivity. However, a recent audit of EBT by the U.S. Department of Agriculture's Office of Inspector General found 34 user accounts that had been inactive for 90 days but had not been suspended. As of the end of our audit, the Department staff had **not** followed up with JP Morgan to resolve this discrepancy.

Segregation of duties. The ability to determine eligibility and also to authorize and issue EBT cards should not be vested with the same individual. This level of access would allow a worker to setup fictitious recipients, assign eligibility, activate the EBT card, and then use the EBT card for personal gain. Due to resource limitations, the Department has authorized workers in 25 small counties to both determine eligibility and authorize and issue EBT cards. We discussed this issue with the Department and determined that JP Morgan can issue, replace, and deliver EBT

cards by mail to the recipients, at no cost, for these counties. This process would effectively segregate the eligibility and card issuance functions. The State is reviewing the option of mailing out EBT cards, but has not made a decision yet.

(Classification of Finding: Control Deficiency.)

Recommendation No. 16:

The Department of Human Services should strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by:

a. Developing a plan with established project milestones for implementing all User Control Considerations contained in the SAS 70 Report of JP Morgan's EBT transaction processing.

b. Working with JP Morgan to ensure EBT system password parameters comply with State Cyber Security Policies and DHS requirements.

c. Ensuring that only authorized EBT security administrators have the ability to add new users and that EBT users are only added after receipt of an authorized access request form.

d. Updating Department procedures to require counties to immediately notify the EBT security administration group of all terminations and transfers.

e. Performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate.

f. Working with JP Morgan to identify and correct problems with its automated control for suspending inactive user accounts.

g. Working with JP Morgan to segregate the recipient eligibility and EBT card authorization and issuance functions at the 25 counties identified in the report.

Department of Human Services Response:

Agree. Implementation date: October 2010.

a. The State will resolve the outstanding User Control Considerations issues identified in this audit through the action steps outlined in b. - g. below.

b. DHS will work with both JP Morgan and the Governor's Office of Information Technology to resolve the discrepancy between the current contractual process and the State Cyber Security Policy. A change to the procedure will affect all states that currently contract with JP Morgan, not just Colorado. Projected date of resolution is October 2010.

c. It is standard DHS policy that only the Access Control Services (ACS) group has the ability to provide user provisioning to all DHS applications. There are currently seven employees in the ACS group and all of them are Domain Managers for the EBT system and have an access request form on file. The JP Morgan Security Administrators are responsible for creating accounts for new Domain Managers.

   All users requesting access to EBT are required to submit a paper access request form that is filed following approval. ACS is in the process of converting to an online access request form for EBT that is currently used by the County Security Administrators to request other DHS application access. This will give DHS an electronic record of all EBT access requests and will allow for easier retrieval and reporting. This process will be implemented no later than February 2009.

d. Additional wording will be added to the access request form that will notify County Security Administrators of their responsibility to immediately report to the ACS group when an employee with EBT access is terminated or transferred. This language change will be implemented February 2009.

e. The State will put together a plan to perform periodic reviews of EBT users in conjunction with the counties. The plan will be implemented no later than April 2009.

f. The State will work with JP Morgan to resolve this issue. Upon resolution, the State will continue to monitor this process and report problems to JP Morgan. Projected implementation date is July 2009.

g. The State confirmed that 20 counties were granted this waiver. DHS is rescinding the separation of duties waivers. For counties that do not have adequate staff to be in compliance with the separation of duties criteria, a second party review, consistent with Food and Nutrition Services' regulations, will be required.

Department of Labor and Employment

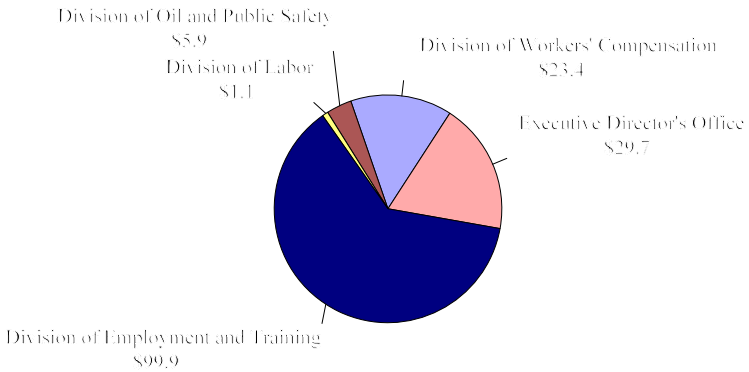
Introduction

The Department of Labor and Employment (Department) 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 $160 million and 1,099.5 full-time equivalent staff, or FTE, for Fiscal Year 2008. Approximately 36 percent of the Department's funding is from cash funds and the other 64 percent is from federal funds. The following chart shows the operating budget by major organizational unit during Fiscal Year 2008:

Department of Labor and Employment
Fiscal Year 2008 Appropriations by Organizational Unit
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

The following comments were prepared by the public accounting firm of Clifton Gunderson, LLP, which performed the Fiscal Year 2008 audit at the Department.

Unemployment Insurance Overpayment Reporting

The Department collects unemployment insurance taxes from employers on a quarterly basis during the year, based upon an employer's tax rate and amount of employee wages. Unemployment insurance taxes collected for the year ended June 30, 2008, totaled approximately $417 million.

The Department records a liability for unemployment insurance tax owed to employers for overpayments of the tax. Refunds to employers arise mainly due to mathematical errors by employers in the calculation of taxes due. The liability is recorded based on actual amounts due to employers. The Department uses the Colorado Automated Tax System (CATS) to process employer tax reports and payments for Unemployment Insurance and to process refunds for overpayment. The Department has not developed a CATS report detailing activity and balances by employer that would allow for an analysis of the account. Consequently, the balance in the overpayment liability account is not supported by records detailed by employer and the activity in the account was not analyzed for potential misstatement during the year.

During the Fiscal Year 2008 audit, we determined that the Department has not established procedures to verify the accuracy of the unemployment insurance tax refund balance on the State's accounting system, COFRS. As of June 30, 2008 and 2007, COFRS reports a balance of approximately $24 million and $14 million, respectively. The year-to-year change in balances on COFRS was an increase of approximately $10 million, or 71 percent for Fiscal Year 2008, and $4 million or 40 percent for Fiscal Year 2007. The Department's support for the balance is a report from CATS that is highly summarized. In an attempt to evaluate the account balance, the Unemployment Insurance Division provided the Department's Finance Office with CATS reports detailing the additions and deletions in the overpayment liability account. According to Department staff, the CATS reports were voluminous and were provided to the Finance Office in multiple medium sized boxes. As a result, the reports could not be effectively analyzed.

We have reported the Department's inability to verify the accuracy of the unemployment insurance tax refund balance since Fiscal Year 2004. Adequate records must be maintained to support year-end balances to ensure the State's financial statements are accurate and complete.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 17:

The Department of Labor and Employment should implement a process to evaluate the accuracy and completeness of the liability to employers for overpayment of Unemployment Insurance taxes. This should include an evaluation of CATS to determine its capability to provide detail information on the account balance, as well as an overall evaluation of the reasonableness of the balance and changes over a period of time.

Department of Labor and Employment Response:

Agree. Implementation date: December 2009.

The Department of Labor and Employment has a process to evaluate the accuracy and completeness of the liability control account to employers for overpayment of Unemployment Insurance taxes. The implemented account validation process ensures that accounts are properly substantiated or validated and that a timely and proper settlement-payment to each employer can be made. However, this process and procedures is very time consuming and requires substantial resources to effectively execute and has not been in full implementation during the past 18 months. The process has been re-implemented and the responsible work unit has followed and operated the validation procedures as prescribed and has accomplished a $4 million decrease in the account balance since the process has been re-implemented. Still, the Department will continue to refine its employer tax account evaluation/review process to minimize the time needed to settle an account with the employer owed. This includes the use of an electronic account database (based on CATS system data) to facilitate the account evaluation process.

Estimation Procedures

The Department prepares several significant accounting estimates that are included in the State's financial statements including Unemployment Insurance Tax Receivable, Unemployment Benefits Payable, and Workers' Compensation Premium Surcharge Receivable. During our testing of these estimates, we did not identify any material misstatements, but noted that although the Department has established procedures for estimating each of these balances, internal control procedures to complete a supervisory review of the accuracy of the estimates have not been established. Consequently, there is a risk that these estimates could contain errors,

including miscalculation, or may not consider all relevant factors and the resulting account balance may not be accurate.

The process of developing accounting estimates includes identifying the relevant factors that may affect the accounting estimate; accumulating relevant, sufficient, and reliable data on which to base the estimate; and developing assumptions that represent management's judgment of the most likely circumstances and events with respect to the relevant factors. Internal controls should include a detail review and approval of the accounting estimates by appropriate levels of authority. In addition, internal controls should include a comparison of prior accounting estimates with subsequent results to assess the reliability of the process used to develop estimates (retrospective review).

(Classification of Finding: Significant Deficiency.)

Recommendation No. 18:

The Department of Labor and Employment should implement more formal procedures for preparing, reviewing, and approving significant estimates including a detailed review of the relevant factors and assumptions used and a retrospective review of prior estimates compared to the current year.

Department of Labor and Employment Response:

Agree. Implementation date: May 2009.

The Department of Labor and Employment will implement a procedure that validates the preparation, review and approval of material fiscal estimates. This procedure will include a review of relevant factors and assumptions used in the derivation of such estimates.

Petroleum Storage Tank Surcharge

Section 8-20-206.5, C.R.S., authorizes the Department to collect an Environmental Response Surcharge from purchasers, manufacturers and distributors of liquefied petroleum gas. The statute allows moneys collected by the Department to be used for costs related to various activities related to liquefied petroleum gas. The Department's primary use of the funds is to administer a reimbursement program for the clean up of Petroleum Storage Tank sites as part of a federal program.

The statute also sets the surcharge on a sliding scale based on the available fund balance in the petroleum storage tank fund. Fee amounts range from $0 to $100 as follows:

Available Fund Balance	**Surcharge Per Tank Truckload**
>$12,000,000	$0
$6,000,000 – $11,999,999	$50
$3,000,000 - $5,999,999	$75
<$3,000,000	$100

According to the statute, available fund balance is defined as "the sum of the current year revenues and the previous fund balance minus the sum of the obligations approved by the petroleum storage tank committee pursuant to Section 8-20.5-104 and the costs incurred by the division of oil and public safety for administering articles 20 and 20.5 of this title."

We reviewed the Department's calculation as of June 30, 2008. The Department calculated an available fund balance of $2,858,315 by reducing the cash balance of $11,651,540 for total liabilities of $7,793,225 and a "minimum cash balance required for EPA financial responsibility" of $1,000,000. The Department calculation of the available fund balance is based on Department staff's interpretation of the statute. This fund balance resulted in a fee of $100 per truckload in accordance with the statute.

Based on our review of the June 30, 2008, Petroleum Storage Tank financial reports, the ending fund balance of $8,851,704 is a more appropriate measure of the available fund balance as it includes the elements specified in statute as described above. Based on our calculation, the fee in the Petroleum Storage Tank should be $50 per truckload, instead of the $100 calculated by the Department. In addition, the statute does not provide for an adjustment for the $1,000,000 EPA financial responsibility. By not calculating the fund balance in accordance with statute, the Department is over collecting for the environmental response surcharge.

(Classification of Finding: Not classified–not an internal control issue.)

Recommendation No. 19:

The Department of Labor and Employment should change the methodology for calculating the fund balance of the Petroleum Storage Tank Fund in accordance with statute and charge the appropriate environmental response surcharge fee. If the Department is unclear on the methodology it should obtain an opinion from the Attorney General to determine whether the current methodology utilized to calculate the "Available Fund Balance" for the Petroleum Storage Tank Fund is in accordance with statute.

Department of Labor and Employment Response:

Agree. Implementation date: July 1, 2009.

The Department of Labor and Employment will, as recommended, verify in conjunction with the Attorney General's Office, the proper definition of the "Available Fund Balance" to determine the appropriate environmental response surcharge fee in accordance with Section 8-20-206.5, C.R.S. The Department will change its environmental response surcharge fee to the appropriate amount based on the recommended methodology effective July 1, 2009.

Department of Law

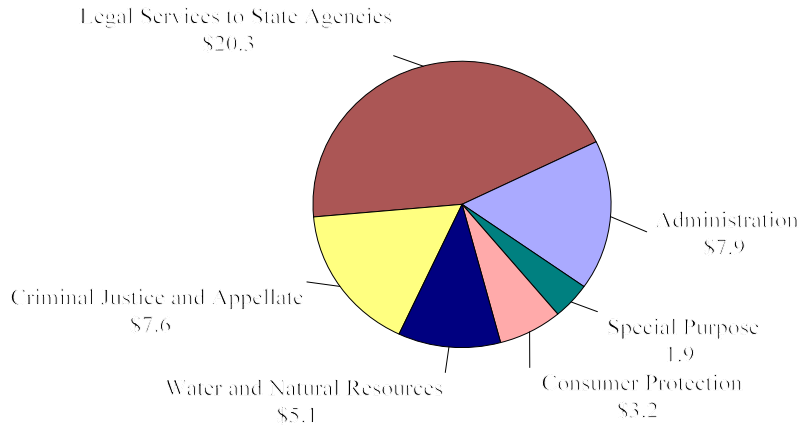
Introduction

The Department of Law is directed by the Attorney General, who is an elected state official as provided by Article IV of the State's Constitution. The primary functions of the Department are to:

- Provide legal counsel and advice to all departments, commissions, boards, and elected officials of state government.
- Represent the legal interests of all citizens of Colorado.
- Serve as the enforcement agency for the Colorado Consumer Protection Act, state and federal antitrust laws, and the Uniform Consumer Credit Code.

The Department also reviews state contracts for compliance with State Fiscal Rules and statutes. In Fiscal Year 2008 the Department of Law was appropriated approximately $46 million and 378.4 full-time equivalents, or FTE. The following chart shows the Department's operating appropriations by division for Fiscal Year 2008:

Department of Law
Fiscal Year 2008 Operating Appropriations by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Fiscal Year-End Adjusting Entries

The Department of Law was appropriated $325,000 in Fiscal Year 2009 to be used for unanticipated state litigation expenditures and information technology capital asset maintenance (Litigation and IT Fund). Funding for the Litigation and IT Fund was to be provided from the Department's revenue earned in excess of expenditures incurred for legal services provided to other state agencies during Fiscal Year 2008 (excess agency earnings). If the excess agency earnings were not sufficient to fund the Litigation and IT Fund expenditures up to the appropriation of $325,000, the Department was allowed by the Long Bill to cover the shortfall by utilizing excess revenues from the Attorney Fees and Costs Fund earned in Fiscal Year 2008.

The Fiscal Procedures Manual issued by the Office of the State Controller requires that state department staff analyze augmenting revenue accounts after fiscal year end and make any necessary adjusting entries. Department policy required that, after fiscal year end, Department staff compare amounts appropriated for Fiscal Year 2009 Litigation and IT Fund spending to the actual excess agency earnings from Fiscal Year 2008 to determine if the excess agency earnings were sufficient to cover the Fund's appropriation. If the excess agency earnings were not sufficient, the Department was to transfer excess revenue from the Attorney Fees and Costs Fund to the Litigation and IT Fund to cover the shortfall.

We found that Department staff did not perform a comparison of excess agency earnings to the total Litigation and IT Fund Fiscal Year 2009 appropriation after the June 30, 2008, fiscal year end. As a result, the Department did not identify that excess agency earnings were $58,000 less than the Fund's appropriation of $325,000. In addition, the Department did not transfer $58,000 from its Attorney Fees and Costs Fund Balance to the Litigation and IT Fund to cover the shortfall. Without the $58,000 transferred funds, the State's calculated general fund surplus was understated by $58,000. This resulted in an understatement of the State's distribution of surplus general funds to other state agencies for capital construction and transportation expenditures in the subsequent year by $58,000.

The Department should ensure state and Department requirements related to year-end comparisons and closing entries are followed. This includes ensuring that Department staff carefully review each augmenting revenue balance in comparison with expenditures and authorized spending at fiscal year end to ensure that any shortfalls are identified and necessary adjusting entries are made.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 20:

The Department of Law should improve controls over the fiscal year-end closing process to ensure that required spending authority comparisons and related adjusting entries are made.

Department of Law Response:

Agree. Implementation date: July 2009.

The Department of Law intends to follow the post-closing procedures established within its policies and procedures.

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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 divisions: Executive Director's Office, Board of Assessment Appeals, Division of Emergency Management, Division of Housing, Division of Local Government, and Division of Property Taxation. Key responsibilities of the Department include:

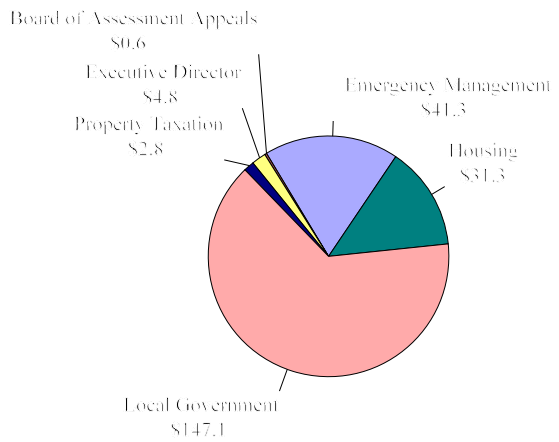
- Administering state and federal low-income housing programs.

- Assisting local government 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 $227.9 million and 184 full-time equivalent, or FTE, staff for Fiscal Year 2008. The chart on the following page shows the operating budget by division for Fiscal Year 2008:

Department of Local Affairs
Fiscal Year 2008 Appropriations by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2008 audit work at the Department of Local Affairs.

Allocation of Payroll Expense

The Long Bill appropriates funds by program areas and it serves as a tool to analyze budget versus actual costs by program at the end of the fiscal year, and determine whether any variances noted indicate adjustments that should be made to the budget in future years. This tool is ineffective if program expenses do not accurately reflect the actual time worked by employees. The Department's total payroll costs for Fiscal Year 2008 were approximately $13.8 million.

The Department has internal procedures to ensure that the payroll expense is charged against the correct program. When a new employee is hired, a Personnel Action Request (PAR) form is created by the supervisor or agency designee to document the program or programs the employee will be supporting and the portion of their payroll expense that should be recorded to each program. Prior to execution of the request, approval signatures are required from the following authorizers: supervisor or agency designee, appointing authority, budget, accounting, executive director, and personnel officer. If at any time during the year, the employee's duties change such that the previously documented PAR is no longer accurate, a new PAR is created by the supervisor or agency designee to identify the description of the request and the change of the funding codes. The same approval signatures are required prior to the request being processed.

During the Fiscal Year 2008 audit, we tested the Department's procedures related to the allocation of payroll expense to programs. We judgmentally selected five employees for testing of their payroll expense. Our audit procedures detected one employee whose payroll costs of $6,419 for the month of June 2008 were partially expensed to the incorrect program. Per our independent inquiry of this employee, she supported the Search and Rescue program for only a portion of the month; however, expenses for the entire month were allocated to the Search and Rescue program. This allocation was supported by a PAR effective June 1, 2008, that was created to reallocate 100 percent of her payroll expense from Fund 100 (General Fund – Unrestricted) to Fund 420 (Search and Rescue). However, the PAR was never approved by a supervisor or agency designee. Instead the first initiating signature was the appointing authority. This is not consistent with the policy mentioned above. The approved Fiscal Year 2008 Long Bill budget for Search and Rescue was $615,000.

As a result of lack of all required signatures on PARs and employee payroll costs being recorded to the incorrect program code there is an increased risk that expenditures for other programs may be misstated in Fiscal Year 2008. The Department should re-evaluate how PARs are initiated and reviewed to ensure that all responsible parties approve the funding codes. Additionally, the Department should implement controls to ensure supervisors' manual review and approval of employee payroll costs and allocation to the proper program code as documented in the PARs is being performed. Proper processing and review procedures are critical for preparing accurate financial reporting.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 21:

The Department of Local Affairs should ensure that all appropriate parties approve Personnel Action Requests (PAR) created for new employees and for employees when their duties change. Further, the Department should implement a mechanism to ensure that expenditures are charged to programs based on actual time spent by the employees and that these actual expenditures are compared to the approved PARs.

Department of Local Affairs Response:

Agree. Implementation date: February 28, 2009.

The Department is in the process of reviewing its policy and procedures regarding the use of the Personnel Action Requests (PAR). The Department is also developing written guidance and will provide training where appropriate. The policy will address the charging of expenditures to the appropriate funding source based on time spent by the employee.

Adequate Review Procedures in the Procurement Cycle

The Department is required under the State Fiscal Rules established by the Office of the State Controller to have sufficient internal controls and procedures in place to ensure that all purchases are expensed to the proper expenditure code. The Department's current procurement policy in place for Fiscal Year 2008 does not appear to have adequate policies and procedures in place to allow for proper segregation of duties.

Segregation of duties is an essential function to ensure misstatements due to error or fraud are detected timely by the entity. During Fiscal Year 2008 procurement transactions, excluding grant expenditures, totaled approximately $1.5 million for the Department. The Department's purchasing office is authorized to process and prepare the purchase order and entry in the accounting system for procurement requests upon receiving a purchase authorization form. The Department's policy requires that the authorizing office complete and then submit a purchase authorization form to the purchasing office for processing. The purchase authorization form contains the authorized program expenditure code the expenditure is to be charged against. The purchasing office then creates a purchase order based on the purchase authorization form and prepares the entry to record the expenditure into the State's accounting system, COFRS. The accounting office obtains a copy of the purchase order and compares the information on the purchase order to that of the prepared entry in COFRS. The accounting office approves and posts the expenditure to COFRS, provided all information agrees to the underlying documentation. However, the accounting office is not provided with the initial purchase authorization form which contains the authorized expenditure code. This information is needed for the accounting office to conduct a proper review and approval of the procurement.

During the Fiscal Year 2008 audit, we tested the Department's procedures related to the procurement of goods during the fiscal year. Our audit procedures detected one expenditure for $951 that was initially recorded to the incorrect expenditure code. The expenditure was recorded in COFRS to a different code than the approved expenditure code on the purchase authorization form. We inquired of Department staff and noted that the purchase authorization form was changed by the purchasing office to reflect the expenditure code to which this expenditure was incorrectly recorded. There was no documentation that the manager who initially approved the purchase authorization form authorized the change in allocation of this expenditure. As a result, the expenditure was initially recorded to the incorrect expenditure code. This error was subsequently detected by the approving manager during a monthly reconciliation process. However, there is an underlying control weakness in that the purchasing office is able to modify, process and prepare the entry for procurements into COFRS without the accounting office having sufficient information to properly review and approve the transaction.

As a result of the lack of adequate control procedures there is an increased risk of other expenditure codes being inaccurately charged during the year. The Department should re-evaluate its policies and procedures related to purchasing internal controls to ensure adequate segregation of duties is performed with adequate supporting documentation.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 22:

The Department of Local Affairs should strengthen its internal controls over purchasing and ensure proper segregation of duties by requiring adequate documentation for properly reviewing, approving, and recording expenditures during the year.

Department of Local Affairs Response:

Agree. Implementation date: August 21, 2008.

The Department revised its Purchase Order Policy and Procedures in August, 2008. This revision incorporated procedures that strengthened the internal controls over purchasing. In addition, the approval of the Purchase Order encumbrance was changed from the Purchasing Agent to Accountants in the Accounting and Financial Services Division. This change provides for proper reviewing of supporting documentation, correct recording of the expenditures and segregation of duties.

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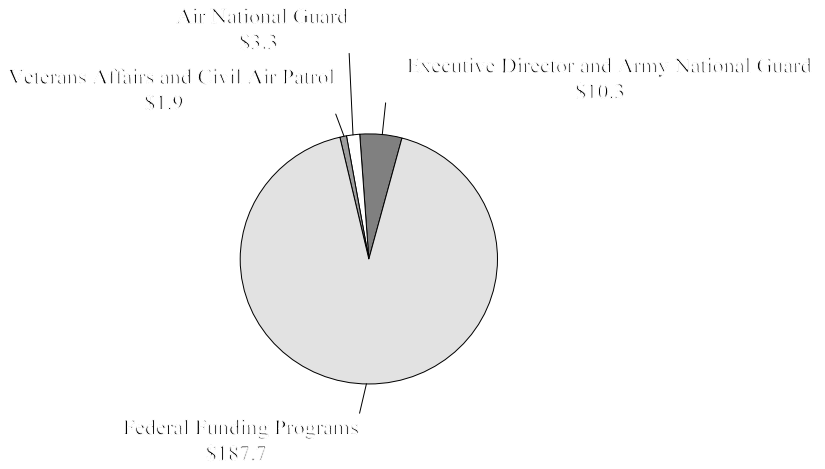
Department of Military and Veterans Affairs

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 approximately $203.2 million and 1,387.3 full-time equivalent staff, or FTE, for Fiscal Year 2008. The following graph shows the Department's operating budget by division for Fiscal Year 2008:

Department of Military and Veterans Affairs
Fiscal Year 2008 Appropriations
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Schedule of Federal Assistance

The Office of the State Controller (OSC) requires departments annually to prepare a report, or "exhibit," to aid the OSC in the 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 report 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. The Exhibit K includes columns for the fiscal-year beginning balance of funds due from or to the federal government for federal grants, the amount of funds received from the federal government during the fiscal year, the amount of federal funds expended during the fiscal year, and the fiscal year ending balance of funds due from or to the federal government for federal grants. The OSC provides instructions to state agencies on how to properly prepare the Exhibit K.

During our Fiscal Year 2007 audit we performed testwork on the Department's Exhibit K. We found that the Department's controls over the preparation of the Exhibit K were lacking. Specifically, the Department was unable to provide supporting documentation for $11.4 million in federal expenditure information reported on its Exhibit K in a timely manner. We also found that the Department failed to adhere to the OSC's instructions for completing the Exhibit K, and, as a result, did not correctly report the amount of funds received during the year from the federal government.

During our Fiscal Year 2008 audit we again performed testwork on the Department's annual Exhibit K. We continued to note weaknesses in the Department's controls over the preparation of the Exhibit K. Specifically, we noted errors on the Department's Exhibit K that required two revisions. On both the first and second version of the Exhibit K, we were unable to reconcile amounts reported on the Exhibit K for receipts and expenditures for the Veteran's Burial Allowance program to the State's accounting system, COFRS. Receipts and expenditures on the first Exhibit K were each understated by $58,800; receipts and expenditures on the second version of the Exhibit K were each understated by approximately $4,900. The Department corrected the errors on the third version of the Exhibit K and resubmitted it to the OSC prior to the issuance of the Schedule of Expenditures of Federal Awards.

The Department should improve existing controls over the preparation of its Exhibit K in order to ensure that the State's Schedule of Expenditures of Federal Awards is accurate and that the time required to correct and revise exhibits is minimized. This could be accomplished by ensuring that staff responsible for the preparation of the Exhibit K are adequately trained on an annual basis and by implementing a

supervisory review process that includes an in-depth review of all supporting documentation.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 23:

The Department of Military and Veterans Affairs should continue to improve controls over the preparation of the Exhibit K by:

a. Ensuring that staff preparing exhibits are adequately trained, annually, on Exhibit K preparation requirements.

b. Implementing a secondary review over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.

Department of Military and Veterans Affairs Response:

Agree. Implementation date: September2009.

Staff will be trained and a secondary review performed prior to submission to the Office of the State Controller and the Office of the State Auditor.

Capital Assets - Inventory of Furniture and Equipment and Construction in Progress

At the end of Fiscal Year 2008, the Department reported total capital assets of $50.1 million. This amount includes land, buildings and depreciable improvements to land totaling $34.1 million. This amount also includes construction in progress of $14.8 million, and software, furniture, and equipment of $1.2 million. Generally accepted accounting principles (GAAP) require that costs related to long-term construction projects be accumulated into construction in progress until the project is substantially complete and placed into service. All costs that are directly and clearly associated with the acquisition, development, and construction of a real estate project should be capitalized. These costs include allocated indirect costs, such as construction administration and costs common to more than one project. After the project is placed in service, the costs should be transferred from construction in

progress to the appropriate capital asset category (e.g., buildings or equipment), and the assets should be depreciated over their respective useful lives.

The Fiscal Procedures Manual (Manual) published by the Office of the State Controller (OSC) requires state agencies at fiscal year end, and prior to the State's fiscal year-end accounting closing period, to review all capital construction projects to identify projects completed and closed during the year and to ensure that all costs of the closed projects are transferred to the appropriate capital asset account on COFRS. The Manual also requires that state departments conduct a physical inventory of capitalized furniture and equipment, including software.

During our Fiscal Year 2008 audit, we identified weaknesses in the Department's internal controls over capital assets. Specifically, we identified approximately $2.1 million in capital assets for completed construction projects that had not been transferred from the construction in progress account to the appropriate capital asset category on COFRS. We further found the Department does not have a reconciliation process in place over the construction in progress account to ensure that amounts for completed construction projects are transferred in a timely basis. We also determined that the Department did not perform a physical inventory of capitalized furniture and equipment during Fiscal Year 2008. As a result, the Department was unable to identify discrepancies in furniture and equipment records and the physical inventory or to make necessary adjustments to COFRS.

In order to ensure that capital assets are properly accounted for in accordance with GAAP and OSC policies, the Department should implement a reconciliation process for the construction in progress account to identify and reclassify all completed project costs to their respective asset accounts. The Department should perform annual inventories by fiscal year end as required by the Office of the State Controller to ensure that the amounts reported on COFRS at fiscal year end are correct, assets are appropriately tracked and safeguarded, and changes to asset inventory are properly recorded.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 24:

The Department of Military and Veterans Affairs should improve controls over capital assets by:

a. Annually performing a reconciliation of the construction in progress account to identify costs for completed construction projects and reclassifying them to their respective capital asset accounts.

b. Performing an annual inventory of all software, furniture, and equipment to identify discrepancies and follow up as needed and making adjustments to asset records as determined appropriate.

Department of Military and Veterans Affairs Response:

Agree. Implementation date: June 30, 2009.

a. The Department will use the finding to request a waiver for the hiring freeze to hire a temporary accountant to itemize and reconcile each project, determine where to transfer Construction in Progress balances.

b. An annual inventory on capital assets will be performed by June 30 each year.

Procurement Cards

The Department issues procurement cards to authorized Department personnel for the purchase of allowable, small-dollar items for Department business. The Department was appropriated approximately 1,390 staff. Of these 149 are paid through state-generated funds and the remainder are paid through federal funds. As of June 2008, approximately 39 of the Department's state-paid employees had been issued procurement cards. The Department keeps an additional 34 "emergency cards" on hand to distribute to military personnel who respond to an emergency in the State and need the ability to make purchases to assist in the recovery effort. During Fiscal Year 2008, the Department expended approximately $532,000 through the use of procurement cards. The Department reported average transactions of 163 per month for approximately $287 per transaction.

The Department has issued its own policy manual for procurement card issuance and use. According to Department policies, each cardholder must sign a Cardholder Agreement and a Purchasing Cardholder Account Form. Both forms must also be signed by an "approving official"; the approving official is the staff member assigned and authorized to approve the cardholder's procurement card use. These forms define the user's spending limit and bind the user to the terms of procurement card use.

Department procurement card policies also state that supporting documents such as vendor receipts must be supplied for each purchase a cardholder makes. Each cardholder and the approving official must sign the monthly card statements to attest

to the validity of the monthly purchases. Further, each cardholder and the approving official must ensure that each purchase is coded with the appropriate expenditure account code and that the purpose of the transaction is noted on the accompanying documentation.

As part of our Fiscal Year 2008 audit, we selected a sample of 25 authorized (non-emergency) procurement card users and reviewed supporting documentation for all expenditures the cardholders in this sample had made during May 2008. We found the following:

- Nine of the monthly statements we tested (36 percent) were not signed by the cardholder.

- Three of the monthly statements (12 percent) we tested were not signed by the approving official.

- Three of the monthly statements we tested (12 percent) lacked evidence of supporting documentation for $11,370 out of total purchases of $12,650 for the month.

We also performed a review of documentation maintained in case files for initial card authorization for the 25 cardholders in our sample. We found the following:

- Case files for 14 of 25 cardholders (56 percent) contained no evidence of approving official authorization for card issuance. As noted above, Department policies require cardholders to be assigned an approving official who is required to sign documentation authorizing card use.

- Case files for two of 25 cardholders (8 percent) did not contain Cardholder Agreement forms.

Upon further discussion with Department accounting staff, we found that the Department has not assigned an approving official for four of the Department's 39 authorized users due to the user's senior level in the organization. As a result, purchases for those users are routinely paid without a secondary level of review. All employees in the Department need to be held accountable for the use of state funds. The Department should develop a review process for purchases made by senior-level employees. This could include reviewing each other's transactions.

Our findings indicate that Department staff did not consistently follow policies regarding procurement card issuance and use during Fiscal Year 2008. Although the Department's procurement card policies were posted on its website, the policies were not consistently enforced. Further, while the Department reported that some users

completed an online procurement card training course, the course was not required for all users.

Adequate controls over purchasing cards are important because the cards are a high-risk area for fraud and abuse. Without adequate internal controls in place over purchasing card issuance and use, the Department faces increased risk that purchasing cards will be issued to unauthorized users and that fraudulent purchases will be made. Therefore, the Department should improve controls over the issuance and use of purchasing cards and ensure that they are consistent with Department policies and procedures.

(Classification of Finding: Control Deficiency.)

Recommendation No. 25:

The Department of Military and Veterans Affairs should improve controls over procurement cards by:

a. Requiring the staff that have been issued procurement cards to complete procurement card training.

b. Establishing a review process over purchases made by senior-level employees.

c. Ensuring that procurement cards are not issued without proper authorization.

d. Improving the existing review process in place over procurement card purchases to ensure that purchases are reviewed and contain appropriate supporting documentation.

Department of Military and Veterans Affairs Response:

Agree. Implementation date: February 28, 2009.

a. All but one cardholder has taken and passed an on-line test over proper use of the card, which includes proper use of the card and documentation of purchases. The one card has been suspended.

b. All cardholders will be assigned an approving official who will be trained in the respective responsibilities.

c. All current applications for cards will be reviewed for proper supervisor approval. Any applications that do not have proper approval will be replaced with properly approved documents.

d. The approving officials and accounting staff will be trained to ensure all transactions are properly documented, supported and approved.

Counterdrug Program Federal Forfeiture Fund

House Bill (HB) 07-1275 stipulated the creation of a new fund at the Department titled the Counterdrug Program Federal Forfeiture Fund (the Fund). HB 07-1275 enables the National Guard to share in the proceeds from the sale of assets seized during federal counterdrug operations when the National Guard assists local law enforcement under the counterdrug interdiction and enforcement plan.

When a new fund is created by statute, it is the Department's responsibility to contact the OSC to request a fund number and a funding source code so that the OSC can activate the fund. Once the fund is activated, the Department accounting personnel establish a $0 appropriation on COFRS which provides a means for the Department to account for the activities of the fund.

During our Fiscal Year 2008 audit, we found that the Department had not contacted the OSC to ensure that a fund for recording fiscal activities for the federal counterdrug forfeiture program had been established on COFRS as of the end of Fiscal Year 2008. We also determined that the Department had received two checks during Fiscal Year 2008 totaling approximately $12,800 and $611, respectively, from the sale of assets seized through the federal counterdrug operations program but had not deposited either of the checks or recorded the amounts as revenue on COFRS by the time of our review in late July 2008. The checks were dated June 2 and March 6, 2008, respectively. Department accounting staff indicated that they had been

unaware of the statutory creation of the Fund until the two checks were provided to the Accounting Division by Department counterdrug forfeiture program staff on July 8, 2008. However, Department counterdrug forfeiture program staff indicated that they met with Department accounting staff after the 2007 Legislative Session to discuss the requirement for the new Fund. Subsequent to our review, Department accounting staff contacted the OSC to begin the process for creating the Fund on COFRS. The process was complete on July 31, 2008, at which point the checks were recorded and the resulting revenue recorded in Fiscal Year 2009 on August 21, 2008.

The Department does not have adequate internal controls in place to ensure that all statutory provisions that affect Department accounting functions are addressed in a timely manner. Department accounting staff failed to initiate the process to establish the Fund until 11 months after the legislation became effective. Further, Department counterdrug forfeiture program staff failed to provide Department accounting staff checks for the program in a timely manner. As a result, checks were not deposited timely, and revenue for the program was recorded in the wrong fiscal year.

The Department should strengthen its internal controls to ensure that all statutory provisions that affect Department accounting functions are addressed in a timely manner, checks are deposited when received, and revenue is recorded in the correct fiscal year.

(Classification of Finding: Control Deficiency.)

Recommendation No. 26:

The Department of Military and Veterans Affairs should improve its controls over the implementation of statutory provisions that affect the Department accounting functions to ensure that all necessary steps are taken in a timely manner to fully implement the provisions. The Department should also ensure that checks are deposited timely and revenue is recorded in the appropriate fiscal year.

Department of Military and Veterans Affairs Response:

Agree. Implementation date: January 2009.

The individual that was the cause of the issue has retired. New staff was hired that will properly implement legislation as required. The fund policy letter will be changed to reflect a timely deposit of any checks or cash received.

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Department of Natural Resources

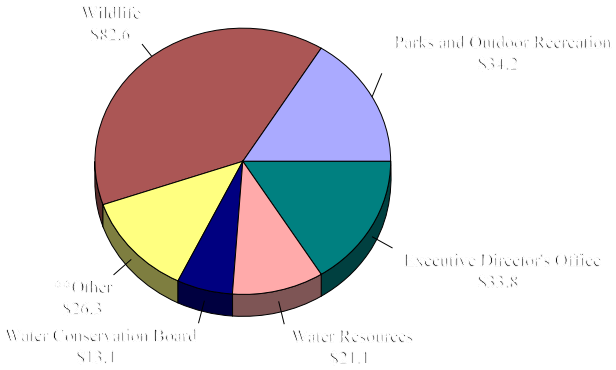
Introduction

The Department of Natural Resources is responsible for developing, protecting and enhancing Colorado's natural resources for the use and enjoyment of the State's present and future residents and visitors. Resources include land, wildlife, outdoor recreation, water, energy, and minerals. The Department is comprised of the Executive Director's Office, which is responsible for the administration and management of the overall Department, and the following nine divisions:

- Wildlife
- Water Resources
- State Board of Land Commissioners
- Parks and Outdoor Recreation
- Oil and Gas Conservation Commission
- Reclamation, Mining and Safety
- Water Conservation Board
- Geological Survey
- Forestry

In Fiscal Year 2008 the Department was appropriated approximately $211.1 million with 1,515 full-time equivalent staff, or 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 chart on the following page shows the Department's appropriations for Fiscal Year 2008:

Department of Natural Resources
Fiscal Year 2008 Appropriations by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.
** Includes the Oil and Gas Conservation Commission; the Colorado Geological Survey; the Colorado State Board of Land Commissioners; the Division of Reclamation, Mining, and Safety; and the Division of Forestry.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2008 audit at the Department of Natural Resources.

Controls Over Payroll

During Fiscal Year 2008 the Department spent approximately $119.5 million on salaries and wages for its 1,515 appropriated full-time equivalents, or FTE. Among this total are salaried employees, full-time employees being paid hourly and temporary seasonal workers that the Department hires to fill certain positions. Seasonal employees are generally paid an hourly wage. To ensure that each hourly worker's time is accurately recorded and approved, Department policy requires hourly employees to enter their work hours into the Department's timekeeping system, KRONOS, and to electronically sign off on the time sheet at the end of the pay period. Each supervisor is required to review their respective hourly workers' time sheets and apply an electronic approval. The electronic approval documents the supervisor's knowledge of the hourly workers' performance of the hours entered.

During our Fiscal Year 2008 audit, we reviewed time sheets for eight hourly employees within two of the Department's Divisions. We noted that all time sheets contained employee and supervisory approvals. However, on one time sheet, the

hours worked were incorrectly entered into the timekeeping system, indicating that the supervisory review was not effective. The time sheet indicated that hours were worked subsequent to the date of a seasonal employee's termination. Further investigation determined that the appropriate number of hours worked were entered, but entered on incorrect days.

In addition, we also identified control weaknesses in the segregation of duties within the Department's payroll area. We noted that the Department's two Payroll Accountants and Payroll Technician have the ability to change certain information (including pay rates) in on-line payroll files. Specifically, these staff can change payroll entries subsequent to the submissions of payroll information by the various divisions of the Department, but prior to the posting of the payroll batch. The State's payroll system does not allow an employee in a payroll position to access or change his or her own payroll information, but do not eliminate the potential for other employees' payroll data to be changed and for these changes to not be identified by Department personnel. And even though the Department has a policy requiring a Personnel Action Form (PAF) be completed for all payroll changes, the Department has not adopted controls to ensure the PAF is completed and received prior to a change by these or any staff. The ability to change pay rates prior to posting of the payroll to the State's accounting system, COFRS, could increase the risk for fraud, abuse or error, thereby potentially leading to employees being paid more or less than their authorized pay scale.

Finally, we found that the Payroll Accountants and Payroll Technician have access to signed payroll checks without proper authorization. Again, this ability increases the risk for fraud, abuse and errors.

In Fiscal Years 2006 and 2007, we also found payroll-related deficiencies.

Based on the results of our testing, the Department does not have adequate controls in place over payroll for its hourly staff. The lack of adequate controls indicates an environment in which errors and irregularities could occur and not be detected in a timely manner. To ensure that payroll is accurate and that only bona fide employees are paid, the Department must enforce its payroll policies and oversight by stressing the importance of its review process. The Department should also implement a process to review any changes to pay rates prior to the posting of payroll to COFRS and reassign access to signed checks to personnel without the ability to create or change payroll checks.

(Classification of Finding: Control Deficiency.)

Recommendation No. 27:

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

a. Reinforcing the importance of supervisory review of the accuracy of time sheet data to ensure employee payroll is correct.

b. Implement procedures to require supervisory review of any pay rate changes occurring prior to posting of payroll to COFRS or reassign incompatible duties within the Payroll Accountants and Payroll Technician positions to other individuals.

Department of Natural Resources Response:

Partially agree. Implementation date: January 2009.

a. We will continue to emphasize the accuracy of time sheets prior to time sheet approval within the Divisions.

b. While we believe other controls are in place to prevent any changes to pay rate information, we will change the duties related to disbursement of actual payroll warrants received and will have an employee with no payroll access mail the warrants.

Reconciliation of Construction in Progress

At the end of Fiscal Year 2008 the Department reported total capital assets of $385.3 million and construction in progress of approximately $11.7 million. Generally accepted accounting principles require that costs related to long-term construction projects be accumulated into construction in progress on the balance sheet until the project is substantially complete and placed into service. All costs that are directly and clearly associated with the acquisition, development, and construction of a real estate project should be capitalized. These costs include allocated indirect costs, such as construction administration and costs common to more than one project. After the project is placed in service, the costs should be transferred from construction in progress to the appropriate capital asset category (e.g., buildings or equipment), and the assets should be depreciated over their respective useful lives.

The Fiscal Procedures Manual (Manual) published by the Office of the State Controller requires state agencies to review expenditures for their uncompleted capital construction projects and record, or capitalize, the expenditures that meet various capitalization thresholds for various types of assets. For example, the Manual sets a $5,000 capitalization threshold for furniture and equipment and a $50,000 capitalization threshold for buildings and leasehold improvements. Assets with expenditures below the capitalization thresholds should be expensed during the year incurred.

During our Fiscal Year 2008 audit, we reviewed certain post-closing adjusting entries prepared by the Department associated with the capitalization of approximately $23.4 million in completed construction projects. We noted that the Department made several adjustments that related to prior fiscal years. Included in the amounts capitalized in the current year were approximately $12.2 million of projects that were completed in years prior to Fiscal Year 2008. Associated with these prior year projects was approximately $950,000 of depreciation expense that was recorded in the current fiscal year. We also noted that the Department had made an adjustment for approximately $1.3 million of costs erroneously included in its construction in progress account that should have been expensed at the governmental level in prior years due to not meeting the State's capitalization guidelines described above. The Department expensed these in the current fiscal year. The above post-closing adjustments are indicators that the Department has not performed an appropriate reconciliation of construction in progress in prior years, in a timely manner, and that prior year projects and costs are not being reported in the appropriate accounting period.

Although the Department's year-end review identified and corrected these errors, the Department should improve its review process over capital project expenditures to accurately expense and capitalize costs, as appropriate, in the correct fiscal year.

(Classification of Finding: Control Deficiency.)

Recommendation No. 28:

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

a. Reviewing the expenditures related to capital projects and construction in progress in a timely manner to ensure that all completed capital projects are properly capitalized and depreciation taken in the appropriate fiscal year.

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

Department of Natural Resources Response:

Partially agree. Implementation date: June 2009.

a. The Department has changed the process used to review construction in progress. We consult with the divisions to ensure the project has been completed and all costs are accounted for prior to moving the assets out of construction in progress into the appropriate asset classification. Due to the large amount of construction performed in the Department and the relatively short time frame in which to make the year-end closing adjustments, we were unable to complete this process for one region within one of the Divisions. The final review and posting of the entry was made post close. It is never our intention to do post closing entries, but sometimes they are unavoidable. We have made great strides in the last two years to improve the capital asset process used in the Department, and believe our financial records are much more accurate. Prior year depreciation expense is adjusted to ensure that the capital asset records of the Department are accurate. We continue to modify our process to allow for adequate time for review and processing of monthly and year end entries to correctly state the Departments capital asset inventory and depreciation expense.

b. The Department identifies, records, and depreciates the Department's capital assets in accordance with the Fiscal Procedures Manual. Assets are capitalized based on the total capital construction project cost. Post construction analysis sometimes indicates that the anticipated cost of a project does not meet the defined capitalization thresholds at project completion, or costs may be determined to be maintenance and not subject to capitalization. Sometimes this information is not available until the subsequent year. In order to maintain correct asset records, these costs are deleted out of construction in progress in the capital asset, or proprietary fund in the year the determination is made that the project cost does not meet the Departments threshold, or should not be capitalized. We continue to make refinements to the process used to record capital assets as well as provide addition training throughout the Department on capital asset issues.

Reconciliation of Accounts

The Colorado Division of Reclamation, Mining and Safety (Division), is responsible for mineral and energy development, policy, regulation, and planning in Colorado. As part of its regulatory responsibility, the Division issues permits in order to regulate mining and reclamation activities at coal, metal, aggregate and other minerals mines. As part of the permitting requirements, mine operators must submit to the Division financial instruments (commonly referred to as performance bonds) as security that they will be responsible for restoring the mining site to its natural state subsequent to the completion of the mining activities. These performance bonds may be submitted in any of several forms including cash bonds, cash escrow accounts, corporate surety bonds, irrevocable letters of credit, or certificates of deposit. The Division holds these instruments as security until proper completion of required reclamation activities.

At June 30, 2008, the Division held 302 financial instruments totaling approximately $13.5 million. During our Fiscal Year 2008 audit, we reviewed 12 of the 302 performance bonds, representing approximately $7.56 million or 56 percent, of the total held by the Division. We found that the Division does not have adequate controls in place over reconciliation of these security assets to amounts on COFRS. For example, for one cash escrow account, we noted that the Division failed to properly reconcile the COFRS account with supporting documentation to reflect an additional $2.56 million deposit made by an operator. Division personnel received notification of the increase from a financial institution, however no action was taken by the Division personnel to record the activity in COFRS. The result was a $2.56 million understatement of both assets and liabilities on COFRS at fiscal year end. Also, the Division lacks appropriate supervisory review of account reconciliations, which should catch errors such as the one described above.

To ensure that all activity related to performance bonds is properly recorded in COFRS, the Department must create and implement procedures for necessary monthly or quarterly reconciliation between COFRS and supporting documentation and the related review process of the reconciliation, and ensure adjustments are made to accounting records for any errors or omissions identified.

(Classification of Finding: Control Deficiency.)

Recommendation No. 29 :

The Colorado Division of Reclamation, Mining and Safety should strengthen its controls over performance bond account reconciliations by:

a. Creating and implementing policies and procedures related to the monthly and/or quarterly reconciliation of COFRS accounts to the Division's internal records.

b. Implementing procedures to require supervisory review of monthly and/or quarterly reconciliation of its COFRS accounts, including making adjustments as needed.

Department of Natural Resources Response:

Agree. Implementation date: January 2009.

a. The Division currently has a reconciliation process to agree the COFRS amounts and Division internal records. The Division will review their policies and procedures to make sure the reconciliation process is complete and accurate for all types of financial instruments.

b. Supervisory review of the reconciliation process will be implemented by the Division. The Department will also include review of the reconciliation and associated adjusting entries as part of the year end close process.

Division of Parks and Outdoor Recreation

Findings and Recommendation Nos. 30 through 36 are taken directly from the *Division of Parks and Outdoor Recreation Performance Audit*, Report No. 1896, dated June 2008, performed by the Colorado Office of the State Auditor. These comments are repeated in this report because they involve matters considered to be significant deficiencies in internal control at the Department of Natural Resources.

Great Outdoors Colorado Revenues

The State Board of Great Outdoors Colorado (GOCO) has awarded the Division of Parks and Outdoor Recreation (Division) more than $67 million during the past five

fiscal years. A significant portion of this funding has been for purchases of land to develop new parks or to expand existing parks. State Fiscal Rules require that agencies record all financial transactions in the State's accounting system, COFRS. This includes the receipt of all grant revenues and related expenditures, such as the purchase of capital assets. In addition, agencies must record the value of all capital assets, such as land, in their capital asset inventories for tracking purposes. Comprehensive, timely, and accurate recording of all financial transactions and capital assets is essential for agencies to effectively manage and account for the State's resources. It is also vital to the integrity of the State's financial statements.

During the final draft preparation and review process for this performance audit report, GOCO expressed concerns about revenue figures reported by the Division and shown in the draft report. GOCO stated that the Division's GOCO revenue totals did not agree with GOCO's financial records for revenues it had paid to the Division for Fiscal Years 2003 through 2007. Specifically, GOCO's records show that it paid more revenue to the Division than was recorded in COFRS for some years, and paid less revenue to the Division than was recorded in COFRS for other years. For the five-year period, GOCO's records show that it paid the Division a total of $10.6 million more than the Division recorded in COFRS. The largest discrepancy was for Fiscal Year 2003. In that year, GOCO's records show that it paid the Division a total of $17.8 million. In contrast, the Division's records for that year show GOCO receipts of only $7.1 million, a difference of more than $10.7 million.

We followed up on GOCO's concerns and found that the Division failed to record in COFRS the revenues and expenditures related to several GOCO-financed land purchases in Fiscal Year 2003. Specifically, the Division did not record a total of $9.4 million in GOCO revenues and associated expenditures for the purchase of the Rademacher, Metzler, and Barbour Ponds properties adjacent to St. Vrain State Park. The Division also failed to record the value of these land purchases in its capital assets, which are also recorded on the State's financial statements. As a result, revenues, expenditures, and capital assets on the State's financial statements are underreported by at least $9.4 million during Fiscal Year 2003. This understatement of the State's capital assets has continued through to the Fiscal Year 2007 financial statements issued by the State in December 2007.

The $9.4 million cited above accounts for the majority of the $10.7 million difference identified for Fiscal Year 2003. However, at the audit's conclusion, the Division was unable to account for the remaining discrepancies. The Division's inability to resolve these discrepancies results from its failure to have adequate controls in place and to operate in a manner that ensures all financial transactions are accurately and completely recorded in COFRS. This situation is unacceptable and represents a significant deficiency in internal control over financial reporting.

Department of Natural Resources' staff indicate that this is not the first time such lapses have occurred, particularly when land transactions were involved. In fact, the two instances discussed above do not resolve all of the discrepancies between the Division's and GOCO's records, and therefore, the transactions identified here are likely not isolated incidents. The Department and the Division need to take immediate actions to remedy this serious weakness in controls. Specifically, the Department and the Division need to implement effective internal controls over the recording and reconciliation of all GOCO receipts and the tracking of capital assets purchased with GOCO funds as detailed in the following recommendation.

Subsequent to the issuance of the above finding, the Division posted an adjustment for $9.4 million in COFRS to record prior year revenue and asset purchases.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 30:

The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to establish adequate controls over the receipt and use of Great Outdoors Colorado (GOCO) moneys to ensure the State's financial statements are complete and accurate and that assets are safeguarded. Specifically, the Department and the Division should:

a. Implement controls over the receipt of all GOCO funds to ensure that all related revenues, expenditures, capital assets, and other affected accounts are accurately and completely reflected in COFRS, the State's financial system.

b. Reconcile the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division and make all necessary adjustments to COFRS. This reconciliation should be conducted periodically but no less than annually prior to fiscal year end.

c. Perform a reconciliation from Fiscal Year 1993 through Fiscal Year 2008 of the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division. When the reconciliation is complete, the Department should work with the Office of the State Controller to ensure all appropriate entries are made in COFRS.

d. Ensure that the Division's list of capital assets is updated no less than annually and reflects capital purchases made with GOCO funds.

Department of Natural Resources Response:

a. Agree. Implementation date: June 2008.

The Department will work with the Division to immediately implement controls over GOCO funds to ensure all transactions are appropriately recorded in the State's financial reporting system, COFRS.

b. Agree. Implementation date: September 2008.

The Department will work with the Division to reconcile revenue and expenditure information, and the Division will work with GOCO to ensure that the Division's records are in agreement with GOCO distribution amounts.

c. Agree. Implementation date: December 2010.

A reconciliation will be implemented, starting with Fiscal Year 2008 information being reconciled by fiscal year end. Prior years will be reconciled between GOCO and the Division with the assistance of the Department.

d. Agree. Implementation date: December 2010.

The Department will continue to work with the Division to ensure capital asset records maintained at the Division and Department are current and accurate.

Cash Collections

The Department's Division of Parks and Outdoor Recreation (Division) collects a significant amount of its revenue through fees from park pass sales; campsite, yurt, and cabin rental fees; various boat and off-highway-vehicle permit and registration fees; and retail sales and concessions. During Fiscal Year 2007, the Division's fee revenues totaled about $22.1 million, representing about 36 percent of the Division's total revenues of $62.2 million during the year. Individual park, region, and administrative offices collect fees for daily passes and annual park permits, camping site rentals, and cabin rentals. The Division records all fee revenue in the Parks Automated Record Keeping System (PARKS).

Cash collections are considered a high-risk area for fraud and abuse. Therefore, strong internal controls over cash are critical to prevent theft and misappropriation of state assets and to ensure revenue is recorded accurately and completely. State statute [Section 24-17-102(1), C.R.S.] requires that state agencies have in place internal accounting and administrative control systems that provide for adequate segregation of duties and proper safeguarding of state assets, including restriction of access to appropriate personnel, and adequate authorization and record-keeping to provide effective accounting control over state assets, liabilities, revenues, and expenditures.

Each of the Division's regions and parks is responsible for collecting, recording, depositing, and reconciling cash collections; generating a monthly revenue report from PARKS; and submitting the PARKS report and supporting documentation to the Division's central accounting office. In general, park visitors can pay for their park passes and permits at a manned booth, a visitor center, or a self-service station. For the most part, each park has an office manager who oversees the collection process and the employees who sell passes and collect revenue. The Division's central permit office distributes prenumbered passes and permits to the office manager, who records them into PARKS. Each person responsible for selling passes and permits is assigned a cash box with a certain number of passes and permits and a set change fund. The revenue collection process generally involves: (1) collecting payments from the customer or the self-service stations, (2) recording passes and permits sold and total payments received in PARKS, (3) preparing and delivering deposits to the bank, and (4) performing monthly reconciliation and reporting procedures.

We reviewed and observed the cash collection procedures at a sample of nine park and three region offices and found that duties are not adequately segregated, cash is not properly safeguarded, and documentation provided with the monthly revenue reports is insufficient to allow a meaningful review of the reports. These problems are described below.

Segregation of duties. Control procedures should be designed to ensure that cash collection and recording activities are not performed by the same employee. Lack of adequate segregation of duties creates the risk that errors or irregularities will go undetected. This means that, in general, assigning passes and permits, collecting payments and preparing deposits, recording revenues into PARKS, making bank deposits, and performing reconciliations should be performed by separate employees. We found that all nine park and three region offices in our sample lack appropriate segregation of duties. Specifically, all nine park offices have one or more employees who perform all parts of the cash handling process on a given day. This means that the same employee may have access to the safe, park passes and permits, and individual cash boxes, and may make bank deposits, and access PARKS. We also

found that four of the park offices allowed one employee to collect and count the cash received from the self-service station, without another employee present. The Division indicates that it lacks the resources to maintain the necessary separation of duties. At a minimum, the employees with access to the safe, bank deposits, park passes, and cash boxes should be different from the employees with access and the ability to assign passes and record cash collected in PARKS. A different employee should be responsible for performing the monthly reconciliation, which should be reviewed by a supervisor.

Cash handling. Control procedures should be designed to ensure that all cash receipts and passes are adequately safeguarded. We found problems with cash handling procedures at six park offices and all three region offices. Some offices had more than one problem. Specifically, we found: six offices where two or more people share one cash box; five offices that do not require staff to reconcile cash boxes daily or at the end of each shift; four offices that do not require employees to keep cash in a locked drawer during their shifts; and six offices that do not require employees to keep their passes in locked drawers during their shifts. Additionally, we found one office that provides employees with keys to cash boxes, including seasonal employees who live in the building. These employees could access the cash during the night without detection. Finally, we found seven offices that do not regularly change safe combinations or locks and two offices that allow seasonal employees to access the safe. The Division should begin requiring all parks to keep cash and passes in a locked safe after hours and in locked drawers during office hours. Furthermore, all cash boxes should be reconciled at the end of each shift and should be assigned to only one individual at a time. Safe combinations and drawer locks should be changed whenever an individual leaves employment.

Reporting and reconciliation. Control procedures should require that reconciliation reports contain sufficient information for management to effectively monitor pass and permit consignment and cash collection activities. The Division requires that each park and region office submit a monthly report, generated from PARKS, to the Division's central accounting office, along with supporting documentation such as copies of bank deposit slips, voided passes and permits, and other items. The monthly report provides detail on items such as passes and permits sold and voided passes and permits. The Division's central accounting office is responsible for reviewing the monthly report and ensuring the reconciliation is complete and accurate prior to entering information into COFRS. We reviewed a sample of 33 monthly reports for Fiscal Year 2007 submitted by nine parks offices and found problems in two areas. First, we found 23 (70 percent) of the reports submitted did not include the required documentation. This problem occurred with each of the nine park offices in our sample. The Division did not follow up with the parks or take corrective action. Examples of missing documentation included copies of bank deposit receipts, donation checks, and voided passes. Without copies of all relevant

documents, the Division's central accounting office cannot perform a meaningful review of the monthly reconciliations and identify potential problems. To help protect the State against the risk of errors, omissions, losses, or theft of cash or passes, and ensure all revenues are recorded in COFRS, the Division should develop a process for taking corrective action when documentation is missing or reconciliations are otherwise insufficient or incomplete.

The second reporting and reconciliation problem we found is that the Division does not track, investigate, or require an explanation for significant or ongoing overages and shortages in cash. The Division does not require the parks to explain cash overages and shortages in their monthly report unless the net shortage is more than $40 in one month. Furthermore, the Division's current policies do not address the threshold at which an overage or shortage in cash would require the Division's central accounting office to formally investigate the reason for the difference and either institute additional oversight and controls or take corrective actions, such as requiring parks to use cash registers or to net any losses against their park operating budget. The Division should require parks to provide explanations for all cash overages and shortages. Additionally, the Division should track the overages and shortages at each park and establish a threshold for investigating discrepancies and take enforcement action against the park, employee, or both, as appropriate.

Only one of the parks in our sample (Cheyenne Mountain State Park) currently has written procedures addressing segregation of duties, cash handling, and cash reconciliation processes. We reviewed Division policies and procedures and found that the Division, as a whole, lacks comprehensive written policies and procedures concerning proper cash handling activities and does not provide the parks with adequate guidance to ensure that cash is safeguarded. Once the Division develops comprehensive policies, it should ensure all staff are trained to implement appropriate processes at the park and region offices. The Division should also implement more frequent reviews of park and regional office cash handling practices and if problems continue, address issues in employee performance evaluations, taking disciplinary action as necessary. These steps should improve controls over cash collections and provide better assurance that cash revenue is protected from theft or misuse and recorded on the State's financial system.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 31:

The Division of Parks and Outdoor Recreation should strengthen its controls over park pass and permit assignment and cash collection processes by:

a. Ensuring functions related to assigning passes and permits and collecting, recording, depositing, and preparing cash reconciliations and reports are performed by different employees. At a minimum, different employees should perform parts of these functions as discussed in the report.

b. Controlling access to park passes and permits and cash by keeping them locked in a drawer during the day and locked in a safe at night. Additionally, the Division should limit, as much as possible, the number of employees with access to locked cash drawers and safes. Drawer locks and safe combinations should be changed when staff with access leave employment. Access to cash boxes should be restricted to one employee during a shift, and the employee should reconcile the cash box at the end of his or her shift.

c. Reviewing all monthly reports and reconciliations submitted by the park and region offices for completeness and accuracy, including supporting documentation, prior to entering information into the State's accounting system. If there are problems with the reconciliation or documentation is missing, the Division should follow up with the appropriate individuals and resolve the problem.

d. Developing written policies and procedures that address proper segregation of duties, cash handling, and reconciliation and reporting requirements. Policies should require all offices to provide explanations for overages and shortages in cash, and the Division should establish a threshold over which any overage or shortage should be investigated and additional controls implemented. Once developed, staff should be trained on these policies and procedures.

e. Including requirements related to ensuring proper cash handling practices in job descriptions, performance plans, and evaluations for all employees responsible for cash collections; and taking appropriate disciplinary action when problems are found.

Division of Parks and Outdoor Recreation Response:

Agree. Implementation date: May 2009.

The Division will strengthen its controls over park pass and permit assignment and cash collection processes by developing and implementing policies and procedures by November 2008 for the following areas:

a. Assignment of different employees (proper segregation of duties) for cash collection activities and recording activities;

b. Securing (locked storage) and restricting access to park passes, permits and cash;

c. Supervisor review of monthly reconciliation and documentation.

The Division will also ensure that staff is trained on these new policies and procedures by December 2008. Job descriptions and performance plans for affected employees will be reviewed to ensure they include requirements related to proper pass and cash handling practices by May 2009.

Procurement and Contract Management

Statutes authorize state agencies to purchase goods and services to meet a variety of needs, including acquiring specific professional and technical expertise, providing temporary operational support, and constructing buildings and highways. These goods and services are secured through several types of contractual agreements (referred to as "contracts") including written contract agreements, interagency agreements, and purchase orders.

Contracts are a substantial risk area for the State. The General Assembly, in recognition of these risks and the importance of contracts to the State's business, has enacted a body of laws related to procuring and managing contracts. Most recently, the General Assembly further strengthened contracting laws by passing Senate Bill 07-228, which increases oversight of contractor work products and deliverables by requiring specific performance measures and standards as well as an assessment of vendor performance for contracts above certain dollar thresholds. Collectively, these laws are intended to provide vendors with a level playing field, reduce the risk of fraud and the appearance of impropriety, promote transparency and accountability, and ensure that the State receives full value for dollars invested in contract labor and services.

The Division relies on contracts to support its business operations in several areas, including personal services contracts for procuring specialized expertise or meeting temporary staffing needs and capital construction contracts for constructing and maintaining park facilities. The Accounting and Purchasing Office within the Department provides support to the Division by reviewing and approving all contract agreements and payments. During Fiscal Years 2003 through 2007, the Division spent about $13.2 million (or an average of $2.6 million annually) on personal services contracts for professional and technical services and about $59.1 million (or

an average of $11.8 million annually) on capital construction contracts. Together these contracts represent about 27 percent of the Division's total annual average expenditures from Fiscal Years 2003 through 2007.

Effective contract management practices are fundamental to ensuring that legal requirements are met and that dollars invested in contracts provide full value to the State. Contract management involves active monitoring and oversight of contract procurement and execution from project conception through completion. We evaluated the Division's practices for carrying out its contract management responsibilities by examining a sample of 23 active personal services contracts totaling about $3.4 million from July 2004 through September 2007 and 27 active capital construction contracts totaling about $22.8 million from April 2001 through September 2007. We also reviewed the Department's practices for monitoring these contracts and approving payments. Overall, we found the Division and the Department did not carry out their respective responsibilities for ensuring that proper contract management practices were followed and that all contracts and payments complied with statutes, rules, policies, and guidelines.

Contract Deliverables and Payments

Statutes and State Fiscal Rules set forth requirements state agencies must follow when executing and monitoring contracts. Specifically, State Fiscal Rules provide that agencies "are responsible for ensuring that [contracts] adequately define the requirements and respective performance obligations and pricing" and comply with applicable statutes, executive orders, rules, policies, and required approvals. The Office of the State Controller within the Department of Personnel & Administration periodically issues specific policies with regard to contract management. Additionally, the *State Contract Procedures and Management Manual*, also promulgated by the Department of Personnel & Administration, provides guidance on key contract management tasks, including developing a contract scope of work with clear deliverables, timeframes, benchmarks, and performance standards; managing and documenting ongoing day-to-day contract issues; tracking contract expenditures and auditing contractor invoices; monitoring the progress of the work performed against contract requirements to ensure the quality of the services or goods are satisfactory; and generally ensuring the State receives full value for the money spent.

We reviewed the Division's contract monitoring practices and identified concerns with the Division's monitoring of contract scope, deliverables, and payments for six of the 23 personal services contracts (26 percent) we reviewed. Of these six contracts, three were task order contracts, a type of contract designated as high-risk by the Office of the State Controller. We identified more than $2 million in questionable payments related to these six personal services contracts, or about

59 percent of the $3.4 million tested in our sample. The problems we identified fell into more than one category; some payments had multiple exceptions and are reflected in more than one category. Specifically, we found:

- **Payments for work performed outside the contract scope.** According to Fiscal Rules [Rule 2-2], a contract is required to support the obligation for which the State is being charged. For the three task order contracts, we found that the Division authorized about $384,000 in work that was not included in the contract's approved scope of work. For two contracts, the contract scope was limited to IT system development and support services. However, the Division authorized the contractor to provide business development, graphic design, grant management, water resources, and volunteer coordination services totaling more than $375,000. These types of services were not included in the scope of work for either contract. For the third contract, the scope was limited to business development services. However, the Division authorized the contractor, which was a state institution of higher education, to provide work supporting a professor's research project on tourism. This work was not included in the scope of the business development contract, yet the Division authorized payment of $8,600. Of particular concern was the fact that the work appeared to have been performed for the benefit of the professor employed by the contractor. Also of concern was the close social relationship between the Division's contract monitor and the professor. Independence should be maintained in all phases of the contract process.

- **Lack of documentation to support payments for deliverables.** According to the *State Contract Procedures and Management Manual*, agencies are to monitor the work completed to ensure the contractor is entitled to payment. Additionally, agencies are to maintain complete contract administration files to track and record contract payments and to document all monitoring activities and work performed under the contract. For the six contracts where we identified exceptions, we found the Division approved contractor payments totaling $2 million without evidence that all deliverables were provided. Additionally, the Division did not have contract administration files for any of the six contracts and was unable to provide adequate evidence that contract monitoring or payment tracking occurred. Email records indicated that, subsequent to our inquiry, the contract monitor attempted to obtain verification of the work completed for the three task order contracts from the contract workers.

- **Payments that exceeded the contract budget.** As provided in one of the contract policies issued by the Office of the State Controller regarding task orders, the Division established a "not to exceed" amount on each of the

three task order contracts and encumbered funds through a commitment voucher (contract or purchase order) for each individual task order as the task order was issued. Statute [Section 24-30-202 (3), C.R.S.] provides that agencies and individuals cannot obligate the State for expenditures that are not authorized by an approved commitment voucher. For one task order contract, we found that the Division overexpended the amount encumbered for two of the task orders associated with this contract by a total of $54,000, or 12 percent of the two task orders' total value of $436,000. This constitutes a statutory violation and requires the State Controller to ratify the overexpenditure for payment to be made. Upon further investigation, we found that the Division has sought State Controller ratification for nearly $173,000 in unauthorized expenditures for 12 contracts from Fiscal Year 2005 through October 2007.

- **Payments for work performed before a contract was executed.** Statute [Section 24-30-202(1), C.R.S.] states that contracts are not valid until they have been approved by the State Controller or his delegate. In addition, the *State Contract Procedures and Management Manual* provides that work should not commence prior to the contract's being approved by the State Controller or delegate. Further, according to State Fiscal Rules, "if an attempt is made to execute a state contract without the approval of the State Controller or a delegate, the state contract shall be null and void and not binding against the State. However, every person involved in incurring the obligation shall be jointly and severally liable for the obligation." We found the Division authorized one contract worker, who was already working under an existing, previously executed contract with the Division, to begin work under a new contract two months before the new contract agreement was executed. After the new contract was executed, two workers continued to bill some of the work under the new contract to the prior contract. Total payments billed to the prior contract for work performed under the new contract were $16,300. Furthermore, on two separate occasions, one contract worker billed both contracts for the same eight hours of work (for a total of 16 hours), resulting in overcharges of $800.

In addition to the issues we found with improper payments, we found that 10 of the 12 task orders related to the three task order contracts did not clearly define the work to be completed or the project deliverables, in violation of State Fiscal Rules and guidance set forth in the Office of the State Controller's contract policies regarding task orders. For one contract, the Master Task Order Agreement provided that the specific details regarding required deliverables would be set forth in writing in the specific task orders. However, upon our review of the task orders, we found that neither of the two task orders issued under the Master Agreement provided written details on the content, number, or due date of the deliverables. Other examples of

tasks without clearly defined deliverables included the production of: (1) "special reports on selected issues, **as needed**," (2) "other reports, models, forecasts, etc., **as may be required**," and (3) "research and analysis for the PARKS system **and other related projects**." [Emphasis added.] The Division was unable to provide any additional written documentation describing the details of specific work products or deliverables listed in the above tasks.

Finally, we found that the Division used task orders improperly, in that the task orders were not used for services that could be clearly defined in terms of deliverables, hours, materials costs, and rates as required by the State Controller's contract policies. Rather, the Division used the task orders to purchase ongoing services that could not be clearly defined. Further, when the contract performance period ended on the task orders for these ongoing services, the Division issued a new task order for the same services.

Management Oversight Responsibilities

Within the Division, a number of individuals have responsibilities for monitoring contracts. However, the six personal services contracts we took exception to were all the responsibility of a single contract monitor. Although this contract monitor approved the scope, deliverables, and payments for these six contracts, the master agreements, task orders, and payments were also reviewed and approved by both Division management and the Department Controller. Department and Division management, although not involved in the day-to-day oversight and monitoring of contracts, have a responsibility to ensure contract management practices comply with all statutes and rules. These responsibilities include providing sufficient review, supervision, training, and oversight of staff to ensure the Department and the Division carry out their responsibilities in accordance with legal requirements and in a fiscally responsible manner.

We discussed the problems we identified related to these six personal services contracts with the Division's contract monitor who oversaw these contracts. He did not agree that the actions taken and payments made on these six contracts were inappropriate. We brought these matters to the attention of Department and Division managers who are investigating the matter further.

The Department and Division need to ensure accountability for proper contract monitoring and payment practices. Individuals at every level of the organization who have responsibilities for developing, reviewing, approving, or monitoring contracts should have these responsibilities clearly identified in their job descriptions and addressed in performance plans. Staff performance related to contract oversight should be reviewed in annual performance evaluations, and failure to perform these responsibilities should be addressed through disciplinary action. With respect to the

contract monitor in question, we found that neither the job description nor the performance reviews adequately addressed or evaluated this individual's contract management responsibilities.

Additionally, all staff who have contract monitoring responsibilities should be trained on proper contract scope development, review, monitoring, and payment tracking procedures. Training should include informing contract monitors that they can be held personally liable for unauthorized work [Section 24-30-202(3), C.R.S.]. These steps are essential to ensuring the Department and Division can demonstrate accountability for public moneys invested in contract services and for mitigating the risk of fraud and legal disputes.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 32:

The Division of Parks and Outdoor Recreation and the Department of Natural Resources should improve accountability and provide adequate oversight and monitoring of contract scope, deliverables, and payments. Specifically, the Division and Department should:

a. Define staff responsibilities for developing, reviewing, approving, or monitoring contract deliverables or payments in job descriptions and performance plans and evaluate performance of these duties during annual performance reviews. Staff who fail to perform their responsibilities in accordance with statutes, rules, and guidelines or the expectations set forth in performance plans should be subject to disciplinary action.

b. Provide contract monitoring staff with contract management training and ongoing supervision and guidance, including, but not limited to, proper procedures for defining contract scope of work, providing ongoing monitoring and review of contract work and deliverables, and approving and tracking payments.

c. Complete their investigation of the questions raised in our audit regarding three personal services contracts and take action as appropriate, including requiring repayment of state funds spent for work performed prior to contract execution or outside of the contract scope.

Division of Parks and Outdoor Recreation Response:

a. Agree. Implementation date: May 2009.

   A standard Individual Performance Objective will be developed for all pertinent Division managers and staff who are involved in developing, reviewing, approving, or monitoring contract deliverables for inclusion in annual performance plans and evaluations.

b. Agree. Implementation date: December 2008 and ongoing.

   Contract training materials and curriculum will be developed by September 2008. By December 2008, methods for delivering training (manuals, on-line, in-person, etc.) will be determined, based in part on the content of the training materials, the intended audience of the training, the number of staff needing to be trained, availability of training resources, availability of staff who need to receive training, etc. Training will be delivered on an ongoing basis.

c. Agree. Implementation date: September 2008.

   The Division has completed its investigation and has taken action pursuant to State Personnel Rules regarding corrective and disciplinary action. The ratification process will be reevaluated to determine if repayment rather than ratification of the unauthorized purchase will be pursued. To help with this assessment, the Division will work with the Attorney General's Office to determine whether repayment may be pursued.

Department of Natural Resources Response:

Agree. Implementation date: June 2009.

a. At the Department level, contract responsibilities between the Department and Division will be reviewed for clarification and effectiveness. These responsibilities are critical performance indicators for Department contract staff and will be emphasized more clearly in performance planning/evaluation for Department accounting/purchasing staff.

b. Contract management training is ongoing and provided to Division staff as required and/or deemed necessary. Regular training is conducted for project managers, as well as administrative staff. Five training sessions were conducted during May 2008 (Colorado Springs, Ft. Collins, Durango, Greeley, and Grand Junction) for contracts, fiscal rules, and procurement/accounting rules/requirements/procedures. The Department will be more proactive in monitoring contracting to identify training needs. Upon implementation of Senate Bill 07-228, many of these facets will be required as part of a statewide database.

c. Implemented. A statutory violation explanation and request for ratification has been submitted and granted by the Office of the State Controller for all violations, with the exception of one contract payment. The ratification process will be reevaluated to determine if repayment rather than ratification of the unauthorized purchase will be pursued.

Procurement Cards

The Department of Personnel & Administration is the statewide administrator of the State's procurement card (ProCard) program. The goal of the program is to ease acquisition of goods and services, provide more timely payment to merchants, and reduce the number of small dollar payments issued by the traditional payment voucher system. The Department of Natural Resources' Procurement Card Guide establishes the requirements for card issuance and the appropriate use and required documentation for all card purchases. Additionally, the Department of Personnel & Administration provides suggested guidelines and best practices for agencies using ProCards. These best practices include recommending that agencies:

- Review receipts to ensure adequate documentation is maintained and purchases are for official state business;
- Audit ProCard use, including reviewing reports to identify problems such as split purchases;
- Establish written policies regarding unallowable purchases;
- Utilize card cancellations and disciplinary actions for violations of agency policy; and
- Offer additional training to cardholders as needed.

Each state department is responsible for establishing and administering its own ProCard program. The Department of Natural Resources' Accounting and Purchasing Office oversees the ProCard program for all of its divisions, including the Division of Parks and Outdoor Recreation. In practice, the Department issues cards, sets credit limits, provides training, and has an audit function responsible for reviewing the Department's ProCard program. The Division is responsible for requesting cards from the Department and having procedures in place to ensure all transactions are adequately documented and approved.

ProCards are considered an area with a high risk of fraud and abuse; therefore, adequate controls over ProCard purchases are essential. During our audit, we reviewed a sample of 261 Division ProCard transactions that occurred during Fiscal Years 2005 through 2007 and identified problems with 62 transactions (24 percent) totaling about $71,000. Some transactions had more than one problem. Overall, we found that neither the Department nor the Division has developed sufficient control procedures to oversee the distribution and use of the ProCards. Specifically, we identified the following problems:

- **Supporting documentation, approvals, and improper expenditures.** State Fiscal Rules and Department policies require that ProCards be used only for state business and in accordance with standard purchasing rules. At the end of each billing cycle, the cardholder must verify all transactions on the monthly statement, attach receipts and invoices to the statement, and sign the statement. The employee is required to forward this information to the approving official (generally the employee's supervisor) for review and signature approval. We found 43 transactions (16 percent) that were missing proper supporting documentation to identify the item(s) or service(s) purchased, lacked supervisory approval on the monthly statement, or appeared questionable under State Fiscal Rules. Also, we found one transaction in which an employee used a card when the card was assigned to a different employee, one transaction that included sales tax, and one payment for a contractor's lunch, which is an unallowable expenditure.

- **Split purchases.** Transaction limits vary by cardholder. For cards held by Division staff, the Department reports that limits range from $1,000 to $5,000. We identified 22 transactions (8 percent) where cardholders made purchases that exceeded their single transaction limits without documented prior approval. In six cases cardholders made a single purchase that exceeded their limit, in nine cases a single cardholder split a purchase into multiple transactions to circumvent the card limit, and in seven cases two or more employees split a purchase into multiple transactions to circumvent their card limits.

We also identified concerns with the Department's procedures for monitoring unallowable purchases. The Department maintains a list of unallowable Merchant Category Classification (MCC) codes that outlines the types of vendors from which cardholders cannot make purchases. We found 98 transactions (38 percent) that listed MCC codes which, according to the guide in place at the time of our audit, were for vendors on the MCC list. Therefore, the purchases should have been unallowable. According to Department staff, MCC codes change frequently and may be different for each individual cardholder. Currently, the Department does not track all historical changes to the unallowable codes. The Department indicated that it changed the unallowable MCC codes in fall 2003 and, therefore, some of the 98 transactions were likely allowable. Department staff state that they rely on the credit card company to decline charges to any unallowable MCC codes. However, vendors can override the credit card company's decline of any transaction. Although reports are available from the State's ProCard vendor that show each instance in which a vendor overrides a declined transaction, the Department does not request or review this report. Without reviewing transactions in which unallowable MCC codes were overridden and without a historical record of unallowable MCC codes by cardholder, the Department is unable to identify cardholders who routinely purchased items from unallowable vendors.

- The Division and the Department need to take several steps to improve the use of ProCards and to incorporate best practices recommended by the Department of Personnel & Administration. First, the Division should implement procedures to help standardize the monthly ProCard transaction approval and review process. One option would be to develop a standard template that the cardholder would complete and the approving authority would review prior to payment. For each transaction, the template should include the vendor name, transaction date and amount, reason for the purchase, description of the item purchased, and transaction coding information. The template should also require the cardholder to attach all receipts and the appropriate monthly card statement.

- Second, the Department should improve its audits of ProCard transactions and better utilize the results of audits to curb violations. Currently, the Department conducts audits of a sample of card transactions but does not track problems over time by cardholder to identify trends in cardholder abuse that need to be remedied. Consequently, it is difficult for the Department to identify patterns of abuse, confiscate cards, or take other disciplinary action against repeat offenders. Additionally, the Department does not use all of the standard reports available from the State's ProCard vendor to help with its review of ProCard purchases. For example, the Department reviews the *Possible Split Transactions Report* to help identify split purchases, however it does not review the *Declined Authorizations Report* to identify cardholders

who have attempted to use a card to buy an item (1) for which they are not authorized, (2) that exceeds their single purchase limit, (3) that exceeds their monthly purchase limit, or (4) from a business that is assigned an unallowable merchant category code.

- Finally, the Division and Department should provide refresher ProCard training to cardholders as recommended by the Department's own ProCard guide. Training should be targeted toward cardholders who have used their cards inappropriately or who have not had recent ProCard training. The cardholders we interviewed reported receiving training when they were first issued a card but had not received any update or refresher training.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 33:

The Department of Natural Resources and the Division of Parks and Outdoor Recreation should work together to improve controls over procurement cards (ProCards) by:

a. Ensuring that cardholders adequately document all purchases and that supervisors review and approve, as appropriate, all purchases monthly. This process could be facilitated by the development of a standard template that must be completed by the cardholder for each transaction on a monthly basis and reviewed by the approving authority prior to payment.

b. Providing ProCard refresher training on a periodic basis determined by the Department and the Division to cardholders to ensure understanding of the rules on proper and allowable card use.

Department of Natural Resources Response:

Agree. Implementation date: December 2008.

a. Current policy and procedures require that cardholders document purchases and that supervisors review and approve them monthly. This is done by using the statement and receipts. When receipts or charges on the statement are not descriptive, employees have been asked to make a note to further identify the purchase. The Department's Accounting and Purchasing Office will emphasize the need for this, as well as audit it

more closely. Use of a standard template will be explored to determine whether it is feasible and efficient.

b. ProCard refresher training is currently available on-line at all times and one-on-one training and group training sessions are conducted when requested or determined to be needed. The Division and Department will be more proactive in providing and conducting the existing training. When audit exceptions are found, the cardholder will be required to take a refresher course to retain his or her card.

Recommendation No. 34:

The Department of Natural Resources should improve its oversight of the ProCard program by:

a. Expanding the ProCard audit process to include a review of the areas in which problems were identified during our audit and regularly reviewing all relevant reports available from the State's ProCard vendor to identify violations of card use.

b. Requiring that approving supervisory authorities report to the Department's procurement office on instances of errors or employee misuse of ProCards and on disciplinary or other actions taken related to the errors or misuse.

c. Developing a system for tracking instances of card abuse by individual cardholders and establishing policies regarding the penalties that cardholders will incur, on the basis of the frequency and severity of the violations. Information on violations should be obtained from the Department's ProCard audits and reviews, as well as from supervisors responsible for reviewing monthly ProCard statements.

d. Reviewing information in the tracking system from Part c. and taking appropriate disciplinary action when abuses are found. The Department should consider the use of a graduated point system for repeated cardholder violations of ProCard requirements.

Department of Natural Resources Response:

Agree. Implementation date: December 2008.

a. The Department will expand the procurement audit to put additional emphasis on areas identified, such as split purchases, payment of sales tax, improved documentation, as well as working with the State's

procurement card vendor to identify reports that would be useful in the audit.

b. The Approving Official Agreement that is signed by each approver outlines their responsibilities, including reporting errors/misuse and related actions. The Department will review instances of errors/misuse with the approving supervisor when they occur if it is determined that the supervisor did not identify and report such occurrences on his/her own. Refresher training will be provided as needed.

c. The Department will research the feasibility of a formal tracking system for card abuse. The Procurement Card Manual will be updated to include more specific consequences for violations.

d. Information is currently reviewed and discussions held concerning appropriate action to be taken when violations occur. The Department is working to provide more specific disciplinary actions for specific types of violations in the Procurement Card Manual.

Seasonal Employee Time Keeping

Whether the Division of Parks and Outdoor Recreation's seasonal workers are classified as temporary aides or seasonal workers within the state personnel system, adequate time keeping is critical for payroll and other purposes. Seasonal employees are generally paid an hourly wage. Therefore, they are subject to federal and state minimum wage and overtime requirements. This includes the requirements of the federal Fair Labor Standards Act (FLSA). The FLSA requires employers of hourly workers to maintain time keeping records for a minimum of three years, and the records must include the number of hours worked each workday and total hours worked each work week. Additionally, the Division's policies and procedures require that all seasonal employees record their hours on hard-copy time sheets and that employees sign and supervisors approve the time sheets prior to entering them into KRONOS (the State's timekeeping system). Accordingly, the standard time sheet the Division has developed for its seasonal workers requires both employee and supervisor signatures.

We reviewed 82 time records for 32 seasonal employees at eight park offices and the Division's administrative offices. We sampled time sheets from a two-month period subsequent to the seasonal employee's date of hire for seasonal employees hired in Fiscal Years 2006 and 2007. Overall, we found lax compliance with time-keeping requirements for the Division's seasonal workers. In total, we found that 68 of 82 (83 percent) of the time sheets we reviewed contained errors or omissions including:

- **Payment errors.** We found math errors in five of the 82 time sheets (6 percent). Generally these errors were the result of the employees miscalculating the total number of hours worked. Four employees were overpaid about $70, and one employee was underpaid $74. According to the Division's policy and procedures manual, an employee is responsible for reimbursing overpayments made by the State regardless of the source of the error. The State, however, is responsible for paying an employee for the amount they were underpaid.

- **Incomplete time sheets**. We found that 63 of the 82 time sheets (77 percent) were missing one or more required elements, including dates worked, time clocked in or out, description of the work performed, and hourly wage.

- **Questionable time reporting**. We identified several seasonal workers who erroneously reported time worked. In two cases, employees did not enter their time on a daily basis, as required by FLSA. Instead, these employees entered all time worked in the pay period on a single day. Another employee reported no lunch breaks and was paid for this time, although it is unclear whether this hourly employee worked during these periods. Additionally, some seasonal employees recorded 8- to 15-hour work days with no breaks. State Personnel Rules [Rules 1-9 and 3-38] state that lunch periods are to be scheduled at the discretion of the appointing authority, and that a lunch break cannot be counted as work time unless the employee is required to continue working during his or her lunch break. However, the Division should ensure that these rules are clearly understood by all Division and seasonal staff and that seasonal employees are not paid for lunch breaks or other times when not working.

- **Inconsistent use of required time reporting format**. We found that six of the 32 employees (19 percent) whose time records we reviewed either did not complete a hard-copy time sheet or a standard seasonal timesheet during the period we reviewed. We found that not all supervisors in the Division's Administrative Section or at the parks require the use of the standard timesheet or even require seasonal employees to complete a hard-copy timesheet.

In all of these examples, adequate supervisory review was lacking. Incorrect, incomplete, misreported, and miscalculated time sheets should have been identified by supervisors. Although evidence of supervisory review was present in many of the problem cases we identified, we also found no evidence of supervisory review for 14 time sheets (17 percent). In addition, two time sheets lacked employees' signatures. State Personnel Rules require that time records be certified by both the employee and the supervisor.

When time sheets are missing key information, are not adequately reviewed by supervisors, or contain errors, the result can be erroneous payments. In some cases, seasonal employees' wages are paid from federal funds, including the Federal Boat Safety Program. The Division could be required to repay funds that were incorrectly paid to seasonal workers under the terms of that program.

In addition to the lack of adequate supervisory review, we found that supervisors and staff are unclear as to time keeping requirements. In particular, we found a lack of consistent understanding related to whether time sheets are required, whether a standard timesheet is to be used, and whether all requested information must be provided. Time sheets are the supporting documentation for all wages paid. The Division needs to ensure that management and staff, including seasonal workers, are familiar and in compliance with all time keeping requirements. This may involve a review of existing policies to establish the need for changes or clarification such as a determination by Division management as to whether scheduled lunch breaks should be required, or if they can remain at the discretion of each individual supervisor. Finally, supervisors should be held accountable for the review and approval of the time records of the seasonal workers under their authority.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 35:

The Division of Parks and Outdoor Recreation should ensure compliance with time keeping requirements for seasonal workers by making improvements in the following areas:

a. Reviewing and clarifying, where needed, existing time keeping policies and procedures, including the format in which time will be recorded.

b. Disseminating clear policy directives throughout the park system, including the Division's administrative office, and training supervisors and others as appropriate on their responsibilities.

c. Holding supervisors responsible for compliance with policies and procedures through job descriptions, performance planning, and evaluations.

Department of Natural Resources Response:

Agree. Implementation date: May 2009 and ongoing.

The Division agrees with the recommendations to ensure compliance with time keeping requirements for seasonal workers and will work to implement all suggestions in sub-paragraphs a. through c. The Division will review and implement best practices related to effective processes and controls over time keeping requirements.

Cabin Inventory

The Division has a total of seven fully furnished cabins located at Mueller, Sylvan, and Navajo State Parks. These cabins are available year-round for overnight rental. The Division has furnished all seven cabins with large and small appliances, beds, couches, tables, lamps, art décor, and other household items. The Division estimates that the total value of the furnishings in the seven cabins is about $64,000. During the audit we visited Mueller and Sylvan State Parks—two of the three state parks with fully furnished cabins. Together these two parks have four fully furnished cabins. We reviewed each park's procedures for safeguarding cabin assets and found that neither park has adequate inventory practices to ensure the assets are safeguarded from theft and damage.

- **Frequency of inventory.** One park only conducts a full inventory of its cabins twice each year, once before the park's busy season (between May and September) and once after. Since the park does not conduct an inventory after each cabin visit, the park would have difficulty determining when an inventory loss occurred or assigning responsibility for loss to a particular visitor.

- **Items inventoried.** Neither park conducts a full inventory of items or uses state tags to identify the items as state property. One park inventories only the smaller items in the cabins, such as dining utensils and cooking appliances, but does not include higher-priced items such as tables, beds, and couches. The other park inventories only the larger furnishings, such as beds and wall hangings, but does not include smaller items, such as kitchen utensils. These policies present risks that items not included in inventory lists could be stolen or damaged without the Division detecting the loss.

We also found that the Division does not use inventory tags to identify items as the property of the State. Further, the Division has not implemented standard policies

or procedures to inform visitors of their responsibility for loss or damage to the cabin property or for recovering losses for stolen or damaged items from cabin visitors. One park requires cabin visitors to sign a form acknowledging their responsibility for losses or damages incurred during their visit. The other park provides visitors with a list of rules, which includes a statement of the users' responsibility for any damages or violations. The park managers report that they are not aware of any instance where loss or damage has occurred at these cabins. As a result, the Division has never pursued a recovery from a park visitor and has no procedures in place for doing so.

Options the Division could consider for conducting inventory of items in its cabins would be to provide each guest, at check-in, a list of all items in the cabin and request that they ensure that all items are accounted for at the time they arrive and depart. This method is a common practice among time-share agencies that rent fully furnished condominiums. Another option the Division could consider would be for the park staff to do a spot check of items after each visit and a full inventory on a monthly basis. If the Division determines this is not sufficient to protect its assets, it could increase the frequency of its inventory.

The Division is responsible for safeguarding state assets and establishing proper controls to ensure the assets are protected and accounted for. The Division's failure to establish consistent processes for conducting inventory of the fully furnished cabins and pursuing recovery of any items lost through theft or damage increases the risk that such loss will go undetected and uncompensated. Additionally, since the Division recently finished another fully furnished cabin at Golden Gate State Park, it is important that the Division establish Division-wide policies regarding the protection of the cabins and their furnishings.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 36:

The Division of Parks and Outdoor Recreation should improve its controls over cabin inventory by instituting Division-wide policies for safeguarding cabin assets that address:

a. The frequency of inventory checks.

b. Items that should be included in each inventory check.

c. Procedures for pursuing recovery for any items lost through theft or damage.

d. Use of inventory tags to identify items as the property of the State.

e. A method for communicating the policy on losses and damages to cabin visitors. This could include developing a standard disclosure form to be signed by the responsible party and posting rules in the cabins.

Department of Natural Resources Response:

Agree. Implementation date: June 2009 and ongoing.

To safeguard cabin assets, the Division will develop and implement an inventory policy that will:

1. Require staff to conduct a spot check of cabin items after the departure of registered visitors; and

2. Require staff to conduct a full inventory of cabin assets on a monthly basis.

The Division will also implement a rental agreement policy that will allow for monetary recovery of lost, stolen, or damaged property. The rental agreement will be a document that must be acknowledged and signed by incoming guests, and will include an inventory checklist of all items that should be present upon arrival.

Where practical, the Division will use inventory tags to identify property owned by the State.

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Department of Personnel & Administration

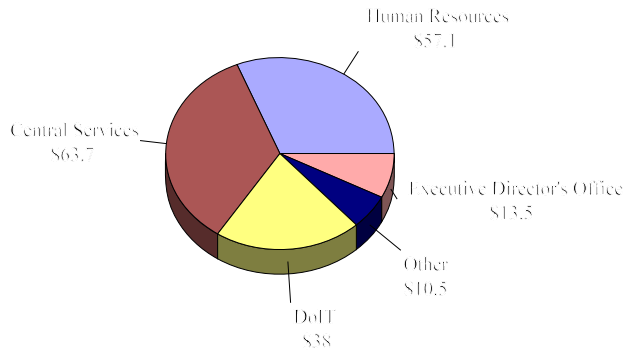
Introduction

The primary function of the Department of Personnel & Administration (the Department) is to support the business needs of state government. The Department administers the classified personnel system, which includes approximately 31,100 full-time employees across state government (excluding the Department of Higher Education), and provides general support for other state agencies. The Department of Personnel & Administration includes the following divisions:

- Executive Director's Office
- Division of Human Resources
- Personnel Board
- Central Services
- Finance and Procurement
- Division of Information Technology (DoIT)
- Administrative Courts

The Department was appropriated total funds of approximately $182.7 million and 567.5 full-time equivalent staff, or FTE, for Fiscal Year2008. Approximately 6 percent of the funding is from general funds and 94 percent is from cash funds. Cash funds are provided by sources including, but not limited to, vehicle and building rentals, copying, printing, graphic design, and mail services. The chart on the following page shows the operating budget by division during Fiscal Year 2008:

Department of Personnel & Administration
Fiscal Year 2008 Appropriations by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Payroll Adjustments

During Fiscal Year 2008 the Department expended approximately $32 million on salaries and wages for approximately 570 FTE. Department employees are paid on either a monthly or biweekly basis. Department staff prepare routine payroll reconciliations to ensure that all payroll information is accurately reflected on the State's accounting system, COFRS. The payroll reconciliations include the current regular payroll and any adjustments needed to reflect reductions or increases in each employee's pay. Reductions may be due to leave taken without pay or disciplinary actions, and increases may be due to overtime pay and shift differentials.

During our Fiscal Year 2007 audit, we identified problems with controls over the accuracy of payroll adjustments made by Department staff. During our Fiscal Year 2008 audit, we continued to find problems in this area. We reviewed a total of 63 payroll adjustments and found problems with three adjustments, or an error rate of about 5 percent. Two of the three errors resulted in an employee's being underpaid by approximately $14. One of the errors resulted in an employee being overpaid by approximately $11. The Department currently has a review process for payroll adjustments. However, this review process failed to identify and/or correct the errors noted above.

We also tested a sample of 15 employees and payments to them to determine if the employees were appropriately hired and if payments to them during the fiscal year were appropriate. We identified problems with one of the 15 (7 percent) employees.

Specifically, we found that the Department was unable to provide documentation showing supervisory approval of the employee's hiring in September 2007 and pay rate.

While the payroll errors identified in our sample are small, payroll is an inherently high-risk area, and these errors indicate a lack of adequate controls. This means that errors and irregularities could occur and not be detected in a timely manner, which could result in more significant problems. Further, the Department should ensure all hirings are approved in accordance with Department policy.

(Classification of Finding: Control Deficiency.)

Recommendation No. 37:

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

a. Ensuring that an adequate review process is in place to identify and correct payroll adjustment errors.

b. Ensuring that all documentation required for the hire of an employee is obtained at the time of hiring.

Department of Personnel & Administration Response:

a. Agree. Implementation date: September 2009.

The Department will continue to evaluate its payroll review process; however, we believe we have adequate controls in place. The three findings noted were due to minor oversights related to employee and supervisor errors in time reporting. In November 2008 the Department began implementation of a training program on time entry for employees and supervisors. This training is expected to be completed for all staff by September 2009. The controls in place were effective because in all three cases, the payroll records were correct based on information provided to the payroll officer.

b. Agree. Implementation date: January 2009.

The Department will ensure that proper required documentation is obtained and retained in the files when employees are hired.

Colorado Personnel and Payroll System

The Colorado Personnel and Payroll System (CPPS) is the State of Colorado's integrated human resources and payroll management system. CPPS is a real-time, online processing system that allows for immediate changes to employees' job status and payroll and benefits information. In addition to processing payroll information for state classified employees, CPPS is used for all community college and Judicial and Legislative Branch employees. CPPS contains sensitive, personally identifiable information such as state employees' social security numbers, birth dates, salaries, home addresses, and bank account information. For Fiscal Year 2008, CPPS processed approximately $2.2 billion in payroll and benefit payments for 46,000 state, community college, and Judicial and Legislative Branch employees. Because the information stored in CPPS is of a critical and sensitive nature, it is essential that access to it be protected and limited. Therefore, adequate controls over user access must be established and adhered to.

The State Controller oversees CPPS and has responsibility for the integrity, accurate reporting, and use of the system's data. The Office of the State Controller (OSC) within the Department issues fiscal policies for state agencies and develops, implements, and monitors system-wide security guidelines and controls, among other duties. The OSC's Fiscal Procedures Manual includes a statewide security policy regarding access to CPPS. Among the security policy's requirements are the controls related to CPPS data security and integrity. The Department's Central Payroll Unit is responsible for the operational management of the system and the data. This includes administering and monitoring system access, analyzing and implementing requested system changes, and ensuring that appropriate backup and disaster recovery controls are in place at all times.

During our Fiscal Year 2008 audit, we tested the Department's statewide user access and security controls over CPPS and found that the Department needs to strengthen its controls in several areas, as detailed below.

User Access Controls

All employees who need access to CPPS must complete a Security Access Authorization Form (Form) to request a unique user ID and password. The Form

must be signed by the employees' supervisor and department controller. 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 the requirements listed in this Statement. We reviewed all 548 User IDs that had access to CPPS as of July 2, 2008, and noted the following weaknesses:

- **Terminated Employees with Active IDs.** State Cyber Security Policies require that departments implement procedures to immediately cancel a user's access upon termination. Terminated employees with access to critical systems pose a serious threat because they can change, destroy, or steal critical data without being detected. Furthermore, active IDs belonging to terminated users can be exploited by active employees to gain escalated system privileges or to perpetrate a fraud. Of the 548 CPPS IDs tested, we identified nine (about 2 percent) active IDs belonging to terminated employees. These nine IDs were active an average of 150 calendar days after the owners' termination dates.

- **Generic IDs.** User IDs that have no identified real user are referred to as generic IDs. On occasion, generic IDs are necessary for setting up user profiles, scheduling jobs, and initiating system transactions and interfaces. However, according to industry best practices and State Cyber Security Policies, the use of generic user IDs should be limited, and a user should not access and use generic IDs for day-to-day tasks. Because a generic ID is not assigned and controlled by a single, individual user, it is impossible to hold someone accountable for the use of the ID. Out of the 548 CPPS user IDs tested, we identified 16 generic IDs.

- **Employees with two CPPS IDs**. We identified three individuals who had two CPPS IDs. Industry best practice is that a user has a single system ID. Multiple IDs make it difficult to effectively manage and control access to a system. For example, upon an employee's termination, one ID may be overlooked by the system's security administrator and remain active. Additionally, without careful attention by the security administrator, two IDs combined could provide a user with escalated privileges for which he or she is not authorized.

Another important component of user access control is the establishment and management of strong passwords. Passwords are designed to prevent unauthorized persons from gaining access to computer networks and systems. Strong password controls are especially important for CPPS, as the system can be accessed over the Internet with the right combination of user ID and password. To prevent unauthorized persons from gaining access to state systems, State Cyber Security Policies require that passwords be a minimum of eight characters, be changed at least

every 60 days, and contain a combination of capital letters, lowercase letters, numbers, and special characters. Additionally, passwords must be encrypted.

We reviewed the CPPS password parameters and found that they do not comply with State Cyber Security Policies. Specifically, CPPS passwords are only six characters in length and the system does not enforce complex passwords. We also found that the CPPS password file is not encrypted as required. Finally, we found that 10 of the 548 active user IDs we tested had passwords set to expire every 65 days instead of the required 60 days. One critical control that the Department has implemented is that passwords are encrypted in transmission.

Segregation of Duties

Payroll fraud includes adding and paying fictitious or ghost employees and falsely adding hours or changing wage information to increase remuneration. Segregating the duties of employees involved in the payroll process is a critical control for preventing payroll fraud. For CPPS, predetermined user roles include personnel, benefits, and payroll. Generally, a CPPS user should not have access to update both the personnel and payroll functions, because this increases the risk for payroll fraud. Specifically, a user with the ability to access these two functions can add employees, establish wage rates, and process payments without an independent or secondary review.

To guard against payroll fraud, the statewide security policy for CPPS states that an individual "will not be granted access to both personnel and payroll functions without a business case justification that includes established internal controls made to the State Controller." Due to limited resources, small departments and agencies are sometimes unable to segregate these personnel and payroll duties. In such instances, the agency or department controller must make a written request for approval from the State Controller. The State Controller must approve the agency's business justification and internal controls before a CPPS user ID can be set up by the Central Payroll Unit.

During our audit we reviewed the access authorizations for all 21 active CPPS user IDs with update access to both personnel and payroll functions. Overall, we found that the Department is not complying with its own internal controls. Of the 21 CPPS requests for access to personnel and payroll functions, we found that two, or 10 percent, of the requests did not include a business justification letter from the agency or department controller. Furthermore, of the 19 requests for access that included a business justification letter, we found that six, or 32 percent, did not list the compensating controls established to prevent payroll fraud. Finally, we found that the State Controller failed to approve four of the 21 requests for access to both the personnel and payroll functions in CPPS. Although the State Controller did not

approve these four requests, Central Payroll Unit staff granted access to both the personnel and payroll functions anyway.

Improvements

Our findings indicate a need for the Department to improve its controls over CPPS user access and segregation of duties. First, the Department needs to be proactive in disabling those CPPS user IDs belonging to terminated users. Central Payroll Unit staff receive a monthly CPPS security report that identifies CPPS users who have terminated state employment. Although the Department has access to this information, Central Payroll Unit staff will not disable a CPPS user ID until contacted by the employee's department or agency. Rather than waiting on agency notification, we believe the Department should immediately disable CPPS user IDs identified in the monthly security reports. Second, the Department should remove unnecessary generic and duplicate CPPS user IDs and develop security policies specifying when such user IDs are appropriate. Third, the Department should work with the Governor's Office of Information Technology to ensure CPPS password parameters comply with State Cyber Security Policies. Finally, the Department should reinforce existing controls regarding the segregation of personnel and payroll functions in CPPS with Central Payroll Unit staff.

(Classification of Finding: Control Deficiency.)

Recommendation No. 38:

The Department of Personnel & Administration should strengthen its oversight of Colorado Personnel and Payroll System (CPPS) user access controls by:

a. Immediately disabling CPPS user IDs belonging to terminated employees.

b. Removing unnecessary generic and duplicate CPPS user IDs and implementing security policies specifying when such user IDs are appropriate.

c. Working with the Governor's Office of Information Technology to ensure CPPS password parameters comply with State Cyber Security Policies.

d. Implementing existing controls regarding the segregation of personnel and payroll functions in CPPS.

Department of Personnel & Administration Response:

Agree. Implementation date: March 2009.

Central Payroll will review and enforce its current policy of disabling CPPS passwords. In addition, Central Payroll will work with State agencies to update and enforce the "Security Administration Agreement concerning CPPS and HR Data Warehouse," which requires the agency controllers to terminate user IDs for their terminated employees.

a. There is a distinction in responsibility between disabling CPPS access and terminating a user ID. Central Payroll reviews the Security Report monthly and **disables** CPPS access to user IDs of terminated employees by eliminating the user's password. This prevents access to CPPS under that user ID without a password reset, which can only be done through Central Payroll. In accordance with the "Security Administration Agreement concerning CPPS and HR Data Warehouse," each state agency controller must revoke system access, including terminating the user ID for terminated employees. Each quarter, Central Payroll highlights the Security Report for terminated employee IDs and sends this report to state agency controllers for review.

b. In August 2008, when first questioned about the generic user IDs, Central Payroll changed all generic user IDs to query access only, which is the way these should have originally been set. The Technology Management Unit reviewed the access to CPPS by these 16 generic IDs and found no evidence that any of the IDs had been used to process any transactions in CPPS. As of today, there are no generic user IDs in CPPS.

   All three individuals noted with two CPPS IDs had the same security profile, which means the second ID did not allow for any additional access. The situation arose due to a duplicate request for access, years after Central Payroll had issued the initial user ID. At that time, Central Payroll did not review the last names of users to check for duplicate IDs. Central Payroll has now changed its procedure to verify whether new applicants already have security under an existing user ID. Of the three employees with two user IDs, one has been removed, and Central Payroll is in the process of working with the agency to remove the other two employees. In accordance with the "Security Administration Agreement concerning CPPS and HR Data Warehouse," each state agency controller

must review the CPPS Security Report and remove access for duplicate user IDs.

c. The next release from Integral Systems, the vendor that provides CPPS, has complex password parameters. This release will be implemented after 2008 W-2s have been processed, with a target date for full implementation by March 31, 2009. This release was received by the Technology Management Unit in August 2008. The complex password parameters will comply with the State Cyber Security Policies.

d. State agencies must send a request to Central Payroll for an exception to the security policy, which requires separation of duties between payroll and personnel. Based on the audit, Central Payroll will review the 41 exceptions noted for CPPS security and request that each state agency controller submit to the State Controller an updated agency exemption request. Central Payroll will create a checklist for each security form received, ensuring that all security is set up correctly. In addition, Central Payroll will create a questionnaire to be completed along with the security authorization form, ensuring that each employee has only the minimum security necessary.

Capital Assets

The Fiscal Procedures Manual issued by the Office of the State Controller (OSC) requires all state agencies and institutions to maintain a detailed record of all capital assets. At a minimum, the records should include the cost, acquisition date, disposal date, estimated useful life, calculated annual depreciation, and accumulated depreciation for each capitalized asset.

The Department's accounting staff maintain an internal spreadsheet that contains the historical cost, useful lives, years depreciated, depreciation expense, and accumulated depreciation for the buildings owned by the Department. Department accounting staff perform an annual reconciliation of capital asset balances, depreciation expense, and accumulated depreciation recorded on the building spreadsheet to COFRS to ensure that all asset balances and depreciation information for buildings are accurately reflected in COFRS. The Department accounts for its vehicle fleet of more than 5,800 vehicles in the Colorado Automotive Reporting System (CARS). The information contained in the CARS database is uploaded into COFRS on a monthly basis, and Department staff perform monthly reconciliations between CARS and COFRS to ensure that the information in both systems is

complete and accurate. The Department's buildings and fleet have an approximate historical cost totaling $239 million.

During our Fiscal Year 2008 audit, we tested the Department's accounting controls over capital assets and noted the following problems:

- The Department identified a $409,000 difference between the Fiscal Year 2008 ending balances in COFRS and CARS for the Department's vehicle fleet through its reconciliation process but did not make an adjustment to correct the difference by the end of our testwork in December 2008. The difference between the two systems occurred because Department accounting staff added $409,000 in Colorado Bureau of Investigation vehicles to COFRS during Fiscal Year 2008 but did not add them to the CARS database. As a result, the CARS fiscal year-end balance was $409,000 less than the COFRS balance.

- The Department did not capitalize approximately $300 in freight charges related to the purchase of an information technology server. The OSC's Fiscal Procedures Manual requires ancillary costs, including freight charges, associated with placing a capital asset in their intended location and condition for use to be capitalized with the cost of the asset.

These errors indicate that the Department lacks an adequate review process over capital assets to ensure they are accurately recorded on CARS, COFRS, and the State's financial statements.

During our testwork we also found that the Department's internal building spreadsheet is not password-protected and is maintained by staff electronically on one of the Department's shared drives. The shared drive is accessible to all accounting staff and managers; in addition, we determined that eight former Department budget and accounting staff that had transferred to the Governor's Office of Information and Technology during the fiscal year still had access to the Department's shared drive and the information maintained on it as of the time of our audit. After we notified Department staff of the access, they removed the former employees' access. Because the Department does not appropriately limit access to building and depreciation data, the Department risks the inappropriate or inadvertent alteration of data.

In order to maintain effective controls over the capital asset accounting process, the Department should strengthen its supervisory review process over capital asset transactions and adjustments to ensure that all necessary costs are capitalized and that all required adjustments are made. In addition, to maintain the integrity of

capital asset accounting data, the Department should limit access to capital asset data and the Department's shared drives to essential staff.

(Classification of Finding: Control Deficiency.)

Recommendation No. 39:

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

a. Improving the review process over capital asset transactions to ensure that all ancillary costs necessary to place assets in use, including freight charges, are capitalized and that any necessary capital assets accounting adjustments are made to CARS and COFRS.

b. Ensuring that data essential to its annual building depreciation reconciliation is safeguarded by prohibiting access to this data by non-essential staff members.

Department of Personnel & Administration Response:

a. Agree. Implementation date: July 2009.

The Department will improve the review process over capital assets to ensure all costs are capitalized and accounting adjustments are made to both systems.

b. Agree. Implementation date: January 2009.

Building depreciation data will be secured from access by non-essential staff members.

From July 2008 to January 2009 the Department of Personnel & Administration (DPA) and the Office of Information and Technology (OIT) have been in a period of transition as OIT became a department separate from DPA. During this transition period, there has been some overlap of accounting files and COFRS access between these two agencies. It was intentional that OIT had retained access to the Department's share drive during this transition period because their accounting files were being transitioned to their own drives. The verbal

agreement between DPA and OIT accounting staff was that the transition for accounting files would be completed by January 2009. As of the date of this comment, access to the DPA accounting files has been revoked for OIT staff.

Department of Public Safety

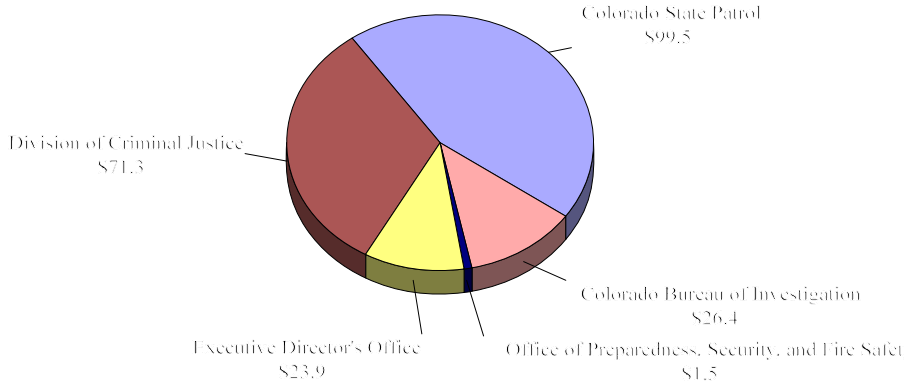
Introduction

The Department of Public Safety is responsible for providing a safe environment for the citizens of Colorado. The Department operates under the authority of Section 24-1-128.6, C.R.S., and is composed of an Executive Director's Office and the following four divisions:

- Colorado State Patrol
- Colorado Bureau of Investigation
- Division of Criminal Justice
- Office of Preparedness, Security, and Fire Safety

The Department was appropriated about $222.6 million and 1,294.5 full-time equivalent staff, or FTE, for Fiscal Year 2008. The following graph shows the Department's operating appropriations by division for Fiscal Year 2008:

Department of Public Safety
Fiscal Year 2008 Operating Appropriations by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Travel Expenditures

During Fiscal Year 2008, the Department of Public Safety expended approximately $900,000 for employees' in-state and out-of-state business travel. State Fiscal Rules issued by the Office of the State Controller require state agencies to follow certain procedures concerning business travel.

After returning from business travel, employees are required to complete a travel expense form, itemizing all travel expenses and stating the purpose of the travel. The travel expense form must be signed by the employee and the employee's supervisor. Department accounting staff review each travel expense form before entering and approving it in the State's accounting system, COFRS.

As part of our Fiscal Year 2008 audit, we reviewed a sample of 25 travel expenditures. We identified one or more problems with two of the 25 (8 percent) expenditures we reviewed.

We noted the following:

- One travel reimbursement request totaling $240 did not contain a purpose for the travel, as required by State Fiscal Rules.

- One travel reimbursement request claimed a total of 86 miles for reimbursement, when the actual mileage driven was 66 miles. As a result the employee was overpaid approximately $9.

Although State Fiscal Rules require review, approval, and supporting documentation for travel expenditures, our review indicates that employees and supervisors are not consistently adhering to the these requirements.

Based on our audit testwork, the Department needs to strengthen its controls over travel expenditures. Specifically, the Department should adhere to requirements under State Fiscal Rules for travel expenditures and ensure that employees and supervisors are adequately trained on state travel rules and policies.

(Classification of Finding: Control Deficiency.)

Recommendation No. 40:

The Department of Public Safety should strengthen controls over travel expenditures by:

a. Ensuring that travel reimbursements contain a purpose for travel, reimbursements paid are supported by documentation, and all other State Fiscal Rules regarding travel are followed.

b. Training staff and supervisors on state travel rules and policies. For supervisors, emphasis should be placed on the importance of conducting a thorough review of all requests for travel reimbursements with respect to compliance with State Fiscal Rules and resolving any problems prior to approval for payment.

Department of Public Safety Response:

Agree. Implementation date: May 2009.

The Colorado Department of Public Safety will strengthen controls over travel expenditures by following State Fiscal Rule 5-1 based on our interpretation of the rule's provisions. Additional training will be provided to employees and their supervisors in late April 2009 on the above-referenced rule, and employee expense reports will be monitored more closely.

The Department believes that purpose of travel that was not disclosed on an employee expense report was due to a weakness in the form's design. Currently the "purpose of the trip" and "departure/destination points" is combined in the same box of the Employee Expense Report form. The form will be changed to put these two critical pieces of information in separate areas of the form.

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Department of Regulatory Agencies

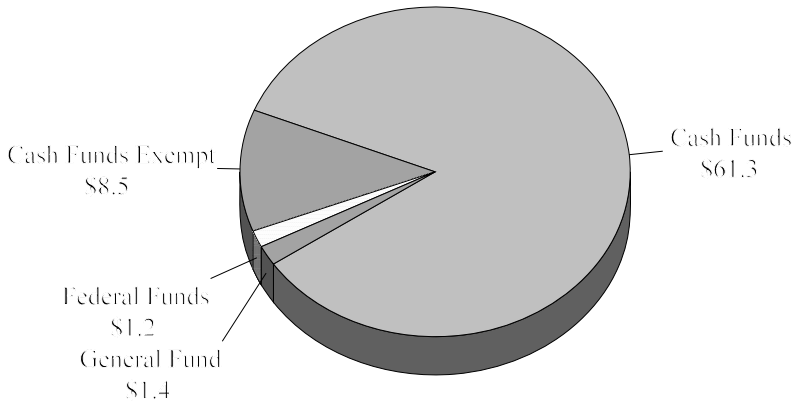
Introduction

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

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

The Department of Regulatory Agencies was appropriated $72.3 million and 556.7 full-time equivalent, or FTE, staff for Fiscal Year 2008. Approximately 97 percent of the funding is from cash funds and cash funds exempt sources, as shown in the chart on the following page:

Department of Regulatory Agencies
Fiscal Year 2008 Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-09 Appropriations Report.

Travel Expenditures

During Fiscal Year 2008, the Department of Regulatory Agencies expended $808,000 for employees' in-state and out-of-state business travel. State Fiscal Rules issued by the Office of the State Controller requires state agencies to follow certain procedures concerning business travel.

After returning from business travel, employees are required to complete a travel expense form. The travel expense form itemizes all travel expenses incurred and states the purpose of travel. The travel expense form must be signed by the employee and the employee's supervisor. Department accounting staff review each travel expense form before entering and approving it in the State's accounting system, COFRS.

As part of our Fiscal Year 2008 audit, we reviewed a sample of 40 travel expenditures. We identified one or more problems with 17 of the 40 (43 percent) expenditures we reviewed.

We noted the following problems:

- One travel reimbursement, totaling approximately $1,250, was overstated in COFRS. The amount the Department staff entered into COFRS totaled $11 more than the amount of the reimbursement request. As a result, the employee was overpaid $11.

- One travel reimbursement totaling approximately $770 contained supporting documentation for only half of the amount paid, or $385. We noted that a Department staff member appeared to have crossed out the original $385 amount requested on the form and wrote $770 on the form, which was the amount paid. As a result, the employee was overpaid by $385, or double the amount requested. After we brought the error to the Department's attention, it collected the amount of the overpayment from the employee.

- Two travel reimbursement requests totaling $1,655 contained $7 in errors. As a result, the employees were overpaid by a total of $7 and travel expenses were overstated in COFRS by $7.

- Three travel reimbursement requests totaling $3,735 were coded incorrectly on COFRS. For example, out-of-state travel was coded as "In-State Travel" and telephone charges were coded as "Common Carrier Fares."

- Two travel reimbursement requests totaling $340 were not processed timely as required by State Fiscal Rules. State Fiscal Rules specifically require the transaction to be entered within 60 days after returning from business travel. On two occasions the Department reimbursed an employee for expenses that occurred up to five months prior to reimbursement. As a result, the expenses were not recorded in the correct accounting periods or fiscal year.

We found nine travel reimbursements totaling more than $14,170 for travel made prior to October 1, 2007, that included tip amounts that exceeded 20 percent of the meal cost by $32. We also found two travel reimbursement requests totaling $900 for travel made prior to October 1, 2007, that did not include receipts for $26 in meals. State Fiscal Rules in place through September 30, 2007, limited per-meal tip amounts to 20 percent of the pre-tax cost of the meal and required receipts for meals when the total amount of reimbursement requested for the day exceeded $25. Therefore, the tips should have been limited to 20 percent of the meal cost, and support should have been provided for the $26 in meals. As of October 1, 2007, the State Fiscal Rules no longer limited tip amounts or required meal receipts but placed a cap on daily meal reimbursements.

Although State Fiscal Rules require review and approval and supporting documentation for travel expenditures, our review indicates that employees and supervisors are not consistently adhering to these requirements.

Based on our audit testwork, the Department needs to strengthen its controls over travel expenditures. Specifically, the Department should adhere to requirements for travel expenditures and ensure that employees and supervisors are adequately trained on state travel rules and policies.

(Classification of Finding: Control Deficiency.)

Recommendation No. 41:

The Department of Regulatory Agencies should strengthen controls over travel expenditures by:

a. Ensuring that travel expenditures are recorded accurately and appropriately on COFRS, that travel reimbursements are recorded in the proper period, and that all other state policies regarding travel are followed.

b. Training staff and supervisors on state travel rules and policies. For supervisors, emphasis should be placed on the importance of conducting a thorough review of all requests for travel reimbursements with respect to mathematical accuracy and compliance with State Fiscal Rules and resolving any problems prior to approval for payment.

c. Collecting the $50 in overpayments identified in our audit from employees who were overpaid for travel expenditures.

Department of Regulatory Agencies Response:

Agree. Implementation date: June 2009.

Division Directors and Divisions accounting liaisons will be trained on state travel rules and policies and stress the importance that all reimbursements should be reviewed by supervisors prior to approval and being entered in COFRS. The Accounting staff will be trained to perform compliance reviews of travel reimbursement requests to ensure compliance with state travel rules and policies and the coding are correct. The Department does intend to recover overpayments from employees.

Department of Revenue

Introduction

The Department of Revenue is responsible for managing the State's tax system. Tax collections totaled about $11.5 billion in Fiscal Year 2008. Of this amount, about $9.5 billion represents collections for the General Fund; the remainder represents collections made on behalf of other government entities, such as local governments and 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 more than $506 million in ticket sales in Fiscal Year 2008. Of this amount, about $123 million was available for conservation as well as for wildlife, parks, open space, and outdoor recreation projects.

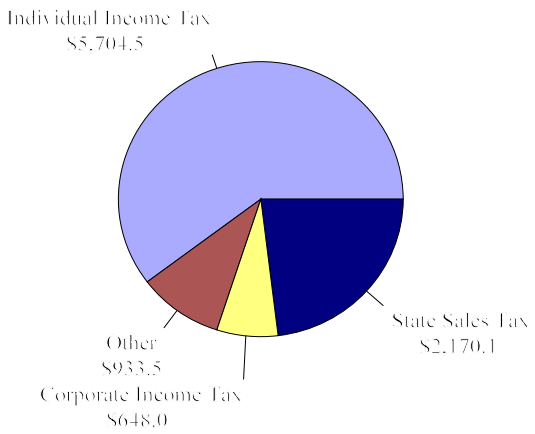
- Act as a collection agent for city, county, Regional Transportation District (RTD), and special district taxes. The Department collected more than $1.2 billion in taxes and fees on behalf of other entities such as these.

- Regulate the limited stakes gaming activities in Cripple Creek, Black Hawk, and Central City. Adjusted gross proceeds totaled about $773 million during Fiscal Year 2008, on which the Limited Gaming Division collected about $108 million in gaming taxes.

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

- Operate the State's 27 Ports of Entry, including 10 mobile ports and 17 fixed ports.

Department of Revenue
General Fund Revenue Collections
for the Year Ended June 30, 2008
(In Millions)



Source: Department of Revenue, Fiscal Year 2008 Collections Report.

In Fiscal Year 2008, the Department was appropriated total funds of $604 million and 1,480 full-time equivalent, or FTE, staff. Approximately 15.8 percent of the funding is from general funds, 84 percent is from cash funds, and 0.2 percent is from federal funds.

Controls over Severance Tax Refunds

The Department of Revenue oversees the collection of severance taxes as part of its overall responsibility for administration and enforcement of the State's tax laws. Severance taxes are a special excise tax imposed on nonrenewable natural resources that are removed from the earth. The five natural resources subject to severance taxes in Colorado are oil and gas, coal, metallic minerals, molybdenum ore, and oil shale. The largest single source of severance tax revenue is from oil and gas. For example, in Fiscal Year 2008 the Department's severance tax revenue was approximately $210.6 million, of which $198.6 million, or 94 percent, was from oil and gas.

Oil and gas severance taxes are calculated on the gross income received from oil and gas production. Anyone who receives taxable income from oil and gas produced in Colorado must file the Colorado Severance Tax Oil and Gas Return. The severance tax return must be accompanied by the Oil and Gas Withholding Statement. The Oil

and Gas Withholding Statement lists the taxpayer's gross income, on which the taxpayer must calculate severance tax, and the amount the producer has withheld and paid to the State from the taxpayer's royalty or production payments. If the taxpayer owns interest in more than one well or field, the taxpayer should receive a separate withholding statement from each producer.

Taxpayers may file severance tax returns for natural resource production income earned in prior years; however, the statute of limitations to claim a refund for severance taxes is three years from the due date of the original tax return. In Fiscal Year 2008 the Department issued approximately $59.1 million in severance tax refunds.

Currently, the Department reviews severance tax returns based on system edits in place. When a severance tax return is flagged by the system due to a system edit and included on an exception report, a tax examiner is required to perform a manual review of the return if the return meets the Department's dollar threshold for review. Once the tax examiner has completed his or her manual review, the tax examiner either contacts the taxpayer for additional information or removes the severance tax return from the flagged report generated by the system. The Department also performs random reviews of severance tax returns that fall below the Department's dollar threshold.

As part of our audit, we reviewed the Department's controls over processing severance tax refunds. We selected a sample of 56 severance tax returns claiming a refund and the related supporting documentation. Of the 56 returns, 14 exceeded the Department's threshold for review; those 14 returns represented $38,000 in severance tax refunds. The remaining 42 returns, which represented $7,500 in tax refunds, were below the Department's threshold for a required review. We identified issues with 7 of the 56 returns (13 percent) and/or supporting documentation that we reviewed. Specifically, we noted the following:

- In five instances, the taxpayer was issued a refund for more than the taxpayer was eligible. The errors resulted in total overpayments of approximately $4,000. One of the returns exceeded and four of the returns were below the Department's threshold for a required review.

- In two instances, the taxpayer was issued a refund for less than the taxpayer was eligible. The errors resulted in total underpayments of approximately $100. In one instance, the error was due to the taxpayer failing to complete the severance tax return documents correctly. In the other instance the taxpayer submitted required documentation; however, the Department failed to review the documentation. One of the two returns exceeded the Department's threshold for a required review.

- In three instances, the taxpayers owed severance taxes to the Department but instead were issued a refund. Based on our review, we determined that the taxpayers owed the Department approximately $4,000 but received refunds totaling $1,957. All three returns were below the Department's threshold for a required review.

The errors we identified indicate that the Department's current review process over severance tax refunds is lacking. Specifically, the Department cannot ensure that errors or discrepancies on severance tax returns are identified and corrected and that refunds are appropriate. Adequate controls over severance tax refunds are important because there is a high risk of error, fraud, and abuse. The Department should strengthen its controls over the processing of severance tax refunds in order to minimize errors and irregularities. Specifically, the Department should establish a secondary review process over refunds reviewed by tax examiners to ensure reviews are adequate, review the current system edits to determine if additional edits are needed, and evaluate the need for a change in the threshold for required review.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 42:

The Department of Revenue should improve controls over the processing of severance tax refunds by:

a. Reviewing the current system edits to determine if additional edits are necessary.

b. Establishing a secondary review process for refunds released from manual review.

c. Reviewing its current established threshold for severance tax refunds for efficiency and accuracy.

Department of Revenue Response:

a. Agree. Implementation date: July 1, 2009.

All of the current or Legacy system edits were incorporated into the new Colorado Integrated Tax Architecture (CITA) system for severance tax. The majority of these edits have been automated in the new system. The Department will evaluate the potential for additional value added edits;

however, an introduction of new edits will require additional data capture which will result in an increase in the cost of the administration of severance tax. The Department strives to strike an appropriate balance in the edits it utilizes between cost incurred and benefit received. It is possible that additional edits could identify inaccuracies; however, the value from identifying these inaccuracies must be compared to the cost incurred to introduce these new edits.

b. Agree. Implementation date: November 3, 2008.

Returns requiring manual review under the CITA system for severance tax are identified as work items. Resolution and subsequent release of these work items require a statistical sampling review if the items are below a certain dollar threshold and those which exceed this dollar threshold require a universal review. The Department believes that this approach satisfies the recommendation for establishing a secondary review and it does so in a reasonable and cost effective manner.

c. Agree. Implementation date: July 1, 2009.

The Department routinely reviews current established thresholds for all taxes it administers. The Department agrees to review the established thresholds for severance tax refunds in an effort to determine if a reasonable and appropriate level of efficiency and accuracy exists.

Cash Controls

The Department processes and receives most of the State's tax receipts and revenue such as sales tax, income tax, wage withholding, and licensing payments through its Central Department Operations Division (CDO) at the Sherman Street Annex in downtown Denver and the Pierce Street location in Lakewood. While the majority of the Department's tax and licensing revenues are received at these two locations, some are received at regional offices throughout the State, including motor vehicle offices and ports of entry. The Department's tax collections, wage withholdings, and licensing payments totaled about $11.5 billion in Fiscal Year 2008.

During our Fiscal Year 2008 audit, we tested controls over receipts at locations outside the Sherman Street Annex. We made unannounced visits to two driver's license (DL) offices in the Denver-metro area and one visit to the Pierce Street Office. We found that the Department lacks adequate controls to safeguard cash receipts and confidential data at all three locations. The weaknesses we identified are discussed in more detail below.

We identified the following weaknesses at the Pierce Street office:

- **Lack of tracking process.** On a daily basis, one Department employee delivers Motor Vehicle payments and documents such as mail that could contain sensitive taxpayer information that are received at the Sherman Street Annex but are to be processed at the Pierce Street location. We noted that the payments and documents were contained in locked and unlocked bags that were transported from the Sherman Street Annex and delivered to the Pierce Street office using a Department-owned pickup truck. We found that the Department does not have a process for tracking the bags leaving the Sherman Street Annex and arriving at the Pierce Street office. For example, the Department does not require employee signatures at either the Sherman Street Annex or the Pierce Street office to confirm the transfer and subsequent receipt of the bags. As a result, the Department cannot ensure that all bags leaving the Sherman Street Annex are delivered to the Pierce Street office. In addition, because sensitive information in some cases is transferred in unlocked bags, the Department cannot ensure that all payments and documents are adequately safeguarded from loss and/or theft.

- **Inadequate physical access controls.** As discussed, one Department employee delivers bags from the Sherman Street Annex to the Pierce Street office daily using a Department-owned pickup truck. During our visit, we noted that the employee left both the Department pickup truck door and the dock door open and unlocked while he unloaded the pickup truck, sorted the contents of the bags into bins, and made deliveries to various offices. The open dock door allowed unlimited access to the secured, non-public areas of the Pierce Street office including back-office areas housing staff for programs including Gaming and Liquor Enforcement. The open pickup truck door allowed unlimited access to the contents of the pickup truck, which, at the time of our testing, contained blank vehicle title stock.

We identified the following weaknesses at the DL offices we visited:

- **Lack of security cameras and safes.** Department policy requires DL offices to accept only check or cash payments. The offices we visited receive, depending on the office's size and customer volume, from $2,700 to $6,000 in cash and checks per day. Based on our observation and discussions with DL staff, we found that the two DL offices did not contain safes. Daily receipts collected by the two offices are stored overnight in the manager's office in a locked desk drawer and locked filing cabinet, respectively, until the aggregated daily receipts are collected by an armored vehicle the next business day. Further, we noted that both DL offices we visited had security cameras in the public areas of their locations but did not have security

cameras installed in the DL managers' offices. We also observed at one DL office that the door to the manager's office, which was easily viewable from the public-designated areas, was frequently left open at times when the office was unattended. By not maintaining the cash and checks in a locked safe and storing the cash and checks overnight rather than scheduling a more timely collection of daily receipts by an armored vehicle, the Department is increasing the risk of theft or loss.

- **Unsecured cash drawers and high cash inventory.** Although DL management indicated that cashier's drawers should be locked at all times, we observed multiple instances in which cashier's drawers were left unlocked and unattended. In addition, we noted that, while a manager at one of the DL location transfers cash and checks from the cashier's drawer to the manager's office numerous times during the day, at the other location cashiers transfer cash and checks from their drawers to the manager's office only once at the end of the day. As a result, in the second instance the cashiers maintain an unreasonably high cash inventory.

- **Inadequate verification of identification.** Although DL management indicated that individuals other than DL employees are only admitted to secured locations within the DL offices if they present identification and the purpose of their visit is verified, we noted at one of the locations that Office of the State Auditor staff members were admitted to a secured office area without being asked to present identification.

- **Failure to use standardized cash count form and inappropriate verification of cash.** The Department's DL Division has issued a policy requiring that a standardized cash count form be used to document collections at the end of the day, or end of a cashier's shift. The completed form should be submitted to the manager, verified by the manager in the employee's presence, and initialed by both the cashier and the manager. We did not observe the use of this form or this process in practice at one of the two DL locations we visited. We also observed an inappropriate practice for verifying cash receipts at one location; specifically, we observed an instance in which individual cashiers were counting daily cash receipts at publicly accessible counters while customers were still being served in the DL office.

The issues we identified indicate that the Department lacks adequate internal controls over cash receipts and confidential data, such as Department mail and forms, at its Pierce Street and driver's license offices. As a result, the Department risks the theft of cash, checks, other assets, or confidential data. The Department must strengthen controls in this area by ensuring that employees are adequately trained on policies regarding cash and confidential data; that physical access controls at driver's license

offices, the Pierce Street office, and over the transfer of cash receipts and data between the Sherman Street Annex and the Pierce Street Office are improved; and that policies are implemented to require that driver's license cash drawers contain no more than the minimum amount needed to effectively and efficiently conduct business and that daily receipts are counted and reconciled by cashiers and managers in a secure and private environment. The Department should also implement a tracking mechanism with signoffs for transfers of cash receipts and data between the Sherman Street Annex and the Pierce Street office.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 43:

The Department of Revenue should improve internal controls over cash receipts, Motor Vehicle payments, and confidential data by:

a. Establishing a tracking process for the transfer of Motor Vehicle payments and other confidential documents between the Sherman Street Annex and the Pierce Street office which includes requiring multiple employee signoffs at each location and requiring that all bags transferred between locations be locked until they reach their destination.

b. Implementing policies limiting the amount of cash that can be maintained in cashier drawers at driver's license offices, requiring a more timely collection of daily Motor Vehicle payments by an armored vehicle, and prohibiting driver's license staff from counting cash receipts at publicly accessible counters.

c. Ensuring existing policies regarding physical access controls over secured areas and cash receipt drawers are followed. This should include steps to ensure that driver's license staff require visitors to present identification and verification of the purpose of their visits before entering secured areas, and that driver's license staff use the standardized cash count form to document collections.

d. Adding additional security at the driver's license offices, including locked safes and security cameras in offices where cash receipts are kept.

Department of Revenue Response:

a. Disagree. Implementation date: Not applicable.

The Department does not agree that adding a log and signoff to this delivery process between the two DOR facilities provides any additional control. The bags and tubs of mail are created in our incoming mailroom, given to a DOR/CDO driver, who loads them into our delivery truck, drives them directly to the Pierce Facility without stops, and delivers them into the Pierce mailroom where Pierce staff is normally waiting to receive their mail or is taken directly to several offices or sections. The CDO management team has reviewed this recommendation at length and has determined that the risk associated with this process is extremely limited with the likelihood and probability of something happening with this delivery process being small.

As for only using locked bags, we do not see any benefit in additional locked bags. Again, it is our driver handling this work taking it from one DOR location to another without any stops in between. If he were to want to steal something from the bags that are zippered closed and some locked, he could cut through the locked bags since they are only of leather or vinyl, and take what he wanted. Having the bags locked will not prohibit him from getting into the bags.

Auditor's Addendum:

The fundamental issue discussed in the narrative is that the Department does not have effective controls in place to ensure the secure transfer of funds and sensitive taxpayer documents between two of its offices. Because the Department does not have a formal tracking process or a requirement to lock the bags being transferred, the Department cannot ensure that all the documents that leave one location are delivered to the second location. While the Department indicates that the Department employee responsible for the transfer drives directly to the second location, we determined through our review that the driver does, in fact, regularly stop at one or more locations to pick up mail or perform other duties. We consider the safeguarding of taxpayer payments and documents to be a high-risk area that requires strong internal controls.

b. Agree. Implementation date: January 2009.

The Department will establish what an acceptable amount of cash is to be left in the drawers. That amount will be determined by the amount of business the individual office conducts. At the end of the work day cash will be counted in a secure manner and will be counted in the presence of the employee to verify and concur with the amount. This process will be outlined in the updated policy and regional managers will ensure this policy is followed in all field offices.

The Department requested an early pickup of funds from the armored vehicle vendor; however, the vendor is not able to accommodate our request as they have set schedules for pickups.

c. Agree. Implementation date: January 2009.

The Department will send an updated policy reminding staff that no visitors can occupy space secured for staff and equipment without appropriate identification, verification of authenticity, and reason to be in the work area. Regional managers will ensure this policy is followed in all field offices.

All offices will use the standardized cash count form found in the Manager's Guide.

d. Agree. Implementation date: When funding becomes available and approvals have been obtained.

The Department agrees with this recommendation. However, funding is an issue with purchasing safes and installing security cameras in managers' offices. Additionally, landlords historically refused to let us bolt safes to the floor in many of the offices.

Information Systems Security

The Department of Revenue relies on various computer systems to process tax returns and payments and to issue tax refunds. Some of the systems used by the Department are described below.

- The Income Tax System, originally implemented in 1964, processes income taxes for individuals, corporations, and other business entities, estates and trusts.

- The Revenue Accounting System (RAS) records, posts, and reports on sales and use taxes, licenses, and fees collected for the State, counties, cities and special jurisdictions. It also processes alternative fuels, taxes, cigarette taxes, and liquor taxes.

- The Severance Tax System supports the processing of oil, gas, and mineral tax returns, issuance of severance refunds, calculation of interest and the comparison of estimated payments with payments claimed on tax returns.

These three computer systems are vital to the Department's efforts to accurately collect, process, account for, distribute, and, as necessary, refund state tax dollars. Additionally, these systems process and store sensitive taxpayer information that must be protected from unauthorized disclosure and misuse. It is the Department's responsibility to design and implement information systems controls that ensure the confidentiality, integrity, and availability of taxpayer data. State Cyber Security Policies set forth the security policies, standards, and guidelines that state agencies must follow.

We evaluated the Department's controls over these three systems and identified significant weaknesses related to network configuration and management, application development and change management, and user access management. The specific areas of weakness are described below.

Network Configuration and Management

Network controls are designed to protect internal systems from external threats such as subversive attacks (hacking), malware, and viruses and ensure that data confidentiality and integrity are maintained. At a minimum, State Cyber Security Policies require that:

- All agency enclaves or sub-networks be protected at all ingress and egress points by a firewall configured to only permit the minimum services required for system functionality.

- Firewall configurations must deny access to trusted networks from un-trusted networks unless specifically permitted.

- All agencies shall, at a minimum, monitor anomalous system activity. Anomalous behavior identified on network components must be reported to the agency information security officer and handled as a security event.

- An inventory of all network assets must be maintained and include the device, internet protocol (IP) address, and media access control (MAC) address where applicable.

Overall, we found that the Department does not have sufficient controls over its computer network. The Department is aware of these problems and is working to address them. Due to the sensitive nature of these control deficiencies, we provided our specific findings and recommendations to the Department under separate cover.

Application Development and Change Management

The Income Tax, Revenue Accounting, and Severance Tax Systems are systems built and maintained by the Department. These systems are housed on the State mainframe at the Governor's Office of Information Technology's Data Center. The Department owns and has direct access to the computer source code for these applications. Department staff are responsible for maintaining and making changes to the source code if problems arise or new functionality is required. Information systems controls are necessary to ensure only authorized and tested changes are made to the computer source code and system changes meet business requirements and user expectations. Inconsistent and undisciplined practices related to change management could lead to problems with data processing, fraud, and systems that do not meet business requirements.

We reviewed the Department's change management procedures and processes and noted several problems. First, although required by State Cyber Security Policies, the Department does not have a formalized and documented change management process for the three systems we reviewed. A documented change management process is important for several reasons including making staff aware of their responsibilities and ensuring any changes to source code follow similar processes. Second, we found that changes to source code are not always adequately tested prior to moving the code into production or the live computing environment. Specifically, although the Department performs module or unit level testing, it does not perform regression and user acceptance testing as part of its change management process. Regression testing is the process of testing changes to computer programs to make sure that the older programming still works with the new changes. User acceptance testing requires business users to test the functionality of the programming changes to ensure the changes meet business needs. Failure to adequately test changes can result in system errors and downtime or result in changes that do not meet user requirements.

Third, the Department does not have sufficient controls to ensure that access to the production environment is limited. Specifically, we found that the Department cannot identify the production libraries or files containing the source code for the three applications we reviewed or identify which staff have access to those libraries. Basically, Department staff do not know which files are used for running the applications. Finally, we learned that Department management does not perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production. Without this supervisory review, there is a risk that Department staff could perpetrate fraud by making unauthorized changes to the Income Tax, Revenue Accounting, or Severance Tax Systems.

User Access Management

User access to the Income Tax, Revenue Accounting, and Severance Tax Systems must be tightly controlled and managed because of the critical and sensitive nature of the information these systems contain and process. State Cyber Security Policies require state agencies to only provide users with the least amount of access necessary to perform their job duties and to establish procedures to ensure that IT security administrators are immediately notified when an employee has resigned or been terminated. Additionally, state agencies are required to remove all system access belonging to terminated employees.

We reviewed the Department's controls for managing user access and found them to be inadequate. Of most concern, the Department is unable to produce a list of current users with access to the Income Tax, Revenue Accounting, and Severance Tax Systems. Without this list, neither we nor the Department can determine whether individual access, or the associated level of access, is appropriate and authorized. In the absence of the list, the Department also cannot periodically review user access levels to ensure they correspond with an employee's job responsibilities. Finally, we found that the Department's process for notifying the IT security team when a user terminates or changes job responsibilities could be improved. It is the responsibility of an employee's supervisor to notify the IT security team of an employee's termination, resignation, or change in job status. However, Department IT security staff report that they either never receive the notifications or the notifications are not timely. Industry best practice recommends that the human resources and user access management functions be linked for best effect. The Department's human resources function should be responsible for notifying the IT security team of all personnel changes, including terminations, promotions, demotions, suspensions and other job changes.

Improvements

The Department needs to take steps across these three areas to ensure the Income Tax, Revenue Accounting, and Severance Tax Systems are protected and remain operational. First, the Department should address the network configuration and management issues we identified in the audit and provided to the Department under separate cover. Second, the Department needs to develop and implement a formalized application development and change management process for its mainframe-based applications. As a first step, the Department should develop written procedures describing the required steps in the change management process, including specifying staff's roles and responsibilities. The written procedures should require that both regression and user acceptance testing be performed on all source code changes prior to implementing the changes into the production environment. The Department should also identify and inventory all production program libraries for the Income Tax, Revenue Accounting, and Severance Tax Systems and ensure that access to those libraries is restricted appropriately. Finally, Department management should perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production.

Finally, the Department needs to develop and implement a formalized user access management process for its mainframe-based applications. As a first step, the Department should develop a reporting mechanism to generate a user listing for all IT systems. This list should then be periodically reviewed by the business owners of the IT systems (e.g., Senior Director of the Tax Group) to ensure that user access is commensurate with job responsibilities and terminated users' access is removed in a timely manner. Second, the Department should integrate the human resources and user access management functions. The Department's human resources function should notify the IT security team of all personnel changes so that system access can be evaluated and changed, if necessary.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 44:

The Department of Revenue should strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by:

a. Immediately addressing the network and configuration management issues we identified in the audit and provided to the Department under separate cover.

b. Developing and implementing a formalized application development and change management process for its mainframe-based applications.

c. Performing regression and user acceptance testing on changes to source code prior to moving the code into production.

d. Identifying the production libraries containing the source code for the mainframe-based applications and ensuring access to those libraries is limited.

e. Requiring management to perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production.

f. Developing and implementing a formalized user access management program, including periodically producing and reviewing a list of current system users and linking the human resources and user access management functions.

Department of Revenue Response:

a. Agree. Implementation date: June 2009.

The Department completed an inventory of all network equipment in 2008 and is currently in the process of developing written network diagrams. The Department has identified all network ingress and egress points and is currently working on deploying firewalls to 690 Kipling, e-FORT, Pierce, Annex, and Colorado Integrated Tax Architecture (CITA) locations. A re-engineering project is in process to place Department networks behind the Pierce firewall. The firewall installation project is in progress at 690 Kipling, e-FORT and CITA site. The Department has identified outdated network operating systems and has a project in progress to replace the network servers where the Legacy application will support replacement. The Department will continue to request additional funding to replace the legacy systems that require unsupported operation systems. The Department completed implementation of an Intrusion Detection System (IDS) June 30, 2008. The Department completed implementation of a central logging system (QRadar) and connection to the Information Security Operations Center (ISOC) QRadar system for

statewide monitoring as of September 30, 2008. Monitoring and tracking actions are taken by the Department and ISOC Staff. The Department has three projects to implement identification and securing all outgoing network traffic containing sensitive and personally identifiable information. The training has been completed for all Department personnel on acceptable data transmission policy. The Department is replacing all File Transfer Protocol (FTP) transmissions with an encrypted transmission system. The Department is replacing the current ten year old email system with a current system that will prohibit the transmission of Social Security Number in emails and can be setup to quarantine transmission of identified data.

b. Agree. Implementation date: June 30, 2009-2011.

The Department has developed the tools and processes to implement a formalized application development and change management system for severance tax and these processes were put into practice in November 2008. The Department will be implementing the same tools and practices in Phase 2 for income tax as of November 2009, Phase 3 for sales tax in November 2010, and Phase 4 for the Revenue Accounting System (RAS) in November 2011. The tools and processes will be implemented and enforced on the mainframe applications pending conversion process to Gentax from 2009 through 2011.

c. Agree. Implementation date: June 30, 2009-2011.

The Department has developed the tools and processes to perform regression testing and user acceptance for severance tax and these processes were put into practice in November 2008. The Department will be implementing the same tools and practices in Phase 2 for income tax as of November 2009, Phase 3 for sales tax in November 2010, and Phase 4 for RAS in November 2011. The tools and processes will be implemented and enforced on the mainframe applications pending conversion process to Gentax from 2009 through 2011.

d. Agree. Implementation date: June 30, 2009.

The Department will review access to the production libraries and verify the authorized users, matching the appropriate access and the approval process. This review will map changes to the production libraries and compare the changes to approved change requests. The process will identify exceptions and document any unauthorized changes to the source codes.

e. Agree. Implementation date: June 30, 2009.

The Department will implement and enforce a review schedule for the development managers to review the source code and compare to the approved change orders. The development managers will verify all approved change orders are in production. Currently, the development manager is responsible for reviewing the source code and subsequently authorizing the requested changes to the production environment. Only the development manager will deem the change to be appropriate. The scheduling staff move the code change into production only when the request has proof of authorization.

f. Agree. Implementation date: December 31, 2009.

The Department will implement a user provisioning system to provide reports to each division to review who has access to resources.

Data Security

The Department of Revenue has established internal controls over data to help ensure it is safeguarded. For example, the Department's Information Technology Security Standards and Policies document requires all Department employees at all locations to protect the Department's data from unauthorized access, distribution, modification, or disclosure "under all circumstances." The Security Standards and Policies also state: "Department information must be protected according to its sensitivity, value, and criticality. Security measures must be employed regardless of the media on which information is stored, or the methods by which it is moved. Such protection includes restricting access to information based on the need-to-know." All Department employees, when hired, are required to sign a Statement of Compliance acknowledging that they have read the Security Standards and Policies document and that they are aware of their responsibilities regarding the safeguarding of data.

During our Fiscal Year 2008 audit, we reviewed the Department's controls over the protection of data. During our testwork we found that the Department is not adequately safeguarding taxpayer and employee data in all cases.

First, we found that the Department's accounting division stores internal payroll information for its approximately 1,500 full, part-time, and temporary employees on a non-password-protected spreadsheet located on one of the Department's shared drives. This document is maintained by the Department's centralized accounting staff to track employee payroll adjustments that are identified during their monthly

reconciliation of expected-to-actual payroll. The reconciliation is performed to ensure that all payroll information is accurately reflected on the State's central payroll system (Colorado Personnel and Payroll System, or CPPS). We found that the shared drive is accessible to all accounting staff as well as various other Department personnel, including one human resources staff member. The information contained on the payroll spreadsheet is significant. During Fiscal Year 2008, the Department expended approximately $55 million on salaries and wages. In order to ensure that payroll-related data contained on the spreadsheet is not inadvertently or intentionally changed by non-accounting staff and to limit the sharing of Department payroll information, the Department should ensure that only accounting staff have access, as necessary, to the spreadsheet.

Second, we found that another one of the Department's shared drives contained confidential employer and taxpayer data, such as social security numbers, names, addresses, and tax information. This shared drive is accessible to all Department employees. Therefore, the employees can view and, in many cases, edit the confidential data on the shared drive.

The manner in which the Department currently stores the payroll and other confidential data leaves the data vulnerable to corruption by fraud, abuse, or human error. In order to maintain effective internal controls over the data and maintain its integrity, the Department should ensure that the data is only accessible to those employees with a determined need for the data.

(Classification of Finding: Control Deficiency.)

Recommendation No. 45:

The Department of Revenue should improve controls to ensure that data is safeguarded by prohibiting access to the data by nonessential staff members.

Department of Revenue Response:

Agree. Implementation date: June 30, 2009.

The Department will limit access to the subdirectory containing payroll information to essential accounting, budget, and information technology personnel. It is important to note that information contained in the payroll reconciliation spreadsheet contains no sensitive or privileged information and is derived from payroll reports, which are also distributed to accounting and budget personnel.

In most cases, the Information Technology Division (ITD) relies upon the data owner to provide information regarding which network logon accounts should be provided access to their directories and files. Some, but not all, divisions or sections provide ITD with detailed instructions regarding those permissions. ITD can, and will, change the permissions on the directories in question, with instructions from the data owner. The Department is in the process of changing the Network Operating System from a Windows NT domain to Active Directory. When Active Directory is deployed, ITD will have much better control over, and reporting of, permissions and will be able to more easily find discrepancies such as the problem reported above and act proactively.

Electronic Fund Transfer Reconciliation

The Department offers taxpayers the option to pay their taxes by Electronic Fund Transfer (EFT). As of Fiscal Year 2008, approximately 118,500 taxpayers are registered to pay taxes owed to the Department through EFT. When the Department receives tax payments through EFT, the Department makes an accounting entry to record the funds as undistributed cash receipts. Once Department personnel determine the tax type for which an EFT payment was made, Department personnel reclassify the payment to the appropriate tax revenue account.

The Department's Division of Central Operations performs a monthly reconciliation of EFT undistributed cash receipts recorded in its internal revenue accounting system to EFT undistributed cash receipts recorded on the State's accounting system, COFRS. Any variance between the internal system's listing of undistributed EFT payments and COFRS' listing of undistributed EFT payments is reviewed by Department personnel. Variances could occur as a result of timing differences and human error.

During our Fiscal Year 2008 audit, we reviewed the Department-prepared EFT undistributed cash receipts reconciliation for February 2008 and the related supporting documentation for the month of February. During our testwork we identified the following problems:

- One reconciling item did not agree to the supporting documentation. Specifically, due to a data entry error, Department staff erroneously calculated and recorded a reconciling item from an internal system report as $2,304 rather than $2,344 on its reconciliation. As a result, the EFT receipts were understated in the reconciliation. Department staff corrected the error after we brought it to their attention.

- Two receipt entries included on a supporting schedule prepared by Department staff as part of the reconciliation did not agree to the receipt amounts reported in COFRS, resulting in a variance of $619. Based on our follow-up with the Department on the error, we determined that the variance resulted from a data entry error. Department staff corrected the error after we brought it to their attention.

The Department does not currently have a secondary review in place over the EFT reconciliation process. Rather, one staff person is fully responsible for performing the reconciliation process.

While the amounts identified in our testwork are small, it indicates that errors and irregularities could occur and not be detected in a timely manner, which could result in more significant problems such as over or understatement of EFT receipts. The Department can strengthen its controls over EFT payments by incorporating a secondary review process over the EFT reconciliation process that includes a review of supporting documentation.

(Classification of Finding: Control Deficiency.)

Recommendation No. 46:

The Department of Revenue should strengthen controls over EFT payments by implementing a secondary review over the EFT reconciliation process, including supporting documentation, to identify and correct any errors in a timely manner.

Department of Revenue Response:

Agree. Implementation date: March 2009.

Central Department Operations implemented a secondary review of the internal system report upon receiving the error finding from the auditor. The EFT reconciliation for the month audited was still in progress at the time of the review. Central Department Operations corrected the error and is currently cross-training additional staff to aid in the reconciliation process and provide the recommended additional review. The training process is expected to be complete by March 31, 2009.

Statements of Understanding

Because of the highly confidential nature of the data that Department employees process and the importance of the duties that Department employees perform, the Department has a policy in place to address employees' independence and potential conflicts of interest. The policy requires employees to "display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the State of Colorado and the public being served."

To ensure that all employees are in compliance with the Department's independence policy and all other Department policies related to standards of performance and conduct, the Department requires all employees to sign a "Statement of Understanding" (Statement) when hired and annually thereafter. By signing the Statement, the employee acknowledges that he or she is aware of and has an understanding of Department policies regarding performance and conduct. Employees are to return their signed Statement to their immediate supervisors. A representative in each division of the Department is responsible for collecting the signed Statements from division supervisors and forwarding copies of the signed Statements to the Department's Office of Human Resources (OHR) no later than June 15 each year.

During our Fiscal Year 2007 audit, we found that the Department did not have adequate procedures in place to ensure all Department employees sign and submit annual Statements of Understanding to the OHR. Specifically, we found that 1,019 of the Department's 1,423 employees, or 72 percent, did not sign and submit a Statement during Fiscal Year 2007. The Department reported at that time that the OHR would: establish a database to track the submission of Statements on an annual basis, implement a systematic process to identify employees without up-to-date Statements on file, and adopt procedures to notify supervisors that they needed to obtain up-to-date Statements from their employees.

During our Fiscal Year 2008 audit, we reviewed the Department's progress toward implementing the recommendation. We found that the Department implemented a procedure requiring Department staff to track signed Statements through the use of a hard-copy list of employees. According to the procedure, Department staff highlight an employee's name upon receipt of the employee's signed Statement. At fiscal year end, OHR staff are required to send e-mails to Department division directors, providing a list of each division's employees who have not turned in a signed Statement for the fiscal year.

While the Department has implemented a tracking process for the submission of signed Statements, we found that the process failed to ensure the submission of all required signed Statements. Specifically, we tested a sample of 60 employee files and found that five of the employees did not have a current signed Statement. Through further discussions with the Department's OHR staff, we found that, as of July 22, 2008, a total of 116 of the Department's 1,419 employees, or 8 percent, had not signed and submitted a Statement for Fiscal Year 2008.

By not adequately enforcing its policy requiring that all employees annually sign the Statement, the Department has failed to emphasize the standards of conduct expected of employees. As a result, there is an increased risk that employees will be unaware of Department policies. To gain assurance that employees understand and comply with independence policies, the Department should implement the database to track employees without a signed Statement and to ensure timely follow-up with supervisors for those employees without a signed Statement.

(Classification of Finding: Control Deficiency.)

Recommendation No. 47:

The Department of Revenue should ensure compliance with its policy requiring employees to sign and submit annual Statements of Understanding to the Department's Office of Human Resources by implementing an automated system for tracking signed Statements and continuing to improve its process for notifying supervisors of missing Statements.

Department of Revenue Response:

Agree. Implementation date: October 2008.

A systematic process was developed by the Department to track the submission of signed Statements of Understanding using a hard-copy tracking tool. During this time, e-mail reminders were sent to senior directors, supervisors, and managers. With a new Human Resources Director and as of October 2008, this information is being transferred to a database. E-mail reminders will continue to be delivered to ensure all signed Statements of Understanding are collected and logged into the database each year.

Exhibit Preparation

At the end of each fiscal year, the Office of the State Controller (OSC) requires that each department submit financial and financial-related information that aids in the preparation of the State's financial statements and footnote disclosures. The OSC requires that all departments submit this information in uniform reports, or "exhibits."

During Fiscal Year 2008, we reviewed exhibits that had been prepared and submitted to the OSC by the Department. During the audit, we identified problems with two of the Department's exhibits. Each exhibit required one revision. The two exhibits were revised because of errors or omissions we identified through our audit. Specifically, we identified the following problems:

- **Schedule of Changes in Long-Term Liabilities (Exhibit C)**. This exhibit provides information to the OSC regarding changes in long-term liabilities for the Department throughout the fiscal year. The Department's Exhibit C for Fiscal Year 2008 transposed the columns indicating increases and decreases to long-term liabilities. As a result, the Department revised the exhibit to correct errors that understated the increase in long-term liabilities by approximately $9.4 million.

- **Custodial Risk of Cash Deposits exhibit (Exhibit M)**. This exhibit is used to report an agency's cash that is held by a financial institution other than the State Treasurer. The State is required to disclose in its financial statements 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 noted two errors on the exhibit. First, the Department erroneously included a total of $75,700 in cash on hand and petty cash as bank balances. Second, the Department inappropriately excluded a total of $41,400 in funds deposited in financial institutions.

In addition to the errors on the Exhibit M, the Department failed to obtain missing information on bank account confirmation forms received from financial institutions. Specifically, we noted that five out of 27 bank confirmations did not indicate collateralization or insurance on the listed accounts. The total amount of bank balances with no insurance or collateralization indicated is $140,600. Verification of missing or incomplete data on bank confirmation forms is required by the OSC's Fiscal Procedures Manual. Further, failure to verify missing or incomplete information could result in a misstatement of the risk of funds in the State's financial report.

Department staff indicate that they follow the instructions included in the OSC's Fiscal Procedures Manual when preparing exhibits and that they have a supervisory review process in place over exhibit preparation. However, the errors we identified indicate that the Department's review process is not adequate, and the Department does not have procedures in place to ensure that the overall compilation of accounting information is accurate and complete. Therefore, the Department should strengthen its review process for all exhibits prepared to ensure accuracy and completeness prior to submission to the OSC.

(Classification of Finding: Control Deficiency.)

Recommendation No. 48:

The Department of Revenue should improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by strengthening its review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.

Department of Revenue Response:

Partially agree. Implementation date: June 2009.

The Accounting and Financial Services group will improve existing procedures to ensure exhibits are reviewed prior to release. The items identified in this audit were properly recorded in COFRS and did not impact the financial statements. The $140,600 of bank balances reported on Exhibit M are either collateralized or insured.

Purchasing Cards

During Fiscal Year 2008, the Department expended approximately $1.1 million through the use of purchasing cards. The Department reported average total monthly purchasing cards purchases during Fiscal Year 2008 of approximately $90,000. As of June 2008, 202 of the Department's 1,480 employees, or 13.7 percent, had been issued purchasing cards.

An employee must submit a Purchasing Card Cardholder Account Form in order to request a purchasing card. The Purchasing Card Cardholder Account Form provides information such as the cardholder name and the spending limit associated with the card. The Purchasing Card Cardholder Account Form must be signed by the

potential cardholder, approving official, division liaison, and the agency contract/program administrator in order for the card's issuance to be approved. The Department has designated three staff members within the Department's Accounting and Financial Services division as agency contracts/program administrators of the purchasing card program. These three individuals are the only employees who can set up or make changes to a purchasing card account. A Cardholder Agreement Form must be signed by each employee prior to the issuance of his or her purchasing card to ensure that all are aware of their cardholder responsibilities, which are listed on the Agreement Form.

All charges made on the purchasing card are the liability of the Department. Each cardholder is required by Department policy to submit his or her monthly cardholder statement and supporting documentation to his or her approving official. Department policy requires approving officials to review and approve the monthly statements and supporting documentation before forwarding them to the Department's Accounting and Financial Services division on a monthly basis. Both the cardholder and approving authority must sign the cardholder statement and/or supporting documentation. The Department has assigned selected staff responsibility for reviewing purchase documentation and checking the account codes for purchases made with purchasing cards.

During our Fiscal Year 2008 audit, we reviewed a sample of 60 purchasing cardholder files to determine if each file contained a properly completed Purchasing Card Cardholder Account Form and a Cardholder Agreement Form. We identified the following problems:

- Two cardholder files did not contain a Purchasing Card Cardholder Account Form that had been signed by all of the required individuals.

We also reviewed monthly purchasing card statements and related supporting documentation for 60 cardholders. During the testwork we identified the following problems:

- Two cardholder statements and/or supporting documentation did not contain the cardholder's signature.

Adequate controls over purchasing cards are important because the cards are a high risk area for fraud and abuse. For example, without adequate internal controls in place over purchasing cards, the Department faces increased risk that purchasing cards will be issued to unauthorized users and that fraudulent purchases will be made. The Department should improve controls over purchasing cards to ensure that all the required forms are completed and signatures are obtained prior to an

employee's receiving his or her purchasing card and that the required supporting documentation has been properly reviewed and approved.

(Classification of Finding: Control Deficiency.)

Recommendation No. 49:

The Department of Revenue should improve its internal controls over purchasing cards by ensuring that:

a. Required forms are obtained and completed prior to card issuance.

b. Required supporting documentation is completed and has been properly reviewed and approved.

Department of Revenue Response:

Agree. Implementation date: January 2009.

a. The Department of Revenue has ensured that all forms and signatures are obtained prior to an employee's receiving his or her purchasing card from November 2007 forward. The forms referred to in the above narrative are from 2003. The Department is taking additional steps to limit the issuance of procurement cards to procurement card administrators within the Accounting and Financial Services division to ensure that all signatures are obtained before a card is issued.

b. The two cardholder statements that did not contain the cardholder's signature at the time of the audit were due to the cardholders' inability to sign the Statement of Accounts while on leave. An approving official had signed the Statement of Accounts prior to the cardholder's return. Cardholders' signatures were obtained when they returned to work.

   The policy concerning a required cardholder signature will be modified to address situations where employees are on leave or are terminated.

Department of Revenue

Prior Recommendations
Material Weakness or Significant Deficiency
Not Remediated by the Department
As of June 30, 2008

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department of Revenue in previous years and have not yet been remediated as of June 30, 2008. These recommendations can be found in the original report and the Prior Recommendations Section of this Report, beginning on page 427.

Report and Rec. No.	Recommendation Classification	Implementation Date Provided by Department
2007 Single Audit Rec. No. 30	Transfers of Interest and Collection Costs *Significant Deficiency*	November 2010
2007 Single Audit Rec. No. 31	Modification of Taxpayer Account Information *Significant Deficiency*	November 2010
2007 Single Audit Rec. No. 34	Controls over Loose Checks *Significant Deficiency*	a. [1] b. [1] c. December 2009

[1] This part of the recommendation has been implemented, partially implemented, or is not applicable. See Prior Recommendations Section of this Report, beginning on page 427.

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Office of the State Treasurer

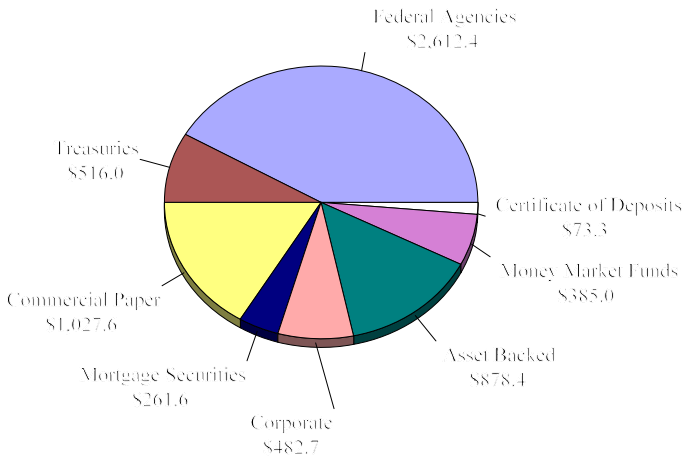
Introduction

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's primary function is to manage the State's pooled investments and implement and monitor the State's cash management procedures. Other duties and responsibilities of the Treasury 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, 2008
(In Millions)



Source: Office of the State Treasurer records.

In Fiscal Year 2008 the Treasury was appropriated approximately $398 million and 26 full-time equivalent, or FTE, staff. The majority of the Treasury's funding (99 percent) is for special purpose programs, and the remaining 1 percent was for Treasury operations. The Treasury received approximately 29 percent of its funding from general funds, 70 percent from cash funds exempt, and 1 percent from cash funds.

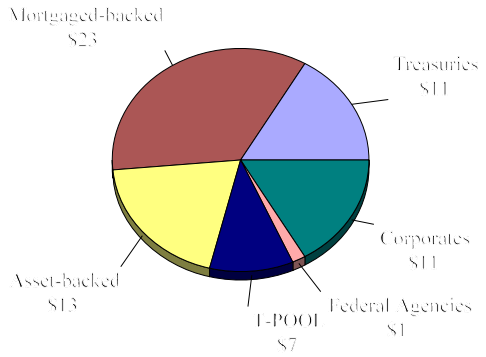
The following was prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2008 audit at the Treasury.

Unclaimed Property Tourism Promotion Trust Fund

The Unclaimed Property Tourism Promotion Trust Fund (Fund) was created by Section 38-13-116.7, C.R.S. The Fund consists of all proceeds collected by the Office of the State Treasurer from the sale of securities and investments that are unclaimed property. According to Section 38-13-115, C.R.S., abandoned securities that are listed on an established stock exchange are to be sold at prevailing market prices. Other securities may be sold over the counter at prevailing prices. Statutes state that unless the State Treasurer considers it not to be in the best interests of the State, all abandoned securities shall be held by the Division for at least one year before they are sold, and the State Treasurer must take all reasonable action to sell the securities. For Fiscal Years 2005 through 2008, the Division was required to transfer all interest earned on the deposit and investment of the moneys in the Fund to the Colorado Travel and Tourism Promotion Fund in the Governor's Office.

As of June 30, 2008, the State's Unclaimed Property Tourism Promotion Trust Fund investments consist of a variety of securities as shown in the following chart:

Office of the State Treasurer
Unclaimed Property Tourism Promotion Trust fund Portfolio Mix
As of June 30, 2008
(In Millions)



Source: Office of the State Treasurer.

The following table summarizes the Fund's activity for Fiscal Years 2005 through 2008:

Office of the State Treasurer Unclaimed Property Tourism Promotion Trust Fund Fund Activity by Fiscal Year				
	2005	**2006**	**2007**	**2008**
Beginning fund balance	$ -	$38,109,370	$55,608,707	$60,691,903
Proceeds from sale of securities	$42,493,500	$8,071,787	$5,066,190	$ -
Dividends, cash received in lieu of stock, or other liquidations	$9,157,520	$1,681,263	$2,029,940	$1,433,104
Investment income[1]	$347,909	$2,493,283	$2,960,516	$3,045,646
Claims paid out	$ -	($1,286,547)	($1,612,197)	($858,813)
Transfer to Colorado Travel & Tourism Fund	$ -	($2,841,192)	($2,949,957)	($3,041,551)
Year-end adjustment [2]	($13,889,559)	$9,380,743	($411,296)	($44,868)
Ending fund balance	$38,109,370	$55,608,707	$60,691,903	$61,225,421

Source: Office of the State Treasurer.

[1] Investment income includes interest earned on securities held, interest allocated from TPOOL investment earnings, royalty income, and realized gains and losses on investments.

[2] The year end adjustment to the Unclaimed Property Tourism Promotion Trust Fund represents the adjustment to the estimated claims payable at June 30 of each year.

The Office of the State Auditor contracted with BKD, LLP to determine if the Treasury has adequate controls to ensure compliance with state statutes related to the receipt and sale of securities received as abandoned property, the sale and deposit of the proceeds of sales into the Fund, and disbursements from the Fund. To this end, we obtained an understanding of the controls in place to ensure compliance and applied procedures to test the controls.

Banks or investment holding companies, referred to as "holders," are generally the source from which unclaimed securities property is received. Holders maintain abandoned securities and investments for a period of five years before they are considered dormant instruments under state statutes and must be transferred to the

Division of Unclaimed Property. After the five-year dormancy period for a particular account, the holder notifies the Division of the abandoned assets and then electronically transfers assets to the Unclaimed Property custodian bank. Both the Division and the custodian maintain an inventory listing of the new abandoned security property. The Division maintains the inventory listing in a "temporary" account for new unclaimed property until the property is verified through comparison with the bank statement. The securities and investments are held by the custodian bank until they are sold by the Division.

The Division has contracted with ACS Unclaimed Property Clearinghouse to provide recordkeeping services relating to Unclaimed Property. To identify property eligible for sale, the Division requests a list from ACS of all securities including their respective receipt dates. The Division then compares the list prepared by ACS with the Division's internal records to identify any securities that should not be sold due to a pending claim, dispute, or other issue. The Division conducted sales of several eligible securities in Fiscal Years 2005 through 2007. The Division considered a sale in Fiscal Year 2008 but determined that it would not be in the best interest of the State due to the fact that the Division did not have sufficient staffing levels needed to adequately execute the sale process. We noted that while the Division does have policies and procedures related to conducting the sale of securities, the policies and procedures do not address or require documentation regarding how the best interest of the State is determined and how to ensure that reasonable action to sell the securities has been taken.

We obtained a listing of abandoned securities as of June 30, 2008, from ACS. This information is summarized in the table below:

Office of the State Treasurer
Abandoned Securities as of June 30, 2008

	Total	Held for one year or less	Held for one to three years	Held for more than three years
Market Value of Securities	$48,512,181	$961,889	$45,021,301	$2,528,991
Number of shares	6,219,476	105,149	5,062,097	1,052,230

Source: ACS Unclaimed Property Clearinghouse.

Consistent with the provisions of Section 38-13-115 (3), C.R.S., the Division deposits proceeds from the sale of abandoned property into the Unclaimed Property Tourism Promotion Trust Fund. To determine compliance with statutes, policies, and procedures, we tested the following:

Sales of individual securities. We selected a sample of 15 sales made during Fiscal Years 2005 through 2007 to determine whether the sales were properly supported by

documentation and occurred at prevailing market prices, that securities had been held for at least one year, and that proceeds were deposited into the Fund. No exceptions were noted in our testing.

Securities held. We selected 10 securities from the Division's monthly listing of securities for all months in Fiscal Years 2005 through 2008 to determine whether the securities were being held in compliance with statutes. Four of the securities tested were under the one year requirement to be eligible for sale and therefore determined to be properly held. Six of the securities tested had been held over a year since initial receipt.

Claims. To test compliance with policies and procedures related to payment of claims, we selected 10 claims made during Fiscal Year 2008 for testing and noted no exceptions. The normal process for reporting of claims begins with the claimant contacting the Division. A specific claim is made via completion of a "claim form" which includes a notarized affidavit for claims over $100. The Division then verifies the identity of the claimant and his or her right to the abandoned property. Each claim form must be properly supported and approved. All claims are paid via check based on a voucher request prepared by the Division or are transferred directly from the custodian to the claimant.

Disbursements. We also evaluated disbursements to determine if any were made from the Fund other than for payment of claims or transfers required under state law or appropriation. No such disbursements were noted.

(Classification of Finding: Not classified - not an internal control issue.)

Recommendation No. 50:

The Office of the State Treasurer should clarify existing policies and procedures over unclaimed securities to address:

a. How the best interest of the State is determined when making decisions about whether or not to sell unclaimed securities.

b. How reasonable action to sell a security will be documented, if a decision is made to sell a security.

c. How often the inventory of unclaimed securities will be reviewed to determine if a security should be sold and how the review will be documented.

The Treasurer should implement procedures to document these actions based on the above policies and procedures.

Office of the State Treasurer Response:

Agree. Implementation date: February 2009.

The Treasurer's Office is finalizing a revised policy for the sale of securities. The policy makes clear that sales will occur on an annual basis, at the same time every year, after a security has been held for a period of at least one year (assuming there is no pending claim on the security). The policy will also provide for documentation as to how the best interest of the State was served or how reasonable action was taken to sell the securities.

Compliance with Colorado Funds Management Act and the Tax Anticipation Note Act

The Colorado Funds Management Act (the Funds Management Act) under Section 24-75-901, C.R.S., allows the State to finance temporary cash flow deficits caused by fluctuations in revenue and expenditures. Under the Funds Management Act, the State Treasurer is authorized to sell Tax and Revenue Anticipation Notes (TRANS) to meet these shortfalls. The Tax Anticipation Note Act under Section 29-15-112, C.R.S., authorizes the State Treasurer to issue tax anticipation notes (TANS) for school districts for the purpose of alleviating temporary cash flow deficits of such districts by making interest-free loans to the districts. Both TRANS and TANS are short-term notes payable from anticipated pledged revenue.

The Office of the State Auditor reviews information relating to TRANS and TANS 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 5, 2007, issuance of $500 million in General Fund Tax and Revenue Anticipation Notes (hereafter referred to as the General Fund Notes) and the July 16, 2007, issuance of $150 million (2007A) and December 19, 2007, issuance of $310 million (2007B) in Education Loan Program (ELP) Tax and Revenue Anticipation Notes (hereafter referred to as the ELP Notes).

State of Colorado Details of General Fund and Education Loan Program Note Issuances For the Fiscal Year Ended June 30, 2008			
	General Funds Notes	**Education Loan Program Notes Series A**	**Education Loan Program Notes Series B**
Date of Issuance	July 5, 2007	July 16, 2007	December 19, 2007
Issue Amount	$500,000,000	$150,000,000	$310,000,000
Denominations	$5,000,000	$5,000,000	$5,000,000
Face Interest Rate	4.25%	4.00%-4.50%	2.95%-3.50%
Premium on Sale	$2,660,000	$797,800	$619,900
Net Interest Cost to the State	3.71%	3.76%	2.92%
Source: Office of the State Treasurer records.			

Terms and Price

The maturity dates of the General Fund Notes and the ELP Notes comply with the requirements of the Act. Specifically, the General Fund Notes have a maturity date of June 27, 2008, and the ELP Notes have a maturity date of August 5, 2008. Neither is subject to redemption prior to maturity. The General Fund Notes are required to mature at least three days prior to the end of the fiscal year. The ELP Notes are required to mature on or before August 31 of the fiscal year immediately following the fiscal year in which the Notes were issued. In addition, on or before the final day of the fiscal year in which the ELP Notes are issued, there shall be deposited, in one or more special segregated and restricted accounts and pledged irrevocably to the payment of the ELP Notes, an amount sufficient to pay the principal and interest related to the ELP Notes on their stated maturity date.

Notes in each series are issued at different face interest rates. These are the rates at which interest will be paid on the Notes. The average net interest cost to the State differs from the face interest rates because the Notes are sold at a premium, which reduces the net interest cost 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 2008. General Fund cash receipts include those that are subject to appropriation in Fiscal Year 2008 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 2007 Note Payment Account on the State's accounting system, COFRS. The Notes were secured by an exclusive first lien on assets in the Account. The State Treasurer held in custody the assets in the 2007 Note Payment Account.

On June 16, 2008, and at maturity, on June 27, 2008, the Account balance was sufficient to pay the principal and interest without borrowing from other state funds. If the balance in the Account on June 16, 2008, had been less than the principal and interest of the General Fund Notes due at maturity, the Treasurer should have been required to deposit into the Account all general fund revenue available at that time and borrow from other state funds until the balance meets the required level.

According to Section 29-15-112, C.R.S., interest on the 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, 2008, which 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, 2008. The State Treasurer used these funds to repay the principal on the ELP Notes. The school districts completed these transfers by June 25, 2008, and the State Treasurer used these funds to repay the principal on the ELP Notes.

If, on June 26, 2008, the balance in the Education Loan Program Notes Repayment Account is less than the principal of the ELP Notes at maturity, the Treasurer must deposit from any funds on hand that are eligible for investment an amount sufficient to fully fund the ELP Account. On June 26, 2008, 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 is $520,777,778 consisting of principal of $500,000,000 and interest of $20,777,778. The amount due at maturity for the 2007A ELP Notes is $156,222,222, consisting of principal of $150,000,000 and interest of $6,222,222. The amount due at maturity for the 2007B ELP Notes is $316,301,319, consisting of principal of $310,000,000 and interest of $6,301,319. To ensure the payment of the General Fund and ELP Notes, the Treasurer agreed to deposit pledged revenue into both the General Fund Notes and ELP Notes Repayment Accounts so that the balance on June 16, 2008, and June 26, 2008, 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

Sherman & Howard LLC 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 ELP 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

The Colorado Funds Management Act, the Tax Anticipation Note Act, and the General Fund and ELP Note agreements allow the Treasurer to invest the funds in the General Fund and ELP Notes Repayment Accounts in eligible investments until they are needed for Note repayment. Interest amounts earned on the investments are credited back to the General Fund, since the General Fund pays interest at closing. 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 and Section 29-15-112(4)(a) of the Tax Anticipation Note Act state 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 were issued to fund the State's anticipated general fund cash flow shortfalls during Fiscal Year 2008. The Treasurer deposited the proceeds of the sale of the General Fund Notes in the State's General Fund. Note proceeds were used to alleviate temporary cash flow shortfalls and to finance the State's daily operations in anticipation of taxes and other revenue to be received later in Fiscal Year 2008.

The ELP Notes were issued to fund a portion of the anticipated cash flow shortfalls of the school districts during Fiscal Year 2008. The net proceeds of the sale of the Notes were used 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, 2008, to and including June 25, 2008.

Additional Information

The General Fund Notes and the ELP 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 Notes issuance is subject to the Internal Revenue Service's (IRS) arbitrage requirements. In general, arbitrage is defined as the difference between the interest earned by investing the Note proceeds and the interest paid on the borrowing. In addition, if the State meets the IRS safe harbor rules, the State is allowed to earn and keep this arbitrage amount. The Office of the State Treasurer is responsible for monitoring compliance with the arbitrage requirements to ensure 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 and the TANS. These expenses totaled approximately $343,466 for the General Fund and 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.

Subsequent Events

On July 8, 2008, the State issued $350 million in General Fund Tax and Revenue Anticipation Notes with a maturity date of June 26, 2009. The notes carry a coupon rate of 3.00 percent and were issued with a premium of $4.4 million. The total due at maturity includes $350 million in principal and $10.2 million in interest.

On July 23, 2008, the State issued $215 million in Education Loan Program Tax and Revenue Anticipation Notes with a maturity date of August 7, 2009. The Treasury made an interim payment of $229,931 on August 15, 2008. This payment was made from the General Fund in accordance with statute. The Notes carry a coupon rate of 1.75 percent and were issued with a premium of $451,502. The total due at maturity includes $215 million in principal and $3.7 million in interest.

On November 6, 2008, the State issued $231,025,940 in Series 2008 Certificates of Participation. The semi-annual lease payments on the Certificates of Participation begin on May 1, 2009, and the final lease payment is due on November 1, 2027. The Certificates of Participation have coupon rates ranging from 4.04 percent to 5.50 percent and were issued with a premium of $180,940. The total due over the period outstanding includes $230,845,000 in principal and $137,417,701 in interest.

On December 18, 2008, the State issued $300 million in Education Loan Program Tax and Revenue Anticipation Notes with a maturity date of August 7, 2009. By statute, interest on the notes is payable from the General Fund. The Notes carry a coupon rate of 1.00 percent and were issued with a premium of $63,000. The total due at maturity includes $300 million in principal and $1,908,333 in interest.

No recommendation is made in this area.

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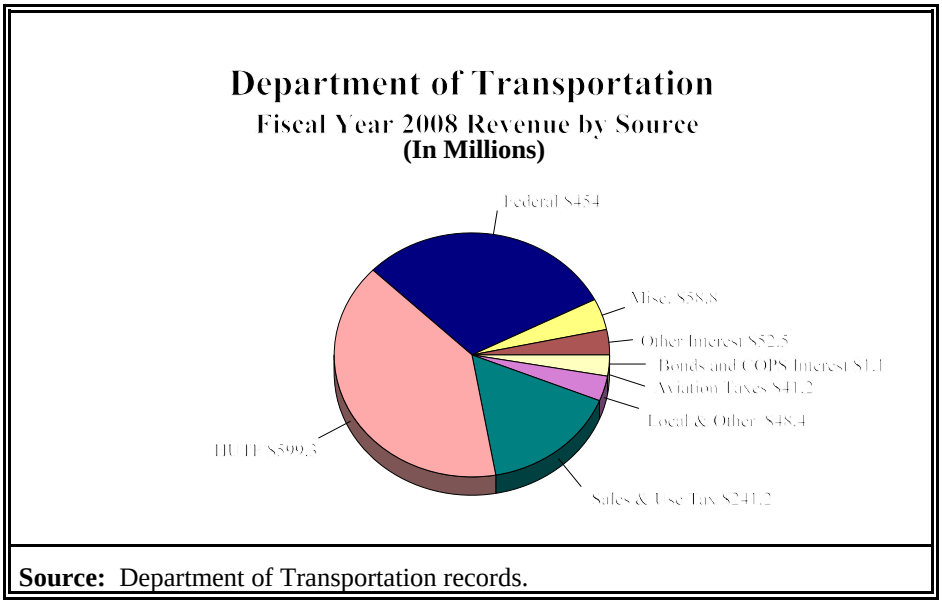
Department of Transportation

The Colorado Department of Transportation (CDOT) 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 2008, about 72 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 (HUTF), 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 $1.1 million on Transportation Revenue Anticipation Notes (TRANS) proceeds during Fiscal Year 2008. The Department was appropriated 3,316 full-time equivalents, or FTE, for Fiscal Year 2008. The Department's Fiscal Year 2008 revenue, according to the Department records, totaled $1,496.5 million as shown in the following chart:



Source: Department of Transportation records.

The following comments were prepared by the public accounting firm of Clifton Gunderson, LLP, which performed Fiscal Year 2008 audit work at the Department of Transportation.

Project Receivables and Deferred Revenue

Some of the Department's construction projects are funded in part by local entities. The total revenue received from local entities for construction in Fiscal Year 2008 was approximately $36.3 million. These local entities may provide up-front funding to the Department for the project. This funding is recorded by the Department as deferred revenue. As the Department incurs expenditures related to the project(s), staff create an accounts receivable in the Department's Systems, Applications, and Products (SAP) accounting system. Once a billing is created as a result of the expenditures, SAP is to automatically record a receivable against the contributing local entities and an offsetting revenue.

During Fiscal Year 2008, the Department's SAP did not automatically apply the deferred revenue from the local entities to the accounts receivable. The Department attempted to program SAP to recognize deferred revenue that was available to be applied against the accounts receivable. Staff performed some test runs and made adjustments to the deferred revenue and receivable accounts as needed. The staff person responsible for this testing left the Department the beginning of June 2008 and no further testing or adjustments were made by the Department for Fiscal Year 2008. The Department did not make the manual adjustment needed to properly state the balance in the intergovernmental receivable and deferred revenue accounts at fiscal year end.

During our testing of subsequent receipts related to intergovernmental receivable balances, we noted there were deferred revenue balances that had not been applied against these receivables. When the error was brought to the Department's attention, Department staff reviewed the deferred revenue and compared it with the receivables to determine the amount of deferred revenue that should have been applied. At June 30, 2008, the Department had $7.4 million in deferred revenue that should have been relieved against project receivables. The Department staff corrected the errors through an adjustment in the SAP system and submitted a correcting entry to the Office of the State Controller. The adjustment in the SAP system and to the State's financial statements corrected the amounts of deferred revenue and accounts receivable at year end.

The Department's failure to properly apply deferred revenues to billings resulted in an overstatement of both intergovernmental receivables and deferred revenue totaling $7.4 million requiring an adjustment at fiscal year end. This overstatement was

caused by the Department not properly reviewing all fiscal year-end balances in the deferred revenue account to ensure they had been properly applied.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 51:

The Department of Transportation should ensure the accounting system is properly applying deferred revenue against accounts receivable by reviewing all deferred revenue balances at fiscal year-end and making adjustments as necessary.

Department of Transportation Response:

Agree. Implementation date: June 30, 2010.

The Department of Transportation currently produces Local Agency Billings on a monthly basis. In conjunction with this monthly billing process, financial postings for local revenues and local receivables are manually reviewed, reconciled and adjusted to properly assign deferred revenue by project and customer. As described in the audit finding, the discrepancy which occurred in Fiscal Year 2008 Deferred Revenues' year-end reconciliation activities occurred as a result of an unplanned vacancy in the Department's Local Agency Accountant position during the Period 12 and Period 13 Financial Review Reconciliation cycles. With the filling of the Department's Local Agency Accountant position, normal monthly processes have resumed and monthly deferred revenue adjustments have been reinstituted. Additionally, the Department has initiated a SAP Accounting System enhancement to implement a SAP Systematic Financial Transaction, which will generate the Deferred Revenue reclassification entry as part of the normal monthly billing. This reclassification transaction, in conjunction with the monthly/year-end manual review and reconciliation process will prevent future occurrences and will ensure the accounting system is properly applying deferred revenue against accounts receivable in a timely manner.

Billing of Non-Federal Highway Administration Federal Grants

Under generally accepted accounting principles, revenue should be recorded in the period in which it is earned. The Department's accounting software automatically records the revenue and the related accounts receivable for the appropriate federal share of reimbursement each month when billing for expenditures incurred. At fiscal

year end, the June billing is run in July, and therefore a manual entry is prepared to record June activity as of the end of the fiscal year.

The Department receives federal grant revenues from both Federal Highway Administration (FHWA) sources and non-FHWA sources such as National Highway Traffic and Safety Administration, Division of Transportation Development, and Fatality Analysis Reporting. The Department records a receivable and revenue from the non-FHWA source as part of the fiscal year-end accrual process. We found that the Department's internal controls related to the fiscal year-end accrual of non-FHWA federal grants is lacking. Specifically, during our testing of the non-FHWA revenues, we noted the fiscal year-end accrual for revenue had been recorded twice by an employee and approved by the employee's supervisor. This resulted in the revenue from non-FHWA sources being overstated by $1.5 million. Department staff indicated that the employee recording the revenue did not adequately understand the Department's accounting system and, therefore, erroneously thought the original entry had not been processed. The error was corrected on the State's financial statements at fiscal year end.

Our findings indicate that the Department does not have adequate year-end closing procedures to capture errors such as the overstatement we identified. Further, the Department did not provide adequate training and supervision of staff related to this billing process.

(Classification of Finding: Significant Deficiency.)

Recommendation No. 52:

The Department of Transportation should improve fiscal year-end procedures to ensure all grant revenue is properly recorded by providing additional staff training, and adequately supervising and reviewing staff's work.

Department of Transportation Response:

Agree. Implementation date: June 30, 2009.

The year-end accrual was recorded twice in error by two new employees, both new to the Department of Transportation and to SAP. Additional staff training has since been provided to both employees and both understand the SAP process for manual journal entries such as year-end accruals. To ensure that all grant revenues are properly recorded in Fiscal Year 2009 and going forward, year-end accrual entries for non-FHWA federal grants will be reviewed and approved by the Department Controller.

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 federal State Children's Health Insurance Program (SCHIP), which is known in Colorado as the Children's Basic Health Plan (CBHP). CBHP furnishes subsidized health insurance for low-income children aged 18 years or younger not eligible for Medicaid, as well as low-income pre-natal women 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.

Eligibility Determinations for Federal Programs

In Colorado, the responsibility for determining recipient eligibility for medical benefits is shared between the State and local eligibility sites. For the Medicaid and CBHP programs, individuals and families apply for benefits at their local county departments of human/social services or at designated Medical Assistance (MA) sites. The eligibility sites are responsible for administering the benefit application process, entering the required data for eligibility determination into the Colorado Benefits Management System (CBMS), and approving the eligibility determinations. The State is responsible for supervising the eligibility sites' administration of the Medicaid and CBHP programs.

The State is also responsible for ensuring that only eligible providers receive reimbursement for allowable services on behalf of eligible individuals.

Colorado Benefits Management System (CBMS)

On September 1, 2004, the Department of Health Care Policy and Financing and the Department of Human Services (DHS) jointly implemented the Colorado Benefits Management System. CBMS was designed to improve the accuracy and timeliness of eligibility determinations for programs including Temporary Assistance for Needy Families (TANF)/Colorado Works, Food Stamps, Medicaid, and CBHP. HCPF

tracks eligibility determinations within CBMS for the Medicaid and CBHP programs.

During our Fiscal Year 2008 audit of HCPF, we performed testing to determine the Department's compliance with grant requirements for the Medicaid and CBHP programs. We also performed follow-up testing to determine the Department's progress in implementing numerous recommendations from our Fiscal Year 2007 audit.

As a result of the number and significance of our findings during the Fiscal Year 2008 audit, we determined that the Department has a material weakness in internal controls over compliance with eligibility determination requirements for the Medicaid and CBHP programs. Under the federal Single Audit Act and federal Office of Management and Budget (OMB) *Circular A-133,* a material weakness is the most serious internal control deficiency and occurs when the Department's internal controls will not prevent or detect a material noncompliance in a federal program such as Medicaid and CBHP. This is the fourth consecutive year that we have concluded the Department has material weaknesses in internal controls over eligibility for the Medicaid program, while this is the first year that we have concluded that the Department has a material weakness in internal control over eligibility for the CBHP program.

In Fiscal Year 2008, we tested 60 Medicaid claim payments (payments) made on behalf of Medicaid recipients between July 1, 2007 and June 30, 2008 and reviewed the case files associated with those Medicaid recipients. We reviewed the case files related to these payments to determine whether (1) payments were made on behalf of eligible beneficiaries and in accordance with state and federal program guidelines, (2) eligibility information was entered into CBMS correctly, (3) information entered in CBMS was supported by information in the recipient's file, and (4) Medicaid cases were properly discontinued if the recipient became ineligible. Overall, we found that of the 60 Medicaid payments in our sample, 29 payments (48 percent of payments sampled) contained at least one error. For the 29 payments containing errors, out of the total sampled costs of $95,721 we identified questioned costs of about $2,151 (two percent of costs). While reviewing the payments in our sample, we identified an additional four errors in the reviewed cases, resulting in $34,653 in questioned costs; these were questioned costs that were paid to recipients whose files were reviewed as part of our sample. The total amount of questioned costs for all errors found was $36,804. These error rates indicate a substantial risk of the State's making improper payments under the Medicaid program. From a state perspective, the risk is significant because of the high level of expenditures for the Medicaid program, which means that federal recoveries of disallowed costs could be substantial.

Based on both our Fiscal Year 2006 and 2007 audits of the Department, we identified material weaknesses in the Department's internal controls over compliance with eligibility programs for the Medicaid program. In Fiscal Year 2007, we identified errors in 37 percent of payments sampled and questioned costs of 15 percent of sampled costs. In Fiscal Year 2006, we found errors in 45 percent of payments sampled and questioned costs of 36 percent of sampled costs.

For CBHP, in Fiscal Year 2008 we tested 60 CBHP recipients that were enrolled between July 1, 2007 and June 30, 2008 and reviewed the associated case files for those recipients. We reviewed the case files to determine whether (1) payments were made on behalf of eligible beneficiaries and in accordance with state and federal program guidelines, (2) eligibility information was entered into CBMS correctly, (3) information entered in CBMS was supported by information in the recipient's file, and (4) CBHP cases were properly discontinued if the recipient became ineligible. Overall, we found that of the 60 CBHP recipients in our sample, 26 recipients (43 percent of recipients sampled) contained at least one error. For the 26 recipients containing errors, we identified questioned costs of about $5,798. While reviewing the recipients in our sample, we identified an additional $1,156 in questioned costs; these were questioned costs that were paid to recipients whose files were reviewed as part of our sample. The total amount of questioned costs for all errors found was $6,954. These error rates indicate a substantial risk of the State's making improper payments under the CBHP. From a state perspective, the risk is significant because of the high level of expenditures for the CBHP, which means that federal recoveries of disallowed costs could be substantial.

The results of our specific testing of the Medicaid and CBHP programs are discussed below.

Medicare Supplementary Insurance Benefits Program

The Medicare Supplementary Medical Insurance Benefits (SMIB) program helps participants who are eligible for Medicaid and Medicare pay their Medicare Part B health insurance premiums. Potentially eligible participants can apply for the program at the county departments of human/social services in the county where they reside. During Fiscal Year 2008, the Department had about 72,000 SMIB participants and paid approximately $88 million to the Centers for Medicare and Medicaid Services (CMS) for Medicare Part B insurance premiums. In turn, the Department receives reimbursement from CMS for about 50 percent of these payments.

During our Fiscal Year 2008 audit, the Department reported that it overstated and had been overpaid more than $8 million for Fiscal Year 2004 through Fiscal Year 2008 from the federal government for the SMIB program. We performed testwork

in this area and found serious problems and control weaknesses in how the Department accounts for this program. Our testwork in this area found that the Department had overstated its overpayment by $1.5 million; in other words, the Department had received about $6.5 million in overpayments from the federal government. We found that the overpayment and incorrect estimate occurred due to a lack of staff knowledge of the SMIB program and lack of internal controls over the SMIB program.

Lack of knowledge of the SMIB program. We found that accounting staff were not aware of the amounts that should be recorded for the SMIB program. For example:

- SMIB program staff prepare a report utilizing enrollment information and SMIB premium information to obtain federal reimbursement amounts. When this report was distributed to accounting for recording of the federal receivable, accounting staff were not always recording the correct amount in the State's accounting system, COFRS, from the support provided by the program staff for Fiscal Years 2006 through Fiscal Year 2008. Accounting staff did not understand what amounts should be posted or communicate with SMIB program staff to obtain correct information. We identified about $4.6 million in incorrect accounting entries, which resulted in about $2.3 million in over payments from the federal government.

- We also found that during Fiscal Year 2007, program staff changed the way certain participants were being presented on the SMIB report; however, accounting staff continued to record SMIB expenditures using the method used on previous reports. As a result, staff inadvertently recorded expenditures twice for certain participant categories. We determined that almost $5.6 million in expenditures was incorrectly recorded, which caused approximately $2.8 million in overpayments from the federal government.

- We also found that while there was review and approval of entries made to the State's accounting system, supervisors lacked sufficient knowledge of the program to ensure the accounting entries were correct.

During our testwork, we noted that one SMIB program staff was knowledgeable about the SMIB program. While this staff person is capable of performing functions related to this position, we believe that cross-training several staff for this position would enable the Department to fulfill its reporting responsibility for the SMIB program and ensure that accounting entries related to the SMIB program are accurate and complete.

Lack of internal controls over changes to SMIB reports. We found that the Department's SMIB reporting system created in April 2007 contained flaws and that

the Department lacked procedures to ensure the reporting system functioned as intended. The Department's SMIB report was flawed because it was programmed to choose the higher reimbursement rate for certain participants in the program. We determined that by applying this incorrect methodology, the Department overstated almost $2.9 million in expenditures and therefore was overpaid by about $1.4 million. The Department stated that it is looking at another automated system. The Department needs to ensure that sufficient testing is done to ensure the system calculates the correct reimbursement rates prior to implementation.

Finally, the Department has not formally documented policies or procedures to guide staff with SMIB reporting, or to account for the payments and reimbursements related to the SMIB program. In addition, we noted that SMIB enrollee and payment information is kept on spreadsheets that were not protected from inadvertent changes.

The Department should take necessary steps to improve controls over the SMIB program to ensure accounting entries are accurate and complete. The Department should also resolve amounts owed to the federal government.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Material Weakness.)

Recommendation No. 53:

The Department of Health Care Policy and Financing should improve controls over its Medicare Supplementary Medical Insurance Benefit Program (SMIB) to ensure that federal reporting and reimbursements are accurate and properly supported by:

a. Documenting policies and procedures related to the SMIB program, including reporting and accounting responsibilities. All staff involved with the SMIB program should be required to attend training on the policies and procedures.

b. Ensuring staff are cross-trained in program and accounting areas and that supervisors perform adequate reviews.

c. Performing adequate testing of new systems to ensure they are operating as intended prior to implementation.

d. Working with the Centers for Medicare and Medicaid Services to resolve amounts that were overbilled to the federal government.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: June 2009.

a. The Department has documented the step-by-step procedures to be followed by staff involved with SMIB. Comprehensive documentation summarizing the statutory authority and Department policies and procedures will be created. In addition, training regarding these policies and procedures will be provided to all staff involved with the SMIB program.

b. Cross-training on the program policies and accounting procedures will be provided for program, accounting and budget staff. The formal review process will be documented and included in the policies and procedures.

c. The Customer Service Request (CSR) process includes a Test Plan and Test Results which are reviewed and signed-off on by program and accounting supervisors before implementation of any Medicaid Management Information System changes or enhancements. Contingent upon the availability of resources and the CSR priority list, additional system changes related to SMIB are planned for implementation in the spring of 2009.

d. The Department is currently working with and will continue to work with the Centers for Medicare and Medicaid Services to resolve any remaining amounts that were overbilled to the federal government.

Timely Processing of Applications

Federal and state regulations require that benefit applications for the Medicaid, State Children's Health Insurance Program (SCHIP), Food Stamps, and TANF/Colorado Works programs be processed in a timely manner. These processing requirements vary by program. Specifically, TANF/Colorado Works, SCHIP, and a majority of Medicaid applications are to be processed within 45 days. Medicaid applications for beneficiaries with disabilities should be processed within 90 days. Food Stamps applications must be finalized within no more than 30 days after initial application, and 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 and 2006 financial audits, we reviewed data relating to the county departments of human/social services' processing of cases within federal processing time frames. We found that subsequent to CBMS implementation in September 2004, counties faced 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 more than 29,000 as of 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 2007 audit, we noted that the total unprocessed cases in CBMS exceeding processing guidelines for Medicaid and SCHIP were 4,050 as of October 1, 2007. Based on our findings, we recommended that HCPF ensure Medicaid and SCHIP cases are processed within federal and state guidelines. While HCPF agreed with this recommendation in 2006 and 2007, we found during our Fiscal Year 2008 audit that HCPF continues to face difficulties with processing new cases within federal and state program processing deadlines for Medicaid and SCHIP. Specifically, cases exceeding processing guidelines for these two programs as of October 1, 2008, continued to total over 4,000 cases, increasing by about 360 cases from Fiscal Year 2007. Outstanding Medicaid cases in excess of guidelines decreased by about 420 cases, and outstanding SCHIP cases increased by approximately 780 cases over the period, as shown in the following table:

Department of Health Care Policy and Financing
Medicaid and State Children's Health Insurance Program
Cases Exceeding Processing Guidelines
October 2006, 2007, 2008[1]

Program	**2006**	**2007**	**2008**
State Children's Health Insurance Program (SCHIP)	2,684	2,170	2,953
Medicaid[2]	1,715	1,880	1,455
Total Cases Exceeding Processing Guidelines	**4,399**	**4,050**	**4,408**

Source: Office of the State Auditor analysis of the CBMS Exceeding Processing Guidelines Report.
[1] Reports provided by HCPF dated October 23, 2006, October 1, 2007, and October 6, 2008.
[2] Medicaid long-term care cases are not represented in the breakdown above.

Overall, 74 percent of the 4,408 total Medicaid and SCHIP cases that exceeded processing deadlines as of October 2008 were more than 60 days past the applicable deadline. In addition, we reviewed 60 Medicaid and 60 SCHIP cases to determine compliance with other federal requirements. We identified three SCHIP cases in our sample where the application was processed after the 45 day requirement. We did not identify any Medicaid cases in our sample that exceeded processing guidelines.

As noted in the table, Medicaid long-term-care cases are not included. Under federal Medicaid regulations, applications for Medicaid long-term-care must be processed within 90 days. CBMS has the capability of producing reports on the status of long-term-care cases not processed within 90 days or more. As of October 2008, Medicaid long-term-care cases exceeding the 90-day processing of applications totaled 388. The Department should monitor these cases to ensure that processing of these applications occurs within the required 90-day time frame.

In the Department's response to the Fiscal Year 2007 recommendation, it indicated it planned to implement the 2007 recommendation through a CBMS change request because the current Exceeding Processing Guidelines (EPG) report does not accurately reflect cases that are truly exceeding processing guidelines. However, during our Fiscal Year 2008 audit this request has been delayed. The Department reports that it has currently designated a unit to research and investigate the EPG report and the Department sends that information to the eligibility sites for further investigation or resolution.

Timely Processing of Eligibility Redeterminations

In addition to the lack of timely application processing, we identified concerns related to the timeliness of Medicaid redeterminations. Federal and state regulations require that county departments of human/social services redetermine Medicaid eligibility at least every 12 months. When recipients approach the end of a certification period, they are required to complete the Department's Redetermination, Reassessment, or Recertification (Redetermination) packet. County departments utilize the information reported on the Redetermination forms to redetermine a recipient's Medicaid eligibility. Federal regulations require that the county departments of human/social services promptly redetermine eligibility upon receipt of the Redetermination packet. Department staff report that redeterminations should be processed before the recipient's current eligibility period expires because CBMS is programmed to automatically terminate Medicaid coverage when a recertification has not been entered into the system. Thus, if a Redetermination packet is not processed timely, the recipient is at risk of having Medicaid coverage terminated.

During the audit we reviewed 60 Medicaid payments to determine compliance with federal regulations. Of the 60 payments tested, we found that 36 payments were made on behalf of recipients who had been certified using a Redetermination packet. We identified three redeterminations within our sample where the recipient had reported timely; however, the county department processed the redetermination subsequent to the expiration of the recipient's prior eligibility period. These three recipients were receiving Medicaid long-term-care services, and CBMS is programmed not to terminate services for these recipients. Therefore services were

not interrupted or terminated for these three cases. Nonetheless, the Department should ensure all redeterminations are completed timely.

The failure of counties to process applications and redeterminations in a timely manner can have a negative financial impact on Medicaid providers and recipients. Processing delays also prevent program applicants from receiving needed Medicaid assistance for which they are eligible. Further, the Department risks fiscal sanctions from the federal government for noncompliance with federal regulations. The Department should improve the reporting function by initiating a CBMS change request to ensure that the EPG report reflects accurate timely processing information and work with county departments of human/social services and Medical Assistant sites to ensure that processing guidelines are met for all federal programs.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 54:

The Department of Health Care Policy and Financing should ensure that all program processing guidelines for eligibility are met by:

a. Initiating a CBMS change request to ensure that the Exceeding Processing Guidelines report accurately reflects all cases exceeding program processing guidelines.

b. Monitoring and utilizing CBMS reports to identify long-term-care cases exceeding processing guidelines.

c. Working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness to ensure that new cases and redeterminations for Medicaid and State Children's Health Insurance Program are processed within state and federal guidelines.

Department of Health Care Policy and Financing Response:

a. Partially agree. Implementation date: Ongoing.

The Department continues to work toward evaluating, improving and validating the accuracy of the information in the Exceeding Processing Guidelines reports. Change Request 1663 was partially implemented in

2008. All change requests are contingent upon available funding, the joint prioritization between the Department and the Department of Human Services, and the timeliness of the transition to the new CBMS vendor.

b. Agree. Implementation date: June 2009.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. This committee has created a Medical Eligibility Quality Improvement Plan. One goal of the plan is to improve the controls over timely processing of medical applications, which includes long-term care. As monitoring quality is a continuous effort, work toward meeting this goal will continue throughout 2009.

c. Agree. Implementation date: June 2009.

The Department continues to work with county departments of human/social services and Medical Assistance sites to improve the timely processing of medical applications.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. This committee has created a Medical Eligibility Quality Improvement Plan. One goal of the plan is to improve the controls over timely processing of medical applications. As monitoring quality is a continuous effort, work toward meeting this goal will continue throughout 2009.

The Department has revised the eligibility rules to improve the redetermination process. A redetermination from is not required to be sent to the client if all current eligibility requirements can be verified by reviewing information from another assistance program, verification system, and/or the Colorado Benefits Management System. When applicable, the eligibility site shall redetermine eligibility based solely on information already available.

Contingent upon available funding, the Department offers and provides trainings to eligibility sites. Trainings may include: over the shoulder support, regional, Social Service Technical & Business Staffs (SSTABS), ad hoc, Presumptive Eligibility (PE), and Medical Assistance (MA) Site trainings.

Timely Termination of Eligibility and CBMS System Problems

As discussed, 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 to determine the applicant's eligibility for medical assistance. The system was designed to improve the accuracy and timeliness of eligibility determinations as well as eligibility terminations. During the audit we reviewed 60 Medicaid case files and 60 Children's Basic Health Plan (CBHP) case files in order to determine if eligibility was discontinued in a timely manner if the individual became ineligible. Of the 60 files reviewed for Medicaid, we found three instances in which the recipient subsequently became ineligible for Medicaid but the case remained open because the caseworker failed to take appropriate action or because system problems allowed eligibility to continue. Specifically, we identified the lack of follow-up on CBMS alerts as one area that affects the Department's ability to timely discontinue eligibility for Medicaid. We also found two CBMS system errors related to the CBHP case file review performed; however, the errors did not affect the recipients' eligibility for the program.

Eligibility Terminations. CBMS is programmed to send alerts. These alerts can enable caseworkers to effectively and proactively manage their assigned caseload to determine whether participants remain eligible to receive Medicaid services. However, in order for alerts to be an effective management tool, caseworkers must take appropriate action when they receive these notices.

During the audit, we identified three cases where the caseworkers failed to address a CBMS alert. In one case, this allowed a Medicaid recipient's Needy Newborn case to remain open two months beyond the child's first birthday. Infants born to mothers on Medicaid are eligible to receive medical assistance under the Needy Newborn program through their first birthday. When the child reaches 10 months of age, CBMS is programmed to send an alert notifying the caseworker that eligibility for another Medicaid program needs to be determined for the child. Because the caseworker did not make this determination and did not notify the family, the child remained on the program. During this two-month period after eligibility had expired under the Needy Newborn program, a total of $28 in payments were made on behalf of the child without a redetermination of eligibility. A subsequent redetermination packet was not submitted for this child, so the child should not have continued to receive Medicaid benefits.

We identified two cases where the caseworkers failed to address a CBMS alert. In the two cases, the lack of proper caseworker follow-up to the system alerts allowed the Medicaid recipients' Qualified Pregnant Woman cases to remain open for one to two months beyond the 60 days after the pregnancy ended. The Qualified Pregnant

Woman program is available for a woman who is pregnant and whose income does not exceed 133 percent of the federal poverty level, and aid is provided from the date of application or eligibility until 60 days after the date the pregnancy ends. CBMS sends an alert to the caseworker at the due date of the pregnancy to enter a disposition of the pregnancy. If the caseworker does not rerun eligibility after entering the disposition, then the recipient remains on this program. Because the caseworker did not enter the dispositions or rerun eligibility, the women remained on the program beyond the 60 days after the pregnancies ended. Based on review of the recipients' income, we determined that both recipients would have been eligible for another Medicaid program, and therefore there are no questioned costs. However, by not responding to the alert, caseworkers create a risk that ineligible participants will remain on Medicaid.

System issues. We identified one CBHP case file where corrections were made to residency dates for two different recipients in the household, thereby causing CBMS to erroneously read the household size as two instead of four. This did not affect eligibility for the program but caused the family to be put into a higher income bracket, requiring the beneficiary to pay a co-payment of $2.

We identified an additional CBHP case where individuals in the household had two different program identification numbers, causing income earned by these individuals to be read incorrectly in CBMS. This error did not affect eligibility and did not trigger an enrollment fee or a co-pay to be paid by the beneficiary; however, this is still an issue in the system.

The Department should work with the counties to help ensure CBMS alerts are addressed in a timely fashion. The Department should utilize its established monitoring procedures to identify any additional inappropriate Medicaid claims paid due to these issues, in order to minimize the risk of federal disallowances resulting from Medicaid payments on behalf of ineligible individuals. Further, the Department should seek to correct the CBMS issues noted in this finding.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Eligibility. Classification of Finding: Material Weakness.)

Recommendation No. 55:

The Department of Health Care Policy and Financing should ensure that CBMS issues discussed in this finding are addressed and that Medicaid eligibility is terminated in a timely manner when individuals are no longer eligible for the program by:

a. Ensuring that county departments of human/social services and Medical Assistance sites address all CBMS alerts in a timely manner.

b. Using existing eligibility determination monitoring procedures to identify additional inappropriate Medicaid payments related to timeliness of eligibility determination and following up on problems identified, as appropriate.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: Ongoing.

Contingent upon available funding, the Department continues to offer and provide trainings to eligibility sites. Materials have been developed to guide technicians in reviewing and resolving CBMS alerts.

b. Agree. Implementation date: October 2009.

In 2008, there were CBMS changes to allow the system to take action on a case if the technician did not follow up on an alert requiring eligibility to be rerun. These situations were mostly related to a time-limited program. The triggers were set, in most situations, to automatically run eligibility and authorization ten days after the technician was notified with an alert. Appropriate noticing is sent to the client when they are terminated or redetermined for a new program.

In addition, the Department is in the process of conducting a Medicaid Eligibility Quality Control study that will review the timely termination of clients in the pregnancy aid category.

Case File Documentation

State and federal regulations require that the State establish adequate internal controls over the Medicaid and CBHP programs to ensure that sufficient documentation is obtained and maintained to support all eligibility determinations. During the 2006 Legislative Session, the General Assembly passed Senate Bill 06-219. The legislation assigns the Department with direct administrative authority over the counties for medical assistance programs, such as the Medicaid and CBHP programs, including full responsibility to supervise the eligibility determination process effective July 1, 2006. Prior to Fiscal Year 2007, the Department of Human

Services had the administrative authority over the counties for Medicaid eligibility determinations. As the state agency responsible for overseeing the Medicaid and CBHP programs, HCPF must ensure that medical assistance payments are made only on behalf of eligible individuals. This responsibility includes ensuring that county departments of social/human services and Medical Assistance (MA) sites are maintaining sufficient documentation to demonstrate that Medicaid and CBHP eligibility determinations are appropriate and in compliance with state and federal program requirements.

During our Fiscal Year 2007 audit, we identified instances in which Medicaid case files could not be provided and in which the files that were provided lacked sufficient documentation to support eligibility determinations. During our Fiscal Year 2008 audit, we selected a sample of 60 Medicaid payments totaling $95,721 and the 60 case files associated with those payments to test compliance with state and federal requirements. We also tested 60 case files for individuals enrolled in the CBHP program between July 1, 2007 and June 30, 2008. We continued to find problems with counties' documentation of Medicaid and CBHP eligibility determinations. Our testing of the Medicaid sample found that 20 of the 60 cases (33 percent) had at least one error in case file documentation. The errors we identified did not include any questioned costs. Our testing of the CBHP sample found that 14 of the 60 case files (23 percent) had at least one case file documentation error, which represented a total of about $233 in questioned costs. While reviewing the Medicaid case files in our sample, we also found errors related to other payments resulting in additional questioned costs of about $132; these questioned costs were not included in our original sample of 60 payments related to other payments of the case files in our sample. Nine of the fourteen CBHP case files with case file documentation errors affected CBHP eligibility. These nine are discussed in Recommendation No. 68. The remaining five CBHP cases are found within this recommendation. Overall, we identified eight types of documentation errors, as follows:

Lack of identity and citizenship documentation. We identified five cases in which one or more household members did not provide sufficient evidence to support citizenship or identity under federal rules. The federal Deficit Reduction Act of 2005 (DRA) requires that for any determinations of initial eligibility or redeterminations of eligibility for medical assistance on or after July 1, 2006, an individual who declares that he or she is a citizen of the United States must provide evidence of his or her U.S. citizenship and identity. DRA rules specify a variety of documents that can be accepted as verification of citizenship or identity. If a Medicaid applicant fails to provide any of these documents, his or her Medicaid case must be denied. The Department subsequently provided citizenship and identity documentation for each of these cases. For one case, the beneficiary had already been determined eligible for Supplemental Security Income and therefore was not subject to DRA rules. Under Department regulations, however, copies of documents pertaining to eligibility should have been maintained in the file.

Lack of a required level of care determination. Long-term care includes nursing facility care or home-and-community-based services for individuals assessed as having a functional level that requires nursing facility level of care. According to state rules, a person's need for basic Medicaid services is not adequate consideration in determining eligibility for long-term care. Therefore, prior to an applicant's being approved for long-term-care services, state rules require that a level-of-care determination must be completed by the Utilization Review Contractor/Single Entry Point (URC/SEP) in order to determine if the client meets the level of care required by state rules. HCPF utilizes the ULTC 100.2 form to document that a level-of-care determination was made by the URC/SEP and that the client was determined eligible for long-term-care services. The 60 cases in our sample included 32 long-term-care cases. We found that three of these 32 cases (9 percent) did not have a level-of-care determination, as evidenced by a ULTC 100.2 form, included in their case file. The Department subsequently provided the level-of-care determination for each of these cases.

Lack of signed Redetermination packet. We identified two Medicaid cases in which completed Redetermination packets were not documented in the case files. As a result, we were unable to verify if the recipient was still eligible for Medicaid. The Department subsequently provided copies of the redeterminations for the two cases. Federal and state regulations require that county departments of human/social services redetermine Medicaid eligibility at least every 12 months through the completion of a Redetermination, Reassessment, or Recertification packet.

Case cleansing. We found seven beneficiaries in our Medicaid sample and three cases in our CBHP sample where CBMS indicated that a birth certificate, legal documents, or social security card were provided to the Department; however, this information was not included in the case file. The Department stated that, for these ten cases, the CBMS information was populated by the system as part of the conversion to CBMS in September 2004. The seven Medicaid cases involve beneficiaries that are automatically enrolled in the Medicaid program because they are receiving benefits from the federal Supplemental Security Income program. However, the Department has not reviewed case documentation to remove or change the information in CBMS for these beneficiaries to ensure information is consistent between CBMS and the case file.

Additional areas of noncompliance were identified, as follows:

- In four Medicaid cases, the social security number entered in CBMS could not be verified by documentation in the case file. In these instances, the caseworkers entered in CBMS that a social security card was received as verification; however, neither the counties nor HCPF were able to provide this documentation.

- In five Medicaid cases, the income entered in CBMS was not supported by documentation in the case file. In one case, information in CBMS indicated that the individual had resources of a life insurance policy; however, no policy was included in the case file. Therefore, we were unable to verify the eligibility of this recipient. The Department subsequently provided some of the copies for the income documentation needed to verify the information entered into CBMS; therefore, $132 in payments outside our sample are considered questioned costs.

- In five CBHP cases, CBMS indicated that birth certificates or other forms of identification were received; however, these documents were not in the file. This missing documentation is in addition to the case-cleansing errors noted above. Birth certificates are not required for the CBHP program; however, documentation should be included in the file if it is received. Alternatively, if the documents are not in the file, CBMS should reflect this.

- In one Medicaid case, the beneficiary's pregnancy was not verified as required under program rules. State rules require that a pregnancy be medically verified in writing by a medical professional if the pregnancy is not observable.

In order to comply with program requirements and ensure that Medicaid and CBHP benefits are provided only to eligible individuals, HCPF should conduct ongoing monitoring to ensure that county caseworkers obtain required information, case files contain adequate documentation to support all eligibility determinations, and CBMS accurately reflects the documents contained in the case file.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 56:

The Department of Health Care Policy and Financing should ensure that case file documentation for the Medicaid and Children's Basic Health Plan programs is adequate to support all eligibility determinations by complying with established monitoring procedures to ensure that required eligibility information is contained in county case files and that CBMS accurately reflects the documents in the case file.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Ongoing.

The Department has created a Medicaid Eligibility Quality Improvement Committee which includes our eligibility site partners. This committee has created a Medicaid Eligibility Quality Improvement Plan. One goal of the plan is to improve case file documentation. Work toward meeting this goal will continue in 2009.

Controls Over Data Input

To receive public medical assistance in Colorado, including Medicaid and the Children's Basic Health Plan (CBHP) program, individuals and families apply for benefits at their local county department of human/social services or a Medical Assistance (MA) site. During applicant interviews, county or MA site workers enter applicant-provided data for eligibility determination into CBMS. Controls over data input are critical to ensure that eligibility determinations are accurate and that Medicaid claims are paid on behalf of eligible individuals.

During our sample testing, we reviewed 60 Medicaid case files and 60 CBHP case files to determine if data supporting eligibility was accurately entered into CBMS. Our review indicated a lack of adequate controls over data input related to eligibility in eight areas. Of the 60 Medicaid files reviewed, we identified 10 cases that contained at least one data entry error. Of the 60 CBHP files reviewed, we identified eight cases that contained data entry errors. We identified a total of eight types of errors overall, as discussed below. In the first two bullets, we identified a total of $2,151 in questioned costs within our sample and $34,493 in questioned costs outside of our sample:

- In one Medicaid case, the county incorrectly excluded resources for the proceeds from the sale of a home included in a life estate, using the Department's rule established after July 1, 1995. The life estate for this case was established in 1993, and the Department does not have any rules or policies that apply to life estates created prior to July 1, 1995. Therefore, the proceeds from the sale of the home should have been included as a resource, causing the beneficiary to be ineligible for Medicaid.

- In three Medicaid cases, the beneficiaries reported third-party insurance, documented in the case file; however, this was not recorded within CBMS.

Without the insurance information entered into CBMS, the third-party insurance would not be billed when a claim is submitted, and Medicaid would pay the entire claim. In one of these cases, the beneficiary sent a letter to the county requesting their child be taken off of Medicaid due to the child's receiving third-party insurance. The child was not removed from Medicaid, and the insurance information was not included in CBMS. There were $126 in claims submitted and paid for this child after the letter requesting the child be removed was received by the county.

The remaining data entry errors discussed below are not included as questioned costs because they did not impact the recipients' eligibility for the benefits paid in our sample:

- In five Medicaid cases and two CBHP cases, we found that the caseworker either failed to enter the applicant's reported financial resources or entered the incorrect resource amount in CBMS. In two of the Medicaid cases, the caseworkers did not enter the ending balances from the beneficiaries' most current bank statements. We noted that when we recalculated the beneficiaries' resource amounts with this information, it did not impact the beneficiaries' eligibility.

- In three Medicaid cases and four CBHP cases, we found that the caseworker failed to enter earned income or entered earned income incorrectly in CBMS. In all three Medicaid cases, the county had received income statements from the beneficiaries, but the income was not entered into CBMS. In all four CBHP cases, earned income was entered incorrectly.

- In one Medicaid case, the beneficiary's social security number recorded in CBMS did not agree to the social security number on the level of care determination documented in the case file.

- In one Medicaid case, the effective date for employment was not entered into CBMS correctly.

- In one Medicaid case, the eligibility date was incorrectly recorded in CBMS for the expanded pregnant women program.

- In two CBHP cases, an application or birth date was entered incorrectly.

During our Fiscal Year 2007 audit, we noted concerns with HCPF's supervisory review processes over data entered into CBMS at counties and Medical Assistance sites. At that time, HCPF agreed to work with the counties and Medical Assistance sites to implement quality improvement plans related to data entry accuracy by January 2009.

Although not all errors resulted in questioned costs, all of the errors compromised the integrity of the data in the system. In general, these problems indicate a lack of adequate control over data input, such as supervisory review and training at the county level related to CBMS data entry and Medicaid and CBHP eligibility requirements. To address the risk of errors and irregularities that could result in improper payments, the Department should ensure that effective supervisory review processes are in place at the county level and that all caseworkers are adequately trained on appropriate data entry and eligibility criteria.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 57:

The Department of Health Care Policy and Financing should improve controls over Medicaid and Children's Basic Health Plan program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by:

a. Requiring county departments of human/social services and Medical Assistance sites to institute effective supervisory review processes over data entry into CBMS. In addition, the Department should require that counties and Medical Assistance sites establish reviews that compare case file data with data in CBMS on an ongoing basis as part of the eligibility determination process.

b. Using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS at counties and Medical Assistance sites. The Department should include procedures to assess the county supervisory review function as part of the Department's review. Follow-up procedures should be performed as appropriate.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Ongoing.

The Department has created a Medicaid Eligibility Quality Improvement Committee which includes our eligibility site partners. This committee has created a Medicaid Eligibility Quality Improvement Plan. One goal of the plan is to improve the controls over data input. Work toward meeting this goal will continue in 2009.

Claims Paid on Behalf of Deceased Beneficiaries

In Colorado, caseworkers in county departments of human/social services are the primary contacts to whom nursing facilities and families report the deaths of Medicaid recipients. Department rules require nursing facilities to submit a "Status of Nursing Facility Care Form AP-5615" (AP-5615) to communicate the death of a resident receiving Medicaid. Under Department rules the nursing facility must submit the AP-5615 within five business days of the date of death. Upon receipt of the form, county departments of human/social services are to verify the date of death with the nursing facility that submitted the form and enter the death into the CBMS within five working days. When a beneficiary is not currently residing in a nursing facility, the Department relies on the deceased beneficiary's family to report the date of death. Entering the date of death in CBMS in a timely and accurate manner is essential to ensure benefits are not paid after the date of death, because Medicaid eligibility information is uploaded from CBMS into the Medicaid Management Information System (MMIS) on a daily basis. MMIS contains specific system edits that do not allow Medicaid claims to be submitted for service dates after a beneficiary's death.

During the audit, we noted claims that were reimbursed after a beneficiary's date of death. We tested the CBMS date of death for 25 beneficiaries who died during Fiscal Year 2008. We found that eight beneficiaries, or 32 percent of the files tested, had a total of approximately $1,090 in claims reimbursed at least one month after the dates of death. In one instance, date of death was January 21, 2007. A claim was submitted and reimbursed on March 25, 2008, for pharmacy services for this deceased individual. The other seven beneficiaries had reimbursements resulting from capitation payments that paid out as far as three months after the date of death. We also found that when a client is receiving other benefits, such as Old Age Pension benefits or Food Stamps, benefits continue to be paid under those programs as well. The Department did not identify these deceased individuals; therefore, it did not stop payments to providers. According to the Department, it has begun the process to recover the $1,090 in claims erroneously paid out.

During the *Medicaid Claims Performance Audit*, Report No. 1636, dated November 2004, we identified Medicaid claims that were paid to providers for service dates after a beneficiary's date of death. At that time the Department stated that it would perform a periodic data match from the Colorado Department of Public Health and Environment and/or the Social Security Administration (SSA). We found that there is an SSA quarterly match performed for the Food Stamp program; however, there is not a regularly scheduled match or interfacing performed for other programs.

CBMS has the ability to interface with systems that provide date of death information. However, the Department reports that CBMS does not currently

interface with other state agencies, such as the Office of Vital Statistics within the Colorado Department of Public Health and Environment or the Social Security Administration, for this type of match. The Department's current procedures do not provide assurance that date of death information is communicated to county departments in a timely manner; therefore, inappropriate claims continue to be paid. The Department should investigate the feasibility of conducting regular automated matches between CBMS and other state agencies' or federal agencies' date of death statistics. In addition, the Department should continue to seek reimbursement for the $1,090 in erroneous payments.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Eligibility. Classification of Finding: Significant Deficiency.)

Recommendation No. 58:

The Department of Health Care Policy and Financing should improve controls over Medicaid payments related to deceased individuals by:

a. Investigating and implementing automated links or matches on a regular basis between CBMS and other state or federal death record databases that would eliminate the manual processes of reporting and recording deaths of Medicaid beneficiaries that are currently required of caseworkers and facilities.

b. Continue seeking reimbursement from providers for erroneous payments for services provided after date of death.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Implemented and ongoing.

a. The Department's current Date of Death (DOD) process involves matching data to compare dates of death for Medicaid recipients against the Paid Claims Files of Health Management Solutions (HMS), a vendor of the Department. Multiple sources for the dates of death are used, including data supplied monthly by the Colorado Office of Vital Statistics at the Department of Public Health and Environment to HMS. The Department feels this process is cost-effective and accomplishes the objectives of the finding because HMS already receives the comprehensive death data and matches it with Medicaid's eligibility files. The project will continue in the future with quarterly reviews.

b. The Department initiated the DOD project in July 2008 to recover payments made to providers for Medicaid clients who were deceased prior to the service dates. Prior to July 2008, the last process to identify erroneous claims was performed in 2004. In July 2008 the DOD project looked back to 2004 and as a result, all after death payments have been, or will be, recovered unless the death payments owing are below a minimum threshold and not cost effective to recover.

   After erroneous payments are identified by the data matching, a list of claims (along with a letter of instructions) is sent to the individual providers advising them that it must provide adequate documentation that the Medicaid client was not deceased on the dates of service. Failure to respond or provide adequate documentation within approximately sixty (60) days from the date of the letter will result in a recoupment of the original Medicaid payment from a future payment remittance. The process complies with Colorado Medicaid recovery and appeal rules.

Income, Eligibility, and Verification System Compliance

Federal regulations require that the Department make data comparisons with other information systems, or "interfaces," to verify the validity of recipient-provided data. Data comparisons are an important control for ensuring the accuracy of recipient-provided data used in determining eligibility for medical assistance, as well as for the overall integrity of the data in CBMS. CBMS interfaces with the federal Income, Eligibility, and Verification System (IEVS) to verify earned and unearned income information used for eligibility determinations for Colorado's public assistance programs, including Medicaid. IEVS provides the State with applicant income information from the Colorado Department of Labor and Employment (DOLE), the Social Security Administration (SSA), and Internal Revenue Service (IRS). 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 numbers 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 via a system alert and returned to the county caseworker for follow up and resolution. If there are no "hits" it is assumed the social security number and other information are valid.

Federal regulations require that Medicaid caseworkers verify IEVS information within 45 days of receipt. In addition, the State Plan filed with the federal

government states that the Department will follow up with any IEVS "hits" associated with unemployment insurance benefits, and all other "hits" that exceed $750 for a recipient in any reporting quarter.

We found that the Department is not requiring county caseworkers to address IEVS "hits" related to earned income reported by DOLE. We identified three instances in the Medicaid sample tested and one instance outside of the sample where IEVS "hits" showed differences in the earned income for recipients. In addition, there were two instances in the sample tested for State Children's Health Insurance Program (SCHIP) where IEVS "hits" showed differences in the earned income for the recipients. In all six instances, we determined that the information in the "hits" did not impact the recipients' eligibility. However, we are concerned that the Department does not require that county caseworkers follow up on discrepancies. Further, the Department needs to discontinue instructions to caseworkers not to address "hits" from DOLE. According to Department staff, because there is a three-month lag in the information provided by DOLE, the Department believes the data would not provide adequate verification of earned income. While we recognize there is a lag in the income data that DOLE receives, "hits" related to these discrepancies could mean that a recipient was ineligible for Medicaid benefits in a prior period.

IEVS is designed to detect instances in which participants misreport earnings and receive medical assistance on the basis of incorrect or incomplete information. If timely action is not taken on IEVS data matches, the Department increases its risk of providing benefits to individuals who are not eligible, and the State is at risk of having payments disallowed by the federal government. The Department should ensure county caseworkers address IEVS "hits" within 45 days.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 59:

The Department of Health Care Policy and Financing should ensure that county departments of human/social services are addressing Income, Eligibility, and Verification System data discrepancies within 45 days of receiving notification, including those related to Department of Labor and Employment data, as required by federal regulations and in accordance with its State Plan filed with the federal government.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: June 2009.

Changes and additions to CBMS were implemented on December 13, 2008, to eliminate inconsistent processing of IEVS discrepancy records. The changes and additions will provide an effective tracking method for the IEVS discrepancy record processing. This will also minimize the number of IEVS discrepancy records by automating the Colorado Department of Labor and Employment Unemployment Insurance Benefits file update into interactive interview windows. Training on how to process these discrepancies within the 45 days will be done throughout the spring 2009.

Eligibility Quality Control

Federal regulations require that the Department operate a Medicaid Eligibility Quality Control (MEQC) system. The purpose of an MEQC system is to provide assurance about the accuracy of Medicaid eligibility determinations. Typically the MEQC involves redetermining eligibility for a sample of cases whose eligibility has previously been determined by county departments of human/social services or Medical Assistance (MA) sites. Federal regulations allow the Department to operate a pilot or waiver MEQC system. Under a pilot or waiver MEQC system, grant recipients must submit a detailed proposal to the federal Centers for Medicaid and Medicare Services (CMS) outlining the purpose, methodology, and objectives of the pilot. The grant recipient must obtain approval from CMS for the pilot or waiver, including a process for following up and resolving any problems or findings identified during the program review. The Department requested and has been granted approval for two pilot MEQC projects, split into three phases each, beginning on October 1, 2006, with a projected completion date of May 31, 2008. For the Fiscal Year 2008 audit, we reviewed these two pilots and found areas for improvement related to the way in which the Department conducts the pilot reviews and ensures that the counties and MAs correct the errors identified in the reviews. These areas are discussed below.

During Fiscal Year 2007 the Department finalized a separate, previously approved MEQC pilot project that targeted emergency medical services provided under the Medicaid program to non-qualified aliens. The pilot redetermined the eligibility of both active and negative cases Active cases refer to those in which the counties or the MAs approved the applicant's or client's Medicaid eligibility, and negative cases refer to those in which the counties or the MAs terminated Medicaid eligibility. In

our audit report for Fiscal Year 2007, we recommended that the Department improve its MEQC system by ensuring that counties and MA sites respond to the findings of the pilot and that the Department ensure that counties' corrective action plans specifically address the deficiencies identified in the pilot. We also recommended that the Department continue to follow up on recovering improper payments.

As stated earlier, in late Fiscal Year 2007 the Department began two MEQC pilot projects, split into three phases, which continued through Fiscal Year 2008. These pilot projects focused on Medicaid and the State Children's Basic Health Plan (SCHIP). Overall, the first two phases of these two pilots found procedural and eligibility errors in a total of 252 cases (42 percent) of the 599 active cases tested and 77 cases (33 percent) of 234 negative cases tested within the scope of the pilots. Examples of procedural issues identified are:

- In 37 of the 234 negative cases reviewed (16 percent of cases sampled), the Department found untimely notices and inaccurate notices produced by the CBMS system.

- In 123 active cases out of 599 cases reviewed (21 percent), the Department found data entry errors.

We evaluated the way in which the Department conducted the MEQC pilot and followed up on findings, and we identified several problems. Some of these problems are similar to those we identified in our prior audit. Specifically, we found the following:

Lack of Department Follow-up. As stated earlier, the Department began both pilots during calendar year 2006. According to the Department, after each eligibility site review was completed, an initial findings form was sent to each eligibility site with notification of errors identified. We noted that 6 out of 40 eligibility sites (15 percent) did not respond to any of the active errors identified, and 6 out of 18 eligibility sites (33 percent) did not respond to any of the errors identified within the negative case review. This is of particular concern because of the number and nature of the problems identified through the Department's reviews. Failure by the eligibility site to respond to errors identified by the Department could result in further errors being made and the possibility of beneficiaries erroneously losing benefits.

Further, federal regulations require that erroneous payments to ineligible individuals must be recovered. However, we found that the Department has not reviewed claims related to the errors identified nor recovered any improper payments.

Lack of Adequate Corrective Action Plans. In addition, we continued to find that some eligibility sites that provided responses to findings identified by the

Department did not adequately address areas of concern. Specifically, we reviewed a sample of four counties that submitted corrective action plans and found that three of the plans were not adequate to address the areas of concern. For example, one county agreed with instances of untimely processing; however, it did not provide a plan on how these cases specifically would be processed timely in the future. According to state and federal regulations and the Department's approved pilot proposal, each eligibility site with errors is required to submit a corrective action plan. By not following up with eligibility sites and requiring them to submit a corrective action plan, the Department is not complying with state and federal regulations.

Finally, the Department has not fully complied with the reporting requirements in its pilot project. For the first two phases of the program, final reports were to be submitted on July 31, 2007 and November 30, 2007. Instead of producing a separate report for each of the first two phases, the Department produced one report. According to the Department, this was done at CMS's request. This report was submitted to the federal government on July 1, 2008. The Department sent a letter to the federal government on February 2008 requesting an extension of time on all phases of the pilot program; however, as of the end of our audit, the Department had not received an approval.

The Department should conduct adequate and timely follow-up on all MEQC findings to ensure that eligibility sites are submitting corrective action plans when required and that the corrective action plans adequately address the deficiencies identified during the MEQC reviews. Without this follow-up, the value of the MEQC process is diminished because identified problems may go unaddressed, thus contributing to future errors and possibly increasing the risk for repayment of federal funds.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Eligibility. Classification of Finding: Material Weakness.)

Recommendation No. 60:

The Department of Health Care Policy and Financing should improve the Medicaid Eligibility Quality Control (MEQC) system by:

a. Ensuring that county departments of human/social services and Medical Assistance sites respond to findings and that corrective action plans adequately address deficiencies identified.

b. Performing follow-up and recovery on any improper payments identified as a result of the MEQC process.

c. Ensuring that pilot program reporting requirements are met.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: Implemented and ongoing.

The Department agrees that improved responses are necessary from county departments of human/social services and Medical Assistance sites and is working with our eligibility partners. The Department did implement an additional corrective action measure this fiscal year. Each eligibility site that had an error was given a site specific report that allowed the site to trend their errors. Based on the site specific reports, the Department is requesting sites to incorporate the findings into their annual quality improvement plan. For the current Qualified Pregnant Women/Expanded Poverty Level Pregnant Women MEQC pilot, the Department has developed an escalation list of eligibility site contacts when responses are not received.

b. Partially agree. Implementation date: May 2009.

The Department has attended MEQC and eligibility trainings with the Centers for Medicare and Medicaid Services (CMS) where recovery was not listed a requirement for pilot MEQC studies. This is consistent with CMS' current position on the Payment Error Rate Measurement Program which does not require recovery or repayment to the federal government for eligibility errors. The Department has communicated this position to CMS and will continue to work with CMS to obtain further clarification as it becomes available.

c. Partially agree. Implementation date: Implemented.

The Department agrees that all federal reporting requirements must be met. The Department believes that it has met the reporting requirements with CMS. Once the Department examined the maintenance of hours required for the MEQC pilot mentioned in this recommendation and determined that the pilot surpassed the mandated requirement thereby prolonging the length of time needed to complete the study, the Department requested an extension from CMS. In addition, throughout the course of these MEQC pilots, the Department had frequent

communication with CMS on the studies, our methodologies and our progress.

Medicaid Management Information System

The Medicaid Management Information System (MMIS) is the State's Medicaid claim processing and payment system. The MMIS is owned by the Department of Health Care Policy and Financing (HCPF), but is managed and operated by HCPF's fiscal service agent, Affiliated Computer Services, Inc (ACS). In Fiscal Year 2008 ACS processed approximately 17.6 million claims totaling $2.9 billion through MMIS. Because the information stored in MMIS is of a critical and sensitive nature, it is essential that access be protected and limited. State Cyber Security Policies and industry best practices require that user access be limited to the least amount necessary to perform job duties and that terminated users be immediately removed from state systems.

To gain access to MMIS, a user must submit an MMIS access request form to his or her supervisor. The user's supervisor is then responsible for reviewing the form and determining if the level of access requested is appropriate. Once signed by the supervisor, the form is submitted to HCPF's IT security group which reviews and then forwards the form to ACS. ACS staff then assigns the authorized level of access or profile to the user. Profiles allow users to view, create, up-date, and/or delete certain information from the system, such as enrollee or provider information, or specific medical claims filed with the state. There are about 90 different MMIS profiles that can be assigned to a user either individually or in combination.

We tested HCPF's user access controls over MMIS and found that HCPF needs to strengthen its controls in several areas. First, we found that HCPF has not evaluated MMIS user access profiles and identified those profiles, or combination of profiles, that are appropriate for different system users. Without this analysis, it is impossible for supervisors and HCPF's IT security administrators to evaluate the appropriateness of the access levels requested by users. Second, HCPF's policy is to grant access to any profile, or combination of profiles, so long as the user's supervisor authorizes the level of access. Although not a documented procedure, HCPF's IT security administrators informally notify HCPF's Chief Information Officer and the user's supervisor if they believe the level of access requested is excessive or inappropriate. In these situations, the user's supervisor has the final decision about the level of access to be granted. We believe this process needs to be formalized and final decisions documented.

Third, we reviewed MMIS user profiles and identified 19 profiles that if combined could create a potential segregation-of-duty conflict. Basically, combinations of

these profiles would provide a person with escalated system privileges, including (in some instances) complete access over the Medicaid claims process. We identified 47 out of 305 (15 percent) MMIS users with combinations of these 19 profiles. As mentioned previously, HCPF's policy is to assign the requested profiles if approved by the user's supervisor. We believe HCPF needs to reevaluate this policy and identify those profiles that should never be combined because of the escalated system privileges they provide users. HCPF could also consider a waiver process whereby the supervisors approving access to certain combinations of profiles must include a description of compensating controls that will be implemented to prevent fraud and abuse.

Finally, HCPF has not developed sufficient procedures for ensuring that all user IDs belonging to terminated users are promptly removed from MMIS. We compared a list of all active MMIS users with a list of state employees who terminated employment during Fiscal Year 2008. Of the 305 active MMIS user IDs, we identified three MMIS user IDs, or 1 percent, belonging to terminated state employees. On average, these three IDs were active for 130 days after the owner terminated state employment. According to HCPF, it is the responsibility of a user's supervisor to notify the IT security group of terminations. Based on our current and prior audits, termination notifications do not always occur or are not timely. Therefore, HCPF's IT security group should periodically review MMIS users for the appropriateness of their access. This should include comparing active MMIS users to termination information contained in the Colorado Personnel and Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Control Deficiency.)

Recommendation No. 61:

The Department of Health Care Policy and Financing should improve user access controls over MMIS by:

a. Evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users. This information should be shared with the supervisors of MMIS users.

b. Establishing a written procedure that HCPF IT security staff follow when MMIS access is requested. The procedure should identify users requesting

elevated levels of access and should require that the final decision to grant elevated access be documented and retained.

c. Ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls.

d. Periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel and Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: June 30, 2009.

a. The Department will review MMIS access profiles as recommended. User access profiles will be developed with the supervisors of MMIS users.

b. The Department will establish a written policy and procedure as recommended. The policy will state the responsibility of security administrators to escalate any "red flag" requests or requests that deviate from the baseline "role based access profile." The policy/procedure will require the Security Administrator to formally document their findings, submit the findings to the Information Security Officer and a formal meeting will take place with the Division Director to discuss the concern/risk. The final decision to grant access will be documented, retained and signed by the Division Director of the requesting party who has the authority to accept risks, based on business needs.

c. It is not the Department's policy to grant users access to profiles or combination of profiles based only on approval by the user's supervisor. The Department will conduct a regular evaluation of both the access policy and the current access profiles of all users. Compensating controls will be established for users with elevated levels of access.

d. The Department will create a process for the review of the appropriateness of MMIS user access levels and execute this process annually, including comparison to termination data provided by Human

Resources. This process will include a verification of the users' continued requirement for their level of access by their managers. This process will also include a mechanism to ensure that access to MMIS is terminated concurrently with termination of employment.

Subrecipient Audit Reports

As discussed the Department administers the federal Medicaid and SCHIP grants for the State. Under federal requirements, the Department's duties include creating a state plan for administering these federal programs and instituting controls for monitoring subrecipients that receive Medicaid and CBHP funding. Subrecipients for the Medicaid and CBHP grants include Medical Assistance (MA) sites and counties, which determine financial eligibility for these programs. Single Entry Point agencies (SEPs), which determine functional eligibility for Medicaid long-term care, are also subrecipients for the Medicaid grant. In Fiscal Year 2008, the Department expended $3.2 billion and $123.8 million in benefits under the Medicaid and CBHP programs, respectively. In addition, in Fiscal Year 2008 the Department paid about $31.4 million to counties and about $22.8 million to SEPs for administrative services, including eligibility determination. With respect to the MA sites, the Department paid about $3.9 million to one of its MA sites for eligibility-related services. For the other MA site, the Department has a zero-dollar contract for eligibility-related services.

As part of its federally mandated administrative responsibilities, the Department is to ensure that subrecipients comply with the requirements of OMB *Circular A-133*. These include a requirement that the subrecipients have conducted and submit a *Circular A-133* Single Audit report, if the subrecipient expended $500,000 or more in federal funds during its fiscal year. These audit reports must be submitted to the federal oversight agency and to any pass-through entity, such as the Department, that passes federal funding through to the subrecipient. During our Fiscal Year 2007 audit, we noted that the Department did not have adequate controls over the submission, review, and follow up related to subrecipient audit reports to ensure compliance with OMB *Circular A-133* requirements. During our Fiscal Year 2008 audit, we continued to note concerns in this area.

First, we evaluated the Department's process for reviewing *Circular A-133* Single Audit reports submitted by the counties for Fiscal Years 2006 and 2007. We found that the Department does not have written policies and procedures for reviewing the reports and documenting deficiencies. Policies and procedures are necessary to ensure that reviews are completed, that reviews are consistent among reviewers, and that adequate follow-up is performed. Second, we also noted that the Department could not provide results to the follow-up on the 93 deficiencies found by a

contractor who reviewed SEP audit reports in the previous fiscal year. The Department hires a contractor to perform several subrecipient monitoring responsibilities, including the review of SEP *Circular A-133* audit reports. The Department reported that it planned to follow up on these deficiencies after the current subrecipient contractor completed his work in July of Fiscal Year 2008. However, *Circular A-133* requires that the grantor agency review the audit report and issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. We were unable to obtain assurance that this occurred for those deficiencies that were identified in the previous fiscal year. Finally, we found that for the MA site that received $3.9 million to perform eligibility and other administrative services, the Department has not required this entity to submit *Circular A-133* audit reports. The Department's other MA site, which does not receive funding from the Department for determining Medicaid and CBHP eligibility, is not required to submit an audit report to the Department. This is because under OMB *Circular A-133* the Department is not considered a pass-through entity for this MA site with respect to Medicaid and CBHP because of the zero dollar contract. Regardless of whether subrecipients are required to submit audit reports to the Department, federal laws and regulations require the Department to have controls in place, such as onsite monitoring and eligibility testing, to ensure all Subrecipients are using federal monies in accordance with grant requirements.

Policies, procedures, and timely follow-up are all critical to ensuring that the Department is in compliance with its subrecipient monitoring responsibilities ensuring that subrecipients are in compliance with Medicaid and SCHIP grant requirements.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 62:

The Department of Health Care Policy and Financing should improve controls over subrecipient monitoring for the Medicaid and the State Children's Health Insurance programs by:

a. Implementing written policies and procedures for conducting and documenting reviews of subrecipient audit reports.

b. Conducting timely and appropriate follow-up on all audit findings in subrecipient audit reports within six months after receipt of the reports.

c. In cases where the Department is a pass-through entity, requiring all subrecipients with federal expenditures of $500,000 or more within a fiscal year to provide annual audits performed in accordance with OMB *Circular A-133* requirements.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: Implemented and ongoing.

The Department had draft county subrecipient monitoring procedures for fiscal year 2007-2008. The Department was also following the United States Office of Management and Budget (OMB) *Circular A- 133* that clearly outlines the responsibilities of the Department when monitoring subrecipients. The county subrecipient monitoring policies and procedures have been completed. For the audit period, the Department did timely review all county audit reports in accordance with all applicable federal laws, regulations and policies.

b. Agree. Implementation date: October 2009 and ongoing.

The Department will timely review and initiate follow-up on all applicable audit findings within six months after receipt of the independent audit reports.

c. Agree. Implementation date: June 2009.

The Department has requested a legal opinion from the State Attorney General's Office as to what entities should be considered subrecipients. Once an opinion has been given, the Department will assess which agencies should be required to submit annual *Circular A-133* audits. For the zero based MA site contract, the Department regularly monitors the contractors.

Cash Controls

In Fiscal Year 2008, the Department of Health Care Policy and Financing spent about $3.2 billion for the Medicaid program. As part of its grant responsibilities, the Department also receives reimbursements for various types of recovery payments and drug rebates under the Medicaid program. These reimbursements are sent to the Department from different sources. For example, the estate recovery program

recovers funds from a recipient's estate for costs paid by Medicaid for the recipient's medical services. Other programs that recover funds include tort recoveries and income trust recoveries. For Fiscal Year 2008, the Department recovered about $16.5 million from these recovery programs and received $55.2 million in drug rebates.

During our Fiscal Year 2008 audit, we found that the Department lacks adequate controls over the checks it receives, thereby leaving checks susceptible to loss or theft, and is not in compliance with State Fiscal Rules. Specifically, we found the following deficiencies:

Cash intake and reconciliations. The Department receives checks by certified mail, courier, or regular mail. Department staff must sign the log sheet to take custody of the checks received by certified mail or courier. Department staff also restrictively endorse all checks with the account number and "for deposit only" as soon as the check is received at the Department. However, we found that the Department does not have a process for tracking and reconciling checks that it receives through regular mail. For example, the Department does not have a method, such as a receipt log, for documenting all incoming checks and does not reconcile checks with those deposited at the Treasury Department.

Physical controls. The cash receipt's accountant receives all checks sent to the Department and keeps them locked in a desk drawer within the Department until the checks are deposited at the State Treasury. However, we noted that the Department lacks physical controls over the mail room. During our walkthrough, we found that the mail room is kept unlocked, and anyone within the Department or even a visitor to the Department is able to gain access to the regular mail, leaving these checks vulnerable to theft. The checks received by certified mail or courier are kept at the front desk with the administrative staff; however, these are not maintained in a locked area.

Check processing. We found that the Department is not processing deposits in a timely manner. We tested 46 checks received by the Department included in 27 cash receipts for recoveries totaling $277,689. Since the Department does not stamp checks with the dates it receives them, we tested the timeliness of deposits using the dates on which the checks were written. We found that 19 checks (41 percent of the 46 checks tested) totaling approximately $117,670 were not deposited in the month the check was dated. Specifically, 16 checks were deposited between 8 days and 43 days after the check date and were deposited in the month after the check date; two checks worth $19,635 were deposited 45 and 61 days after the check date and were two months after the check date; and one check for $549 was deposited 82 days, or three months, after the check date.

State Fiscal Rules and statutes require all state agencies to make timely deposits to the State Treasury and to establish controls to safeguard assets. Specifically, Fiscal

Rules state, "All money received and not deposited during the month shall be deposited on the last working day of the month." Additionally, untimely deposits increase the likelihood that checks may be returned due to insufficient funds. The Department stated that although it attempts to make all deposits within 30 days of being received, staff need to identify the proper account coding, which sometimes causes an untimely deposit.

The Department needs to establish written policies and procedures over the cash receipt process and train Department staff accordingly. The policies and procedures should address the weaknesses identified above and ensure compliance with State Fiscal Rules, State statutes, and federal regulations. In addition, the Department should consider coding checks to a suspense account in order to make deposits timely and then determining the appropriate coding.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Program Income. Classification of Finding: Material Weakness.)

Recommendation No. 63:

The Department of Health Care Policy and Financing should improve internal controls related to cash receipts by:

a. Developing and implementing written policies and procedures for receiving and depositing checks including stamping the date received on each check, developing a reconciliation process between checks received and amounts deposited with the State Treasury, and establishing additional procedures to track checks received.

b. Keeping the checks received at the front desk in a locked area.

c. Restricting access to the mail room.

d. Depositing all checks in a timely manner, consistent with state requirements. The Department should consider coding deposited checks to a suspense account and identifying the correct coding after deposit.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: March 30, 2009.

The Department will review its current written procedures for receiving and depositing checks with the State Treasury. These procedures will be revised to reflect any additional controls necessary to safeguard checks received by the Department and to prevent loss and/or theft. In addition, the Department will date-stamp each check it receives to assist the Accounting Section with State Fiscal Rule compliance. Finally, the Department will review additional controls, such as a receipt log and reconciliation of that receipt log with those checks deposited with the State Treasury, and will determine which methods will most effectively strengthen its current controls over the checks it receives.

b. Agree. Implementation date: December 31, 2008.

The Department will work with the staff at the front desk to ensure that certified and courier mail is logged in and then secured appropriately until the mail is logged out to the appropriate individual.

c. Partially agree. Implementation date: December 31, 2008.

The Department's mail room is accessed not only by administrative staff but also by program administrators and managers. Since restricting access to the mail room may not be feasible for the Department, the Department will require a staff member from the Accounting Section to assist front desk staff with sorting the daily mail and will ensure that any mail with checks is secured. The checks will be date-stamped when received and then brought to the Accounting Section, where the checks will be placed in a locked drawer for the Section's cash receipts accountant.

d. Agree. Implementation date: March 30, 2009.

The Department will review its policies and procedures and the State Fiscal Rules regarding the timeliness of deposits and will consider alternatives that will ensure compliance with state requirements. These alternatives will include coding deposited checks to a suspense account and identifying the correct coding after deposit and working with the Office of the State Controller to obtain a fiscal rule waiver for estate, tort/casualty, and income trust recovery checks. Payments received by

the Department for its recovery programs, including estate, tort/casualty, and income trust, require extensive research to identify the original claim(s) and ultimately the appropriate federal match so the proper accounting codes can be applied to the payment. This extensive research often delays the Accounting Section from depositing a number of these checks within the time frame set forth by the State Fiscal Rules.

Provider Eligibility

Federal regulations require certain types of providers, such as hospitals and nursing facilities, to be licensed in accordance with federal, state, and local laws in order to participate in the Medicaid program. HCPF is responsible for verifying that providers in the Colorado Medicaid program are licensed. Providers are also required to disclose certain information to HCPF, such as the personal name and address of all owners and business name and address. In Fiscal Year 2008, HCPF paid over $3.2 billion to Medicaid service providers.

During our audit we noted that HCPF is not ensuring that it has current licensing information on all Medicaid providers that are required to be licensed. HCPF's fiscal agent for the Medicaid program is responsible for manually entering and updating the license information for all providers in the Medicaid Management Information System (MMIS); however, during our audit we found this update is not performed for all licensed providers.

We tested MMIS data for 25 Medicaid providers to determine if license information was included in the database and if providers were currently licensed. We found that 12, or 48 percent, of the providers did not have current license information reflected in MMIS. Specifically, we found that there are different processes at HCPF for receiving renewal licenses for each provider type tested and that there is a lack of current license information within MMIS for two of the Medicaid provider types, as follows:

- **Hospitals**. Four hospital provider licenses had not been updated in MMIS. HCPF obtains license information/notifications from the Colorado Department of Public Health and Environment (CDPHE) on a monthly basis. We obtained the CDPHE license notifications for the hospitals in our sample and confirmed that all four of these providers had current licenses.

  We also identified one out-of-state hospital that did not have current license information in the MMIS. HCPF's rules require out-of-state providers to verify licensure with HCPF's fiscal agent prior to being enrolled in Medicaid and receiving reimbursements from HCPF. At the time of our request, HCPF

could not provide a current license for this provider; however, the license was provided by the end of our audit. HCPF paid about $48,000 to this provider during fiscal year 2008. We also found there were 558 out-of-state providers, and HCPF paid about $11 million to these providers during Fiscal Year 2008.

- **Nursing Facilities.** Seven nursing facilities' licenses were not updated in MMIS. Licensing information is CDPHE's responsibility, and CDPHE is responsible for notifying HCPF when there are any concerns regarding the licensing of nursing facilities. HCPF staff state that they have not been contacted by CDPHE staff with any concerns about these facilities. At our request, HCPF requested copies of the licenses for the seven providers from CDPHE, and we verified that these providers had current licenses. However, we believe that HCPF should either obtain license information from CDPHE on a regular basis or require providers to submit copies of their current licenses to HCPF.

To gain more assurance with the provider licensing information in MMIS, we also reviewed the provider files maintained by HCPF and HCPF's fiscal agent for the 12 providers in our sample that did not have current license information in MMIS. We found that 8, or 67 percent, of the 12 provider licenses that were not updated in MMIS also were not documented in the provider file.

By not updating provider license information in MMIS, HCPF risks paying claims to providers that are ineligible for Medicaid funding. Similar problems were noted in our Fiscal Year 2006 audit. At that time, HCPF reported that it was investigating ways to automate the process of updating provider license information with the Department of Regulatory Agencies and CDPHE. However, during the Fiscal Year 2008 audit, HCPF reported that the process of automatically updating the provider licenses had been delayed to 2010. Until the process is automated, HCPF should ensure that license information is manually updated in MMIS.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions. Classification of Finding: Material Weakness.)

Recommendation No. 64:

The Department of Health Care Policy and Financing should improve controls over updating Medicaid provider licenses in MMIS by:

a. Ensuring that all Medicaid providers required to have a license have current license information entered into MMIS.

b. Continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program.

c. Developing a process for obtaining all current licenses for all out-of-state providers.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: June 2009.

Current license information is already obtained for many types of providers including practitioners, hospitals and nursing facilities. The Department will explore further opportunities to capture provider license data through automation and use it directly in claims adjudication.

b. Agree. Implementation date: December 2010.

As mentioned in our response to "a" above, the Department will explore further opportunities to capture provider license data from the Department of Public Health and Environment and to improve the process with the Department of Regulatory Agencies and develop a plan based on these opportunities. Implementation of this plan will be contingent on coordination with other state departments and the availability of funding and staff resources.

c. Agree. Implementation date: June 2009.

The Department will continue to seek cost effective ways to obtain current licensure of out-of-state providers.

The Department will review all three of these recommendations in the context of existing Department resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Nursing Facility Health and Safety Certification

As the State's Medicaid agency, HCPF has overall responsibility for ensuring that providers receiving Medicaid funding have the required licenses and certifications. According to federal regulations 42 CFR 442.12, the State cannot render payment to a facility for Medicaid services unless all applicable certifications and agreements are valid and up to date. Although HCPF has overall responsibility for Medicaid, the Colorado Department of Public Health and Environment (CDPHE) is the agency, under agreement with the Centers for Medicaid and Medicare Services (CMS), charged with recommending health and safety certifications to all nursing facilities, intermediate care facilities for the mentally retarded (ICF/MR), and hospitals providing nursing facility services in the State. In addition, HCPF has an interagency agreement with CDPHE stating that CDPHE is required to notify the Department, in writing, of its recommendation to certify or terminate certification within 10 business days of making the recommendation to CMS. Certification by CDPHE is a condition of Medicaid reimbursement and is required to be performed every 15 months for nursing facilities and every 12 months for ICF/MRs.

During our Fiscal Year 2008 audit, we performed testwork to determine whether HCPF ensures that nursing facilities and ICF/MRs in the State that receive Medicaid reimbursement have been recommended for certification by CDPHE, as required. We found that HCPF is not adequately tracking and maintaining documentation from CDPHE to ensure that these providers are adequately certified before paying them for Medicaid related services. During our review of 25 provider files, we tested the seven nursing facilities and ICF/MRs in the sample. We found that the Department could not provide us with evidence of CDPHE certification recommendations for any of the seven facilities. However, we were able to confirm on the CDPHE certification website that all seven providers were certified to provide services. HCPF staff stated that they receive recommendation-for-certification notices from CDPHE; however, they do not retain copies of those recommendations.

As the State's Medicaid agency, HCPF can ensure compliance with federal certification laws through its agreement with CDPHE. HCPF should improve its oversight of certifications by ensuring that CDPHE is providing recommendation-for-certification notices for required facilities, in accordance with the interagency agreement. HCPF should also institute a tracking mechanism to monitor and document the CDPHE notifications. In the absence of such monitoring and communication, the State cannot ensure that Medicaid nursing facility providers meet required health and safety standards in providing care to Medicaid beneficiaries.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions. Classification of Finding: Significant Deficiency.)

Recommendation No. 65:

The Department of Health Care Policy and Financing should improve its oversight of certifications required for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by:

a. Maintaining written notification of Colorado Department of Public Health and Environment recommendations to certify or terminate certifications, to document compliance with the interagency agreement.

b. Developing and implementing a certification tracking mechanism to monitor and document recommendations for certifications and terminations of certifications.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Implemented.

a. The Department's Nursing Facilities Section shall maintain a copy of the transmittal cover from the Department of Public Health and Environment (DPHE) showing the date of recertification recommendation. These records shall be maintained on an as-received basis, beginning February 2, 2009.

b. Detailed survey inspection information is available on the database maintained by DPHE should the need to review it arise. On January 7, 2009, the Department added to its existing database, a field which shows the date of the most recent DPHE certification/recertification survey.

Federal Reporting

Under federal regulations, the Department is required to submit the CMS-64 *Quarterly Expense Report* (CMS-64) and the *Quarterly Cash Transactions Report* (PSC-272) to the federal government. Both reports reconcile activity related to Medicaid funding. The first report provides the reconciliation of Medicaid awarded amounts to actual amounts disbursed by the Department for Medicaid services; the second report provides a reconciliation of actual amounts disbursed by the Department for all federal grant programs to federal reimbursements received by the Department. The Department uses electronic spreadsheets to support the information

on both federal reports. For Fiscal Year 2008, the Department had federal expenditures of approximately $3.2 billion for the Medicaid program, all of which are subject to these federal reporting requirements.

During our current audit, we found two issues relating to the supporting electronic spreadsheets for both federal reports. First, we found a lack of adequate review, resulting in errors and omissions on federal reports. Specifically, for the quarter ended September 30, 2007, we found that the Department excluded about $300 from the PSC-272 report; however, this amount was on the supporting spreadsheet. Although this error is immaterial, it occurred because the Department staff did not adequately review the electronic support for the PSC-272 report. We also identified formula errors on supporting spreadsheets relating to both reports. Specifically, we found that the formula errors led to the omission of approximately $413,000 in total Medicaid expenditures on the CMS-64 report. As a result, the federal matching share of more than $206,000 for the $413,000 was not reflected on the report. After we notified the Department of this error, the Department corrected the error by adjusting its CMS-64 report for the quarter ended March 31, 2008. We identified another formula error resulting in a $3,000 error on the supporting spreadsheet for the PSC-272 report. While the error on the final PSC-272 report was not significant and did not affect the final report submitted, there is the potential for future errors in subsequent reports if supporting spreadsheets are not reviewed for accuracy. In addition, supervisory review is needed to ensure that the formulas in these electronic spreadsheets are accurate.

We also found that the supporting electronic spreadsheets are not protected from unauthorized access. Specifically, we found that the spreadsheet used to calculate the CMS-64 information was not password-protected, nor were key cells protected within the spreadsheet. Furthermore, the spreadsheet could be modified or deleted by any member of the accounting area and some Department staff outside of the accounting area. By not protecting the spreadsheets, anyone within the accounting area, as well as some staff outside this area, could alter, revise, or delete any of these spreadsheets or the data within them, inadvertently or otherwise. Such modifications may go unnoticed and would be very difficult to trace back to the source. During our audit work we found other examples of critical spreadsheets that were either not password-protected or not adequately restricted to appropriate staff. Protection of all critical and supporting spreadsheets is vital to the accuracy, completeness, and reliability of all spreadsheets, since most are linked together and share information.

Federal regulations require that the states maintain effective fiscal controls and accounting procedures to ensure reports are accurate and demonstrate accountability for how state and federal funds are used. A detailed review of the electronic spreadsheet reports should be done to ensure that what is reported in federal reports is accurate and complete. In addition, controls should be implemented over

supporting spreadsheets, such as protecting the spreadsheets themselves as well as cells with formulas, to prevent unauthorized deletions or changes.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Reporting. Classification of Finding: Significant Deficiency.)

Recommendation No. 66:

The Department of Health Care Policy and Financing should ensure the CMS-64 *Quarterly Expense Report* and the PSC-272 *Quarterly Federal Cash Transaction Report* are accurate and complete prior to submission to the federal government by:

a. Protecting all supporting spreadsheets from unauthorized access for these reports.

b. Ensuring that formulas that are used to perform calculations are appropriate and accurate.

c. Ensuring an adequate review process is in place to review electronic spreadsheet support along with the final reports prior to submission to the federal government.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: March 31, 2009.

The Department will password-protect the supporting spreadsheets for the CMS-64 *Quarterly Expense Report* and the PSC-272 *Quarterly Federal Cash Transaction Report*. In addition, the Department will review the security permissions granted for the accounting section's shared drive to ensure that only accounting staff have access to these supporting spreadsheets.

b. Agree. Implementation date: June 30, 2009.

The Department will formalize its current review process and will ensure that the review process addresses the review of formulas in the supporting spreadsheets for the CMS-64 *Quarterly Expense Report* and the PSC-272 *Quarterly Federal Cash Transaction Report.*

c. Agree. Implementation date: June 30, 2009.

The Department will formalize the current review processes, performed by the accounting section manager and the controller, for the CMS-64 *Quarterly Expense Report* and the PSC-272 *Quarterly Federal Cash Transaction Report*. The Department will ensure that an adequate review process exists that includes the review of supporting spreadsheets and formulas.

Federal Debarment and Suspension Requirements

Federal regulations prohibit states from contracting with or making subawards using federal funds to parties that are suspended or debarred from receiving federal funds or whose principals are debarred or suspended from receiving federal funds. States 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 debarred or suspended, or adding a clause or condition to the contract or award document with that entity stating that the contractor certifies, by admission of the contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the transaction by any federal department or agency. In addition, federal regulations require that contractors receiving individual awards for $25,000 or more and all subrecipients must certify that the organization and its principals are not suspended or debarred.

During our compliance testwork for Fiscal Year 2008, we reviewed the Department's 13 standard contract templates, consisting of five templates for the Children's Basic Health Plan (CBHP) grant, one template for Primary Care Physicians (PCP), one standard template that is used for starting all Department contracts, and six other contract templates that are used for various other services. We noted that while the PCP template, the standard template, and three of the other templates included a certification related to debarment and suspension, the five templates for the CBHP program and the other three contract templates did not include a clause or a certification relating to debarment and suspension. The Department stated that it is in the process of updating all contract templates for Fiscal Year 2009. In addition, the Department had not reviewed the EPLS list for all of its contracts for Fiscal Year 2008 or received a certification from the contractor stating that the contractor is not suspended or debarred.

As of June 2008, the Department has about 3,100 active contracts that are based on one of the 13 templates described in the narrative above. The Department has

approximately 900 (or almost 29 percent) of active contracts using the templates that did not include a reference to debarment or suspension. These contracts total approximately $32.6 million, excluding capitation contracts. The Department stated that capitation contract amounts are not included on the overall list because the amounts vary based on a per-member, per-month payment structure, and related expenditures are recorded on the State's accounting system, COFRS.

We tested 25 vendors from the Department's listing of active contracts to determine whether contractors chosen were debarred or suspended from receiving federal funds. By checking the federal EPLS list, we determined that none of the contractors tested were debarred or suspended.

Department staff stated that the standard procedure for ensuring that contractors are not debarred or suspended from receiving federal funds is to include a clause in the contract or to review the EPLS. The Department reviews the EPLS listing when it either creates a new contract or renews the contract. However, the Department did not review the EPLS listing or send out certification statements to be signed by providers for multi-year contracts that were not up for renewal in Fiscal Year 2008.

The Department should improve controls to ensure that it is not contracting with a party that has been debarred or suspended.

(CFDA Nos. 93.767, 93.777, 93.778; State Children's Health Insurance Program, Medicaid Cluster; Procurement, Suspension, and Debarment. Classification of Finding: Significant Deficiency.)

Recommendation No. 67:

The Department of Health Care Policy and Financing should improve controls to ensure compliance with federal debarment and suspension requirements for all contracts and subawards by reviewing the federal Excluded Parties List System (EPLS), including a clause regarding suspension or debarment in all Department contracts or obtaining a certification regarding suspension and debarment from the contractor. In addition, the Department should review its current contractors for all contracts that do not have a clause regarding suspension or debarment and either review the federal Excluded Parties List System or obtain a certification from the contractor.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: June 1, 2009.

A debarment and suspension clause was included in the standard contract template (vanilla contract) in October 2007. The new Child Health *Plus* templates and the Single Entry Point contract amendments for use in Fiscal Year 2009 include a debarment and suspension clause. The school-based health template has not yet been reissued or amended; however all school-based health contractors have now been checked against the EPLS. It is now anticipated that the new school-based health contract template will be completed and the contracts reissued by June 2009. All other templates have a debarment and suspension clause. When amending existing contracts, the clause is included if necessary. The EPLS and HHS OIG exclusions database are checked (and screen prints made) prior to the execution of new contracts, renewals or other amendments. The Department will check the Excluded Parties List System to determine whether any contractor is debarred or suspended for all existing contracts that do not have a clause regarding suspension or debarment by February 1, 2009.

Colorado Benefits Management System

The Colorado Benefits Management System (CBMS), implemented in 2004, is the computer system used by Colorado counties and medical assistance sites (MAs) to determine eligibility and calculate benefits for public assistance. CBMS supports state-administered public and medical assistance programs such as Temporary Assistance for Needy Families, Food Stamps, Medicaid, Adult Protective Services, Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, Children's Health Plan Plus, and the Colorado Indigent Care Program. Approximately 4,000 state, county, and MA employees use CBMS to manage more than 300,000 public assistance cases and distribute more than $3.2 billion in benefits annually in food stamps, cash, and medical assistance payments.

The CBMS application is owned and managed jointly by the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS). Maintenance and operation support activities for CBMS are provided by Electronic Data Systems (EDS), an outside vendor. For 2008 HCPF and DHS contracted with Grant Thornton, LLP, (Grant Thornton) to perform a SAS 70 review (Statement on Auditing Standards No. 70, *Service Organizations*) of CBMS. Overall, Grant Thornton found that the description of controls presented fairly, in all material

respects, the relevant aspects of controls that had been placed in operation by HCPF, DHS, and EDS as of May 15, 2008. Grant Thornton also stated that the controls, as described in the SAS 70 Report, were suitably designed to provide reasonable assurance that the control objectives would be achieved if the described controls were complied with satisfactorily and applied by user organizations as intended by HCPF, DHS, and EDS.

Our finding and recommendation in this area was addressed jointly to the Departments of Health Care Policy and Financing and Human Services. The finding and recommendation and the responses of the departments are included within the Department of Human Services chapter within the Federal Award Findings section of this report.

During Fiscal Year 2008 the Office of the State Auditor conducted the *Children's Basic Health Plan Performance Audit*, Report No. 1844, dated May 2008. The information and comments below were contained in that report.

Eligibility and Enrollment

In accordance with the statutory design of the Children's Basic Health Plan (CBHP) as a private-public partnership, the Department of Health Care Policy and Financing (Department) partners with private and public entities for a variety of services. With respect to eligibility determination and enrollment, the Department partners with counties and two Medical Assistance sites – Denver Health and Affiliated Computer Services (ACS)—to serve as eligibility sites which determine CBHP eligibility and enroll participants. The Department also contracts with ACS to collect enrollment fees and disenroll participants when they are no longer eligible for the program. Regardless of these arrangements, the Department retains ultimate accountability for CBHP, including ensuring that eligibility determinations and enrollments are accurate, timely, and conducted in accordance with federal and state laws and rules.

A key component in the Department's oversight of eligibility determination and enrollment should be a comprehensive monitoring program. The Department's monitoring of public and private partners is fundamental to ensuring that public funds are spent effectively to accomplish the CBHP program's purpose of providing health care for eligible uninsured children. Statutes specifically state that the Department must monitor the contractors that carry out administrative duties for CBHP and supervise county departments of human/social services for effective administration of medical assistance programs [Sections 25.5-8-111 and 25.5-1-114, C.R.S., respectively].

We reviewed the Department's monitoring of its public and private partners and found that, overall, the Department lacks a comprehensive monitoring program for CBHP. First, the Department conducts almost no monitoring of eligibility screening practices at eligibility sites or of its contractor's processes to disenroll individuals who are no longer eligible for CBHP. Due to the lack of monitoring in these areas, we identified significant eligibility-determination and disenrollment error rates in the samples we tested, which resulted in questioned costs totaling about $133,600 in our samples. We expanded our testing in areas where we identified eligibility-determination and enrollment problems which resulted in the identification of an additional $24,100 in questioned costs. Therefore, the total questions costs we identified based on our sample testing and expanded reviews is about $157,700.

Second, the Department has provided inadequate oversight to ensure timely determination of eligibility and proper handling and recording of enrollment fees, leading to delays in eligible individuals being able to access services and problems with processing of fees. Third, the Department has not monitored the retention of participants in the program to determine why a significant proportion of individuals do not re-apply for CBHP. Finally, the Department has not ensured that the implementation of the federal Deficit Reduction Act of 2005, as it affects CBHP enrollment, complies with federal requirements. Failure to comply could result in disallowances of some expenditures for federal reimbursement.

Eligibility Determinations

According to federal regulations for State Children's Health Insurance (SCHIP) programs, the Department must design its screening and enrollment procedures to allow only eligible individuals to participate in the program. To be eligible for CBHP, all applicants must meet specific income guidelines. Additionally, federal rules prohibit the Department from enrolling applicants who are eligible for Medicaid, have third-party insurance, or are children of state employees.

To apply for public medical assistance in Colorado, including CBHP, families and individuals submit joint Medicaid/CBHP applications either to their local county department of human/social services or to one of the two Medical Assistance sites (collectively referred to as eligibility sites). Upon receipt, the eligibility sites review each application for completeness and enter the information into the Colorado Benefits Management System (CBMS). CBMS processes the applicant's eligibility information for both Medicaid and CBHP simultaneously, and eligibility workers review and approve the eligibility determinations. Since the end of Fiscal Year 2004, when enrollment caps were lifted, CBHP has been able to enroll all applicants who are determined eligible each year. During Fiscal Year 2007, the CBHP program spent about $96 million on medical services for a monthly average of about 1,300 pregnant women and 52,200 children.

We reviewed state, county, and Medical Assistance site practices to evaluate the State's overall compliance with CBHP eligibility-determination requirements. In addition to reviewing both of the Medical Assistance sites, we selected a sample of seven counties of various sizes and in different geographic regions of the State. We then chose a sample of applications for 203 applicants that had been processed by the seven counties and two Medical Assistance sites. We chose the sample of applicants from a list of all individuals enrolled in CBHP at some point between July 1, 2006 and March 31, 2007, including both pregnant women and children. In our review of applications, we found eligibility determination errors or insufficient documentation to support the eligibility decision for 21 of the 203 applicants (10 percent) in our sample, leading to questioned costs of about $24,200. For some applications, we identified multiple errors. We expanded our testing related to the applicants for whom we identified eligibility-determination errors to review payment information through September 30, 2007. As described in detail below, we identified about $24,100 in additional questioned costs from our expanded testing, resulting in total questioned costs due to eligibility determination errors of $48,300 related to the sample of applications we reviewed. The exceptions we identified primarily resulted from staff errors at the eligibility sites.

Eligibility-Determination Errors. We identified eligibility-determination errors for 17 applicants in our sample. Of these 17 applicants, 16 were not eligible for CBHP but were erroneously enrolled in the program. The remaining applicant was eligible for CBHP but was erroneously denied enrollment. We list the specific errors that occurred with respect to these 17 applicants below:

- Five applicants did not meet all the program requirements for CBHP. One applicant's family income exceeded the CBHP income limits, one applicant was ineligible due to having private insurance coverage, and the other three applicants were ineligible because they are children of a state employee. In the first case, CBMS erroneously indicated that the applicant was eligible for CBHP. In the second case, the eligibility worker did not enter the family's private insurance into CBMS. In the last three cases, the eligibility workers did not enter information into CBMS regarding one parent being a state employee. Between July 1, 2006 and March 31, 2007, the Department made payments totaling about $10,100 for these ineligible individuals. We reviewed further payment information through September 30, 2007 and found the Department made additional payments between April 1 and September 30, 2007 of about $1,800 for these ineligible enrollees.

- Eleven applicants had family incomes that were low enough to qualify them for Medicaid but were instead enrolled in CBHP. For seven of these applicants, eligibility workers incorrectly entered income data into CBMS that was higher than the incomes the families reported on the applications. For the remaining four cases, the information in CBMS matched the

information in the applications, indicating that the errors were not caused by eligibility workers incorrectly entering data. Therefore, it appeared that CBMS incorrectly indicated that the applicants were eligible for CBHP. Between July 1, 2006 and March 31, 2007, the Department made CBHP payments totaling about $12,200 for these 11 ineligible enrollees. Of these 11 enrollees, 5 also had incomplete applications, as discussed in the next section. We reviewed further payment information through September 30, 2007, and found that the Department made additional payments between April 1 and September 30, 2007 of about $14,300 for these ineligible enrollees.

- One applicant in our sample met the requirements for the CHP+ at Work program but was erroneously denied enrollment. Under this pilot program, the Department pays a portion of the health insurance premiums for children whose parents meet CBHP income-eligibility guidelines and are employed by a participating employer. CHP+ at Work applications are not processed by CBMS so, in this case, the eligibility worker incorrectly denied the applicant.

We informed the Department and the county departments of these errors during our review. The Department reports that it disenrolled all the ineligible CBHP recipients we found and enrolled those who were eligible for Medicaid into that program. In addition, the Department enrolled the one child who was eligible for CHP+ at Work and paid the child's family $500 to cover medical insurance premiums for the five months when the child should have been enrolled in the pilot program, but was not.

Lack of Documentation. For 9 applicants in our sample of 203, the application files were missing key documentation to support the information in CBMS and therefore the eligibility decision. For four of the applicants, the files did not contain their applications or any documentation showing the families' incomes. Federal regulations require states to "include in each applicant's record facts to support the State's determination of the applicant's eligibility for SCHIP." The Department made payments totaling about $1,900 between July 1, 2006, and March 31, 2007, for these four individuals. We reviewed further payment information through September 30, 2007, and found the Department made additional payments between April 1 and September 30, 2007, of about $8,000 for these ineligible enrollees. For the remaining five applicants, files showed the families met the income qualifications for Medicaid, but the applications were missing pages or required signatures. Payments for these five applicants for the same time period totaled about $6,700. We reviewed further payment information through September 30, 2007, and found the Department made additional payments between April 1 and September 30, 2007, of about $1,500 for these ineligible enrollees. These amounts are included in the questioned costs for the 11 applicants who qualified for Medicaid, discussed above.

The high number of errors identified in our sample indicates a need for the Department to take comprehensive steps to improve practices at counties and Medical Assistance sites and reduce eligibility-determination and documentation errors. Specifically:

- **Monitoring and follow-up.** The Department has not historically monitored eligibility sites to ensure that they screen applicants for CBHP in accordance with federal and state laws and rules. Recently, the Department has initiated efforts that involve monitoring CBHP eligibility decisions. First, in 2007 the Department included reviews of a sample of CBHP files as part of its Medicaid Eligibility Quality Control (MEQC) review. The Department conducted reviews of two samples of CBHP files in 2007 (one sample of 46 files in May and one of 58 files in December) to evaluate the accuracy of eligibility determinations and the adequacy of program documentation within MEQC. Second, in July 2008 the Department will complete its first review of a statistical sample of about 700 randomly selected CBHP case files as part of the new federally required Payment Error Rate Measurement (PERM) program. This review, required every three years, checks eligibility files and payments for compliance with program requirements. To obtain the maximum benefit from these monitoring programs, the Department will need to: (1) target eligibility sites with high volumes of applications and compliance problems, (2) review recent files and data to assess current practice patterns, (3) determine the frequency of eligibility site reviews necessary to provide adequate and ongoing oversight, (4) analyze the results, and (5) implement corrective action plans for eligibility sites with eligibility-determination errors and make changes to CBMS to correct any processing errors.

- **Training and technical assistance.** The Department currently works with the Department of Human Services to provide twice-yearly trainings on all public assistance programs (e.g., Food Stamps, Temporary Assistance to Needy Families, Medicaid, and CBHP). In addition, the Department offers webcasts, holds monthly informational meetings, and issues letters to eligibility sites to communicate program changes. Although the trainings and correspondence provide important basic information about the purpose and requirements for CBHP, the Department could improve its training and technical assistance related to determination of CBHP eligibility. Specifically, the Department should train county and Medical Assistance site staff on CBMS income calculations and eligibility criteria. Staff at all seven of the county departments we visited reported that they are not familiar with the income levels that qualify families for Medicaid or CBHP or that trigger annual CBHP enrollment fees and, therefore, do not assess whether CBMS' calculations and eligibility results appear accurate or reasonable. In addition, the Department should provide focused training on specific problems

identified through its monitoring programs, including the MEQC and PERM processes.

- **Quality/Supervisory Review.** The seven county departments of human/social services we visited, and the two Medical Assistance sites, all have some type of quality-review process. The processes involve supervisors or other workers reviewing a sample of files to assess whether data were correctly entered into CBMS and eligibility determinations were made properly. However, given the errors we found, these quality reviews do not sufficiently ensure accurate data entry and eligibility determinations. The Department should ensure that counties and the Medical Assistance sites have adequate quality or supervisory review processes to ensure accurate eligibility determinations.

In Fiscal Year 2007, a total of almost $104 million in public funds was spent on the CBHP program. Ensuring that only eligible individuals are enrolled is a critical aspect of responsible program management. At the same time, enrolling all applicants who are eligible is fundamental to accomplishing the program's purpose of providing health care for eligible uninsured children and pregnant women. Since state and federal funds for CBHP are limited, it is crucial for the Department to monitor eligibility-determination practices at eligibility sites to ensure that monies are spent appropriately for only those individuals who are eligible for services.

During our Fiscal Year 2008 financial audit, we continued to find problems with eligibility determinations. We tested 60 individuals enrolled in the Children's Basic Health Plan (CBHP) program between July 1, 2007 to June 30, 2008. We found that 14 (23 percent) of the 60 individual's case files had at least one eligibility error representing a total of about $5,798 in questioned costs. We also found an additional $1,156 in questioned costs that were not included in our original sample. In eight instances the individuals were not eligible for the CBHP program because they either had private insurance or had not paid the required enrollment fee. Nine case files did not include the documentation necessary to support eligibility such as an application, annual redetermination packet, or income verification.

(CFDA No. 93.767; State Children's Health Insurance Program; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 68:

The Department of Health Care Policy and Financing should reduce eligibility-determination errors for CBHP by improving oversight and training of eligibility sites. Specifically, the Department should:

a. Expand efforts to establish a comprehensive program for monitoring the CBHP eligibility-determination process. The program should identify and target high-volume and high-risk eligibility sites, compare case files with information in CBMS, focus on identifying and addressing eligibility sites with high error rates and recurring problems, and follow up with corrective action plans and changes to CBMS, as appropriate.

b. Expand CBHP training and technical assistance provided to eligibility sites to target the key issues identified through the Department's monitoring program. The training should include information on CBMS income calculations and other processes for determining eligibility.

c. Require eligibility sites to improve their quality/supervisory review processes to ensure that workers correctly enter data into CBMS and review and approve CBHP eligibility determinations.

d. Investigate to determine the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct the errors.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: November 2008.

As mentioned in the audit report, the Department has conducted and now completed two Medicaid Eligibility Quality Control (MEQC) pilot studies (reviewing a total of 104 CBHP files in the two studies) and conducted 709 CBHP eligibility reviews as part of the Payment Error Rate Measurement (PERM) Program. This has been part of the Department's monitoring program established in Fiscal Year 2007. The eligibility pilot studies directly compared case files with the information in CBMS and focused on identifying and addressing issues with high error rates and recurring problems. The results of the eligibility pilot studies will be sent to the eligibility sites and will allow the eligibility sites the opportunity to analyze and trend information and develop effective and meaningful quality improvement plans as necessary. It is

expected that quality improvement plans will be in place by late fall 2008. It is important to point out that county departments of human/social services may not have the resources to implement such quality improvement plans uniformly. The Department will need additional resources to focus and continue a robust look at the CBHP eligibility determination process. The Department will request resources through the standard budgeting process.

b. Agree. Implementation date: Ongoing.

The Department is reviewing the current trainings and expanding these trainings as issues are identified either through formal monitoring or other avenues such as feedback from the eligibility sites. Income miscalculation has already been identified as an area with a high error rate through the Department's eligibility pilot studies referenced above. To improve accuracy, entry of income is taught in CBMS trainings prior to the user having access to the system. There have also been Knowledge Transfer calls, ongoing CBMS training classes, and ad hoc trainings continuously offered to users. In addition, training on entry of income was conducted at the Social Services Technical and Business Staff conference in April 2008. The Department will continue to assess the need for further training on data entry of income.

c. Agree. Implementation date: January 2009.

The Department will work with county departments of social/human services to implement a quality improvement plan related to data entry accuracy. It is important to point out that county departments of human/social services may not have the resources to implement such a quality improvement plan uniformly. It is expected that the Department will implement this procedure by September 2008 and that counties will operationalize their quality improvement plans by January 2009. The Department will continue to require Medical Assistance sites to have quality improvement plans to monitor data entry accuracy.

d. Agree. Implementation date: July 2008.

The Department will investigate and determine the cause of the four errors identified as CBMS errors in the audit and take necessary corrective action. The investigation will be completed in July 2008.

Timeliness of Processing Applications

Monitoring the timely processing of CBHP applications is important for ensuring eligible children and pregnant women have prompt access to health care services. An October 2007 report by the Kaiser Family Foundation (a nonprofit health policy, communications, and research organization) indicates that when individuals do not have insurance coverage, they may forego preventive and routine health care and instead seek services for serious and catastrophic medical conditions in emergency rooms.

To facilitate timely processing, federal regulations generally require states to make CBHP eligibility decisions within 45 days of the submission date of the application. If additional documentation is needed to complete the application, CBHP policies allow applicants an additional 14 calendar days to provide the documentation. If the applicant owes an annual enrollment fee (due from CBHP-eligible individuals with family incomes over 151 percent of the federal poverty level), the state CBHP rules extend the deadline an additional 30 days to allow time for the applicant to supply the payment. During Fiscal Year 2007, about 92,200 CBHP applications were processed in Colorado.

When an eligibility site receives a CBHP application, eligibility workers are expected to enter information from the application into CBMS immediately. CBMS processes the applications and the eligibility worker approves the eligibility determination. CBMS then generates notices to inform the applicants that they: (1) have been approved for CBHP, (2) have been denied for CBHP, or (3) must provide additional documentation and/or an enrollment fee before the eligibility determination can be completed. For applications that lack documentation, eligibility workers are responsible for updating CBMS and either enrolling applicants who submit the required documents or denying those who do not submit their documents within the 14 calendar days permitted. For applications that require an enrollment fee, Affiliated Computer Services (ACS) workers are responsible for updating CBMS and enrolling applicants who pay their enrollment fees or denying those who do not pay their enrollment fees within the 30 days permitted.

We reviewed the timeliness of CBHP application processing by eligibility sites to determine whether the Department ensured that eligibility decisions were made in accordance with federal and state deadlines. Overall, we identified significant delays in processing CBHP applications. Additionally, we found the Department lacks sufficient monitoring controls or data to fully determine the proportion of CBHP cases that do not meet application processing timelines or the reasons for processing delays. These delays may prevent eligible applicants from receiving needed medical services and they create a risk of federal sanctions against the State for noncompliance with federal regulations.

We analyzed the timeliness of eligibility determinations for CBHP by reviewing a sample of applications and weekly "Exceeds Processing Guidelines" (EPG) reports generated by CBMS. We identified eligibility-determination delays in both samples, as explained below:

- **Applications.** We reviewed a sample of 86 applications for individuals who were enrolled in CBHP and had submitted new applications (i.e., not redetermination applications) during the nine-month period covering July 1, 2006 through March 31, 2007. We compared the application submission dates with the dates the eligibility workers approved the eligibility determinations. We found that 8 of the applications (9 percent) were processed late, between 16 and 91 days after their deadlines had passed.

- **EPG reports.** We reviewed a sample of 13 weekly EPG reports for the period July through September 2007. These reports list every CBHP application that was entered into CBMS but that has been pending (i.e., eligibility has not been determined) for more than 45 days. The average number of pending applications on the 13 weekly reports we reviewed was about 1,900. This represents about 2 percent of the approximately 92,200 CBHP applications processed annually. According to the sample of EPG reports we reviewed, an average of about 5 percent of the total applications on the reports were more than a year old. The applications listed on the EPG reports could be pending due to eligibility sites not completing the processing of the applications timely or to applicants not providing required documents or enrollment fees timely.

In addition to reviewing the application and EPG report samples, we interviewed staff at seven counties and the two Medical Assistance sites about their application processing practices. Two of the counties reported that, due to heavy workloads, they often are unable to immediately enter CBHP applications into CBMS to begin the eligibility-determination process. Rather, these counties sometimes did not begin entering the applications into CBMS for at least two to three months after the application submission dates, resulting in the eligibility determinations being delayed for at least two to three months. The Department has no way to identify or track the number of applications that are not processed timely due to eligibility sites not entering the applications into CBMS. These applications are in addition to those reflected in the Department's EPG reports.

The Department provides the weekly EPG reports to the eligibility sites and several Department staff monitor them and work with the eligibility sites to resolve the pending applications. This monitoring is intended to help reduce the number of pending applications. However, we found that the Department lacks basic statistics tracking the proportion of applications processed timely, the proportion of applications processed late, and the reasons why some applications are still pending.

Pending applications stay in CBMS until an eligibility worker manually identifies and investigates them and determines whether each should be approved or denied. Therefore, it is possible that documentation or fee payments for some of the applications on the EPG reports have been received, but the eligibility site has not updated CBMS to reflect their receipt. We found that ACS (one of the eligibility sites) does not always enter the receipt of enrollment fees into CBMS in a timely manner, which could account for some of the pending applications on the EPG reports.

We raised similar concerns about the timeliness of CBHP application processing in our Fiscal Year 2006 and 2007 Statewide Single Audits. Additionally, a July 2007 review of CBMS by the federal Centers for Medicare and Medicaid Services (CMS) noted that "the significant proportion of applications [the Department reports as] exceeding the regulatory timeframes for processing do not reflect … effective and efficient administration [and] … the delay in processing time can delay access to medical care considerably and cause delays in provider payments." The Department needs to improve its monitoring procedures so it can develop strategies to effectively correct timeliness problems and ensure that eligible individuals are able to access services in a timely manner.

First, the Department needs to improve reporting from CBMS so it can compile basic statistics on program performance in terms of timely eligibility determinations. This should include generating information on the percentage of applications processed timely and processed late, by county and Medical Assistance site. For applications processed after required deadlines, the Department should obtain aging statistics to measure the extent of processing delays.

Second, the Department should identify eligibility sites that have backlogs of CBHP applications, enrollment fees, and documentation that have not been entered into CBMS. The Department should work with these sites to determine whether additional training or technical assistance could help reduce backlogs and improve the timeliness of application processing. To help eliminate the current backlog, the Department could consider expanding its eligibility and enrollment contract on a temporary basis to process more applications until the backlog is eliminated. Similarly, if the counties receive too many applications on an ongoing basis to process on time, the Department could consider expanding the eligibility and enrollment contract on a permanent basis. In Fiscal Year 2007, the Department paid ACS a total of about $4 million to process medical assistance applications. Expanding the contract will generate additional costs for the Department but may prevent the Department being assessed penalties by the federal government for failing to comply with federal requirements.

(CFDA No. 93.767; State Children's Health Insurance Program; Eligibility, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 69:

The Department of Health Care Policy and Financing should improve its monitoring of application processing for the Children's Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should:

a. Develop reports in CBMS and compile statistics on program performance with respect to timely processing of applications. The statistics should include the proportion of applications processed timely or late, and the aging of delayed applications.

b. Work with the eligibility sites to investigate the underlying factors contributing to processing delays, including the reasons CBHP applications, supporting documentation, or enrollment fees have not been entered or processed in CBMS.

c. Further target training and technical assistance to address the underlying problems of late processing.

d. Consider the costs and benefits of expanding the eligibility and enrollment contract on either a permanent or temporary basis to reduce backlogs at the eligibility sites.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: December 2008.

The Department has implemented a series of CBMS reports, and in April 2008, made modifications to them that detailed the number of applications processed timely or late, and the aging of delayed applications by county or Medical Assistance sites on a monthly basis. These reports can be further modified to include the percentage proportion of timely versus late applications processed to conform to this audit finding by December 2008.

b. Agree. Implementation date: January 2009.

The Department has formed an eligibility quality team that will be identifying new methods for improving timely processing and will look at the underlying factors contributing to processing delays.

c. Agree. Implementation date: January 2009.

The Exceeding Processing Guidelines Unit offers technical assistance routinely to assist with cases truly exceeding processing guidelines. Based on the information obtained from the Department's recently completed eligibility pilot studies, which had a focus on timely processing and other relevant data, training or technical assistance will be conducted. This will be part of the focus of the eligibility quality team.

d. Agree. Implementation date: July 2009.

The Department will analyze the costs and benefits of expanding the scope of work in the CBHP eligibility and enrollment contract to reduce backlogs at county eligibility sites. This analysis will be conducted after a contract is awarded in March 2009. If the Department finds that it is cost effective to expand the contract to include this function, the Department will seek additional resources to support this recommendation through the standard budgeting process.

Program Retention

Children are eligible for CBHP for 12 months and families must reapply and have their eligibility redetermined annually for their children to continue to receive benefits under the program. The Department, through CBMS, sends redetermination applications to families about 80 days prior to the date on which their 12-month enrollment period expires. Families are instructed to return their completed applications to ACS. The redetermination process only applies to children in CBHP; pregnant women remain eligible for the program from the time they are enrolled until 60 days post-partum and do not undergo the redetermination process.

We found that the Department does not adequately oversee the redetermination process to promote program retention. The Department does not analyze information on program retention or calculate retention rates for the CBHP program. The Department has not determined the retention rate for CBHP since Fiscal Year 2004, before CBMS was implemented, because CBMS was not programmed to produce a routine report on CBHP retention. In addition, the Department does not have any mechanisms to determine why some enrollees do not reapply for CBHP.

To determine the current retention rate for CBHP, we obtained CBMS data from the Department on the approximately 32,000 children who were due for redetermination at some time between April 1, 2006 and March 31, 2007. We found that about 39

percent of the enrollees (about 12,600 children) reenrolled in CBHP without any lapse in coverage, about 26 percent (about 8,200 children) enrolled in Medicaid, and about 11 percent (about 3,400 children) were determined ineligible for either CBHP or Medicaid. The remaining 24 percent of children eligible for redetermination (about 7,800 children) either did not reapply for the program or experienced a lapse in their coverage. Specifically:

- About 16 percent of those eligible for redetermination (about 5,300 children) did not reapply for the program. There is no information indicating whether these children no longer needed CBHP coverage or if they remain uninsured. We determined that none of these children had either reenrolled in CBHP or enrolled in Medicaid as of March 31, 2007.

- About 8 percent of those eligible for redetermination (about 2,500 children) were reenrolled in CBHP but had a lapse in coverage of up to six months because their families sent in new applications after coverage had ended instead of submitting the redetermination application by the deadline.

It is concerning that almost one-quarter of the enrollees we reviewed either did not reapply at all or reapplied late, causing lapses in coverage, and that the Department has not been analyzing retention data to identify these problems. Research suggests that people without health care or with gaps in coverage are less likely to seek medical care and may use more expensive options when care is needed. For example, according to a 2007 report issued by the Colorado Children's Campaign, families that lose CBHP or Medicaid coverage are likely to become uninsured, which shifts the costs of health care services to other programs and private payors. The report estimated that Colorado's almost 180,000 uninsured children cost local, state, and federal governments and the private sector about $79 million annually, in part due to families seeking care through providers such as community health centers and emergency rooms, which are often more costly than being served through Medicaid or CBHP.

The application process used for redeterminations may contribute to problems with retention in CBHP, as described below.

Redetermination Application. We reviewed the redetermination application packet and found that it appears to include multi-purpose instructions that relate to more than just the CBHP program. As a result, the instructions are not clear about what documentation enrollees must submit to reapply for CBHP or what information they need to report while enrolled. For example, the instructions contain conflicting information about whether CBHP enrollees must provide documentation proving their household circumstances, income, age, or citizenship. According to CBHP rules, applicants may attest to their citizenship and the only documentation required is evidence of income, such as pay stubs. The rules do not require other

documentation, such as for age or other household circumstances. Also, the application directs applicants to report any changes in their circumstances that occur after they submit their redetermination applications, but it does not specify what changes must be reported. According to CBHP rules, enrollees remain in the program for 12 months unless they obtain other insurance coverage or move out of the State, so these are the only changes in circumstance a CBHP enrollee must report.

Many of the community-based organizations and advocacy groups we contacted, including the Colorado Center on Law and Policy and the Colorado Coalition for the Medically Underserved, expressed concerns about the redetermination process. They reported hearing that families are often confused by the term "redetermination" and require help with completing the redetermination application. Complaint data maintained by ACS and the Department's marketing contractor reflected the same confusion. For example, one family complained to ACS saying:

> Neither my wife nor I could understand the [CBHP redetermination] letter we were sent. We are relatively intelligent people and we literally could not understand what the letter said. . . . We are one catastrophic illness away from homelessness. Please streamline the process.

Redetermination Reminders. The Department's contracts with ACS for Fiscal Years 2006 through 2008 have required the contractor to send reminder postcards to families 45 days before their enrollment lapses. The contract specifically states that this requirement is conditional on "the creation of the necessary report from CBMS or a reasonable substitute." To date, no reminder postcards have ever been sent because the Department has not developed a function in CBMS to identify only families that have not reapplied by the date the postcards would be sent (i.e., 45 days before eligibility expires). We believe that developing such a function is unnecessary. CBMS already has a report to identify families that need to receive redetermination applications; the same report could be used to send out the reminders. The postcards could instruct families to disregard the reminder if they have already reapplied. If the Department chooses not to use the current report in CBMS it should expedite the development of a new function to allow ACS to begin sending reminders as soon as possible.

The Department should improve its oversight of the redetermination process by analyzing and monitoring program retention and encouraging eligible families to reapply. These efforts could include periodic surveys, focus group meetings with enrollees, or review of existing research to identify why some families do not reapply for the program or reapply late, and why they do not always use their redetermination applications. The Department could use the results of these mechanisms to address weaknesses in the redetermination process. The Department

should also clarify the redetermination application and begin sending reminders as soon as possible. Finally, the Department could consider methods used by other states' SCHIP programs, such as sending multiple reminders, contacting families by phone, asking providers to remind their patients, and issuing monthly newsletters that contain reapplication reminders.

(CFDA No. 93.767, State Children's Health Insurance Program, Eligibility. Classification of Finding: Control Deficiency.)

Recommendation No. 70:

The Department of Health Care Policy and Financing should improve the redetermination process and improve retention for the Children's Basic Health Plan (CBHP) program by:

a. Routinely calculating program retention rates and analyzing data on program retention.

b. Modifying the redetermination application to clarify the requirements for documentation and reporting of changes in circumstances. The Department should further assess the redetermination application for any additional changes to make it more user-friendly.

c. Beginning to send reminders to families regarding the submission of their redetermination applications as soon as possible.

d. Considering the use of periodic surveys, focus groups, or review of existing research to identify barriers to reapplication, as well as other methods to remind families to reapply, such as those used by other SCHIP programs.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: July 2008.

CBHP will develop a process to use data to evaluate retention. CBHP is currently researching other State's Children's Health Insurance Programs' retention rates to help determine the most appropriate retention oversight for Colorado. Efforts to develop a process will begin July 2008.

b. Agree. Implementation date: May 2009.

The Department will work with the Department of Human Services to modify the CBMS generated client notice regarding redetermination requirements for documentation and reporting of changes in circumstances.

c. Agree. Implementation date: May 2009.

The Department is working with the Department of Human Services to automatically generate a notice to clients (households) when information in CBMS shows that a redetermination application packet has been generated but not returned. The notice will specifically state that the client will lose benefits unless the packet is returned before the redetermination due date. Additionally, in September 2008 the CBHP health plans will begin to receive the renewal due date for members in the enrollment information that is sent to them daily. The health plans will assist the Department in supporting members to complete and return the renewal packets.

d. Agree. Implementation date: October 2009.

The Department's marketing and outreach contractor, Maximus, Inc., has conducted focus groups to evaluate outreach and marketing efforts and barriers to applying and re-applying. With adequate funding, additional focus groups and/or surveys may be developed and analyzed.

Disenrollment Procedures

According to federal and state law, children are eligible for the CBHP program until they reach 19 years of age and pregnant women are eligible until 60 days after the end of the month in which they give birth. ACS is responsible for disenrolling all CBHP participants once they are no longer eligible for the program; CBMS is not programmed to automatically disenroll children once they reach 19 years of age or pregnant women at the end of their 60-day post-partum period. For both women and children, Affiliated Computer Services (ACS) staff must manually enter certain data into CBMS to disenroll individuals who are no longer eligible. To disenroll a woman from the CBHP prenatal program, ACS must enter the date on which she gave birth (typically provided by the woman or the provider) into CBMS. CBMS then schedules the disenrollment to occur 60 days following the end of the month in which she gave birth. To disenroll children who have reached the age of 19, ACS

uses a monthly report from CBMS that lists all CBHP enrollees whose 19th birthdays occur in that month and manually disenrolls each one.

We reviewed procedures for disenrollment and found that many women are not being disenrolled when their 60-day post-partum period has ended and some children are not being disenrolled when they turn 19. As a result, the Department makes payments for enrollees who are not eligible for CBHP. We estimate that, during the 22-month period covering January 1, 2006 through October 31, 2007, the Department made payments totaling at least $109,400 for enrollees after their eligibility for CBHP had expired. This amount is a questioned cost. The problems we found with disenrollments are described below.

Late Disenrollments from the Prenatal Program. We found significant problems with women not being disenrolled from the CBHP prenatal program on time. We reviewed a CBMS report of all women who remained enrolled in CBHP more than 60 days post-partum over the 22-month period between January 1, 2006 and October 31, 2007 and found that 831 pregnant women were not disenrolled on time. Over the same period, an average of about 1,300 pregnant women were enrolled in the CBHP prenatal program each month. We found these 831 women remained enrolled for between 1 and 24 months, or an average of more than 4 months, after their eligibility had ended. We estimate the Department made payments totaling about $104,300 for these 831 women after they should have been disenrolled from CBHP. Although our review indicates that a significant number of women were not disenrolled on time, the report does not capture all of the women for whom payments may have been made after their eligibility had ended. We found the Medicaid Management Information System (MMIS) may make payments for participants even after they are disenrolled in CBMS because the interface between CBMS and MMIS does not always communicate disenrollments to MMIS.

Late Disenrollments for Children. To determine whether children were being disenrolled from CBHP upon reaching 19 years of age, we requested data from MMIS on enrollees aged 19 and older who were in the program at some point between January 1 and July 31, 2007. Since children are only eligible for CBHP until they reach the age of 19, there should not be any enrollees who are 19 or over, except women in the prenatal program. We only included enrollees in the State Managed Care Network (Network) because MMIS has an edit that prevents payments for enrollees aged 19 and older who are in an Health Maintenance Organization (HMO). MMIS does not have the same edit for enrollees in the Network, which serves all women enrolled in the prenatal program, because such an edit would prevent payments for all eligible pregnant women aged 19 or older. The MMIS data listed 54 enrollees who were not pregnant women but were 19 years of age or older at some point during the six-month period we reviewed. During this same six-month period, there was an average of about 54,340 children enrolled in CBHP each month. We found the 19-year olds were enrolled for between 1 and 10

months, or an average of almost 3 months, after their eligibility had ended. We estimate the Department made payments totaling about $5,100 for these 54 individuals after they should have been disenrolled.

The Department should review the 885 cases discussed above (the 831 pregnant women and the 54 children) and ensure that all of these ineligible enrollees have been properly disenrolled. The Department should also identify and recover any Inappropriate payments for these ineligible individuals.

The Department does not have performance standards in its contract with ACS requiring timely or accurate disenrollment of individuals who are no longer eligible for CBHP. In addition, we found that the disenrollment reports ACS provides to the Department each month in accordance with contract requirements contain significant errors. These monthly reports show: (1) the number of new disenrollments due for processing (e.g., for children, the number turning 19 years of age), (2) the number of disenrollments actually processed, and (3) the number of disenrollments outstanding at the end of the month (i.e., not yet disenrolled). We reviewed a sample of the monthly reports from July 2006 through March 2007 and found substantial errors in eight of the nine reports. In general, the numbers of disenrollments due for processing, the numbers processed, and the numbers outstanding did not track from month to month. As a result, the reports are useless for monitoring the accuracy and timeliness of disenrollments. Neither the Department nor ACS could explain the errors. Furthermore, because the Department does not review the reports or conduct any other oversight of the disenrollment process, it was unaware that many pregnant women and some 19-year-olds were not being disenrolled from CBHP on time.

The Department should work with ACS to develop accurate monthly reporting on disenrollments. The Department should then review these monthly reports for reasonableness and accuracy and require ACS to explain in each month's report any outstanding disenrollments. Further, the Department should periodically run and review CBMS reports that list all post-partum women and 19 year olds who have not been disenrolled as a control to ensure that disenrollment processes are operating as intended.

In August 2007, we notified the Department of the disenrollment problems we found. Since our notification the Department reported that it:

- Directed ACS to begin using different information in the existing CBMS report on all children who are 19 years of age or older each month, when disenrolling children. This will help ensure that if ACS failed to disenroll a child during the month of his or her 19th birthday, ACS can identify those children and disenroll them in a subsequent month. This change was made in September 2007.

- Plans to further modify CBMS to automatically disenroll children and pregnant women once their eligibility has expired. These automatic changes will replace the manual disenrollment process for which ACS is currently responsible and are scheduled to begin in May 2008.

- Plans to modify CBMS and MMIS to move information on the enrollment period of each enrollee from CBMS to MMIS. This will enable MMIS to manage the CBHP enrollment periods for CBHP as it does currently for Medicaid. The Department has not determined when this change will occur.

Given the significant error rate identified by our audit and the high cost of serving individuals in CBHP when they are not longer eligible, we encourage the Department to expedite the planned CBMS and MMIS changes. These improvements are particularly important for pregnant women, since we found that the Department's manual disenrollment method did not consistently disenroll the women in a timely manner. Until these changes are in place, there is an ongoing risk that the Department is paying for ineligible enrollees and may be subject to repayments to the federal government.

(CFDA No. 93.767; State Children's Health Insurance Program; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Significant Deficiency.)

Recommendation No. 71:

The Department of Health Care Policy and Financing should ensure ineligible women and children are properly and timely disenrolled from CBHP. Specifically, the Department should:

a. Review the 885 individuals identified during our audit who were not disenrolled on time, ensure any ineligible individuals identified through the review have been properly disenrolled, and review and recover payments made for the ineligible individuals.

b. Strengthen efforts to ensure that, until the planned changes to CBMS and MMIS are fully implemented and working properly, participants are disenrolled from CBHP as soon as their eligibility ends. This should include modifying the contract with ACS to include performance standards for timely and accurate disenrollments, monitoring and enforcing ACS' compliance with the performance standards, identifying and actively monitoring individuals due for disenrollment, and working with ACS to improve the accuracy of disenrollment reports.

c. Prioritize changes to MMIS and CBMS to ensure disenrollments occur timely and accurately in the future.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: June 2008.

The Department has already begun review of the 885 clients identified in the audit. It is anticipated that it will be completed by June 2008. The Department continues to review recovery of any improper claims paid.

b. Agree. Implementation date: September 2008.

The new CBHP eligibility and enrollment contract effective September 1, 2008 will include performance measures for the timely and accurate disenrollment of ineligible members. The contract manager will monitor performance carefully.

c. Agree. Implementation date: May 2008.

Currently a CBMS generated alert informs the CBMS technician to run eligibility review results, and authorize the resulting termination from the appropriate CBHP program for these clients. CBMS Change Request 1890 is scheduled to be implemented by May 2008. The implementation of this change request provides functionality that if the alert has not been resolved in ten days after the alert date, the system will automatically run the eligibility determination calculation for these clients and authorize the termination from the appropriate CBHP program. No changes are required to the Medicaid Management Information System (MMIS) for this recommendation.

Requirements of the Deficit Reduction Act

The federal Deficit Reduction Act of 2005 (Act) requires individuals to provide citizenship and identity documents when applying for certain public or medical assistance programs. Examples of required documents include an original birth certificate and a copy of a driver's license with photo issued by a U.S. state or territory. Under the Act, these documentation requirements apply to Medicaid applicants but not to State Children's Health Insurance Program (SCHIP) applicants. However, the Act can indirectly affect SCHIP programs. For example, when the

Department implemented the Act for the Medicaid program in July 2006, it began enrolling Medicaid-eligible applicants into CBHP if they did not provide the required documents within the Department's deadlines.

The Centers for Medicare and Medicaid Services (CMS) issued an interim rule to implement the Act effective July 6, 2006 and a final rule on July 13, 2007. The final rule clarifies how the Act affects separate SCHIP programs such as Colorado's, stating:

> A Medicaid application is not complete without the submission of all documentation, including documentary evidence of citizenship and identity… ***it is not permissible under federal regulations to enroll a potentially Medicaid eligible child into a separate SCHIP program pending submission of citizenship and identity documents necessary to complete the Medicaid application process.*** [Emphasis added].

CMS conducted a review of the CBHP program in July 2007 and found that "Colorado's current practice of enrolling Medicaid eligible children into SCHIP while awaiting Deficit Reduction Act documentation violates Medicaid screen and enroll requirements" and requested a corrective action plan. To correct the violation, the Department made a temporary change to its procedures, effective January 1, 2008, as well as a permanent change effective April 1, 2008. Under the temporary change, the Department extended the deadline for Medicaid applicants to provide identity and citizenship documents but still enrolled applicants into CBHP if they did not provide the documents by the deadline. The permanent change was to entirely discontinue the practice of enrolling any Medicaid-eligible individual into the CBHP program in cases where the applicant does not provide the citizenship and identity documentation required for Medicaid.

It appears that the Department's permanent changes, effective April 2008, may comply with CMS' final rule. However, we question whether the Department's procedures from July 2007 through March 2008 (the period between the final rule becoming effective and the Department implementing its permanent corrective action) were compliant because the Department continued to enroll Medicaid-eligible individuals into CBHP if they did not provide the citizenship and identity documents required for Medicaid. Therefore, all claims and capitated payments paid on behalf of Medicaid-eligible individuals enrolled into CBHP while the temporary procedure was in place, from July 2007 through March 2008, are potentially questioned costs.

To determine the effect of the Department's procedures for implementing the Deficit Reduction Act on the CBHP program after the final rule went into effect in July 2007, we analyzed data from Affiliated Computer Services (ACS) on the

approximately 17,200 joint Medicaid/CBHP applications it processed for the seven-month period covering July 1, 2007, through January 31, 2008. According to the information ACS provided, about 1,500 met all the Medicaid eligibility criteria but were enrolled into CBHP because they did not provide required documents within the Department's deadline. On average, ACS processes about 16 percent of all joint applications submitted in Colorado each year, so these figures do not represent the total number of Medicaid-eligible individuals potentially enrolled in CBHP. Because the other eligibility sites, such as the counties, do not keep records on the numbers of Medicaid-eligible individuals enrolled into CBHP due to lack of citizenship and identity documentation, we were not able to determine the impact of the Department's temporary procedures on CBHP enrollment statewide for the period reviewed.

In its October 2007 corrective action plan to CMS, the Department stated that it had "no documentation that any claims [for federal reimbursement] have been made incorrectly." As of March 2008, CMS had not notified the Department whether the corrective action plan was acceptable. According to the Department, the lack of response from CMS indicates acceptance of the plan. The Department should continue to work with CMS to ensure the corrective action plan and the procedures that went into effect in April 2008 are acceptable.

(CFDA No. 93.767, State Children's Health Insurance Program, Eligibility. Classification of Finding: Not classified - not an internal control issue.)

Recommendation No. 72:

The Department of Health Care Policy and Financing should ensure its procedures for approving applicants for CBHP are consistent with federal regulations by continuing to work with the Centers for Medicare and Medicaid Services (CMS) to ensure the corrective action plan, including both the temporary and permanent procedures for implementing the Deficit Reduction Act as it affects CBHP, is acceptable.

Department of Health Care Policy and Financing Response:

Agree. Implementation date: Ongoing.

The Department will continue to work with the Centers for Medicare and Medicaid Services to ensure the corrective action plan is acceptable.

During Fiscal Year 2008 the Office of the State Auditor conducted the *Children's Basic Health Plan – Oversight of the State Managed Care network Performance Audit*, Report No. 1908, dated October 2008. The information and comments below were contained in that report.

Management of Network Payments

At the time of our audit the Department contracted with Anthem, Blue Cross and Blue Shield (Anthem) as its Administrative Services Organization (ASO). According to its contract with the Department, Anthem's responsibilities with respect to the State Managed Care Network (Network) included: (1) administering all inpatient, outpatient, and pharmaceutical payment activities for providers; and (2) establishing policies and procedures for all claims determinations, timely filing guidelines, claims reviews, and appeals. The Department included performance standards in the contract related to claims processing and provisions that allowed liquidated damages to be assessed against Anthem for noncompliance with the standards.

We assessed the accuracy and timeliness of payments made by Anthem for claims submitted by CBHP providers as well as the Department's procedures for overseeing Anthem. We identified deficiencies with Anthem's system for processing CBHP claims and the Department's oversight and enforcement of Anthem's compliance with contract requirements. We also found that the Department has not always ensured that it has adequate evidence to support payments to health plans. We contracted with Mercer Health and Benefits, LLC, to assist us with our audit.

Claims Processing Accuracy

We assessed the Department's oversight of Anthem's claims processing to determine whether Anthem accurately processed and paid claims in accordance with contractual provisions and CBHP policies. Overall, we found errors in Anthem's claims processing that resulted in questioned costs totaling $234,000. We also noted improvements that the Department should make in its oversight of the ASO contractor's claims processing activities, as described in the following sections.

We judgmentally selected for review a sample of 52 CBHP claims representing about $852,400 from a total of 218,800 CBHP claims representing about $34.7 million paid to providers between April 2006 and March 2007. The sample was selected to include a variety of claims that (1) were approved and denied for payment; (2) represented a range of claim types (e.g., primary care provider, specialist, mental health, hospital, and emergency); and (3) covered a broad spectrum of dollar amounts (ranging from $13 to $562,000). We found errors in 27 of the 52 claims we reviewed (52 percent). Of these, 24 claims (46 percent) contained claims transaction errors, resulting in about $54,800 in overpayments to providers and $20

in underpayments. The overpayments are questioned costs and represent about 6 percent of the total dollars paid in our sample. The table below shows the claims error rates for our sample.

Children's Basic Health Plan
Department of Health Care Policy and Financing
CBHP Claims Paid by Anthem for the State Managed Care Network

Results from Review of 52 Claims Paid Between April 2006 and March 2007

Payment Errors[1]	Claims with Errors	Error Rate
Claims Transaction Errors[2]	24	46.2%
Financial Errors	$54,800	6.4%
Procedural Errors[2,3]	4	7.7%

Source: Mercer's review of a sample of 52 CBHP claims paid by Anthem between April 2006 and March 2007.

[1] Two types of payment error rates are shown. The claims transaction error rate is the total number of claims with payment errors (24) divided by the total number of claims in the sample (52). The financial error rate is the total dollar amount of payment errors ($54,800) divided by the total dollars paid for the claims in the sample ($852,400).

[2] Three claims in our sample had multiple payment errors. These three claims and their associated payments have only been counted once to calculate the claims transaction and financial error rates. One claim in our sample had both a payment error and a procedural error. This claim was counted once within the payment errors and once within the procedural errors.

[3] The procedural errors identified did not result in payment errors. However, Anthem's failure to follow policies and procedures for processing these claims increased the risk that payment errors could have occurred.

We conducted further testing on a judgmental sample of 10 claims that were submitted late by providers and identified errors in 8 claims with an additional $19,900 in questioned costs. We also analyzed data on 28,200 claims paid to non-participating providers which identified further questioned costs of $159,300. Therefore, a total of about $234,000 in questioned costs was identified related to testing the accuracy of claims payments. We describe the payment and procedural errors we found in our sample of 52 claims and our additional testing in the following sections.

Payment Errors

We identified payment errors in two ways, which are described below.

Payment Errors from Sample Review. The claims payment errors we found fall into several categories, as described below. In total, we identified 27 payment errors on 24 of the claims in our sample of 52, with 3 claims having multiple payment

errors. In addition, one of the 24 claims had both a payment error and a procedural error. The payments for the claims that had multiple errors have only been counted once as questioned costs.

- **Authorization Errors**: We identified seven claims with authorization errors resulting in $47,890 in questioned costs. For four of these claims, we found no evidence that the services had been prior authorized in accordance with requirements of the CBHP program. For the other three claims, more services were provided than authorized or allowed. These claims were for outpatient mental health services, which, at the time of the audit, were limited to 20 visits in a calendar year for CBHP enrollees. These three errors occurred either because Anthem had not established accumulators in its new claims processing system or because the accumulators in place were not working properly. Automated claims systems generally use accumulators to keep track of benefit maximums, copayments, authorizations, and other elements that must be tracked at the enrollee level.

- **Eligibility Errors.** We identified five claims for services provided to individuals not enrolled in CBHP on the dates the services were delivered, or paid for under another member's identification number, resulting in $3,410 in questioned costs. Four of the claims were paid for enrollees who were no longer eligible for the program (e.g., children who had reached 19 years of age or pregnant women who were at least 60 days postpartum) but had not been disenrolled. Anthem was not properly using the daily and monthly electronic enrollment files provided by the Department to remove enrollees from its records when individuals were no longer eligible. The remaining claim was submitted for an enrolled infant using the mother's member number. Although the infant was enrolled, paying any claim using another member's identification number is an inaccurate payment and creates a risk of duplicate payments.

- **Fee Schedule and Rates Errors.** We identified six claims for which the payments were not consistent with the fee schedules or types of rates (i.e., capitated or fee-for-service) established for the providers. In total, Anthem overpaid providers about $2,050 in questioned costs for these claims. For four of the claims, Anthem had not paid the correct fee from the fee-for-service schedule established for Network providers. For the other two claims, Anthem had paid both capitated and fee-for-service rates to providers who should have received only capitated payments for the period of these claims. These errors occurred because Anthem did not transfer historical capitated provider contract information to the new automated claims system when the new system was implemented in November 2006.

- **Program Benefit Errors.** We identified three claims with errors related to allowable CBHP benefits. Anthem overpaid two providers a combined total of about $330 in questioned costs and underpaid one provider $20. For one of these claims, Anthem paid for abortion services when the services were not allowable. Federal regulations [42 CFR 457.475] prohibit the use of federal funds for abortion services unless an abortion is necessary to save the life of the mother or is performed to terminate a pregnancy resulting from an act of rape or incest. We found no documentation of review by clinical staff to support the need for abortion services to save the life of the mother or to terminate a pregnancy resulting from rape or incest. In addition, the Colorado Constitution generally prohibits the use of public funds for abortions unless specifically authorized in statute. Statutes do not authorize the use of CBHP monies to pay for abortions. For the second claim, Anthem paid more than the annual maximum allowed for eyeglasses or contacts. For the third claim, Anthem underpaid a provider $20 because a copayment was charged to the enrollee in error. Due to the enrollee's income level, the provider should not have charged her the $20 copayment.

- **Timely Filing Errors.** We found six claims that were not submitted by providers within required time frames, resulting in $1,150 in questioned costs. The CBHP *Provider Policy and Procedure Manual* states that claims submitted after the established deadlines of 120 days from the date of discharge for hospital claims and 180 days from the date of service for all other claims will be denied unless the provider can show proof of timely filing. The late claims we found were filed between seven months and almost three years after the date of discharge or service. To further analyze whether Anthem was paying claims that were submitted late, we judgmentally selected an additional sample of 10 claims totaling about $20,300 from claims paid by Anthem between April 2006 and March 2007. We selected our sample from a subset of the claims that had service dates between 3 and 15 months prior to the payment dates. We found that eight of the claims, totaling $19,900, were submitted by providers between one and three years after the date of discharge or service. These claims should have been denied by Anthem and are questioned costs. At the end of our audit, the Department investigated the eight claims that providers had submitted after the deadlines and reported that it could not explain why the claims had been paid. Specifically, the Department agreed that two of the claims were submitted late, four of the claims were for individuals who were not CBHP-eligible, and for the remaining two claims, the Department did not have sufficient information to determine why the claims were paid.

Payment Errors from Analysis of Non-Participating Provider Claims. We also tested claims paid to non-participating providers (providers that do not have contracts with the Department to serve CBHP enrollees) and found that Anthem had

made errors in paying such claims. Anthem's policies, which were approved by the Department, required Anthem to negotiate claims submitted by non-participating providers, except for ambulance services. Negotiating claims to reduce payments below 100 percent of billed charges is intended as a cost-control mechanism and is a common practice in the health care industry.

We obtained data from Anthem on the 28,200 CBHP claims totaling almost $3.9 million paid to non-participating providers in Fiscal Year 2007 and found that 1,485 of the claims (about 5 percent) totaling about $430,700 (about 11 percent of the claims payments) were paid for non-ambulance services at 100 percent of billed charges. We provided our analysis to Anthem for review and Anthem reported that it had confirmed that 867 of the 1,485 claims (58 percent) totaling about $265,500 were incorrectly paid at 100 percent of billed charges. According to Anthem, if the claims had been paid based on the CBHP fee schedule, the claims payments would have totaled $106,200, or about $159,300 less than the actual amounts paid. Anthem reported that it was working to correct these errors. The $159,300 in payments that exceeded the fee schedule amounts are questioned costs, and the Department should seek recovery of these payments.

According to Anthem, the remaining 618 claims totaling about $165,130 were paid correctly for one of the following reasons: (1) the billed charges were lower than the CBHP fee schedule, so payment at 100 percent was allowable, (2) the claim was originally paid at 100 percent of billed charges in error and was subsequently adjusted (after the date on which we conducted our analysis), or (3) Anthem attempted to negotiate a payment lower than the billed charges but the provider was unwilling to accept a reduced payment.

Procedural Errors

Procedural errors are those where payments made by Anthem were allowed, but Anthem's failure to follow its policies and procedures increased the risk that claims could have been improperly paid. Procedural errors are important because they highlight weaknesses in internal controls that should be addressed. We identified procedural errors for four claims totaling $46,260 in our sample of 52, as follows:

- For three claims totaling $9,760, Anthem's claims system did not contain complete enrollment data for the enrollees because Anthem did not load historical enrollment data in its new claims system. According to data from the Medicaid Management Information System (MMIS), these three enrollees were eligible and enrolled in the program on the date of service. However, because the claims were paid absent the necessary information to confirm the enrollee's eligibility, there was a risk that payments could have been made for individuals not enrolled in the program at the time services were provided.

- For one claim for $36,500, there was no evidence of subrogation efforts by Anthem for a medical service provided to a child with a gunshot wound. Subrogation is a process used to recover the amount of a claim paid for services associated with injuries or death caused by a third party. The contract requires Anthem to assume responsibility and administration for . . . subrogation claims. In this case, Anthem should have pursued subrogation efforts with the individual who caused the gunshot wound.

Department Oversight

The large number and proportion of CBHP payment errors we identified in our sample relating to a variety of claims payment types is a significant concern. CBHP is a publicly-funded program involving an investment of over $100 million annually to improve the health of low-income children. In Fiscal Year 2008, the Department paid Anthem about $8.1 million to administer the Network and about $44.9 million to cover health care claims for CBHP enrollees. The combined total of about $53 million represented about 47 percent of the total amount the Department disbursed to health plans to provide health care coverage to CBHP enrollees. More oversight of the Network by the Department is needed to ensure the integrity and accuracy of the claims processing system. We identified three steps the Department should take to determine the extent of claims payment errors made by Anthem in the past and strengthen its ASO contract and enforcement of contract provisions going forward, as discussed below.

Identify and Recover Claims Payment Errors. The Department should work with Anthem to review and determine the extent of payment errors for all CBHP claims paid in Fiscal Years 2006 and 2007 and the causes of the errors. Specifically, this review should include identifying incorrect claims payments for:

- Individuals not eligible for the CBHP program at the time services were delivered, including children after they turned 19 years old and women in the prenatal program more than 60 days after they gave birth.
- Services not authorized prior to service delivery.
- Services that exceeded the number authorized and allowed.
- Services for which the fees paid did not match the Department's fee schedule for the CBHP program.
- Services that were covered by a capitation arrangement but paid as fee for service.
- Services not covered by the CBHP program.
- Late claims submissions.
- Non-participating provider claims paid at 100 percent of billed charges.

Using the results of our audit and this recommended review, the Department should seek recovery of any improperly paid claims and work with the federal Centers for Medicare and Medicaid Services to identify any federal funds that should be repaid to the federal government.

Perform Regular Claims Reviews. The Department has not historically conducted routine, on-site claims reviews to ensure the ASO is processing claims in an accurate and timely manner. The Department has established other mechanisms intended to help identify claims processing errors by the ASO. However, the mechanisms need to be strengthened to provide adequate oversight of the ASO, as described below.

First, the Department's contracts with Anthem and the new ASO require the ASOs to have quality assurance review processes for CBHP claims. We identified weaknesses in Anthem's quality assurance process.

Second, in July 2007 the Department began requiring a contractor independent from the ASO to generate monthly "anomaly reports" that identify claims payments that may be erroneous. For example, the independent contractor identifies payments for individuals who do not have eligibility information in the ASO's system (i.e., may not be eligible and enrolled in CBHP), duplicate payments, and payments in excess of the CBHP fee schedule. The Department's new ASO contract requires the ASO to analyze and respond to reports which indicate claims payment or other data anomalies and provide feedback . . . and any corrective actions if needed, within 30 days, upon request by the Department. Although these types of reports can be a useful tool, they are not currently extensive enough to identify all of the different types of claims errors we found, such as payments for: (1) enrollees who should have been disenrolled, (2) more services than are authorized, (3) unallowed services, or (4) claims submitted late by providers. Furthermore, the Department's contract with the independent contractor does not contain specific direction on the anomaly reports, such as how often they must be run or what program criteria will be tested. Finally, this process does not provide for an independent verification (i.e., by the Department or other entity independent of the ASO) of the claims errors identified or the corrective actions that need to be taken

Third, in 2007, the Department contracted with a private health care actuarial consulting firm to perform a limited-scope review to determine the accuracy of claims paid by Anthem from July 2005 through February 2007. The actuarial firm reviewed about 176,000 claim lines totaling more than $27.8 million for services provided to CBHP enrollees in the Network. The firm identified potential errors for about 6,190 claim lines totaling about $950,000 due to payments for non-covered services, services not deemed medically necessary, and claims from non-participating providers at 100 percent of billed charges. The Department required Anthem to review all the potential errors and prepare and submit a plan to resolve the problems identified in the review. Additionally, the Department reduced

payments made to Anthem by about $305,000 based on the results of the contractor's work.

The 2007 review is a good start on improving the Department's oversight of the ASO. However, the Department should ensure that future claims reviews are sufficiently thorough to provide assurance that the ASO is processing claims in an accurate and timely fashion. The 2007 review by the actuarial contractor was not complete enough to provide an accurate assessment of Anthem's claims processing. For example, the Department did not verify the number of potential errors that were, in fact, incorrect payments, nor did it require the actuarial contractor to do so. In addition, the Department did not require the review to include all types of CBHP claims (e.g., pharmacy claims and denied claims were excluded). According to the Department, it limited the scope of the claims review due to budgetary constraints. The contractor also noted in its report that it found inaccuracies in the eligibility and enrollment data maintained by both the Department and Anthem.

The Department has extended the contract for the actuarial firm to conduct a claims review of CBHP claims processed by the new ASO in Fiscal Year 2009. However, the contract does not provide any specific direction on the number or dollar amount of claims to be reviewed, whether all claim types will be included, or how the results of the review will be used. In addition, it is not clear that the Department intends to continue such reviews in the future. The contract for the 2009 review states that the claims reviews are intended to "assist the Department in ensuring a successful transition in our Administrative Services Organization (ASO) vendor," which indicates that the reviews may not continue once the new ASO is well-established.

The Department has a fundamental responsibility to ensure that claims are paid properly. Although the efforts discussed above represent a good basis for overseeing the ASO, the Department should expand its methods to evaluate the adequacy of the ASO's claims procedures. Specifically, the Department should conduct annual on-site reviews of the ASO contractor's claims processing activities for CBHP to assess the accuracy and allowability of the claims payments made by the contractor. On site reviews could be targeted to address claims errors identified by the ASO's own quality assurance reviews and/or the anomaly reporting process. Conducting independent, on-site reviews of claims processing would allow the Department to verify the extent of claims processing problems, the underlying causes of the problems, and the adequacy of corrective actions taken to address the problems.

One way for the Department to offset a portion of the costs associated with annual on-site claims reviews is to share the costs with the ASO contractor. The contracts with Anthem and with the new ASO include a provision that allows the Department to perform a year-end audit of any of the performance measures reported by the contractor. The contracts stipulate that the Department may conduct the audit itself or use an outside firm and that up to $20,000 of the cost of the audit will be paid by

the ASO contractor. The Department did not charge Anthem for any of the costs for the 2007 claims review.

Modify and Enforce the Contract. The Department should add provisions to the current ASO contract to specifically allow liquidated damages to be assessed for: (1) incorrectly paying claims that should have been denied due to untimely filing, and (2) failing to undertake negotiations to reduce payments on claims submitted by non-participating providers. Although both the previous contract with Anthem and the current ASO contract stipulate that the Department may assess liquidated damages for claims transactions and financial errors, the contracts do not specify that payments for claims submitted late or paid to non-participating providers without attempted negotiations are considered to be erroneous payments. Once the provisions have been clarified, the Department should enforce the contract and assess liquidated damages whenever the contractor does not meet established standards.

In Fiscal Year 2008, about 40 percent of the average daily enrollment in CBHP was in the Network and about 47 percent of the total amount the Department disbursed to provide health care coverage for CBHP enrollees was for Network enrollees. Given the significant proportion of the CBHP program that is represented by the Network, it is critical for the Department to be accountable for how Network claims are administered by the ASO. The Department should strengthen its oversight of the ASO contractor to ensure that claims payments are accurate and consistent with program requirements.

(CFDA No. 93.767; State Children's Health Insurance Program; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

Recommendation No. 73:

The Department of Health Care Policy and Financing should improve the accuracy of claims payments for the State Managed Care Network by:

a. Continuing to work with Anthem to assess the extent of payment errors, such as those identified in this audit and in the external contractor's review, in CBHP claims paid in Fiscal Years 2006 and 2007.

b. Using this audit and the review recommended in part a to determine the total dollar amount of claims paid in error and seeking recovery of such payments.

c. Implementing an on-site review process going forward to assess the Administrative Services Organization (ASO) contractor's: (1) controls to pay

and deny claims in accordance with all applicable requirements, and (2) accuracy and timeliness in processing CBHP claims. The review should occur at least annually. If the Department continues to contract for claims reviews, it should ensure that the contracts provide adequate direction on the scope and purpose of the reviews.

d. Establishing a process to follow up with the ASO contractor on any problems identified from the on-site claims review process to ensure corrective action is taken.

e. Amending the ASO contract to include a liquidated damages provision for paying claims filed by providers after the established deadlines and paying claims without having negotiated with non-participating providers.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation date: Ongoing.

The Department will continue to work with Anthem to assess claims payment errors paid in Fiscal Years 2006 and 2007.

b. Agree. Implementation date: January 2009.

The Department has worked with Anthem to recover payments found to be made incorrectly in the limited scope claims audit. The Department will use findings from this audit and other reviews to determine a total dollar amount of claims paid by Anthem in error and will explore options for recovery.

c. Agree. Implementation date: July 2010.

With the new ASO contract effective July 2008 the Department put into place a comprehensive review process to assess the ASO's compliance with claims processing requirements. This review process is performed by a third party vendor and is not conducted on-site; the review is conducted using claims data from the ASO vendor. The Department will ensure that the contractual language with the third-party vendor currently conducting claims reviews will provide adequate direction on the scope and purpose of the reviews. This revision would be made July 2009 when the next contract amendment is executed with the vendor. The Department will need additional resources to conduct an on-site claims review and would likely also use a third-party vendor for this process.

The Department will request additional resources through the standard budgeting process. Should the Department receive additional resources in order to conduct an on-site claims review, the work will begin in July 2010.

d. Agree. Implementation date: Implemented and ongoing.

Any concerns noted through an on-site review will be followed up on by the Department to ensure that corrective action is taken. The Department will also continue with its current process in place to follow up with the ASO contractor on all problems identified from the claims review process and ensuring that corrective action is taken. This process is ongoing. The current process became effective March 2007 when the Department requested a limited scope claims audit of Anthem. Following the audit, in July 2007, the Department established a third party review of claims to be conducted on a monthly basis via A anomaly reports. These reports list claims with errors and the ASO vendor is required to research these claims, provide a response, and correct any identified errors. This process is in place with the new ASO vendor.

e. Agree. Implementation date: January 2009.

The Department will amend the current ASO contract to include a liquidated damages provision for paying claims filed by providers after the established deadlines and without having negotiated with non-participating providers.

Department of Health Care Policy and Financing

Prior Recommendations
Material Weakness or Significant Deficiency
Not Remediated by the Department
As of June 30, 2008

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department of Health Care Policy and Financing in previous years and have not yet been remediated as of June 30, 2008. These recommendations can be found in the original report and the Prior Recommendations Section of this Report, beginning on page 427.

Report and Rec. No.	Recommendation/ Classification	Implementation Date Provided by Department
2007 Single Audit Rec. No. 56	Certifications for Laboratory Providers *Material Weakness*	June 2009

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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 Student Loan Program dba College Assist, CollegeInvest, the State Historical Society, and the Division of Private Occupational Schools. Please refer to the introduction section in the Department of Higher Education chapter within the Financial Statement Findings section for additional background information.

Board of Governors of the Colorado State University System

Colorado State University - Pueblo

Colorado State University - Pueblo (CSU-P) was incorporated in 1935 as Southern Colorado Junior College. One year later, local citizens decided to support the institution with county taxes. They organized the Pueblo Junior College District and the school was renamed Pueblo Junior College. In 1951, Pueblo Junior College became the first accredited junior college in Colorado.

In 1963, Colorado's General Assembly enacted legislation changing Pueblo Junior College to a four-year institution - Southern Colorado State College - to be governed by the board of trustees of state colleges. By then, four new buildings had been erected on the new campus north of Pueblo's Belmont residential district. On July 1, 1975, the State Legislature granted the institution university status. Three years later, the Colorado State Board of Agriculture assumed governance of the University of Southern Colorado. In July 2003, the university was renamed to Colorado State University - Pueblo.

The following comment was prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2008 audit work at Colorado State University - Pueblo.

Student Financial Aid Cluster-Disbursements To or On Behalf of Students:

Code of Federal Regulations Title 34 Part 668 Section 15, Factors of Financial Responsibility outlines specific instances in which notices should be sent to the student or parent of the student with respect to disbursements of federal financial aid to or on behalf of students. Specifically, if the institution credits a student's account with Federal Perkins Loan (FPL) or Federal Family Educational Loan (FFEL) Program Funds, the institution must notify the student or parent of:

1. Date and amount of the disbursement;
2. Student's or parent's right to cancel all or a portion of the loan or loan disbursement and have the loan proceeds returned; and
3. Procedures and the time by which the student (or parent) must notify the school that he or she wishes to cancel the loan or disbursement.

According to staff, CSU-P's system automatically generates emails to the student for unsubsidized and subsidized loans or sends a letter to the parent for FFEL PLUS loans once the student's account has been credited. Of the 30 student financial aid files sampled, we found no indication in ten of the files (33 percent) that CSU-P had notified students or parents as required. CSU-P does not maintain hard copies of the notifications; rather, the system is to automatically record an electronic flag in the financial aid system to document that the notice was sent by CSU-P. This electronic flag was not present in these ten files.

(CFDA Nos. 84.032, 84.038; Federal Family Education Loans, Federal Perkins Loan Program; Special Tests and Provisions. Classification of Finding: Control Deficiency.)

Recommendation No. 74:

Colorado State University - Pueblo should implement procedures to ensure that there is documented proof that the notifications to students and parents regarding disbursement of federal financial aid required by federal regulations is maintained.

Colorado State University - Pueblo Response:

Agree. Implementation date: Implemented.

The University's automated system appears to have generated the required emails as programmed, but did not properly flag the student files. A check has been added to insure that the notices were sent and that the flags are set.

Trustees of the University of Northern Colorado

The Board of Trustees is the governing body of the University and is comprised of seven members appointed by the Governor, confirmed by the Senate, for four-year terms; one faculty member elected by the faculty and one student member elected by the student body.

The University seeks to provide all students with a broad general education as well as preparation for selected professions within the fields of business, education, health service, music and related areas; and pre-professions such as pre-law, pre-medicine and others. Historically, the principle emphasis has been preparing students for careers in education.

The following comment was prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2008 audit work at the University of Northern Colorado.

Return of Title IV Funds

The University of Northern Colorado (the University or UNC) is responsible for administering the Federal and State Student Financial Aid Program (the Program). The federal Program is awarded by the United States Department of Education and is authorized by Title IV of the Higher Education Act of 1965, as amended. During Fiscal Year 2008 the University disbursed a total of $53,975,466 federal Program funds to 6,450 University students.

When a student receiving Title IV grant or loan assistance withdraws from an institution during a payment period or period in which attendance began, the institution must ensure the correct payment has been made or recovered by the student's withdrawal date. For example, if the total amount of Title IV assistance earned by the student is less than the amount the University disbursed as of the date the student withdraws, the University must return the difference to the Title IV program and no additional disbursements are to be made to the student for the

payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference must be treated as a post-withdrawal disbursement (34 CFR sections 668.22(a)(1) through (a)(3)). The statute requires an institution to make this disbursement as soon as possible, but no later than 45 days after the date the institution determines that a student withdrew.

During our testing of the University's return of Title IV funds for Fiscal Year 2008, we noted that the University returned an incorrect amount of funds to one student. Specifically, we tested 30 students and found that the University returned $795.24, but should have returned $850.37 to the lender. That is, the University returned $55.13 less than it should have to the lender. This underpayment is considered a questioned cost and should be returned to the applicable lender.

The underpayment occurred because the University entered the incorrect term ending date into its system, resulting in an understatement in the number of days in the semester and a miscalculation of funding earned. Because students are required to repay the University for the amount of the funds returned, this miscalculation results in the improper amount being collected from the student and an additional amount being owed to the University by the student.

(CFDA No. 84.032, Federal Family Education Loans, Special Tests and Provisions. Classification of Finding: Control Deficiency.)

Recommendation No. 75:

The University of Northern Colorado should improve procedures to ensure that pertinent data affecting the calculation for the return of Title IV funds is input correctly and the amount to be returned to the lender is computed accurately.

University of Northern Colorado Response:

Agree. Implementation date: June 30, 2009.

The University will upgrade the software subscription used by the Office of Financial Aid to calculate the return of Title IV funds. This upgrade enables a onetime entry of the start and end dates for the semester. These dates remain in the calculator so reentry is not required. This will ensure the pertinent data effecting the calculation is correct so the amount returned is computed accurately.

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 41 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 2008 audit work at the University of Northern Colorado.

Procurement and Suspension and Debarment (Research and Development Grant Cluster)

The School does not currently perform suspension and debarment verification procedures required for covered transactions to determine that contracting entities are not suspended or debarred. The School entered into approximately 225 covered transactions during Fiscal Year 2008 totaling approximately $2.3 million.

Federal suspension and debarment rules, as outlined in OMB *Circular A-133* Compliance Supplement, require that non-federal entities are prohibited from contracting with or making subawards under covered transactions (procurement contracts for goods or services equal to or in excess of $25,000) to parties that are suspended or debarred or whose principals are suspended or debarred by the Federal government. Suspensions are temporary actions that may last up to one year and may be based on indictments, information or adequate evidence involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance, or false statements. Debarments result in the imposition of a set period of time on a case-by-case basis and may be based on convictions, civil judgments or fact-based cases involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance or false statements as well as other causes. Suspension and debarment actions protect the government from doing business with individuals/companies/recipients who pose a business risk to the government. When a non-federal entity enters into a covered transaction in excess of $25,000 with an entity, the non-federal entity must verify that the entity is not suspended or debarred

or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System maintained by the General Services Administration, collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity.

Failure to perform required suspension and debarment verification procedures might result in the School procuring goods or services from an entity that has been suspended or debarred, thereby exposing it to increased business risk and potential federal disallowances.

The School was not familiar with the federal requirements with respect to suspension and debarment verification procedures.

(See Appendix A, Colorado School of Mines, for listing of applicable CFDA Nos.; Research and Development Cluster; Procurement, Suspension, and Debarment. Classification of Finding: Material Weakness.)

Recommendation No. 76:

For covered transactions, the Colorado School of Mines should verify that entities are not suspended or debarred or otherwise excluded from contracting for work involving federal funds and documentation should be maintained to support such verification procedures.

Colorado School of Mines Response:

Agree. Implementation date: July 1, 2008.

The School does include certification clauses in its subaward and subcontracts; the subrecipients are required to certify that they are not on the debarred or suspended list prior to execution of a subaward or subcontract. In addition, the School has determined that none of the contractors in the list of covered transactions were on the debarred or suspended list. The School will add to its procedures the review of all covered transactions by the Purchasing Office.

Allowable Costs/Cost Principles-Cost Transfers [Research and Development Grant (R&D) Cluster]

We noted during our testing of cost transfers to federal R&D projects that two cost transfers out of 30 items tested lacked evidence of approval by the School's Office of Research Administration (ORA). Documenting approval by the ORA of cost transfers to Research and Development Grants is an important internal control to help ensure that such costs meet the federal requirement that funds be used only for activities that further the objectives of individual R&D projects. While the School has a policy in place to document approval by the ORA of cost transfers, it failed to do so on the two items noted as exceptions during our testing. The dollar amount of the two items totaled $1,079 and the dollar amount of the sample was $49,011.

Failure to approve cost transfers to a federal R&D project could result in costs being improperly charged to the project and in the disallowance of those costs by the granting agency or department. Documentation of such approvals is important to provide evidence that the approval control function is operating as designed.

(See Appendix A, Colorado School of Mines, for listing of applicable CFDA Nos.; Research and Development Cluster; Allowable Costs/Cost Principles. Classification of Finding: Control Deficiency.)

Recommendation No. 77:

The Colorado School of Mines should ensure that its existing policy for documenting approval of cost transfers to federal research and development projects be strictly adhered to prior to recording accounting entries for such cost transfers.

Colorado School of Mines Response:

Agree. Implementation date: January 1, 2009.

The School has added to its labor redistribution form identification as to whether the transaction involves a research grant or contract to provide better internal controls. If the transaction involves a research grant or contract the transaction requires approval of the Office of Research Administration.

Special Tests and Provisions-Student Status Changes

We noted during our testing of 30 students with Federal Family Education Loans (FFEL) under Student Financial Assistance Programs who either graduated, withdrew, dropped out, or enrolled but never attended during the year, that the National Student Loan Data System (NSLDS) did not contain the proper student status change for any of the eight students tested who graduated in May 2008 (spring graduation). Additionally, no information was included in the NSLDS for another student tested in our sample of 30 who had withdrawn during the year. While the School's policy is to report student status changes monthly, it failed to report student status changes during the summer months of 2008, thereby causing the reporting problems with the spring graduates. For the student who had withdrawn, the guarantor of the loan provided incorrect information on the student's name and date of birth, thus causing the lack of student information in the NSLDS.

Under the FFEL and Direct Loans programs, schools must complete and return within 30 days of receipt the Student Status Confirmation Reports (SSCR) sent by the Department of Education or a guaranty agency (OMB No. 1845-0035). The SSCR is transmitted electronically. The institution determines how often it receives the SSCR, but the minimum is twice a year. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site.

For the School to ensure that it is meeting the requirements to notify the NSLDS of changes in student status in a timely and accurate manner, it must have procedures in place to compare the data in the NSLDS Enrollment Timeline to the students' academic files, and report discrepancies in the Enrollment Timeline data on a timely basis.

If the School fails to meet student status change reporting requirements that determine the borrower's schedule for loan repayment, borrowers' repayment responsibilities might be reported incorrectly resulting in a lack of timely repayments by the borrowers.

(CFDA No. 84.032, Federal Family Education Loans, Special Tests and Provisions. Classification of Finding: Control Deficiency.)

Recommendation No. 78:

The Colorado School of Mines should ensure proper policies and procedures are in place to determine that data reported in the National Student Loan Data System Enrollment Timeline matches the students' academic files and if discrepancies are noted, that such discrepancies are reported timely.

Colorado School of Mines Response:

Agree. Implementation date: June 30, 2009.

The School will implement proper policies and procedures to ensure data reported in the NSLDS Enrollment Timeline is accurate and matches the students' academic file and any discrepancies are reported timely.

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, Title 23, Article 60 of the Colorado Revised Statutes. 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 postsecondary levels.
- The Board administers the state's program of appropriations to Local District Colleges (LDCs) and Area Vocational Schools (AVSs).

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 so as to represent certain economic, political, and geographical constituencies.

Colorado Community College System's (CCCS) operations and activities are funded primarily through tuition and fees, federal, state, and local grants, tuition revenue, the College Opportunity Fund stipends, and a fee for service contract. In addition,

the SBCCOE receives and distributes state appropriations for LDCs, AVSs, and school districts offering vocational programs.

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 2008 audit work at the Colorado Community College System.

Return of Title IV Funds

When a recipient of Title IV funds withdraws from an institution, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the amount earned by the student is less than the amount disbursed to the student as of the withdrawal date, the difference must be returned to the Title IV programs. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a postwithdrawal disbursement [34 CFR sections 668.229(a)(1)-(3)].

The amount of earned Title IV assistance is equal to the percentage of the payment period or period of enrollment that was completed as of the student's withdrawal date. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid disbursed to the student as of the student's withdrawal date [34 CFR Section 668.22(e)].

Returns of Title IV funds are required to be sent to the U.S. Department of Education (or to the appropriate Federal Family Education Loan (FFEL) lender) no later than 45 days from the student's withdrawal date [34 CFR section 668.173(b)].

For postwithdrawal disbursements, the institution must, within 30 days of the student's withdrawal date, send a written notification to the student that asks the student if the student wants the postwithdrawal disbursement credited to the student's account or to disburse funds to the borrower. The letter must also explain that it is up to the institution to decide if it will disburse the funds to the borrower and the borrower is responsible to repay any loan funds disbursed. [34 CFR Sections 668.22(a)(5) and 668.164(d)].

During testwork of 30 students who withdrew during the fiscal year, we noted the following:

- One instance out of 10 tested at Colorado Northwestern Community College in which the student notification letter was not sent within the required 30 days of withdrawal. It was sent nine months after withdrawal. The amount of the postwithdrawal disbursement was $235.

- Two instances out of 10 tested at Trinidad State Junior College (TSJC) in which the incorrect days in the term was used in the percentage earned calculation. TSJC used 107 instead of 109 days. As a result, the amount of excess Title IV funds returned was $25.

- One instance at TSJC in which the return of Title IV calculation was not available for testing and funds were not returned within the required time frame of 45 days.

(CFDA Nos. 84.032, 84.063; Federal Family Education Loans, Federal Pell Grant Program; Special Tests and Provisions. Classification of Finding: Significant Deficiency.)

Recommendation No. 79:

The Colorado Community College System should work with Colorado Northwestern Community College (CNCC) and Trinidad State Junior College (TSJC) to enhance procedures to comply with return of Title IV requirements by:

a. Ensuring all students who are subject to a postwithdrawal disbursement receive notification within the required time frame of 30 days.

b. Requiring reviews of return of Title IV calculations. These reviews should be performed by someone separate from the preparer and the review should ensure the proper enrollment period was used.

c. Establishing procedures to ensure that withdrawal dates of students are determined timely and the return is made no later than 45 days after the date of this determination.

Colorado Community College System Response:

CNCC: Agree. Implementation date: September 2008.

Beginning September 2008, the Financial Aid Advisor is dedicating one half day weekly to run reports that aid in identifying withdrawn students and to issue the letters on those days to the students identified. The Director of Student Services-Registrar will be reviewing the process.

TSJC: Agree. Implementation date: March 31, 2009.

TSJC is in the process of employing a new Financial Aid Director. The new Financial Aid Director will ensure reviews of return of Title IV calculations. These reviews will be performed by someone separate from the preparer and the reviews will ensure the proper enrollment period was used. The new Director will also establish procedures to ensure that withdrawal dates of students are determined timely and the return is made no later than 45 days after the date of this determination. This corrective action plan will be completed no later than March 31, 2009.

Student Financial Aid - Verification

Institutions are required to perform verification procedures, which are defined as the process of checking the accuracy of the information supplied by students when they apply for federal student aid. The Central Processing System (CPS) of the federal Department of Education (the Department) selects those students to be verified. Information required to be verified is specified in 34 CFR 668.56 and is as follows: (1) household size, (2) number in college, (3) adjusted gross income, (4) U.S. income taxes paid, and (5) certain untaxed income and benefits.

In the verification process, the school sends a verification worksheet to the student to answer the required questions and to send back to the school with the required tax returns. When a student completes the verification worksheet and attaches the appropriate tax forms, or alternative documents, the school will usually have enough data to complete the verification process. Acceptable documentation for the required verification items is listed in 34 CFR 668.57.

During our testwork at Community College of Denver, Colorado Northwestern Community College, and Trinidad State Junior College, although we noted no instances of noncompliance exceptions in the sample tested, we did note that only one person performs the verification process for each student. No monitoring procedures were performed by a separate individual to ensure the verification process was performed in compliance with federal regulations.

(CFDA Nos. 84.032, 84.063; Federal Family Education Loans, Federal Pell Grant Program; Special Tests and Provisions. Classification of Finding: Control Deficiency.)

Recommendation No. 80:

The Colorado Community College System should work with the Community College of Denver (CCD), Colorado Northwestern Community College (CNCC), and Trinidad State Junior College (TSJC) to implement monitoring procedures over the verification process. These procedures should include someone separate from the verification process selecting a sample of the verified data, reviewing the information for completeness and accuracy, and documenting this review within the file.

Colorado Community College System Response:

CCD: Agree. Implementation date: November 1, 2008.

Beginning November 1, 2008, all verifications will be processed in a central location by the document specialist. Next, from a list of all submitted verification packets, the Quality Control Advisor will randomly select students for a review process monthly. From the list, each advisor will be given the names of at least two students with verification packets on file monthly. The advisor must verify the student and submit the worksheet to the Quality Control Advisor. The Quality Control Advisor will compare the current ISIR and 1) the initial verification worksheet and 2) the advisor verification worksheet. The Quality Control Advisor will correct any discrepancies and document any changes for both the Document Specialist and the Advisor. All discrepancies will be reported to the Director. Copies of both worksheets will be kept on file for documentation purposes.

CNCC: Agree. Implementation date: October 2008.

Beginning in October, 2008, CNCC's financial aid technician will be performing the financial verification process utilizing a form called the Verification Working Paper to which a secondary review signature and date block has been added. The secondary review will be performed by the Director of Student Services on a monthly basis on two to three randomly selected Verification Working Papers, which will then be signed and dated in the new signature block by that position. In addition, 10 Verification Working Papers for the period from February 2008 to October 2008 will be randomly selected for the second review process by the Director of Student Services so there will be complete coverage for the entire Fiscal Year 2009.

TSJC: Agree. Implementation date: November 1, 2008.

In order to perform a secondary verification, TSJC will select a sample from the total verified students each month. The primary verification will be done by financial aid staff personnel. The secondary verification will be completed by the Director of Financial Aid. This will be implemented November 1, 2008.

Carl Perkins Vocational Education Program - Subrecipient Monitoring

CCCS administers the Carl Perkins Vocational Education Program (Perkins) throughout the state. In this role, 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 Perkins operations on behalf of the Board. CCCS incurred $20.2 million of federal vocational education expenditures during Fiscal Year 2008. Subrecipients include school districts and postsecondary institutions. In Fiscal Year 2008, CCCS had approximately 85 subrecipients under the Perkins program.

The Career and Technical Education department (the Department) within CCCS is responsible for subrecipient monitoring. As part of the Fiscal Year 2007 and 2006 audits, we reported findings and recommendations related to subrecipient monitoring of the Perkins program. Specifically, we reported that the Department's review of Perkins subrecipients lacked steps to ensure compliance with program requirements and to adequately review financial information and ensure that all subrecipient expenditures funded through Perkins are appropriate. We also reported that the Department did not meet its goals for conducting Perkins monitoring visits and staff did not adequately follow prescribed Perkins monitoring procedures.

During Fiscal Year 2008, the Department did not adequately implement the recommendations; therefore, it did not have adequate controls over subrecipient monitoring and was not in compliance with the requirements of OMB *Circular A-133*. Although the Department did prepare a site visit performance checklist and performed one on site visit during the year, it did not perform site visits at other subrecipients and did not appropriately review annual OMB *Circular A-133* subrecipient audit reports. As a result, the Department could not adequately assess if subrecipients were adhering to applicable guidelines and requirements.

OMB *Circular A-133* requires entities to monitor grant subrecipients to ensure compliance with federal laws and regulations. Specifically, the Department is responsible for:

1. Identifying to the subrecipient the federal award information (e.g., Catalog of Federal Domestic Assistance (CFDA) title and number, award name, name of federal agency) and applicable compliance requirements at the time of the award.

2. 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. In prior years, we recommended that these visits be performed on a risk-based approach to ensure the subrecipients with a higher risk of noncompliance are adequately being addressed.

3. 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, CCCS shall take appropriate action using sanctions.

4. Evaluating the impact of subrecipient activities on CCCS' ability to comply with applicable federal regulations.

Although the Department is informing subrecipients of federal award information and certain compliance requirements at the time the grant is awarded to the subrecipient, it is not properly 1) monitoring the use of the funds through site visits and other means, 2) reviewing annual OMB *Circular A-133* subrecipient audit reports, and 3) determining the impact of subrecipient activities on CCCS' ability to comply with federal requirements.

As noted above, the Department did not adequately address the same findings issued in Fiscal Years 2006 and 2007.

(CFDA No. 84.048, Vocational Education: Basic Grants to States, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 81:

The Colorado Community College System (CCCS) should improve its subrecipient monitoring for the Perkins program 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*.

Based upon this risk based approach, a monitoring calendar should be developed and adhered to as it relates to items b - d below.

b. Perform periodic site visits based upon the risk-based approach to ensure 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.

c. 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. Also, CCCS should review these audit reports or other statements. For those that report compliance findings, significant deficiencies, or material weaknesses, CCCS should ensure corrective action measures are being initiated in a timely manner. CCCS' review of the audit reports and monitoring of corrective active measures should be documented.

d. Provide adequate oversight and supervisory review of the Perkins monitoring process.

Colorado Community College System Response:

Agree. Implementation date: June 2009.

Rather than changing the reporting structure of the Perkins monitoring and compliance section of the organization, CCCS will dedicate more resources to staffing the area more appropriately to ensure compliance of subrecipient monitoring by June 2009. In addition, the Coordinator of Educational Support Services who is responsible for this activity will prepare monthly reports for the Chief Fiscal Officer of CCCS, detailing the activity of compliance monitoring personnel. All of the related compliance requirements procedures and forms will be reviewed for completeness and appropriateness with federal award criteria, including refinement of the risk assessment model, the on-site monitoring checklist, adherence and completion of site visits in accordance with the monitoring calendar, review of subrecipient reports, and corresponding review of the applicable corrective action plans.

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Department of Human Services

Introduction

The Department of Human Services (DHS) is solely responsible, by statute, for 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

In Colorado, the responsibility for determining recipient eligibility for 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 eligibility determinations. For the Temporary Assistance for Needy Families (TANF)/Colorado Works and Food Stamps programs, individuals and families apply for benefits at their local county departments of human/social services. The State is responsible for supervising the counties' administration of public assistance programs, including TANF/Colorado Works and Food Stamps.

Colorado Benefits Management System (CBMS)

On September 1, 2004, the Department of Human Services and the Department of Health Care Policy and Financing (HCPF) jointly implemented the Colorado Benefits Management System (CBMS). CBMS was designed to improve the accuracy and timeliness of eligibility determinations for programs including TANF/Colorado Works, Food Stamps, and Medicaid.

During our Fiscal Year 2008 audit of DHS, we performed testing to assess the Department's internal controls and compliance with respect to state and federal laws and regulations. Our testing specifically included determining the Department's compliance with federal TANF/Colorado Works and Food Stamps regulations. For example, we reviewed eligibility determinations and benefit payments to ensure that they were made only to or on behalf of eligible beneficiaries and in accordance with state and federal program requirements, and that data were correctly entered into

CBMS by county staff. We also performed follow-up testing to assess the Department's progress in implementing recommendations from our Fiscal Year 2007 audit, including problems with respect to processing cases within required federal and state time frames.

Based on our findings during the Fiscal Year 2008 audit, we determined that the Department has material weaknesses in its internal controls over compliance with eligibility determinations for the TANF/Colorado Works and Food Stamps programs. 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 laws, regulations, contracts, and grants that would be material in relation to a major program, such as Food Stamps or TANF/Colorado Works, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. For both programs, we continue to identify issues the Department should address to ensure compliance with federal and state regulations.

Specifically, for TANF/Colorado Works we found that 17 of the 60 payments in our sample (28 percent of payments sampled) contained at least one error; of the 17 payments containing errors, we identified questioned costs of $1,195 out of the total sampled costs of $11,347 (11 percent of costs). For Food Stamps, 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 $585 out of the total sampled costs of $11,806 (5 percent of costs). From a state perspective, the risk is significant because the federal recoveries for disallowed costs could be substantial.

During our Fiscal Year 2005 and 2006 audits, we identified material weaknesses in the Department's internal controls over compliance with eligibility determinations for the TANF/Colorado Works and Food Stamps programs. In our Fiscal Year 2007 audit, we continued to identify a material weakness in the Department's internal controls over compliance with eligibility determinations for the Food Stamps program; however, we noted that the Department had made improvement in these internal controls for the TANF/Colorado Works program. In Fiscal Year 2007, for TANF/Colorado Works we identified errors in 22 percent of payments sampled and questioned costs of 11 percent of sampled costs. For Food Stamps, we found errors in 57 percent of payments sampled and questioned costs of 21 percent of costs. In Fiscal Year 2006, for TANF/Colorado Works we identified errors in 38 percent of payments sampled and questioned costs of 33 percent of sampled costs. For Food Stamps, we found errors in 18 percent of payments sampled and questioned costs of 9 percent of sampled costs. In Fiscal Year 2005, we identified material weakness for TANF/Colorado Works and Food Stamps. We found errors in 25 percent of payments sampled and questioned costs of 20 percent of sampled costs. For Food

Stamps, we identified errors in 72 percent of payments sampled and questioned costs of 20 percent of sampled costs.

The results of our Fiscal Year 2008 testing of the TANF/Colorado Works and Food Stamps program are discussed below. The results of our testing of Medicaid and the State Children's Health Insurance Program (SCHIP) are contained in the Department of Health Care Policy and Financing chapter in the Federal Award Findings section of this report.

Timely Processing of Applications

Federal and state regulations require that benefit applications for the Medicaid, State Children's Health Insurance Program (SCHIP), Food Stamps, and TANF/Colorado Works programs be processed in a timely manner. These processing requirements vary by program. Specifically, TANF/Colorado Works, SCHIP, and a majority of Medicaid applications are to be processed within 45 days. Medicaid applications for beneficiaries with disabilities should be processed within 90 days. Food Stamps applications must be finalized within no more than 30 days after initial application, and expedited Food Stamps applications must be processed within seven calendar days of their receipt. The Departments of Human Services (DHS) and the Health Care Policy and Financing (HCPF) receive reports that track processing timeliness through CBMS.

During our Fiscal Year 2005 and 2006 financial audits, we reviewed data relating to the county departments of human/social services' processing of cases within federal processing time frames. We found that subsequent to CBMS's implementation in September 2004, the counties faced difficulty processing cases within the required deadlines. In December 2004 the Denver District Court ordered the Departments to reduce out-of-compliance cases by 40 percent (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 2008 audit, we found that while DHS has made improvements to the number of out-of-compliance TANF/Colorado Works and Food Stamps cases, the Department continues to face challenges with processing new TANF/Colorado Works and Food Stamps cases timely. Specifically, as of October 6, 2008, cases exceeding deadlines for these two programs totaled over 1,200, as shown in table on the following page:

Department of Human Services TANF/Colorado Works and Food Stamps Cases Exceeding Processing Guidelines October 2006, 2007, 2008 [1]			
Program	**2006**	**2007**	**2008**
TANF/Colorado Works	200	368	103
Food Stamps[2]	1,770	2,436	1,114
Total Cases Exceeding Processing Guidelines	**1,970**	**2,804**	**1,247**

Source: Office of the State Auditor analysis of the CBMS Exceeding Processing Guidelines Report.
[1] Reports provided by DHS were dated October 23, 2006; October 1, 2007; and October 6, 2008.
[2] Expedited Food Stamps cases exceeding processing guidelines are included in the breakdown above.

Overall, less than 4 percent of the 1,200 total TANF/Colorado Works and Food Stamps cases that exceeded processing time frames as of October 6, 2008, were more than 60 days past the applicable deadline. In addition, we reviewed 60 TANF/Colorado Works and Food Stamps cases to determine compliance with other federal requirements. We found no cases in our TANF/Colorado Works sample where the application was processed after the applicable deadline. We found 1 case in our Food Stamps sample (2 percent) in which an application was processed 5 days beyond the 30-day requirement.

While the Department has made improvements in the number of TANF/Colorado Works and Food Stamps cases exceeding processing guidelines, the Department risks fiscal sanctions from the federal government for the cases that are not in compliance with federal processing requirements. Further, avoidable delays in processing prevent program applicants from receiving needed financial assistance. Therefore, the Department should continue to 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. Classification of Finding: Significant Deficiency.)

Recommendation No. 82:

The Department of Human Services should ensure that applications for Food Stamps and Temporary Assistance for Needy Families/Colorado Works benefits are processed within federal and state guidelines.

Department of Human Services Response:

Food Stamp Response: Agree. Implementation date: February 2008.

The State will continue to work with the counties on reaching a 95 percent processing rate as required by federal regulation and as outlined in a corrective action plan with U.S. Department of Agriculture Food and Nutrition Services. Nine of the ten large counties are on corrective action plans to improve timely processing as they carry 82 percent of the statewide Food Assistance cases. The State has shown a 55 percent improvement in the weekly average number of cases being reported on the Exceeding Processing Guidelines report from November 2007 through November 2008. In November, the State entered 13,300 new applications and carried a weekly average of 1,348 cases on the Exceeding Processing Guidelines report. The Exceeding Processing Guidelines report (EPG) is one tool used by the Food Assistance Program to gauge the timely processing of applications. It is important to note that not all cases on the report are out of compliance. Although Food Assistance applications must be approved within 30 days of the application date, the date for processing can be extended when the household is required to provide verification and the ten-day period to do so exceeds the 30 days. In addition, cases that are denied for failure to attend an interview appointment cannot be closed prior to the 30th day. Many of these are captured on the EPG report, especially when the 30th day falls on the weekend.

Colorado Works' Response: Agree. Implementation date: Implemented and ongoing.

Colorado Works is pleased that the overall findings demonstrate a continued improvement in the timely processing of applications. As such Colorado Works has gained substantial compliance with processing applications given the ongoing day-to-day capacity of counties. Colorado Works will continue to work with the counties and monitor compliance through our quality assurance process. The Colorado Works Program weekly reviews the Exceeding Processing Guidelines report (EPG) as a tool to gauge the timely processing of applications. We would note that 48 counties had no cases exceeding processing guidelines and 16 of the remaining counties had only one case each.

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 implemented TANF in Colorado as the "Colorado Works" program. The four purposes of the TANF/Colorado Works program are (1) to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) to encourage the formation and maintenance of two-parent families. During Fiscal Year 2008, the Department expended approximately $116 million in state and federal funds under the TANF program. Nearly $53 million of the total expenditures was spent directly on cash assistance and support benefits, for an average monthly case load of 9,300 eligible recipients. The Department spent the remaining $63 million on the federally-required maintenance of effort, state and county administration and training, maintenance for program-related computer systems, and other areas. During our Fiscal Year 2005 and 2006 audits of the Department, we identified material weaknesses in the Department's internal controls over compliance with eligibility determinations for the TANF/Colorado Works program. During our Fiscal Year 2007 audit, we noted that the Department had made improvements to these internal controls. Based on our Fiscal Year 2008 audit, we identified the need for the Department to continue to improve internal controls over compliance. Our specific findings are discussed in detail below.

TANF/Colorado Works Sample Testing Results

During our Fiscal Year 2008 audit, we sampled 60 benefit payments from the TANF/Colorado Works program issued between July 1, 2007, and June 30, 2008. We requested and reviewed the case records related to these payments to determine whether the payments were made only to eligible beneficiaries and in accordance with state and federal program guidelines; whether benefits were correctly calculated on the basis of the information entered into CBMS; and whether authorized payments were supported in the case record. Overall, we found that 17 out of the 60 payments in our sample (28 percent) contained at least one error; for the 17 payments containing at least one error, we identified questioned costs of $1,195 out of the total sampled costs of $11,347 (11 percent of costs). Further, while reviewing the payments in our sample, we identified an additional 52 payments in the reviewed cases that resulted in TANF/Colorado Works potential overpayments of $14,348; these were potential overpayments that were not included in our original sample of 60 payments but were paid to the recipients whose files we reviewed as part of our

sample. It should be noted that in most instances, one error resulted in payment errors for multiple benefit months. Therefore, total questioned costs were $15,543. These instances of noncompliance are addressed throughout this section of the report.

Income, Eligibility, and Verification System Compliance for the TANF/Colorado Works Program

Federal regulations require that the Department utilize 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. 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 the Department with applicant income information from the Colorado Department of Labor and Employment, the Social Security Administration, and the 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 the data in these other systems, a "hit" will be produced and returned to the county caseworker for follow-up and resolution. If there are no "hits," it is assumed that the social security number and other information are valid. Federal and state regulations require that TANF/Colorado Works caseworkers investigate IEVS "hits" that they receive in relation to TANF/Colorado Works applicants within 45 days of receipt of such information.

During our Fiscal Year 2006 and 2007 audits, we noted that county caseworkers did not in all instances investigate IEVS "hits" within the required deadline. The Department agreed to work with counties to ensure timely use of IEVS information. However, during our Fiscal Year 2008 audit, we continued to identify concerns related to the investigation of IEVS "hits" within the 45-day requirement. Specifically, during our sample review period we identified 10 cases in our sample of 60 payments (17 percent) in which IEVS "hits" were present, and the county failed to investigate the "hits" within the 45-day required time frame. Although the "hits" were not investigated by the counties, we determined through our testing that the "hits" impacted eligibility in one case, resulting in a total of $441 in questioned costs over three months. The Department reports that any information from IEVS must be verified before any action to terminate benefits can be taken, because not all "hits" would result in ineligibility.

The lack of follow-up on income discrepancies is of particular concern, because IEVS is designed to detect instances in which there is a discrepancy in earnings information. Monitoring IEVS activity is an internal control critical to ensuring that 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, which may be difficult to recover. Further, the State is at risk of the federal government's disallowing payments made to the ineligible individual. The Department should ensure that caseworkers at the county level are addressing IEVS "hits" within 45 days to avoid improper payments 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; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 83:

The Department of Human Services should continue to work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies for the Temporary Assistance for Needy Families/Colorado Works program within 45 days as required by federal and state regulations. As part of this, the Department should continue to use its eligibility determination monitoring procedures to identify instances of noncompliance at the counties and to perform follow-up, as necessary.

Department of Human Services Response:

Agree. Implementation date: April 2009.

The Department will continue to enhance its work with county departments of human/social services to address IEVS data discrepancies, including meeting the 45-day timeframe. The Department is continuing to use its eligibility determination monitoring procedures to identify instances of non-compliance and will perform follow-up with counties, as necessary. New reporting tools have been developed (See response to Recommendation No. 85) which provide tools for increased oversight and tracking at both the state and county levels. To support this continuing effort, the Department is issuing an agency letter by February 15, 2009, to provide further guidance and will also provide county onsite training by April 1, 2009, to the ten large

counties. A web-based training will be developed and launched by February 17, 2009, to the remaining 54 counties. It should be noted that the web-based training would be continually available for all new county workers and their supervisors.

Case File Documentation for TANF/Colorado Works Program

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. 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 that assistance is based on factual information, and provide for continuity when a caseworker is absent or when a case is transferred. As the primary recipient of the TANF/Colorado Works grant, the Department 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. State TANF/Colorado Works rules require verification of recipient-provided information, and the rules define "verification" as obtaining written evidence proving that the information is correct. This evidence should be maintained in recipient electronic or hard copy case files.

During our Fiscal Year 2006 and Fiscal Year 2007 audits, we identified instances in which TANF/Colorado Works case files lacked the required information. Additionally, we found that the Department's communication of case file documentation requirements to the county departments of human/social services was inconsistent. The Department agreed to utilize its existing county program review process to ensure that copies of required documents are maintained within county files and that any policy or procedure changes would be communicated to county staff in a timely manner. The Department issued an agency letter to county departments of human/social services in November 2006 addressing the requirements for the maintenance of adequate case records for TANF/Colorado Works and a list of examples of items that must be supported with documentation in the case file.

In Fiscal Year 2006, we found that 18 out of 60 sampled payments (30 percent) contained case documentation errors. During our Fiscal Year 2007 audit, we identified 5 cases in our sample of 60 (8 percent) in which case files lacked sufficient documentation to support the eligibility determination. During our Fiscal Year 2008

audit, we identified four cases in our sample of 60 (7 percent) in which case files lacked sufficient documentation to support the eligibility determination, resulting in questioned costs of approximately $12,900. While the case documentation error rates have decreased since Fiscal Year 2006, the types of errors we identified during Fiscal Year 2008 remain a concern. Overall, we found four different types of case documentation errors, as follows:

Lack of a required Individual Responsibility Contract (IRC). Federal and state TANF/Colorado Works regulations require county departments to develop an Individual Responsibility Contract for TANF/Colorado Works applicants within 30 days after a 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 federal requirement, established to ensure that recipients are meeting program work goals and receiving the necessary training and education to become self-sufficient. Federal regulations require that if a recipient fails to sign an IRC by the required due date, the recipient's benefits are to be terminated. In one instance, totaling about $4,623 ($356 from our sample and $4,267 from outside our sample), we noted that the county case file did not include the federally required IRC. We noted that in this instance, the filing deadline for submitting the IRC had expired; however, the individual was still receiving benefits.

Missing documentation related to client identification, citizenship, and social security number. TANF/Colorado Works recipients must meet minimum eligibility requirements set forth in federal and state regulations. One of the primary factors in determining eligibility for the TANF/Colorado Works program is that each member of the household applying for participation must provide a social security number (or proof that application has been made to the Social Security Administration for a number), proof of citizenship, and proof of identification.

During the audit, we found one case in which the required eligibility documents, specifically proof of identification, were not contained in the case file. Overall, the State issued TANF/Colorado Works benefits totaling $4,565 during Fiscal Year 2008 for household members who may not have been eligible ($100 from our sample, and $4,465 related to payments outside our original sample of 60 payments).

County unable to provide case file. Counties are required to maintain a case file for TANF/Colorado Works recipients, including those receiving a one-time diversion payment. A diversion payment is a non-recurring payment issued to a needy individual under expanded eligibility requirements to help meet a specific unexpected need. It is not possible to determine whether a recipient met the eligibility requirements related to receiving benefits if the county does not maintain a case file after the benefit is paid. During the audit, we found one case in which the

county was not able to provide a case file or any documentation for a diversion benefit payment. Overall, the State issued TANF/Colorado Works benefits totaling $428 during Fiscal Year 2008 for an individual who may not have been eligible.

Lack of a required Annual Redetermination. State law and TANF/Colorado Works regulations require county departments to redetermine an individual's eligibility at least every 12 months. During the audit, we noted one instance in which the county case file did not include the required redetermination. Overall, the State issued TANF/Colorado Works benefits totaling $3,321 during Fiscal Year 2008 for the individual in our sample who may not have been eligible ($162 from our sample, and $3,159 related to payments outside our original sample of 60 payments).

The $12,928 in payments discussed above are questioned costs, and the payments are included in our overall summary of questioned costs noted in this report. In order to gain assurance that the Department provides benefits only to eligible individuals and that it is in compliance with federal program regulations, the Department should continue to 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. Further, the Department should continue to provide training on the types of eligibility information that should be maintained in the case files, and it should communicate policy and procedure changes in a timely manner.

(CFDA No. 93.558; Temporary Assistance for Needy Families; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 84:

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. Continuing to use existing monitoring procedures to ensure that required eligibility information is contained in county case files.

b. Continuing to provide training to ensure that county departments of human/social services are aware of the types of eligibility information that should be maintained in case files.

c. Continuing to communicate timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.

Department of Human Services Response:

Agree. Implementation date: Implemented and ongoing.

TANF Reporting

Federal regulations require the Department, as the primary recipient of TANF funds, to meet specific program reporting requirements. In addition, the Department must have the ability to produce and utilize various reports to effectively supervise and administer the TANF program.

We have identified problems with the Department's development and use of reports for critical program areas since the Department's implementation of CBMS in Fiscal Year 2005. During our Fiscal Year 2008 audit, we performed testwork to determine the Department's progress in implementing these CBMS reports.

We identified two specific program areas that continued to lack important system management tools as of the end of Fiscal Year 2008. We believe these tools are important components of an effective oversight function. These areas are discussed in detail below.

Checks on eligibility. The federal government requires that TANF recipients' income information and identity be verified through the federal Income, Eligibility, and Verification System (IEVS) at the time of application. Through IEVS, recipients' social security numbers are matched with Social Security Administration, Internal Revenue Service, and Colorado Department of Labor and Employment records to identify instances in which program applicants have potentially understated their income and resources. We found that the Department still did not have reporting capabilities for IEVS exceptions as of the end of Fiscal Year 2008. As a result, the Department's ability to ensure that appropriate action is taken on information received through IEVS data matches is limited. If action is not taken on these data matches, the Department increases its risk of providing benefits to clients who are not eligible.

Currently the Department only reviews IEVS, if applicable, during its case file review process. We view this to be important as we noted instances during Fiscal Year 2008 where we found IEVS "hits" were not being investigated by the counties in compliance with the 45 day federal time requirement. The Department could use an IEVS report to determine a risk-based approach to identify cases for review.

Management of TANF overpayments. The Department is required to establish a receivable due from clients and collect repayment for any TANF overpayments

made. During our Fiscal Year 2008 audit we reviewed the Department's TANF receivable account and related allowance account. Receivable information is contained within CBMS, but CBMS does not generate reports with information on adjustments to overpayments that should be recorded on the State's accounting system, COFRS. Based on our review of Fiscal Year 2008 COFRS reports, we found that the Department has not booked any adjustments for receivables and allowances for the fiscal year. Staff indicated that a request for this report was submitted in Fiscal Year 2005, but was assigned as low priority and the report was not in place as of the end of Fiscal Year 2008.

The internal control weakness related to reporting creates a risk of potential disallowances by the federal government and an increased risk of fraud. Further, the Department's ability to effectively manage the TANF program is limited.

(CFDA No. 93.558, Temporary Assistance for Needy Families, Reporting. Classification of Finding: Significant Deficiency.)

Recommendation No. 85:

The Department of Human Services should ensure it has adequate management tools to monitor for compliance with federal requirements for the Temporary Assistance for Needy Families program by:

a. Developing a reporting function for extracting and compiling information contained within CBMS for Income, Eligibility and Verification System (IEVS) and accounting-related data.

b. Reviewing reports monthly to identify discrepancies, monitor for federal compliance, and take appropriate action.

Department of Human Services Response:

Colorado Works' Response:

a. Agree. Implementation date: December 18, 2008 and ongoing.

In December 2008 four new IEVS reports were put into production in CBMS. These reports are intended to further gain the timely resolution of IEVS discrepancies. These reports are known as the "New IEVS Discrepancy Records Report," the "Weekly IEVS Discrepancy Records Report," the "Action taken IEVS Discrepancy Records Report," and the "Overdue IEVS Discrepancy Records Report." The first three reports are

tools that will be utilized by counties to track and monitor timely IEVS resolution. The fourth report will be used by state program staff to regularly monitor and work with counties to assure IEVS work is being performed timely. The Department has also incorporated system changes to add automated case comments to document the disposition status of potential IEVS discrepancies.

b. Agree. Implementation date: February 2009 and ongoing.

The Department will start utilizing the IEVS data reports in February 2009 and on an ongoing basis monthly to identify discrepancies, monitor for federal compliance and take action, as necessary.

Division of Accounting's Response:

Agree. Implementation date: September 30, 2009.

We agree with the findings of the Office of the State Auditor regarding the need for accurate reporting for benefits overpayments and for collections of those overpayments. The reports have been developed, but these reports may possibly need reformatting before it is feasible to use them to record that information in COFRS. The lack of reports has not precluded the identification of benefit overpayments, establishment of claims, and payments to those claims in CBMS. Additionally, the collections portion of the claims process is transmitted to the County Financial Management System (CFMS). These collections are then recorded in COFRS.

Federal Food Stamps Program Overview

In Fiscal Year 2008, the Department provided nearly $321 million in benefits to eligible households under the federal Food Stamps program and expended nearly $72 million in state and federal funds for the administration of the program (CFDA Nos. 10.551 and 10.561). The Department had an average monthly caseload of 107,626 Food Stamps beneficiaries. The Food Stamps 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 Chase, 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 that expenditures are in compliance with federal requirements.

Colorado Benefits Management System (CBMS)

As noted previously within this chapter, the Department jointly implemented the 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, 2006, and 2007 audits, we identified material weaknesses in the Department of Human Services' internal controls over eligibility determinations for the Food Stamps program. During our Fiscal Year 2008 audit, we performed testwork to determine the Department's compliance with Food Stamps grant requirements and to follow up on problems identified in Fiscal Years 2005, 2006, and 2007. Based on our Fiscal Year 2008 audit, we 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 findings are discussed in detail below.

Food Stamps Eligibility Sample Testing Results

During our Fiscal Year 2008 audit, we sampled 60 payments for benefits under the Food Stamps program issued between July 1, 2007, and June 30, 2008. We reviewed the case records related to these payments to determine whether a) the payments were made only to eligible beneficiaries and in accordance with state and federal program guidelines, b) benefits were correctly calculated on the basis of the information entered into CBMS, c) the information entered in CBMS is supported in the case record, and d) eligibility was discontinued in a timely manner if the recipient became ineligible. Overall, we found that 23 out of the 60 payments in our sample (38 percent) contained at least one error; of the 23 payments containing at least one error, we identified questioned costs of $585 out of the total sampled costs of $11,806 (5 percent of costs) and $122 in underpayments to Food Stamps participants. Further, while reviewing the payments in our sample, we identified an additional 24 payment errors in the reviewed cases, resulting in Food Stamps potential overpayments of $2,154 and $179 in underpayments; these were potential 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.) Finally, we produced a report of restoration payments and identified 8,401 additional payment errors resulting in Food Stamps overpayments of $550,745. Overall, during Fiscal Year 2008, we identified $553,484 in questioned

costs and $301 in underpayments. These instances of non-compliance are addressed throughout this section of the report.

Food Stamps System Issues

As discussed previously, CBMS was designed to improve the accuracy and timeliness of eligibility determinations. During the Fiscal Year 2007 audit, we found four system-related problems within CBMS that affected the accuracy of benefit payments. These problems related to caseworker access to CBMS sanction screens, change reporting, inappropriate restoration payments, and enforcement of sanctions.

During our Fiscal Year 2008 audit, we noted that the Department corrected the caseworker access to CBMS sanction screens and the change reporting problems noted in our Fiscal Year 2007 audit; however, we found that the Department must still resolve restoration and sanction payment system issues.

Federal and state regulations allow recipients to report changes in circumstances during a certification period. When a reported change results in an increase in benefits, the beginning date for that increase is determined by the "Change Reported Date" entered in CBMS by the caseworker. The increase should begin in the month following the "Change Reported Date." Department staff report that this process is currently working correctly, unless eligibility is re-run subsequent to the "Change Reported Date." For these instances in which eligibility is re-run, CBMS inappropriately issues Food Stamps restoration payments. Restoration payments are intended to provide additional benefits to a recipient who erroneously received a smaller benefit in the previous 12 months. According to regulations, restoration payments cannot be made for benefit periods that extend beyond the past 12 months. During the audit, we identified one restoration payment in the amount of $140 that was incorrectly paid to an ineligible recipient. By producing a restoration payment report, we further identified 8,401 additional restoration payments that were inappropriately issued as a result of the restoration system problem, resulting in nearly $551,000 in overpayments to ineligible Food Stamps recipients.

We also found that the Department has not corrected its system issue related to paying benefits to those recipients who are sanctioned or not allowed to receive Food Stamp benefits because the recipients failed to register for work. While we did not identify any instances of noncompliance with sanctions in our Food Stamp benefit sample, the Department has not corrected the system issue that caused the noncompliance noted in the prior year. As a result, there continues to be a risk that payments could improperly be issued to Food Stamps recipients who are sanctioned for noncompliance with program requirements.

The system-related problems identified within CBMS should be corrected immediately to ensure that program payments are appropriate and that the Department is in compliance with federal regulations.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Material Weakness.)

Recommendation No. 86:

The Department of Human Services should take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.

Department of Human Services Response:

Agree. Implementation date: December 2009.

Restorations

On June 28, 2007, the state submitted change request #1994 to prevent any restoration from issuing for more than 12 months in the past. The vendor began work in September 2007 and reported that an additional system change was needed before change request #1994 could be implemented. Change request #2044 was written in October 2007 to address this issue. The combination of these two change requests should stop the invalid restoration problem entirely. Implementation is scheduled for December 2009, due to the transition in vendors from EDS to Deloitte.

Sanctions

There were isolated cases where sanctioned individuals were incorrectly receiving benefits during their sanction period. This problem was corrected in the system September 30, 2008.

Timely Processing of Food Stamps Eligibility Redeterminations and Change Report Forms

In addition to the lack of timely application processing we noted in Recommendation No. 82 we also identified concerns related to the timeliness of Food Stamps redeterminations. Federal and state regulations require that county departments of human/social services periodically redetermine Food Stamps eligibility. When recipients approach the end of their certification periods, they are required to complete the Department's Redetermination, Reassessment, or Recertification (Redetermination) packet. County departments utilize the information reported on the Redetermination forms to redetermine a recipient's Food Stamps eligibility. Federal regulations require that the county departments of human/social services process eligibility redeterminations before the recipient's prior certification period expires. If a Redetermination packet is not processed timely, the recipient is at risk of having Food Stamps benefits terminated or delayed.

During the Fiscal Year 2008 audit, we reviewed 60 Food Stamps cases to determine compliance with federal regulations. Of the 60 files tested, we found that 33 benefit payments were paid on behalf of recipients who had been certified using a Redetermination packet. We identified seven redeterminations where the recipients had reported information to the county timely; however, the county department processed the Redeterminations subsequent to the expiration of the recipients' prior eligibility periods. In six of the seven instances, the recipients' benefits were delayed. For example, in one of the instances the recipient submitted the Redetermination packet in July 2007 for the benefit period from September 2007 through February 2008. However, the county did not process the redetermination until October 2007, and the recipient's benefits were delayed. Similar problems were found during the Fiscal Year 2007 audit.

We also found one case where there was a delay in processing a Change Report Form. Food Stamp recipients are required to submit a Change Report Form when household circumstances change. The State is required to process this form within 10 days of receipt. As a result of a delay in processing this recipient's form, the recipient's Food Stamp benefits were delayed.

Redetermination processing delays prevent program applicants from receiving needed Food Stamps benefits for which they are eligible. Further, the Department is at risk for fiscal sanctions from the federal government for failing to comply with federal regulations. The Department should ensure that redetermination processing guidelines are met for the Food Stamps program.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 87:

The Department of Human Services should ensure that Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.

Department of Human Services Response:

Agree. Implementation date: December 2009.

The State reviews the timely processing of redeterminations and Change Report Forms as part of the Management Evaluation review of local offices. Through a case file/automated system review, counties found out of compliance with required processing guidelines must submit a corrective action plan. Nine of the 10 large counties, which comprise 82 percent of the statewide caseload, are under corrective action plans effective August 31, 2008. The state office monitors these plans monthly for compliance.

In addition, the State submitted a change request to reformat a current report to make it a more useful monitoring tool to track the processing of upcoming redeterminations. Once the report is changed, the State will monitor the timely processing of redeterminations for the ten large counties by sending a list of the highest priority cases to be worked weekly. Due to transition to a new automated system vendor, the State projects this to be implemented by December 2009.

Income, Eligibility, and Verification System Compliance for the Food Stamps Program

As discussed, the Department of Human Services makes data comparisons with other information systems, or "interfaces," to verify the validity of recipient-provided data. These comparisons are an important control for ensuring the accuracy of recipient-provided data that is used in determining eligibility for benefits, as well as for 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 in determining eligibility for the Food Stamps program. IEVS provides the State with applicant income information from the Colorado Department of Labor and Employment, the Social Security Administration, and the Internal Revenue Service. Through IEVS, applicants' social security numbers are matched with these agencies' records to identify 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 applicant-reported income does not match the data in these systems, a "hit" will be produced and returned to the county caseworker for follow-up and resolution. If there are no "hits," county caseworkers assume that the social security number and other information are valid. If any of the income-related items reported by the individual do not match data in these other systems, a "hit" will be produced via a system alert, county caseworkers are required by federal and state regulations to investigate any discrepancies within 45 days of receiving notification of the "hit." The "hits" must be investigated by county caseworkers to determine whether the discrepancies would result in payment errors for prior benefit payments and whether eligibility should be terminated. Once a caseworker has investigated an IEVS "hit," they must select and save a disposition reason in CBMS in order to remove or dispose of the "hit" from the system.

During our Fiscal Year 2006 and 2007 audits, we noted that county caseworkers did not always investigate IEVS "hits" within the required time frame. During the Fiscal Year 2008 audit, we continued to identify concerns related to the investigation of IEVS "hits" within the required 45 days. Specifically, during our sample review period, we identified 14 cases in our sample of 60 payments (23 percent) in which IEVS "hits" were present. In 5 of these 14 cases identified, we found no evidence that county workers had investigated the discrepancies. In the remaining 9 cases (64 percent), there was evidence in the case file that the county investigated the "hit" but the caseworker had failed to dispose of the "hit" in CBMS.

Monitoring IEVS activity is a critical internal control for ensuring that benefit payments are appropriate under federal and state regulations. If timely action is not taken when discrepancies are identified, the Department increases its risk of providing improper benefits to individuals. Further, the State is at risk of federal disallowances for payments made to ineligible individuals. The Department should ensure that caseworkers at the county level are addressing IEVS "hits" within 45 days to avoid overpayments to ineligible individuals. This assurance should include use of the Department's established eligibility determination monitoring procedures to identify instances of non-compliance at the county level and taking corrective action as appropriate.

(CFDA Nos. 10.551, 10.561; Food Stamps Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

Recommendation No. 88:

The Department of Human Services should work with the county departments of human/social services to:

a. Ensure that they address Income, Eligibility, and Verification System (IEVS) data discrepancies for the Food Stamps Program 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.

b. Properly dispose of or clear IEVS "hits" from the Colorado Benefits Management System when caseworkers have fully investigated the IEVS discrepancies.

Department of Human Services Response:

Agree. Implementation date: Implemented and ongoing.

As part of the Food Assistance Management Evaluation (ME) process, cases are reviewed. Counties are cited for failure to work IEVS discrepancies timely and the State ME staff follows up with counties to ensure that the IEVS discrepancies are worked correctly and the IEVS alert is resolved.

In December 2008, automated system change request #2202 was implemented. This change created four new IEVS reports to provide information on the IEVS data match dispositions and discrepancy status. These reports will assist workers in managing their workload and provide valuable IEVS monitoring tools for supervisors, managers and the State. With this change, system-generated case comments will now be created for disposition of IEVS discrepancy records, providing a better audit trail than previously. Duplicate IEVS records will no longer post in the system, which will dramatically reduce the amount of IEVS records that need to be addressed by the eligibility worker. In addition Unemployment Benefits will now update automatically on the income window and no longer will need to be manually data entered by the eligibility worker. This will also reduce the amount of IEVS records the eligibility worker will need to address.

Low-Income Energy Assistance Program (LEAP)

The federal Administration for Children and Families' Office of Community Services within the US Department of Health and Human Services administers the Low-Income Home Energy Assistance Program (LIHEAP) (CFDA No. 93.568). In Colorado the program is called LEAP, and it is supervised by the Department of Human Services' Office of Self-Sufficiency and administered locally through the 64 county departments of human/social services. During Fiscal Year 2008 the Department received more than $53 million in funding from various sources, including the federal LIHEAP grant ($42.9 million), a local energy provider, state general funds, and transfers from the Temporary Assistance for Needy Families (TANF) grant (CFDA No. 93.558).

The objectives of the federal LIHEAP program are to help low-income people meet the costs of home energy (defined as heating and cooling of residences), increase their energy self-sufficiency, and reduce their vulnerability resulting from unmet energy needs. In Colorado, the Department uses LEAP funds to assist households with winter heating, weatherization, and furnace repair costs. During the 2007-2008 LEAP winter season, the program served approximately 92,000 households in Colorado.

State regulations establish the income and other requirements for LEAP eligibility. Counties are required to maintain certain documentation of eligibility in client files. According to these regulations, counties are to process LEAP applications within 50 days of receiving the application or within 10 working days if the case is expedited due to the applicant's facing a heat emergency. As part of our Fiscal Year 2008 audit, we reviewed a sample of 40 LEAP recipient case files. Overall, we found deficiencies in timely processing of applications, case documentation, calculation and data entry errors, and other state regulation noncompliance issues. We identified problems with 25 (63 percent) of the cases we reviewed. Specifically, we found:

Lack of timely processing. Nine of the 40 applications (23 percent) were not processed by the counties within the required timeline. Eight were not processed within the 50-day timeline, and one expedited case was not processed within the 10-working-day requirement. The delays in processing ranged from one day to 43 days. Processing LEAP applications in a timely manner is critical given the seasonal nature of the need.

Lack of Documentation. Eight of the 40 cases (20 percent) did not contain required documentation. Two of these case files did not contain the valid photo identification required for proof of lawful presence. Six cases did not contain other required documentation, such as income or unemployment

verification or a current heat bill for the applicant's address, to prove vulnerability to rising home heating costs.

- For an additional 12 cases we did not find required documentation to support the source of estimated home heating costs. We also found that the LEAP system does not contain a permanent record of the heat costs that were originally obtained from the heat vendors related to the previous year's case information. In addition, the system does not contain a record of changes to the heat costs made by caseworkers prior to eligibility determination if changes in recipient information occur. This lack of system documentation creates an increased vulnerability to benefit errors or fraud.

Calculation and data entry errors. We found four calculation errors. Three cases included incorrect household income calculations. These errors did not impact eligibility or benefit amounts. In an additional case, the benefit calculation was not calculated in accordance with the LEAP Operations Manual, resulting in an underpayment to the recipient of about $240.

- We also identified two data entry errors. In one case, the income entered was not supported by case file documentation. Both errors resulted in a total overpayment of about $85.

Lack of required contact. In one case, the LEAP technician did not attempt to contact the heat vendor to obtain the Estimated Home Heating Costs (EHHC) as required by state regulations.

The failure on the part of counties to comply with LEAP regulations can have several negative results. Most significantly, failure to ensure compliance with timely processing and eligibility requirements can undermine the objectives of the program by not serving vulnerable populations during seasonal times of need. In addition, by not ensuring that case file documentation supports eligibility, the Department cannot gain assurance that individuals receiving benefits are eligible.

(CFDA No. 93.568; Low-Income Home Energy Assistance Program; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 89:

The Department of Human Services should strengthen controls over the Low-Income Energy Assistance Program (LEAP) by:

a. Ensuring that eligibility is determined in a timely manner and vendors are contacted when required.

b. Ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files.

c. Strengthening supervisory review process over data entry by instituting an effective supervisory review process.

d. Instituting a programming change to the LEAP system documenting when a change occurs to Estimated Home Heating Cost by including record of the initial heat costs.

Department of Human Services Response:

Agree. Implementation date: September 30, 2009.

a. The Department, through annual county program monitoring and training, will continue to stress the importance of timely eligibility determination. The Department will also add new training curricula regarding timely processing of applications. The Department will work with counties to develop specific strategies to build county capacity to more effectively and efficiently process applications.

b. The Department will continue to review county case files as part of its annual county program monitoring, which includes ensuring required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes. The Department will work with county LEAP supervisors to strengthen their county supervisory review process. The Department will add new training curricula regarding effective tools to use in county supervisory reviews.

c. As noted in the response to “b” above, the Department intends to work with counties to strengthen county supervisory reviews. Additional

training curricula will include supervisory tools for better oversight of data entry and effective practices for technicians to ensure data accuracy.

d. **Record of Automated Initial Estimated Home Heating Cost (EHHC)**. The Department will institute a system change to document in the case record the date that an automated initial EHHC for pre-pended cases has been received.

Initial Record of Non-automated EHHC. The current system reflects when an initial EHHC is requested from a non-automated vendor. It is not possible to automate the initial EHHC from a non-automated vendor. However, the State requires that counties enter this information into the system and maintain a hard copy of the returned initial EHHC in the case file. The Department, through annual county program monitoring and training, will continue to stress the importance of maintaining a hard copy of the returned initial EHHC from the non-automated vendor in the case file.

Subsequent Changes to the EHHC. The system does reflect changes made to the EHHC after a case is added but does not reflect any changes to the EHHC while the case is still pending. The Department will institute a system change to document any changes to the EHHC for a pending case.

Disability Determination Services Reporting

During Fiscal Year 2008, the Department expended approximately $14.9 million for the Social Security Disability Insurance program (CFDA No. 96.001). Under this program, the Disability Determination Services (DDS) Division within the Department assists the U.S. Social Security Administration (SSA) in determining whether individuals are eligible for federal disability insurance. Individuals determined to be eligible receive benefits to replace part of the earnings lost because of a physical or mental impairment severe enough to prevent a person from working.

During our Fiscal Year 2008 audit, we found the Department is not accurately reporting the required data to the SSA for the program. Specifically, we identified the following problems with two reports submitted during Fiscal Year 2008:

- **Time Report of Personnel Services for Disability Determination Services (SSA-4514).** This report, which is prepared by DDS program accounting staff, contains the total number of on-duty, holiday, leave, and overtime hours worked by personnel engaged in the SSA disability program during

each quarter. We noted two issues on the report for the quarter ending March 31, 2008:

- **Overtime Hours.** We noted that the Department only reported overtime hours that had not been paid to employees as of the end of the quarter; however, the report instructions require all overtime worked during the quarter to be reported. As a result, the SSA-4514 report understated the number of overtime hours worked by 87.5 hours. According to DDS program accounting staff, the instructions were misunderstood during preparation of this report, resulting in the omission of the overtime hours. Once we brought the error to their attention, Department personnel submitted a revised report to correct the amount of overtime hours for the period.

- **Holiday and Leave Hours.** The report instructions require the Department to report hours for holidays observed, sick, annual, and other paid leave taken during the quarter. DDS program staff prepare a leave usage report using data from the Department's timekeeping system and provide the report to program accounting staff to prepare the SSA-4514. During our audit, we reviewed the leave usage report supporting documentation from the timekeeping system. We calculated that the Department erroneously excluded nearly 131 leave hours from the leave usage report. As a result, these hours were inaccurately reported on the SSA-4514. While the total number of hours worked by DDS personnel was correctly reported on the SSA-4514, the amount of on-duty hours was overstated by 131 hours, and the amount of holiday and leave hours were understated by 131 hours. The Department was unable to provide supporting documentation that would explain or reconcile the difference. The Department did not submit a revised report to correct the difference due to the fact that total hours were correctly reported.

- **State Agency Schedule for Equipment Purchases for SSA Disability Programs (SSA-871).** This report, which is also prepared by DDS program accounting staff, contains disbursements made by DDS for equipment purchases, including both Electronic Data Processing (EDP) equipment and non-EDP equipment. We noted three exceptions on the report submitted by the Department for the quarter ending March 31, 2008.

  - **Reporting Period.** We found that the report submitted by the Department covered the reporting period from October 1, 2007 through March 31, 2008; however, the report instructions require reporting equipment purchases during the reporting quarter only. Therefore, the report should have only covered the period from January 1, 2008 through March 31, 2008. As a result, the report overstated equipment purchases

by more than $2,500. Department personnel submitted a revised report to correct the error once we notified them of the error.

- **Omission of EDP Purchases.** The report instructions require all equipment purchases made during the quarter to be reported on the SSA-871. However, when reviewing the supporting documentation used for preparing this report, we found that the Department failed to include approximately $3,050 of EDP equipment purchases made during the quarter on the SSA-871. Based on discussions with DDS accounting staff, they misunderstood the report instructions, causing them to omit these purchases from the report. Department personnel submitted a revised report to correct the error once we notified them of the error.

- **Type of Approval.** We noted that the Department's equipment tracking report that was provided as supporting documentation for the SSA-871 did not accurately track the type of approval for each purchase. Specifically, we noted that a disbursement of $1,260 was reported on the SSA-871 as having SSA Regional Office approval, when it should have been reported as having SSA annual budget approval for EDP purchases. We identified that there is no supervisory review of the equipment tracking report by DDS program staff before it is sent to accounting for use in preparing the SSA-871. While we did not identify an overexpenditure of the annually approved EDP budget funds during this reporting period, without an accurate process for tracking and reporting the source of approval for each purchase, DDS could overexpend on future equipment purchases. Department personnel submitted a revised report to correct the error once we notified them of the error.

According to DDS program staff, electronic information related to federal reporting requirements is provided to accounting staff; however, no follow-up is conducted to ensure that accounting staff understand and complete reports in compliance with federal reporting requirements. The Department is required to ensure information reported to the SSA is accurate. Therefore, the Department must ensure that staff preparing federal DDS reports are adequately trained in the proper preparation of the reports in order to avoid possible reporting inaccuracies and that adequate supervisory reviews are in place for all aspects of the federal reporting process. Further, the Department should improve communication between DDS program and accounting staff to ensure the reports adhere to the SSA requirements.

(CFDA No. 96.001, Disability Determination Services, Reporting. Classification of Finding: Control Deficiency.)

Recommendation No. 90:

The Department of Human Services should ensure it is in compliance with federal Disability Determination Services (DDS) reporting requirements by:

a. Ensuring that staff preparing federal DDS reports are adequately trained.

b. Ensuring that adequate supervisory reviews are in place for all aspects of the federal reporting process to identify the kinds of errors we identified in our audit.

c. Improving communication between DDS program and accounting staff to ensure reports adhere to the SSA requirements.

Department of Human Services Response:

Agree. Implementation date: September 15, 2008.

a. Three Department of Human Services staff [two accountants and one Disability Determination Services (DDS) analyst] participated in the Social Security Administration (SSA) national fiscal training in September. The accountant preparing the reports is new and was one of the accountants attending the training. Procedures have been revised to ensure errors do not occur in the future.

b. The Department has put in place additional procedures for further supervisory review of the federal reporting process to ensure that errors, including those identified in the audit, are identified and corrected.

c. The Department believes communication between the DDS program and accounting staff is good, but has improved it by holding more face-to-face meetings to discuss accounting and reporting issues between the two parties.

Colorado Benefits Management System

The Colorado Benefits Management System (CBMS), implemented in 2004, is the computer system used by Colorado counties and Medical Assistance sites (MAs) to determine eligibility and calculate benefits for public assistance. CBMS supports state-administered public and medical assistance programs such as Temporary

Assistance for Needy Families, Food Stamps, Medicaid, Adult Protective Services, Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, Children's Health Plan Plus, and the Colorado Indigent Care Program. Approximately 4,000 state, county, and MA site employees use CBMS to manage more than 300,000 public assistance cases and track information required to distribute more than $3.2 billion in benefits annually in food stamps, cash, and medical assistance payments.

As discussed, the CBMS application is owned and managed jointly by the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS). Maintenance and operation support activities for CBMS are provided by Electronic Data Systems (EDS), an outside vendor. For 2008 HCPF and DHS contracted with Grant Thornton, LLP, (Grant Thornton) to perform a SAS 70 review (Statement on Auditing Standards No. 70, *Service Organizations*) of CBMS. Overall, Grant Thornton found that the description of controls presented fairly, in all material respects, the relevant aspects of controls that had been placed in operation by HCPF, DHS, and EDS as of May 15, 2008. Grant Thornton also stated that the controls, as described in the SAS 70 Report, were suitably designed to provide reasonable assurance that the control objectives would be achieved if the described controls were complied with satisfactorily and applied by user organizations as intended by HCPF, DHS, and EDS.

Our audit work consisted of following up on the three control deficiencies identified in Grant Thornton's 2008 SAS 70 Report and determining if the User Control Considerations (UCCs) identified in the SAS 70 Report had been implemented by HCPF and DHS. UCCs are the control activities that the user organizations are responsible for addressing to achieve the stated control objectives. For example, user organizations are required to ensure employees are adequately trained to use CBMS.

In total, Grant Thornton identified three control deficiencies related to the timely closure of trouble tickets, change management over databases and operating systems, and the timely removal of user access. HCPF and DHS agreed with the findings and recommendations. During our 2008 audit, we found that HCPF and DHS implemented the recommendation related to the timely removal of user access and are working to implement the remaining two recommendations by January 1, 2009, the agreed-upon implementation date. We also found that HCPF and DHS have implemented the UCCs contained in the SAS 70 Report.

In addition to following up on the Grant Thornton SAS 70 Report, we also reviewed the policies and procedures for controlling user access to CBMS. According to State Cyber Security Policies and industry best practice, access to state systems should be based on the "least privilege" methodology. Users should only be granted the minimum amount of access necessary to accomplish assigned job duties. Additionally, system users should not have access to initiate, approve, and review

the same action without adequate compensating controls. These functions are incompatible and should be segregated to reduce the potential for error and fraud.

Overall, we found that HCPF and DHS have not established sufficient guidance for CBMS security administrators to follow when granting user access. Security administrators at the two Departments assign access to CBMS according to more than 120 user categories or profiles. A single profile may be assigned to a user, or a single user may be assigned a combination of profiles. Profiles provide individuals the ability to view and/or modify specific production data and perform specific system functions (e.g., initiate and approve a new case). Although some general guidelines exist related to setting up CBMS user accounts, neither HCPF nor DHS has identified profiles that cannot be granted in combination because of the increased risk of error or fraud. Therefore, a risk exists that state and county staff will unknowingly authorize and grant access to combinations of CBMS profiles that provide users with access levels exceeding their job responsibilities.

We also reviewed all active CBMS users created by HCPF as of September 23, 2008, and identified concerns. First, we found that HCPF staff granted 91 non-state users access to profiles reserved for state employees. This level of access does not appear to be commensurate with the non-state users' job duties. Second, we found that of the 435 active users created by HCPF, approximately 159, or 37 percent, had profiles reserved for supervisors. We asked HCPF for the business justification for the level of access granted to these 159 users but HCPF did not provide the required justification. As such, we question the granting of supervisory or escalated privileges to what appears to be an excessive number of CBMS users. Third, we found that 26 HCPF employees had profiles that allowed them to initiate applications for public assistance. According to established guidelines, these profiles should not be assigned to state staff. Finally, we found that two HCPF IT security administrators had access enabling them to update production data. This level of access is not commensurate with the security administrators' job duties.

We also reviewed all active CBMS users established by DHS as of September 23, 2008 and identified similar problems. Specifically, we found that DHS staff granted 70 state workers access to profiles reserved for non-state staff. Additionally, we found that 15 members of the CBMS IT development, test, and training team and seven members of the IT security administration team had access enabling them to update production data. This level of access is not commensurate with these staff members' job responsibilities.

We believe HCPF and DHS need to improve controls over CBMS user access. First, the two Departments need to review CBMS user profiles and determine which profiles should not be combined and assigned to single users because of a lack of separation of duties and an increased risk for fraud. Incompatible profiles should be documented and shared with CBMS security administrators. Second, HCPF and

DHS should review existing CBMS users and ensure that all incompatible profiles are removed or compensating controls are established by the user's supervisors. Third, HCPF and DHS should implement a process whereby CBMS user access levels are periodically reviewed for appropriateness. This review should be documented. Finally, HCPF and DHS should review those IT staff with update access to CBMS production data and determine if such access is necessary. If IT staff retain access to CBMS production data, then the Departments should implement mitigating controls such as supervisory review of transaction logs and exception reports.

(CFDA Nos. 10.551, 10.561, 93.558, 93.777, 93.778; Food Stamps Cluster, Temporary Assistance for Needy Families, Medicaid Cluster; Other. Classification of Finding: Control Deficiency.)

Recommendation No. 91:

The Department of Health Care Policy and Financing and Department of Human Services should improve controls over Colorado Benefits Management System (CBMS) user access by:

a. Identifying and documenting CBMS user profiles that, when combined, provide incompatible system privileges.

b. Communicating the list of incompatible CBMS user profiles to the appropriate staff.

c. Reviewing existing CBMS users and removing all unnecessary incompatible profiles.

d. Implementing a process to periodically review and certify the appropriateness of CBMS user access levels.

e. Reviewing those IT staff with update access to CBMS production data to determine if such access is necessary. If it is determined necessary, compensating controls should be established.

Department of Health Care Policy and Financing Response:

a. Agree. Implementation Date: June 30, 2009.
b. Agree. Implementation Date: August 31, 2009.
c. Agree. Implementation Date: December 31, 2009.

d. Agree. Implementation Date: August 31, 2009.
e. Agree. Implementation Date: July 30, 2009.

The Department will work with the Governor's Office of Information Technology, the Department of Human Services and eligibility sites to implement the recommendations.

Department of Human Services Response:

a. Agree. Implementation Date: June 30, 2009.
b. Agree. Implementation Date: August 31, 2009.
c. Agree. Implementation Date: December 31, 2009.
d. Agree. Implementation Date: August 31, 2009.
e. Agree. Implementation Date: July 30, 2009.

The Department of Human Services will work with the Department of Health Care Policy and Financing, the Governor's Office of Information Technology, and the counties to implement all recommendations ("a" through "e").

Title IV-E Foster Care Eligibility and Case File Documentation

The U.S. Department of Health and Human Services (DHHS) establishes requirements for eligibility and allowable costs for the federal Title IV-E Foster Care program (CFDA No. 93.658). To be eligible for foster care placement under the program, a child must meet a number of criteria, and the child's eligibility must be evaluated against these criteria at least once in every 12-month period for the duration of the child's placement in foster care.

In Colorado, the Department's of Human Services' Office of Child Welfare oversees the Foster Care program, but it is administered locally by the county departments of human/social services. The county departments are responsible for determining initial and subsequent eligibility and for maintaining the required documentation of these determinations

In addition, House Bill 06S-1023 (HB 1023) requires that all persons 18 years of age or older shall provide proof that they are lawfully present in the United States prior to receipt of certain public benefits. This legislation extends to foster care providers. Each provider applicant is required by HB 1023 to provide an affidavit stating that

he or she is a United States citizen or legal permanent resident. HB 1023 also requires applicants to present a photo ID.

During our Fiscal Year 2008 audit, we reviewed 40 foster care case files to evaluate whether the counties determined or redetermined eligibility in compliance with federal and state requirements. Of the 40 files we reviewed, 20 were the files of children in foster care and 20 were the files of foster care providers. As described below, we found a total of 10 case files (25 percent), including those of four children and six providers, in which the counties did not comply with one or more requirements.

- **Eligibility determination:** In 2 of the 20 child case files (10 percent) county caseworkers did not complete the initial eligibility determination within the mandated 45 days of placement into foster care. In one case the county did not complete the determination until six days after the deadline; in the other case the county failed to complete the determination for an additional 30 days beyond the 45-day requirement.

- **Lack of required documentation.** In 6 of the 20 provider case files (30 percent) and 2 of the 20 child case files (10 percent), county caseworkers did not maintain all required documentation in the case files. Specifically, six provider files did not contain documentation for lawful presence as required by HB 1023. Of the six, four provider files did not contain the required affidavit for the provider's lawful presence, one did not contain a photo ID, and one had neither the affidavit nor a photo ID. Further, one child file did not contain proof of the child's citizenship or alien status and one closed child case file did not contain the required documentation for case closure, including the reason for the case closure and other required information. After we notified Department staff of the missing data, staff obtained and provided the missing documentation. Based on the additional documentation, we determined that the providers and children were appropriately deemed eligible by the counties. However, the missing documentation should have been maintained in the case files as required by state and federal regulations.

The Department needs to provide greater assurance that the counties are determining initial and continuing eligibility for Title IV-E Foster Care benefits only to/on behalf of eligible individuals. To accomplish this, the Department should conduct ongoing monitoring to ensure that county caseworkers obtain required applicant information and that case files contain adequate documentation supporting all eligibility determinations. Further, the Department should ensure that county caseworkers are adequately trained on Title IV-E Foster Care case file documentation and HB 1023 requirements.

(CFDA No. 93.658, Title IV-E Foster Care, Eligibility. Classification of Finding: Control Deficiency.)

Recommendation No. 92:

The Department of Human Services should strengthen controls over the Title IV-E Foster Care program by:

a. Conducting ongoing monitoring to ensure that county case files contain required information and adequately support eligibility determinations.

b. Ensuring that county personnel are properly trained on Title IV-E case file documentation requirements and HB 06S-1023 requirements.

Department of Human Services Response:

Agree. Implementation date: Implemented and ongoing.

a. The Office of Child Welfare Division currently conducts ongoing monitoring of both foster care provider files and Title IV-E programs in the counties. Title IV-E eligibility reviews are conducted to ensure that county staff accurately determines eligibility and claim for Title IV-E funds. This includes maintaining appropriate documentation in the child's eligibility or case file. Separate provider reviews are conducted to ensure that counties certify foster care providers according to state statute and rules. Agency letters are utilized to relay changes in program that must be implemented in the counties.

b. The Office of Child Welfare Division annually conducts training of county staff in Title IV-E eligibility, HB 06S-1023, and claiming. During State Fiscal Year 2008 the Division conducted training on the new Title IV-E Eligibility Module in place of its annual regional training to ensure staff understand the eligibility requirements and the circumstances of correct or incorrect federal claiming.

Oversight of Child Placement Agencies

Counties may choose to place foster children in foster homes certified either by counties or by private child placement agencies (CPAs). The Department has two primary methods for overseeing CPAs. First, under statute (Section 26-6-104,

C.R.S.) CPAs must be licensed by the Department. The Department's Division of Child Care issues licenses and renews them annually after visiting the CPAs to assess compliance with applicable statutes and regulations. Second, the Department's 24-Hour Monitoring Unit in the Division of Child Welfare conducts periodic on-site monitoring visits to the CPAs to assess compliance with laws and regulations, determine the quality of care provided by the CPA, and evaluate the CPA's financial stability.

During our Fiscal Year 2007 audit, we reviewed the Department's licensing process and its on-site monitoring of CPAs. We identified several significant concerns, including:

- Delays in renewing CPA licenses.
- Insufficient monitoring of high-risk CPAs.
- Lack of documentation to demonstrate that staff followed licensing and monitoring procedures, identified and resolved potential problems at the CPAs, and ensured that appropriate corrective actions were taken against CPAs.
- Possible duplication of effort between licensing and monitoring visits.

Department regulations require CPAs to submit applications to renew their licenses to the Department at least 90 days before their current license expires. Once a renewal application is received, licensing staff conduct on-site visits to assess the CPA's compliance with Department rules. However, we found that the Department did not send out license renewal materials to CPAs 90 days before its license expires, so it was not possible for the CPA to then submit their renewal applications on time. During our Fiscal Year 2008 audit, we found that the Department implemented a procedure requiring Department staff to notify a CPA 120 days in advance before its license expires, with reminders sent at 90 days and 30 days.

During our Fiscal Year 2007 audit, we also found that the Department did not use a risk-based schedule for planning CPA licensing and monitoring visits. Risk-based schedules would improve Department oversight of CPAs by allowing it to focus resources on visiting and monitoring those CPAs that appear to be high risk, as evidenced by factors such as the number of child abuse or neglect allegations involving foster homes certified by the CPA. During our Fiscal Year 2008 audit, the Department reported that it had developed and piloted a risk-based model for monitoring. However, we found that the Department has not fully tested or implemented risk-based schedules for its CPA monitoring and licensing visits.

In addition, our Fiscal Year 2007 audit found poor documentation of some elements of both the licensing and monitoring visits, including missing checklists for all monitoring reviews in our sample and a lack of documentation related to reviews of child abuse or neglect investigations at the CPA's foster homes or of its financial

activities. Without this documentation, we could not conclude on whether Department staff appropriately identified and resolved potential problems at the CPAs, including imposing corrective actions as necessary. During our Fiscal Year 2008 audit, the Department reported that it is developing a monitoring tool and has begun standardizing procedures. However, we found that the Department has not implemented policies and procedures to ensure that staff fully document all key areas reviewed during licensing and monitoring visits and that the Department retain the supporting documentation for its licensing and monitoring visits. As a result, we still cannot conclude on whether the Department staff are appropriately identifying and resolving potential problems at the CPAs, including imposing corrective actions as necessary.

Finally, our Fiscal Year 2007 audit found similarities between the licensing and monitoring visits made to CPAs that could indicate some duplication of effort and resources. For example, both licensing and monitoring teams are required to review CPA staff, foster parent, and foster children files, as well as records related to abuse or neglect investigations, during their on-site visits. In addition, monitoring and licensing staff use the same checklists to capture information from their visits. During our Fiscal Year 2008 audit, we found that the Department has yet to evaluate its current licensing and monitoring procedures to identify and eliminate duplication.

Since Fiscal Year 2002, CPAs have received between $34 million and $46 million annually to provide foster care services to about 20,000 children. Therefore, it is important for the Department to implement effective CPA licensing and monitoring procedures. Specifically, the Department should implement risk-based schedules for conducting both licensing and monitoring visits, fully document the areas reviewed and the results of the reviews for both licensing and monitoring visits, maintain documentation for a specified period, and evaluate the licensing and monitoring processes to minimize duplication. Improving and streamlining the licensing and monitoring reviews of CPAs will help to ensure the safety of foster children and increase accountability for state expenditures.

(CFDA No. 93.658, Foster Care Title IV-E, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 93:

The Department of Human Services should improve oversight of child placement agencies for the foster care program by:

a. Continuing testing and implementing risk-based schedules for licensing and monitoring child placement agencies. This should include developing criteria

for determining risk levels, classifying all child placement agencies by risk level, and revising these classifications, as necessary, on a periodic basis.

b. Establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation.

c. Evaluating current licensing and monitoring procedures to identify and eliminate duplication.

Department of Human Services Response:

Partially Agree. Implementation date: March 2009.

a. The Department formed a work group during April 2007 to develop a risk-based model for licensing and monitoring child placement agencies (CPAs). We conducted a pilot for risk-based monitoring of less-than-24-hour facilities. It was decided to delay the implementation of risk-based monitoring for CPAs until the areas of deficiencies from the pilot program could be identified and corrected. The date for full implementation is February or March 2009.

b. The Department has discussed this issue with all monitoring and licensing staff. Since the recommendation monitoring staff has maintained copies of all documents from all CPA monitoring visits. The 24-Hour Monitoring Unit has also drafted a new monitoring tool to highlight key areas that will be reviewed during monitoring visits and are currently working on internal standardized operating to formalize this task. The date for full implementation is the end of February 2009.

c. The Department has evaluated the duties and responsibilities of licensing and monitoring since January 2008. The 24-Hour Monitoring Unit is drafting a new monitoring tool to reduce duplication of effort. The new monitoring tool will be formalized by the end of February 2009.

During Fiscal Year 2008 the Office of the State Auditor conducted the *Colorado Child Care Assistance Program Performance Audit*, Report No. 1909, dated November 2008. The information and comments below were contained in that report.

Overview of the Colorado Child Care Assistance Program

Federal welfare reform, which was enacted in 1996, stressed the importance of work and job preparation for ending dependence on government benefits and achieving financial self-sufficiency. However, the cost, availability, stability, and quality of child care can act as barriers for low-income parents who want to work. As part of welfare reform, Congress established the Child Care and Development Fund (CCDF) to provide block grant moneys that states can use to offer child care services on a sliding-fee scale and to improve the quality and availability of those services. The Colorado Child Care Assistance Program (CCCAP), supervised by the Colorado Department of Human Services (Department) and administered by county departments of human/social services, uses CCDF funds to offer subsidies to low-income families so that these families can more easily access affordable child care, hold jobs, and attain financial independence. In establishing CCCAP, the General Assembly declared [Section 26-2-802(1), C.R.S.] that "the state's policies in connection with the provision of child care assistance and the effective delivery of such assistance are critical to the ultimate success of any welfare reform program."

Federal law established several goals for the use of CCDF funds, including:

- To promote parental choice and empower working parents to make their own decisions on the child care that best suits their family's needs.
- To encourage states to provide consumer education information to help parents make informed choices about child care.
- To assist states in providing child care to parents trying to achieve independence from public assistance.
- To assist states in implementing health, safety, licensing, and registration standards established by each state.

Federal regulations require states to use a "substantial" portion of the block grant funds to provide child care services to low-income working families. States may also spend the block grant funds on activities to improve the quality of child care, such as making grants or loans to child care providers to help the providers meet state and local health and safety requirements, providing comprehensive consumer education to parents, and improving salaries and fringe benefits for child care staff.

Federal Oversight

The U.S. Department of Health and Human Services (DHHS) oversees child care subsidy activities at the federal level and promulgates rules related to CCDF. To receive CCDF funding, states must submit a biennial plan to DHHS that describes how the state will meet certain requirements, such as (1) ensuring that parents in the program are able to choose their own child care providers, (2) providing consumer education information that will promote informed child care choices, and (3) meeting the needs of certain populations, such as families attempting to transition off of public assistance programs and families that are at risk of becoming dependent on these assistance programs. DHHS also requires each state to report annually on the number of children and families served, the cost of the child care services provided, and the extent of the state's consumer education efforts. For Fiscal Year 2008, the Department spent about $61.5 million in federal funds on CCCAP.

State Responsibilities

The General Assembly has enacted a body of laws to define the Department's supervisory role related to the program, as follows:

- Sections 26-1-111 and 26-1-201, C.R.S., charge the Department with supervising all public assistance programs, including CCCAP.

- Section 26-1-107, C.R.S., authorizes the State Board of Human Services to promulgate regulations governing any program administered or supervised by the Department.

- Section 26-2-715, C.R.S., requires the Department and counties to enter into annual performance contracts that identify the counties' duties and responsibilities in implementing the TANF/Colorado Works and CCCAP programs. Statute also allows the Department to impose sanctions upon counties that fail to meet their obligations under the contracts.

- Section 26-2-803, C.R.S., requires the Department to establish CCCAP provider rates. However, statute also allows counties to opt out of these rates and negotiate their own rates with providers.

In addition, federal CCDF regulations require the Department to monitor programs and services paid for with federal funds and ensure that these programs comply with all federal requirements.

The Department's Division of Child Care (Division) primarily oversees CCCAP. The Division approves each county's plan for providing CCCAP services and

provides training and technical assistance to counties about the program. In addition, the Division compiles data on the number of CCCAP participants, manages the allocation of CCCAP funds to the counties, and sets CCCAP provider rates. Finally, the Division, in conjunction with the Department's Audit Division, performs case file reviews to determine if counties are complying with applicable federal and state requirements.

County Responsibilities

Under statute (Section 26-1-118, C.R.S.), counties serve as agents of the State and are charged with the administration of public assistance programs like CCCAP in accordance with regulations established by the Department. According to DHHS, Colorado is one of seven states with a county-administered child subsidy program. In accordance with Department regulations, counties carry out the ongoing responsibilities of CCCAP, including:

- Taking initial applications for CCCAP services and determining whether applicants are eligible for the program.

- Redetermining every six months whether families remain eligible for the program.

- Calculating the initial parental fee for CCCAP child care. Federal law generally requires that parents pay for a portion of the child care being subsidized with CCDF funds. The fee amount is based on a percentage of the parent's income and family size. Counties must also adjust the fee when the parent's income changes.
- Establishing appropriate internal controls and separation of duties over their CCCAP programs and reviewing provider sign-in sheets to ensure that payments made to child care providers are appropriate.

- Providing parents with information on all available types of child care providers in the community and making reasonable efforts to promote CCCAP.

Populations Served

To be eligible for CCCAP, a family must have at least one child under the age of 13 and qualify in one of the following categories:

- **Low-Income Child Care (LICC).** LICC serves low-income children with parents involved in an eligible activity, such as work or job training. Statute (Section 26-2-805, C.R.S.) requires counties to serve families that earn less

than 130 percent of the federal poverty level (FPL), which equaled $22,880 for a family of three in 2008. Because of the enactment of House Bill 08-1265, counties may serve families earning up to 85 percent of the State's median income ($50,194 for a family of three in 2008) as of August 2008. Previously, counties could serve families earning up to 225 percent of the FPL ($39,600 for a family of three in 2008). In Fiscal Year 2008, about 29,900 children entered CCCAP through LICC.

- **Colorado Works Child Care (CWCC)**. Child care is a support service for families participating in or transitioning off TANF/Colorado Works. In Fiscal Year 2008, CCCAP served about 5,200 children through CWCC.

- **Child Welfare Child Care**. Foster parents are eligible for CCCAP services, which are paid for through child welfare funding. In Fiscal Year 2008, about 2,000 (5 percent) children served by CCCAP were involved in receiving foster care through the child welfare system.

- **Employment First Child Care.** Parents eligible for food stamps are also eligible for child care under the Employment First program, a federal program designed to ensure that food stamp recipients are participating in activities to improve their employability. Most families that are eligible for Employment First are also eligible for LICC. In Fiscal Year 2008, only four children were served through the Employment First program.

Statute (Section 26-2-806, C.R.S.) clearly states that no family has an entitlement to CCCAP services. Therefore, the aforementioned requirements that counties serve certain populations are all subject to available appropriations from the General Assembly.

Figures on the number of children served in CCCAP from Fiscal Years 2004 through 2008 are included in a table on page 367.

Funding

The Department funds CCCAP through a mixture of state general funds, local funds, and federal funds. Under statute [Section 26-2-804, C.R.S.], each county must provide funds to meet a federal maintenance-of-effort (MOE) spending requirement for CCCAP each year, which is a percentage of each county's CCCAP allocation. For Fiscal Year 2008, the county MOE was about 12 percent. In other words, each county was responsible for using local funds to pay for about 12 percent of expenses in its CCCAP program.

The major sources of federal funding for CCCAP include:

- **Child Care and Development Fund** (CCDF), which, as noted previously, provides the major funding for CCCAP. States receive CCDF funds based on the number of children under the age of five in their state and the percentage of children receiving free or reduced school lunches. In Fiscal Year 2008 the Department spent about $50.1 million in CCDF funds on CCCAP.

- **Title IV-A of the Social Security Act** (Temporary Assistance to Needy Families, or TANF)**,** which provides financial assistance to low-income families. Federal law allows 20 percent of TANF funds received by a state each year to be transferred to child care services. Once transferred, these funds are subject to CCDF requirements. In Fiscal Year 2008 the Department transferred about $10.4 million in TANF funds to provide child care services.

- **Title XX of the Social Security Act** (Social Services Block Grant), which funds services to help families achieve or maintain economic self-sufficiency. In Fiscal Year 2008 the Department spent about $1.0 million in Title XX funds on CCCAP.

The following table shows total CCCAP expenditures for Fiscal Years 2004 through 2008, broken down by direct child care expenses and county administration expenses. The table also includes the number of children served by CCCAP during the period. Department administration expenses for CCCAP are included in the Department's overall child care administration expenses, which also cover the Department's child care licensing activities. The Department estimated its CCCAP administrative expenses to be about $131,000 for almost 2 full-time equivalents, or FTE, in Fiscal Year 2008.

Department of Human Services
Colorado Child Care Assistance Program
Expenditures and Children Served [1]
Fiscal Years 2004 Through 2008

Category	Fiscal Year					Percent Change, FY04-08
	2004	2005	2006	2007	2008	
Direct Child Care Expenses	$78,400,000	$73,200,000	$67,100,000	$66,100,000	$76,800,000	-2.0%
County Administration	$8,500,000	$8,200,000	$8,500,000	$8,300,000	$9,400,000	10.6%
Total	$86,900,000	$81,400,000	$75,600,000	$74,400,000	$86,200,000	-0.8%
Children Served [2]	40,600	38,200	35,600	33,900	35,100	-13.5%
Cost per Child	$2,140	$2,130	$2,120	$2,190	$2,460	15.0%

Source: Department of Human Services' County Financial Management System and annual CCCAP reports.
[1] Expenditures and children served do not include Child Welfare Child Care and Employment First Child Care, both of which are funded through sources outside CCCAP.
[2] This number represents the total number of children served during the year, regardless of the length of time served.

As the table shows, overall CCCAP spending and numbers of children served declined significantly from Fiscal Years 2004 through 2007, continuing a trend that started after Fiscal Year 2002. In Fiscal Year 2002, CCCAP spending reached about $104.1 million, and the number of children served was about 53,300, meaning that spending had declined by about 29 percent by Fiscal Year 2007 and the numbers served had declined by about 36 percent by Fiscal Year 2007. Spending increased by about 16 percent from Fiscal Year 2007 to Fiscal Year 2008, while the numbers served increased by about 4 percent. The overall cost per child increased about 15 percent from about $2,140 in Fiscal Year 2004 to about $2,460 in Fiscal Year 2008. Finally, the table shows that county administrative expenses have increased by almost 11 percent during the period.

Audit Scope and Methodology

House Bill 07-1062 required our office to conduct a performance audit of the use of moneys from CCCAP and to release our findings and recommendations by December 30, 2008. The legislation specified that our audit's scope should include, but was not limited to, (1) an assessment of state and county policies and procedures related to CCCAP, (2) the use of TANF funds for child care transfers and reserves, (3) provider payments and reimbursement rates, (4) parental fees, and (5) eligibility.

We reviewed each of the areas required by House Bill 07-1062. To conduct our audit, we visited and interviewed staff at the Department and nine counties (Adams, Denver, Eagle, El Paso, Jefferson, Larimer, Mesa, Prowers, and Pueblo) to determine how CCCAP is administered and supervised in the State. In addition to those areas required by statute, we also contracted with Berkeley Policy Associates to evaluate

CCCAP's allocation model and to determine the percentage of low-income children and families served by the program.

Finally, our audit did not review CCCAP cases funded through Child Welfare Child Care or Employment First Child Care. Our audit also did not review child care licensing practices or evaluate the quality of child care provided through CCCAP.

Eligibility Determination

Accurately establishing families' initial and continuing eligibility for CCCAP is key to ensuring the credibility and success of the program. Questions about program fairness can arise if standards are not consistently applied and correctly calculated. Moreover, the merits of the program can be diminished or overlooked if doubts arise about whether the population being served is truly eligible or in need of assistance. Therefore, as part of our audit, we evaluated whether counties are accurately determining eligibility, including correctly calculating the amount of parental fees to be applied.

Because CCCAP is supervised by the Department but administered by counties, families must apply at counties for CCCAP services. Counties may require families to apply in person at county offices or allow them to send in their applications. Applicants are to provide certain documents to verify (1) income (e.g., pay stubs) and (2) participation in an eligible CCCAP activity (e.g., work or school schedule). County case workers enter information from the application and supporting documentation into the Department's Child Care Automated Tracking System (CHATS). If the family is determined to be eligible, CHATS automatically computes the family's parental fee. Under federal law, families participating in CCCAP and with incomes above 100 percent of the FPL must contribute a portion of their income to the child care costs being subsidized by CCCAP. In Colorado the fee amount varies, generally ranging from 7 to 14 percent of gross income, and is based on household size, income, and the number of children in care.

We reviewed 53 case files from nine different counties for participants receiving CCCAP services in federal fiscal year 2007 to determine if the counties correctly determined income eligibility and parental fees. We identified problems in more than one-half (57 percent) of the files we reviewed. Specifically, we found that 30 of the 53 case files contained exceptions such as calculation errors and omissions of necessary information. In some cases we identified more than one exception in a single case file. It is important to note that we did not find any errors or omissions that resulted in a determination of program eligibility when an applicant or participant should have been denied eligibility. However, the errors did result in miscalculated parental fees. Specifically, our review found that counties assessed seven families' parental fees that were too high by an average of about $20 per month

and two families' fees that were an average of about $60 per month lower than they should have been.

Overall, the problems we identified in the case files raise concerns about the integrity of the eligibility determination process. As indicated below, we found weaknesses in three main areas:

Income and fee calculations. Correctly calculating and verifying income is essential not only for determining program eligibility but also for establishing the correct parental fee amount. The CCCAP Policy Manual sets out guidelines for calculating income and Department rules mandate the formula for calculating parental fees. We identified eight cases (15 percent) in which county workers incorrectly calculated families' monthly incomes and parental fees. We also identified another case in which a family's income was correctly calculated but its parental fee was not. Errors in calculating income can result in program eligibility and parental fee errors and can cause the State to either overpay or underpay its share of child care costs.

Documentation. We found that 11 of the 53 files (21 percent) did not contain sufficient documentation to verify the applicant's income or parental fee amount. For 6 of the 11 exceptions, the files lacked documentation related to irregular income. The Department's CCCAP manual requires that when an applicant has irregular income, caseworkers are to calculate an average gross monthly income based on documentation from the previous three months. None of the six files contained the requisite three months of pay stubs, handwritten wage statements from employers, or other wage documentation. According to Department staff, families with irregular incomes comprise the majority of CCCAP families. Consequently, documenting the basis for these income determinations is especially important.

For 3 of the 11 exceptions, the files lacked basic information, such as the client's application, that would allow us to confirm that the applicant's income was calculated correctly. For one of the remaining exceptions, the file lacked information required to document the applicant's self-employment income. Finally, the last exception did not contain documentation to explain why the parental fee had been lowered below the amount required under Department policy.

We estimated questioned costs to be about $5,100 in the 10 cases above that involved insufficient income documentation, because we could not confirm the initial eligibility of the applicants in these cases.

County residence verification. Department rules require that all CCCAP recipients reside in the county in which they seek and receive assistance. We identified 16 case files (30 percent) in which counties did not verify the recipients' county residency. Verifying county residence is of particular importance for CCCAP given the

differences in eligibility requirements among the counties. For example, if an applicant is ineligible based on income in his or her county of residence, they could seek assistance in an adjacent county with lower income thresholds.

Many of the problems we identified in our file review were also identified in the 2005 Error Rate Methodology Pilot Study and the 2008 State Improper Authorization for Payment Report, both of which the Department completed in collaboration with the U.S. Department of Health and Human Services. The 2005 study found, for example, that 20 percent of the 150 sample cases had income or parental fee calculation errors. The results of the 2008 report were preliminary at the time of our audit; however, the report identified similar problems with the counties' case files. Problems included: (1) a lack of citizenship verification in 25 percent of cases; (2) a failure to assess parental fees in accordance with the Department's schedule in 18 percent of cases; and (3) insufficient documentation for income calculations in 43 percent of cases. The results of these studies and our audit identify a pattern of weaknesses in the CCCAP program that has been ongoing since at least 2005.

There are several reasons for the problems identified during our audit. First, there is a lack of clarity among county staff with regard to calculating irregular income. Most of the files we identified that did not have sufficient income documentation were for families with irregular income. Contrary to Department policy, county workers accepted fewer than the required three months of income documentation, and county staff told us that they understood this practice to be acceptable. The Department needs to reiterate its requirements through training and written policy updates. Developing a standard form for the counties to use in calculating income and parental fees would also be of benefit. Such a standardized tool would provide greater assurance that counties consistently apply and comply with eligibility rules and accurately calculate income and fees.

Second, the Department has not established an adequate system of monitoring and follow-up both at the county and state levels. Quality assurance is vital for consistent application of rules and for the timely correction of problems. The Department's practice is to review a few case files and then speak with county staff about any problems found, including those related to eligibility determinations. However, we did not find that the Department has adopted a sufficiently formal or complete process for conducting these reviews. For example, the Department does not identify the reasons problems occur, such as a lack of adequate supervisory review. Neither does the Department require that counties submit corrective plans or follow up to ensure that the counties have taken steps to rectify problems associated with eligibility determinations.

We also found that two of the nine counties we visited do not routinely review their case files to ensure compliance with applicable requirements. Department

regulations require that counties establish adequate internal control processes to ensure compliance, such as periodic supervisory review. Monitoring case files is an important method for counties to use as part of their internal control systems.

Finally, although the Department has adopted rules related to county residence, it has not adopted corresponding rules, policies, or procedures for verifying residence. The Department should adopt the necessary rules and provide guidelines to counties on acceptable forms of residency documentation such as rent receipts, mortgage statements, and utility bills.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 94:

The Department of Human Services should improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by:

a. Clarifying to the counties that three months of income documentation are necessary to verify irregular income for CCCAP applicants.

b. Ensuring that counties maintain complete documentation to support income and parental fee calculations.

c. Developing a standard income and parent fee calculation form to be used by counties and providing training to implement the tool.

d. Strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in this report.

e. Implementing a rule requiring counties to verify county residency for CCCAP applicants.

Department of Human Services Response:

a. Agree. Implementation date: July 2009.

The Department will issue an agency letter specific to this topic, will train staff, and will monitor the counties for compliance.

b. Agree. Implementation date: July 2009.

The Department will issue an agency letter that includes a document for use in calculating income and guidelines for documentation needed to support income and parental fee calculations and for the use of CHATS for parent fee calculation. The agency letter will also stress the need for counties to maintain complete documentation.

c. Agree. Implementation date: July 2009.

The Department will issue an agency letter that includes a document for use in calculating income including documentation needed, as well as the use of CHATS for parent fee calculation.

d. Agree. Implementation date: July 2009.

The Department has already improved its monitoring of the counties' CCCAP operations since the audit began through a revision of the county case file review process, which is now a risk-based approach that reviews those counties that manage higher CCCAP caseloads, identifies where errors are most commonly made in the program, and makes changes to internal control systems as identified. Currently the Department performs this monitoring on a quarterly basis. However, the Department is currently pursuing additional staff through the Fiscal Year 2010 budget request process to implement this monitoring on a monthly basis. Appropriation for those staff positions will allow the Department to fully implement this recommendation.

e. Agree. Implementation date: April 2009.

The Department has already addressed this recommendation in a rule package that will go before the State Board for first hearing in January and become rule in April 2009, dependent upon State Board approval.

Eligibility Determination Overrides

As described previously, eligibility determinations for CCCAP are completed automatically in CHATS, the Department's CCCAP database, based on data entry from county staff. The ability of CHATS to automatically determine eligibility can be a control for preventing fraud and errors. However, CHATS also allows workers to override the system's eligibility determinations. Override capability significantly

weakens this system control unless sufficient compensating controls exist to ensure that overrides are utilized appropriately.

There are legitimate reasons for overriding CHATS. For example, if two parents are divorced but each one separately applies and qualifies for the child care subsidy for the same child, CHATS would deem the child to be ineligible for the second parent's subsidy because the child is already tied to an open case. However, under program policy both parents may qualify to receive CCCAP assistance. Also, if parents are transitioning from Colorado Works Child Care to Low-Income Child Care (LICC), it may take several days for CHATS to close the TANF/Colorado Works case. During this transition period, a CHATS override is necessary for LICC assistance to be approved and the subsidy to continue uninterrupted.

We found that neither the Department nor the counties have adopted the necessary controls to ensure that overrides are justified and can only be accomplished with additional supervisory approval. Specifically, during Fiscal Year 2007, counties managed about 15,000 LICC CCCAP cases, with about 500 (3 percent) of these cases having an override of eligibility determination at least once during the year. We reviewed a sample of 65 cases with eligibility overrides in Fiscal Year 2007 to determine if the counties documented their overrides sufficiently and performed them for an appropriate reason. We found that 45 (69 percent) of the sampled cases did not have adequate case file documentation to support the need for the override, nor evidence of supervisory review. We followed up on these 45 exceptions to determine if the counties could provide additional documentation to show that the overrides were appropriate. After receiving additional documents from the counties, there were still 24 (37 percent of the 65 cases) cases for which adequate documentation did not exist to support the appropriateness of the override. Because of the lack of documentation to justify the override, we consider these 24 cases to be eligibility errors, meaning that the families should not have received CCCAP services at that time. Services provided to ineligible families result in questioned costs for the services provided that may be disallowed by the federal government. For these 24 cases, we calculated $28,000 in questioned costs.

We also analyzed the rate of override use by counties in Fiscal Year 2007 and found that one of the 10 largest counties accounted for 27 percent of all overrides in the State. Further, two case workers in this county were, by themselves, responsible for 22 percent of all overrides statewide. The ability of single caseworkers to nullify system controls in the absence of additional oversight is unacceptable. Because this county was not included in our county sample for site visits, we provided this information to the Department for investigation.

The Department was unaware of the problems with overrides until we brought the matter to the Department's attention. Currently the Department does not have a report on cases that have been overridden, which makes it difficult for the Department and

counties to track overrides or related trends and follow up on any anomalies such as the one we identified above. Further, CHATS does not contain accurate information on overrides for reporting purposes because CHATS records all TANF/Colorado Works and child welfare cases as overrides even though they are not.

According to Department staff, county case workers should be documenting the reasons for overrides. The counties we visited had varying policies for documenting and approving overrides, which ranged from no oversight or documentation to having technicians add notes explaining the override in CHATS. However, Department regulations and the CCCAP policy manual do not require counties to perform supervisory reviews of overrides or maintain any documentation related to overrides. Department staff explained that they have been unable to build new system controls (i.e., supervisory approvals) because CHATS is antiquated and it would not be cost-effective to update CHATS to better control overrides.

The lack of adequate controls over CHATS overrides significantly increases the risk of fraud, errors, and irregularities. Until CHATS is replaced, the Department must ensure that manual controls exist to ensure that overrides are appropriate and abuses or errors are detected and prevented. Specifically, the Department should require that all overrides be consistent with program requirements, establish guidelines on the documentation needed to support the overrides, and require supervisory review and approval of all overrides at the county level. The Department should also provide training to counties on the proper procedures for performing overrides.

The Department should also ensure that controls over overrides, including supervisory reviews and approvals, are built into CHATS's replacement system, which is currently in development. Shorter time frames for closing a case in the new system would solve the problem of transitioning TANF/Colorado Works cases needing overrides. The Department should also ensure that CHATS's replacement records overrides accurately and does not record TANF/Colorado Works and child welfare cases as overrides. Finally, the Department should create a report for monitoring overrides and following up on any unusual trends the Department or counties identify.

Without adequate controls over overrides, the Department increases the risk of fraud and abuse in eligibility determinations, potentially resulting in ineligible families' improperly receiving a CCCAP subsidy and disallowances of CCCAP expenditures by the federal government. Strengthening the controls over overrides will help ensure that the automatic eligibility function of CHATS is an effective control for preventing ineligible families from accessing CCCAP services.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 95:

The Department of Human Services should improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within Child Care Automated Tracking System (CHATS) by:

a. Developing rules governing the acceptable reasons for overrides and documentation required at the counties to support them.

b. Requiring that the counties establish supervisory review and approval for all overrides.

c. Ensuring county case managers and supervisors are adequately trained in proper procedures for overrides.

d. Building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system.

e. Monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up.

f. Following up on information provided to the Department from our audit on the high rate of overrides within one county.

Department of Human Services Response:

a. Agree. Implementation date: June 2009.

The Department will develop rules governing overrides, which will specify the acceptable reasons for overrides and the documentation needed to support the overrides.

b. Agree. Implementation date: July 2009.

The Department will require counties to have supervisory review and approval of all overrides and to report to the Department in their county CCCAP plans, which will be finalized in June 2009, on their county policy related to this issue.

c. Agree. Implementation date: July 2009.

The Department will provide training to counties on override procedures.

d. Agree. Implementation date: August 2010.

The Department is planning on a full replacement of CHATS by August 2010 and will build supervisory review, approval, and reporting capabilities into CHATS's replacement.

e. Agree. Implementation date: April 2009.

The Department will monitor overrides through the use of reports and ensure proper follow-up of any problems found.

f. Agree. Implementation date: September 2008.

The Department followed up on the high rate of overrides identified at one county. The high rate of overrides was due to a training issue that has been corrected.

Oversight of County Expenditures

The Department spent more than $400 million on Colorado Child Care Assistance Program (CCCAP) services during Fiscal Years 2004 through 2008. This total includes subsidy payments made by county departments of human/social services to child care providers and county administrative costs. In addition, counties spent about $4.8 million in Fiscal Year 2008 on initiatives designed to improve the quality of child care.

Although counties administer CCCAP services on a day-to-day basis, the Department, as the lead agency for CCCAP, is ultimately responsible for ensuring that CCCAP expenditures are appropriate and support program goals. For example, federal Child Care and Development Fund (CCDF) regulations require that the Department monitor CCCAP services and oversee expenditures made by subrecipients of federal funds, such as the counties, to ensure that CCCAP expenditures comply with federal rules. Further, the federal Office of Management and Budget's (OMB's) *Circular A-133: Audits of States, Local Governments and Non-Profit Organizations* requires the Department to monitor subrecipients to ensure compliance with all federal requirements.

We evaluated the Department's oversight of county CCCAP expenditures related to three areas: provider rates, provider payments, and child care quality initiatives. We reviewed provider rates and payments because they represent the vast majority of

CCCAP expenditures (about $362 million from Fiscal Years 2004 through 2008). We reviewed the child care quality initiatives because spending in this area increased significantly during the time period reviewed. Overall, we found significant weaknesses in the Department's oversight of county expenditures in these areas and identified questioned costs totaling about $195,700. As a result, there are risks that the Department is not adequately protecting the public resources invested in CCCAP.

Market Rate Survey

Counties pay providers different child care rates based on several factors, including the age of the child, the type of provider (e.g., exempt or licensed), and whether the child is in full-time or part-time care. In general, counties contract with providers for child care services through two types of rate arrangements: (1) a "per unit" rate, which is charged for each child based on full-time or part-time daily attendance; or (2) a monthly child care slot rate, which guarantees payment to the provider for holding a certain number of spaces open for CCCAP participants, even if not all of the slots are used. Statewide, 11 counties had slot contracts worth about $1.6 million for Fiscal Year 2008.

Statute (Section 26-2-803, C.R.S.) requires the Department to establish CCCAP provider rates for the counties. Statute also allows counties, upon notice to the Department, to opt out of the Department's rates and negotiate their own rates with providers. In negotiating and setting provider rates, counties must meet two requirements. First, under federal and Department regulations counties cannot pay a provider more than a "private-pay" family would pay for equivalent care. Second, under federal law the maximum rates counties choose to pay providers must be high enough to ensure that CCCAP families have access to child care that is equal to the access available to private-pay families. County rates do not have to ensure access to every provider, but they do have to afford CCCAP families access that is comparable to the variety and options available to private-pay families.

Under federal law, states must certify in their state CCDF plan that rates paid to providers are sufficient to ensure equal access for CCCAP children to comparable child care services provided to children not eligible for CCCAP. Under federal regulations, states must provide a summary of facts they relied upon to determine that their payment rates ensure equal access. This information must include showing (1) how families have a choice of a full range (e.g., center, family, and in-home care) of providers, (2) how payment rates are adequate based on a biennial statewide survey; and (3) how parental fees are affordable.

We reviewed data used by the Department to certify that the State's rates ensure equal access. We did not identify any concerns about parental fees or the availability of providers to CCCAP participants that raised doubts about whether CCCAP participants have equal access to child care providers. However, our review of the Department's

most recent (2006) market rate survey and methodology found significant flaws that cause the rate information to be unreliable. As a result, we question whether the Department can reasonably certify to the federal government that the State's CCCAP provider rates ensure equal access for participants. We discuss these issues below.

Survey Methodology

Federal regulations require states to conduct biennial statewide surveys of local child care provider rates. The survey results are intended to provide the Department with objective information to set rates for all parts of the State and for different types of care (e.g., infants and school-age children). Federal guidance suggests that states can achieve equal access if their rates are equal to the 75th percentile of local market rates, which allows a subsidy recipient access to 75 percent of the providers in the market.

As noted previously, statute allows counties, upon notice to the Department, to opt out of using the rates set by the Department. The Department currently does not track which counties have opted out of using the state-set rates; however, all nine counties we visited reported setting their own rates. Even if counties choose to opt out of the state-set rates, counties must still meet the federal requirement that provider rates are set sufficiently high to ensure equal access. To demonstrate to the federal government that the counties' rates ensure equal access, the Department compares the counties' rates to the market rate survey results regardless of whether the county opts out of the state-set rates. The Department's rates can also serve as a reference for the counties when they set their own rates. As a result, it is important that the Department's market rate survey be reliable and accurate.

The Department uses a contractor to conduct the market rate survey. The contractor contracts with local resource and referral agencies to obtain local provider rates for all licensed child care providers and enter them into a database. The contractor extracts and analyzes provider rates from that database, as instructed by the Department, to determine the 75th percentile for categories and groupings the Department has specified. Currently the Department publishes rates for both center-based and home-based care, for four child age categories, within four county "designations." The designations are designed to group counties with similar factors, such as population and household income.

Our review of the 2006 market rate survey identified significant concerns about the validity of the survey, including problems with the Department's methods for ensuring consistent and reliable data collection, analysis, and reporting. As a result, it is unclear that the Department's survey provides a reasonable basis for certifying that the State's rates meet federal equal access requirements. We discuss these issues below.

Data collection. We identified several problems with the conduct of the survey and the quality of the data collected. Specifically, we found that the Department does not require the contractor to retain or verify the source data for the survey. This is important because the contractor must standardize some providers' rates, such as converting full-time monthly rates into full-time weekly rates, to enter them into the database. If the rates entered into the database are not accurate, the 75th percentile calculation may be skewed. We identified some extremely wide ranges within some counties' rate categories that suggested that the rates entered into the database were not accurate. For example, the range for center-based full-time care for two- to five- year-olds was $36 to $400 per week in one county and $17 to $302 per week in another. Without source data, the Department cannot confirm the accuracy of these ranges. We also found that the Department has not ensured an adequate representation of providers in all counties. In particular, it is important to obtain rates from 100 percent of providers in small counties with few providers. The Department's contract for the 2006 survey required a sample of 90 percent of licensed providers in the State; the contractor sampled only 80 percent. The Department's contract for its next survey does not require a minimum sample size. Consequently, the Department cannot be sure that the rates collected through the contractor's samples will be a valid representation of the rates within each county.

Analysis and reporting. We also identified problems with the Department's methodology for analyzing and reporting the results of the provider market rate study. First, we found that the Department's designations do not group together counties with similar costs of living. For example, the Department groups rural counties that have very low costs of living with resort counties that have very high costs of living. Specifically, within one designation, we identified one low-cost county whose daily rate at the 75th percentile is $15.00 and a high-cost county whose daily rate at the 75th percentile is $51.00 for the same age category. The Department's recommended 75th percentile rate for the counties in this designation for the same age category is $30.06 per day—too high for one county and too low for the other county. Second, we found that the Department does not report rates that align with the age categories collected during the survey or used by providers. For example, infant rates (0-12 months) are typically higher than toddler rates (12-24 months). The Department reports only one rate for infants and toddlers (0-24 months), even though the contractor collects rate information for both infants and toddlers separately. This results in a recommended rate that is too low for infants and too high for toddlers. Third, we found that the Department's methodology for calculating the 75th percentile within each designation rate is flawed. The Department first calculates the 75th percentile for each county within a designation separately, then averages the results within the designation to determine the 75th percentile for the group. To determine the 75th percentile correctly, the Department should array or rank all provider rates within the designation for that rate category and identify the 75th percentile from the entire pool.

As noted previously, the problems we identified with the Department's market rate survey raise questions about whether the Department can certify to the federal government that Colorado's provider reimbursement rates ensure equal access to child care for CCCAP participants. Additionally, the weaknesses have other negative effects. For example, Senate Bill 08-210 created the Child Care Provider Reimbursement Rate Task Force (Task Force) to study how the State can best adopt minimum provider rates set at the 75th percentile. Since the Department's current 75th percentile rates are not reliable, the Task Force cannot use the rates to determine the costs that the State and counties would incur if they were required to pay providers minimum rates. In addition, the problematic market rates, which the Department also incorporates into its CCCAP funding allocation model, have an unintended impact on the funding allocations to counties.

Finally, counties cannot use the state-set rates as a reference for their own rates if the State's rates are inaccurate and unreliable. During our site visits, four of the nine counties stated that the market rate survey did not provide accurate rates for their counties, and none of the nine counties used the state-set rates. If counties do not find the survey credible and do not use it to determine their own rates, the survey is not accomplishing its intended purpose and is a waste of resources.

Provider Payments

Providers bill counties on a monthly basis for care provided to CCCAP children. Several steps exist to ensure that payments made by counties to these providers are accurate and comply with federal and state requirements. First, a county case worker authorizes the days of the week and the number of hours for which CCCAP children can receive care based upon the parents' schedule in eligible activities. For example, counties will only authorize children to receive part-time care if their parents are only working part-time. Second, the provider submits a bill to the county at the end of the month for care provided, which the county then compares to the amount of care authorized for that month to ensure that the provider is not billing for more care than was authorized. The county also verifies that the rate charged by the provider matches the rate listed in the provider's contract. Finally, counties review attendance documentation from randomly selected providers each month to verify that providers are only billing counties for the actual days that units of care were provided.

Since 2003, several federal and state studies have reviewed different parts of the counties' processes for paying CCCAP providers. For example, the Department's internal auditors completed the *Child Care Provider Study* in June 2003, which focused on how to reduce improper payments due to provider billing errors. Federal studies in 2005 and 2008 were also aimed at reducing improper payments. Finally, the Department began performing its own county case file reviews on a quarterly basis in

August 2006 to determine if counties are properly determining eligibility and authorizing CCCAP care and to provide training to the counties.

We reviewed the results of all of these studies and found that counties continue to lack adequate controls over the provider payment process and that some of these weaknesses were identified as far back as 2003. Through our review of the studies and our site visits to nine counties, we identified areas for improvement in each of the three payment process steps discussed above: authorizations, billing, and provider attendance documentation.

Authorizations

Once a child is determined eligible for CCCAP, a county case worker authorizes child care for certain days of the week and amounts of time. The authorizations should be based upon the parents' schedules in eligible activities to ensure that children only receive CCCAP services when needed. Over-authorizing care increases the opportunity for fraud or abuse within the program. If counties are not reviewing the parents' schedules closely, the excess amount of authorized care could be used by a parent to receive subsidized child care while not engaged in an eligible activity, or by a provider to bill for that time even if care was not provided. Additionally, any child care provided under CCCAP that is either not needed or not actually provided is subject to federal recoveries and disallowances.

The 2003 Department study recommended that care only be authorized based on the parents' schedules, so as to reduce the potential for providers to over-bill and be paid for care not actually provided. However, case reviews performed by the Department since August 2006 have found that nearly 38 percent of cases examined did not authorize care based upon the clients' needs.

Additionally, our analysis of preliminary data from the 2008 federal study, which was being completed at the time of our audit, indicates that steps necessary to ensure care is properly authorized are not being completed by county case workers. For example, only about 36 percent of the files in the study's sample of 271 had documentation of the parents' schedule of eligible activity on the application, redetermination form, or other documents (e.g., official work schedule from employer). Documenting and then verifying the schedule helps ensure that care is authorized based upon the parents' needs. Overall, we concluded that counties have not addressed problems identified in the 2003 study or implemented the study's recommendation to improve authorization practices.

We identified several ways in which the Department can better ensure that counties properly authorize child care for CCCAP participants and limit possible improper payments. First, the Department needs to strengthen its policies related to authorizing

child care. For example, despite the 2003 recommendation from the Department's internal auditors, current CCCAP regulations and policies do not explicitly state that child care is to be authorized based upon the parents' schedules. The Department should revise CCCAP rules to require that counties only authorize child care based on the parents' schedules and not overauthorize care.

Second, the Department should work with counties to improve the counties' internal control systems. Strong internal controls ensure that county staff manage their CCCAP cases appropriately. The 2003 Department study recommended that counties complete additional case file reviews, but we found that two of the nine counties that we visited never review case files. At the time of our audit, the Department reported that it will begin requiring counties to complete more standardized monthly case file reviews but had not set a firm date for when those reviews must begin. These reviews should focus not only on the authorization of child care but also on whether staff are properly calculating applicants' income and parental fees. The Department should also ensure that the counties' own file reviews focus not only on identifying errors but also on determining why these errors occur and implementing corrective action to prevent future mistakes.

Third, the Department should improve its CCCAP monitoring to ensure that counties are meeting applicable requirements. The Department’s current quarterly reviews of county case files identify the errors in each file reviewed but do not determine the causes of errors or mandate steps to prevent future mistakes. Without identifying the causes of the counties' errors and requiring corrective action to address these causes, the Department's reviews have minimal value. The Department should also use a risk-based approach to select its quarterly reviews. For example, as of September 2008, the Department has reviewed 16 counties, only two of which are among the 10 largest counties in the State and do not include the two largest counties, Denver and El Paso. To ensure that improper authorizations and possible improper payments are minimized statewide, the Department's case file review schedule should focus primarily on identifying and correcting problems at the counties that manage the most CCCAP cases. Finally, the Department should expand its monitoring to include a review of the counties' internal control systems to ensure that these controls are working effectively. For example, the Department should examine the results of each county's case file reviews to guide the Department's oversight of the counties.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 96:

The Department of Human Services should ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by:

a. Promulgating rules to clarify that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities.

b. Working with counties to improve the counties' internal control systems, such as requiring all counties to conduct monthly CCCAP case file reviews that identify errors in their case management and the causes behind those errors and require corrective actions to prevent future errors.

c. Improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors, such as improperly authorizing CCCAP care or miscalculating an applicant's income, and if counties have adequate CCCAP internal control systems in place.

d. Requiring that counties submit corrective action plans to address problems identified in part “c” and following up on these plans as appropriate.

Department of Human Services Response:

a. Agree. Implementation date: June 2009.

The Department will promulgate rules clarifying that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities.

b. Agree. Implementation date: June 2009.

The Department will work with counties to determine how best to improve internal control systems, including defining the frequency of case file reviews that identify errors, identifying the causes behind the errors, and identifying steps to be taken to prevent future errors.

c. Agree. Implementation date: July 2009.

The Department has already improved its monitoring of the counties' CCCAP operations since the audit began through a revision of the county case file review process, which is now a risk-based approach that reviews those counties that manage higher CCCAP caseloads, identifies where errors are most commonly made in the program, and makes changes to internal control systems as identified. Currently the Department performs this monitoring on a quarterly basis. However, the Department is currently pursuing additional staff through the Fiscal Year 2010 budget request process to implement this monitoring on a monthly basis. Appropriation for those staff positions will allow the Department to fully implement this recommendation.

d. Agree. Implementation date: July 2009.

As noted in part "c," the Department will fully implement monitoring as described above, which includes the counties' providing plans to address identified problems. This implementation is dependent upon the appropriation of staff positions for this purpose.

Provider Billing

Department regulations require that counties establish a fiscal agreement with every provider they use to provide CCCAP services. The fiscal agreement articulates the rights and responsibilities of the provider and the counties, including the rates to be paid by the county to the provider. On the fiscal agreement, each provider must report the rates they charge "private-pay" families, and each county must list the maximum rates that it will pay to any provider. Counties are then required under Department regulations and federal guidance to pay each provider, under their fiscal agreement, the lesser of the provider's private-pay rate or the county's maximum provider rate. Therefore, counties must ensure that the private-pay rates reported by providers are legitimate, especially if these rates are lower than the counties' maximum provider rates.

During one of our county site visits, staff voiced the concern that counties could be paying child care providers more than their private-pay rates because the counties are not verifying the providers' private-pay rates listed on the fiscal agreement. To determine whether providers were reporting their private-pay rates accurately, we anonymously called 27 providers from six counties to ask for their rate for full-time care for a child just over two years old. We identified three providers (11 percent) that quoted lower private-pay rates to us over the phone than they listed in their current

fiscal agreements with the counties. In other words, these three providers appear to be charging private-pay customers less than they are charging the counties.

For the three providers identified in our survey, the first provider overcharged the county approximately $1,700 over the first two months of its current contract (April and May 2008) for care for two year olds, or about 2 percent of the approximately $70,000 this provider was paid during this period. The $1,700 overcharge is a questioned cost because it does not comply with federal and state requirements. The second provider was underpaid for the first five months of the current fiscal agreement (January through May 2008), because the county mistakenly paid the provider the wrong rate. However, the rate quoted to us over the phone by the second provider was $3 per day lower than the rate the provider had listed on its fiscal agreement. No payments had been made to the third provider because the agreement had just begun as we were conducting our survey. However, the risk remains that payments to the third provider will not reflect the lower private-pay rate quoted to us. We notified the counties about these rate discrepancies, and they indicated that they would be following up with the providers.

The Department does not require, and the counties that we visited have not developed, routine processes to verify that the private-pay rates listed by providers on their fiscal agreements are accurate. Without verifying the providers' private-pay rates, counties cannot be sure that the rates charged by providers to counties do not exceed the rates charged by providers to private-pay families. The Department should work with counties to develop rules for verifying providers' private-pay rates. For example, staff could anonymously call a sample of providers monthly to request rates. Staff could also visit a sample of providers monthly to collect current rate sheets. Counties could incorporate these processes in their monthly review of provider time sheets.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 97:

The Department of Human Services should ensure that county departments of human/social services do not pay Colorado Child Care Assistance Program providers higher rates than those charged to private-pay customers by:

a. Working with the counties to develop policies and procedures for periodically checking whether providers are charging counties higher rates than the providers charge private-pay customers and monitoring implementation of these procedures.

b. Requiring those counties identified to follow up with the providers at risk of receiving overpayments to determine if recoveries should be made from the providers.

Department of Human Services Response:

Agree. Implementation date: April 2009.

The Department will develop an Agency Letter that directs counties on policies and procedures related to verification of provider market prices to determine if providers are charging the counties higher rates than the private pay sector. This letter will include specific direction to follow up with providers at risk of receiving overpayments to determine if recoveries should be made.

Provider Attendance Sheets

Department regulations require CCCAP providers to maintain attendance records that note the child's time of arrival and departure for each day of care. Regulations also require that these records be signed by the person authorized to drop off or pick up the child, such as the child's parent. Thus, these records document the time, dates, and units of care actually provided to children in CCCAP and can be used by counties to verify provider bills. Previous Department and federal studies found that attendance documentation was not always adequate to support the bills submitted by providers. For example, the Department's 2003 study found that about 17 percent of days of the week billed by providers were not supported by the providers' sign-in sheets. The study recommended additional review of provider attendance documentation and provider training on proper billing practices. The 2005 federal study concluded that provider errors resulted in an improper payment rate of 12 percent, in part because providers lacked adequate attendance documentation. Finally, the county case file reviews, which the Department began in August 2006, have found that 17 percent of providers did not have adequate attendance documentation for days billed.

Department regulations require counties to "complete at least a random monthly review of sign in/out sheets received from the provider compared to the billing sheets submitted." These reviews help ensure providers are billing only for care actually provided. We visited nine counties to evaluate their processes for conducting random, monthly reviews of provider sign-in sheets and found wide variations in county practices. Specifically, we requested documentation of each county's reviews for the months of September 2007 and March 2008 and found that only five of the nine counties conducted the random monthly reviews on a regular basis. Of the other four counties, two conducted reviews when workers suspected problems with specific

providers, one county had discontinued its reviews, and the final county never reviewed provider attendance sheets.

For the five counties that use a random review process, we also identified a variety of review practices. For example, counties reviewed attendance sheets from as little as 1 percent to as much as 5 percent of all providers submitting bills. In addition, some counties reviewed all types of providers, while other counties only reviewed licensed facilities. Finally, we found that all the counties that had reviewed provider attendance sheets accepted attendance documentation from providers that did not comply with the aforementioned Department regulations. For example, counties accepted provider sign-in sheets that did not list the child's arrival and departure times and/or that lacked a signature from the child's parent or guardian verifying the times that care was used.

We identified several ways in which the Department can help counties to improve their monthly review process. First, the Department should implement procedures to ensure that counties are conducting the monthly reviews in accordance with Department regulations. Currently the Department does not monitor whether counties are reviewing provider attendance records. The Department could include an evaluation of the counties' review process during its county case file reviews, including whether the counties are accepting attendance records from the providers that do not conform to Department regulations. Second, the Department should provide the counties with better guidance on how to select samples for their monthly reviews to ensure more consistent coverage. Current Department regulations do not specify how counties should conduct these reviews. The Department should offer direction on the number or percent and types of providers that counties should review each month.

Finally, the Department should revise its regulations to require that counties review provider attendance sheets on a risk, rather than random, basis. Risk-based reviews would ensure that counties focus their reviews on those providers most likely to have inadequate attendance documentation or to have a significant impact on the county if billing errors are found. Appropriate risk factors for the Department and counties to consider would include (1) the amount the provider bills to the county and/or the number of children the provider serves, (2) whether or not the county has identified billing discrepancies with the provider previously, and (3) the length of time that the provider has contracted with CCCAP (i.e., providers new to CCCAP warrant more scrutiny). The Department should continue to require that counties include some providers in their reviews on a random basis to ensure that all providers have some chance of being selected.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 98:

The Department of Human Services should improve the review of Colorado Child Care Assistance Program (CCCAP) provider attendance records by county departments of human/social services by:

a. Verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews.

b. Providing guidance to the counties on how to select samples of providers' attendance sheets for the reviews.

c. Revising Department regulations to require that counties implement a risk-based approach for conducting the reviews. Counties should continue to include a random element to ensure all providers have a chance of being selected.

Department of Human Services Response:

a. Agree. Implementation date: July 2009.

The Department has already improved its monitoring of the counties' CCCAP operations since the audit began through a revision of the county case file review process, which is now a risk-based approach that reviews those counties that manage higher CCCAP caseloads, identifies where errors are most commonly made in the program, and makes changes to internal control systems as identified. As a part of the monitoring process, the Department will verify that counties are conducting these reviews in accordance with Department regulations.

b. Agree. Implementation date: April 2009.

The Department will issue an Agency Letter giving guidance to counties on how to select samples of providers' attendance sheets for the reviews.

c. Agree. Implementation date: June 2009.

The Department will promulgate rules to require that counties implement a risk-based approach for conducting the reviews. Counties should continue to include a random element to ensure all providers have a chance of being selected.

County-Owned Child Care Centers

Although most counties in Colorado deliver CCCAP child care services primarily through contracts with private child care centers and home providers, at least two counties contract with their own county-owned child care facilities for CCCAP services. Agreements between counties and their county-owned child care centers have the potential for abuse; an inherent conflict-of-interest risk exists, since the county is essentially negotiating rates to pay itself. Department regulations attempt to minimize this risk by requiring that all county expenditures be "necessary and reasonable for proper and efficient performance and administration." According to these regulations, a cost is reasonable if it is comparable to what the market cost would be and if it has restraints imposed upon it, such as "arm's-length bargaining," that function to maintain equal bargaining power between the two parties involved.

One of the counties we visited, Prowers County, has a county-owned child care center that cares for CCCAP, Head Start, and private-pay children. Prowers County has had a slot contract with its county-owned center since the center opened in 2001. For Fiscal Year 2008, Prowers County's contract covered 68 CCCAP slots and called for the county to pay the center for child care services totaling about $470,000 minus parent fees. We reviewed Prowers County's provider rates and its child care slot contracts with the county-owned center and found that Prowers County has been significantly overcharging the CCCAP program for care provided at the center. Specifically, rates charged by this center are not comparable to market rates in the area, and controls do not exist to ensure arm's-length bargaining between the county and the center, which creates a conflict of interest. We found that Prowers County's county-owned child care center received almost $2.5 million in CCCAP payments during Fiscal Years 2004 though 2008, more than any other single CCCAP provider in the State. At the same time, the county-owned child care center ranked 17th in the State for the number of units of child care provided to CCCAP children, and the county ranked 49th among Colorado's counties in cost of living. We identified several problems with respect to Prowers County's relationship with its county-owned center, which we describe below.

Rates. We found that Prowers County paid rates to its county-owned child care center that were higher than the rates charged to the center's private-pay families for equivalent care, in violation of both Department and federal regulations. Specifically, since opening the center in 2001, Prowers County has consistently paid $575 per month, or $25 per day for 23 days, for each contracted child care slot, regardless of the enrolled child's age or attendance. Over the same time period, the center charged private-pay families $25 per day for children under three years of age, but only $20 per day for children over three years old in full-time care, and only $5 per day for children in after-school care. The Department, which is required by its own policies to review provider slot contracts before the contract start date, approved the slot contract between Prowers County and its county-owned center even though the contract indicated that the majority

of the slots were to be paid at rates that were higher than the center's private-pay rates. We calculate that during Fiscal Year 2008, Prowers County made overpayments totaling $111,000 by paying the $25 rate for children that were either more than three years old or in after-school care. The $111,000 overpayment is a questioned cost because the rates charged by Prowers County did not conform to federal regulations prohibiting counties from paying rates to a provider that exceed the provider's private-pay rates. This overpayment represents about 14 percent of Prowers County's entire Fiscal Year 2008 CCCAP expenditures of about $785,000.

We also found that the rates charged by Prowers County's county-owned child care center are higher than the rates charged by other providers in the area. We surveyed child care centers in neighboring counties with similar costs of living to Prowers County's and found their rates were lower, as shown in the table below.

Department of Human Services
Colorado Child Care Assistance Program
Rates Charged by Prowers County's County-Owned Child Care Center Compared to Rates Charged in Neighboring Counties
August 2008

Category	Daily rate charged by county-owned center	Average provider daily rate charged in neighboring counties	Excess of Prowers County's rate over neighboring counties' rate
Children less than 3 years old in full-time care	$25	$20.08	$4.92
Children more than 3 years old in full-time care	$20	$17.42	$2.58

Source: Office of the State Auditor's survey of county child care rates.

As the table shows, Prowers County is paying its county-owned child care center an average of almost $5 more per day for children under the age of three in full-time care than rates paid in neighboring counties. This is an annual difference of almost $1,400 per child under the age of three.

Underutilized slots. We found that during Fiscal Year 2004 through 2008, Prowers County contracted for slots it did not need. Specifically, we compared the number of contracted slots to the number of child care units (a full-time unit equals more than five hours of care per day) that Prowers County authorized for CCCAP children and found that the number of authorized child care units only used about two-thirds of the capacity of the contracted slots. This amounts to paying for more than 7,600 units of child care, at an estimated cost of $190,000, that were not needed for Fiscal Year 2008 alone.

The purpose of a slot contract is to ensure child care availability by paying to hold a certain number of slots at a provider. While it is unreasonable to expect a county to fully utilize each contracted slot every day, the underutilization of slots we found in Prowers County strongly suggests that Prowers County is contracting for too many slots at its county-owned child care center. This underutilization also contributed, in part, to the county-owned center's receiving significantly higher average payments per child per unit of care than other child care centers within Prowers County or statewide. During Fiscal Years 2004 through 2008, the county-owned center received payments averaging $42.95 per child per authorized unit of care, which is 21 percent higher than the average payment per child per authorized unit made to non-county-owned centers located in Prowers County and 75 percent higher than the average payment per child per authorized unit statewide.

The problems we identified at the Prowers County child care center were due to the Department's weak oversight and failure to ensure arm's-length bargaining between Prowers County and its county-owned child care center. Specifically, the Department lacked adequate monitoring procedures to identify excessive payments or potential conflicts of interest. In December 2005, the Department's Audit Division conducted an audit of the Prowers County Department of Social Services, including the county-owned child care center. Although the Department's audit found that Prowers County was contracting for more slots at the center than were needed, the audit did not identify the problems with the rates and the less-than-arm's-length relationship between Prowers County and the center. Additionally, the Department's procedures did not identify the overpayments made by Prowers County to the center as a result of Prowers County's slot contract.

Overall, we found that the Department's lack of oversight of CCCAP created an environment in which Prowers County was able to (1) pay itself inflated rates, and (2) pay itself for an excessive number of unneeded units of care. The Department should take several actions to improve its oversight of county-owned child care centers in general and the Prowers County child care center in particular. First, the Department should monitor slot contracts between counties and their county-owned child care providers to identify unreasonable provider rates that may result from an absence of arm's-length bargaining. This should include immediately requiring Prowers County to renegotiate its slot contract with its county-owned child care center to ensure that the contract does not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable. We discuss additional improvements to slot contracts in more detail in the next section. Second, the Department should review and approve all provider rates negotiated between counties and their county-owned providers to ensure rates are appropriate. Finally, the Department should consider increasing its audit coverage of Prowers County until the issues with the county-owned child care center have been resolved.

The importance of improved oversight by the Department of county-owned child care centers cannot be overstated. The arrangement between Prowers County and its county-owned child care center has resulted in Prowers County's paying its county-owned child care center some of the highest rates in the State. Additionally, these types of arrangements limit the ability of private providers to compete and create the appearance of a government monopoly. If other counties were to emulate practices in Prowers County, CCCAP rates could significantly increase across the State and reduce the number of families that could be served within available funds.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 99:

The Department of Human Services should improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary. This should include:

a. Reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider.

b. Requiring Prowers County to immediately renegotiate the current slot contract between Prowers County and its county-owned child care center to ensure that the contracts do not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable.

c. Considering increasing its audit coverage of Prowers County using the Department's Audit Division and current resources until the problems with its county-owned child care center have been resolved.

Department of Human Services Response:

a. Agree. Implementation date: July 2009.

The Department will issue an Agency Letter on this topic to include the review and approval of all rates between a county department of social/human services and a county-owned provider. Counties will be required to identify county-owned facilities on the county plan submitted to the State.

b. Agree. Implementation date: January 2009.

The Department has renegotiated the slot contract with Prowers County, which will be finalized for implementation in January 2009.

c. Agree. Implementation date: July 2009.

The Department agrees to consider increasing audit coverage of Prowers County.

Slot Contracts

During our review of the slot contract between Prowers County and its county-owned child care center (discussed in the previous section), we identified weaknesses in the Department's controls over slot contracts that could have implications for other counties. As noted previously, 11 counties had slot contracts totaling about $1.6 million during Fiscal Year 2008. Although we did not review the slot contracts in the other 10 counties, the problems we identified in Prowers County present risks that other counties could be paying for more slots than needed or higher rates than appropriate. Specifically, we found inadequate controls in the following areas:

- **Estimates of slot usage.** The Department produces reports on provider slot usage, which counties rely upon to estimate the number of slots needed in their slot contracts. We found that the Department's method for estimating slot usage is flawed and overstates the number of slots counties use. The Department reports slot usage based only on the number of children enrolled at a provider but does not indicate whether children are enrolled in full-time or part-time care. In other words, the Department counts as one slot: (1) a child attending for one day per week, and (2) a child attending for five days per week. To provide better information to counties about slot usage, the Department should consider devising other methods that better reflect the amount of care actually furnished by the provider. For example, the Department could compare the number of contracted slots to the amount of care actually authorized. If the number of contracted slots exceeds the amount of care actually authorized by an unreasonable percentage, then the Department should require the county to reduce the number of slots paid for under the contract. The Department should also establish controls, such as the file reviews discussed earlier in this chapter, to ensure that counties do not overauthorize care to justify the number of contracted slots.

- **Child Care Automated Tracking System (CHATS) limitations.** We found that the Department's automated system, CHATS, has limitations that make

accounting for slot contracts difficult for counties. Specifically, counties can only enter one payment rate into CHATS for providers with slot contracts, even if the counties would like to pay different slot rates for the various categories of care (e.g., infant and school-age care). We identified one county that has developed a work-around in CHATS that allows the county to track and pay its providers multiple slot contract rates for different age groups and care categories. Although the county developed this work-around in 2002 and the Department was aware of the county's practice, the Department did not require other counties to adopt this county's method for managing slot contracts with multiple payment rates. The Department should either require counties with slot contracts to adopt the work-around developed by the county discussed above, or devise another way for counties to manage slot contracts with multiple rates in CHATS. Additionally, the Department should ensure that CHATS's replacement system currently under development has mechanisms to address this issue.

Finally, the Department has not consistently followed its own procedures for reviewing and approving slot contracts. The Department needs to ensure it reviews these contracts to verify that rates do not exceed private-pay rates for the same care. Together, these steps should improve the Department's controls over slot contracts and reduce the risk of slot contract overpayments at other counties.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 100:

The Department of Human Services should improve controls over county slot contracts under the Colorado Child Care Assistance Program by:

a. Considering revising its method for measuring slot usage to better reflect the reasonableness of the amount of care being provided.

b. Establishing methods to ensure that county departments of human/social services can pay providers multiple slot rates until and after the CHATS system is replaced.

c. Consistently following current Department policy to review and approve county slot contracts to verify that the rates meet federal and state requirements for reasonableness and do not exceed providers' private-pay rates.

Department of Human Services Response:

a. Agree. Implementation date: July 2009.

The Department agrees to consider other methods for measuring slot usage to ensure the reasonableness of the amount of care being provided.

b. Agree. Implementation date: August 2010.

The Department will establish methods by April 2009 related to the approval of contract for slots that accommodates multiple rates for differing ages of children and types of care. CHATS's replacement will include this functionality upon implementation, which is scheduled for August 2010.

c. Agree. Implementation date: January 2009.

The Department will follow current policy in the review process to approve a contract for slots, which will verify that the rates meet reasonableness requirements and do not exceed providers' private-pay rates.

Quality Initiatives

Federal rules require states to spend at least 4 percent of their CCDF allocation on activities or services that improve the quality and availability of child care in the State. In Fiscal Year 2008, the Department spent about $4 million at the state level on quality initiatives. In addition to the statewide quality initiatives, Department policy currently allows counties to spend funds transferred from their TANF/Colorado Works reserves and/or up to 10 percent of their CCCAP allocation on activities to improve the quality of child care. County expenditures on quality initiatives have steadily increased, from about $300,000 among 13 counties in Fiscal Year 2004 to about $4.8 million among 37 counties in Fiscal Year 2008.

Federal regulations describe quality activities as those that (1) provide comprehensive consumer education to parents and the public, (2) increase parental choice, and (3) improve the quality and availability of child care. Department policy further defines acceptable uses of quality initiative funds to include child care capacity building, increasing child care resource and referral services, child care provider grants, provider training and recruitment, and minor remodeling of child care facilities.

Our audit focused on a review of the counties' quality initiative spending to determine if counties used these funds to improve the quality of child care in the State. Overall, we found the Department's oversight of the counties' quality initiative spending is weak.

Consequently, county spending did not always comply with applicable federal and state requirements, resulting in questioned costs of about $83,000. We also found that the Department's policy allowing counties to spend their CCCAP allocation on quality initiatives does not conform with state statute. We discuss these issues in the next two sections.

County Quality Initiative Expenditures

We reviewed a sample of 72 quality initiative expenditures for three counties totaling about $577,000 in Fiscal Year 2006 through Fiscal Year 2008. The sampled transactions came from the three out of the nine counties we visited that had quality initiative transactions during that year. We identified concerns with questioned costs, lack of consistent grant processes, and administrative expenses. Overall, the Department has not adequately monitored quality initiative expenditures, as described below.

Questioned costs. OMB *Circular A-133* defines questioned costs as those that (1) are unallowable under statutory, regulatory, contractual, or grant requirements; (2) appear unreasonable and do not reflect the actions a prudent person would take in the circumstances; and (3) are not supported by adequate documentation at the time of the audit. Of the 72 transactions we tested, we identified 14 (19 percent) with questioned costs, totaling about $83,000 (14 percent) of the approximately $577,000 we tested. The questioned costs we identified fell into several categories, as discussed below, with two transactions falling into multiple categories:

- **Unallowable use of quality initiative funds.** As noted previously, federal regulations and Department policy require that quality initiative funds be used to improve the quality of child care. OMB *Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments* discusses the allowability of selected types of expenditures that apply to all federal funds. We identified seven transactions totaling about $37,000 that did not appear to meet these requirements. For example, one county spent $10,000 to send 15 parents to a training conference. According to Department policy, provider training is an allowable quality initiative expense, but training for parents is not. For another transaction, a county paid about $1,800 for a provider to host an outreach event for parents and children that included dinner, a petting zoo, and a balloon clown. OMB *Circular A-87* prohibits the use of federal funds for entertainment purposes, including amusement and social activities, and for costs associated with these activities, such as meals.

- **Unreasonable and unnecessary transactions.** OMB *Circular A-87* requires that all costs be reasonable and necessary for the operation of the program. We identified six transactions totaling about $4,400 that were unreasonable and

unnecessary. For example, we identified one transaction totaling about $4,100 in which a provider paid for two months of rent and a security deposit for a staff member's personal apartment. The provider indicated these expenditures were start-up costs for its facility, which is an allowable use of quality initiative funds. However, we question whether paying a staff member's rent qualifies as a legitimate start-up cost for any child care facility.

- **Inadequate supporting documentation and approvals.** We identified three transactions totaling about $62,000 that lacked sufficient documentation and approvals. For example, one transaction totaling about $41,000 transferred funds to a non-profit organization, which then granted the funds out to providers. While the county could provide a list of expenses paid for by the non-profit organization, the county did not have copies of any invoices related to the transactions. As a result, we could not determine if the transactions complied with applicable requirements. Another transaction used about $1,100 of quality initiative funds to pay a portion of registration, stipend, and hotel costs for parents and administrators to attend a Head Start conference. The total cost for the conference was $15,000. We could not determine from the documentation how the county calculated the $1,100 as an appropriate amount to be spent on Head Start expenses.

- **Lack of formal grant process.** We found that one of the three counties for which we tested transactions did not have a formal grant program to distribute quality initiative funds to providers. Rather, the county used quality initiative funds to pay for operating costs at its county-owned child care center without giving other private providers in the county the chance to apply for these funds, giving the appearance of favoritism and impropriety. Although the Department does not specifically require counties to distribute funds to providers through grants, a formal grant process provides greater assurance that all providers have an opportunity to apply for and receive funds. A formal process also provides greater transparency and accountability, reducing the risk of fraud and abuse. We also noted that federal law requires federal agencies to use a grant process when the recipient of the government funds will be carrying out governmental activities, as is the case with county quality initiative spending.

- **Lack of county monitoring.** OMB *Circulars A-87* and *A-133* require recipients of federal funds to monitor entities to which they subgrant any of those funds to ensure compliance with federal laws and regulations. In addition, Department rules require counties to have administrative procedures in place to ensure appropriate internal controls over expenditures. We found that the counties' monitoring of quality initiative spending is deficient. For example, none of the three counties in our sample had a standard process to document that providers actually received and put into place the goods purchased with quality initiative funds, such as playground equipment. While two of the three

counties stated that they perform inventory checks on quality initiative expenses, they acknowledged no documentation was kept verifying that the check took place.

Further, one county, Denver County, could not provide supporting documentation for a transaction totaling about $2.8 million. Specifically, Denver County provided invoices totaling about $4.2 million but was unable to reconcile these invoices to the $2.8 million transaction we requested. As a result, we were unable to test the appropriateness of this transaction and consider it to be a potential questioned cost. The Department should follow up with Denver County and conduct a detailed audit of this transaction to determine if Denver County complied with all applicable requirements.

- **Use of quality initiative funds for administrative expenses.** Department policy does not include county administration as an allowable use of quality initiative funds. We found that one county allowed a subrecipient to use 5 percent of the quality initiative funding it received from the county for administrative costs up to $127,500. In addition, we found one instance in which the same subrecipient subgranted some of these funds to another entity and allowed that entity to also charge 5 percent for administrative costs. We have concerns about allowing subgrantees of the quality initiative funding to use those funds for administrative expenses. For example, we noted that if the county directly administered its quality initiative program rather than subgranting these funds, the county would not charge any administrative costs to quality initiative funds because the county would pay the costs from its CCCAP allocation or other county administration funds. Thus, this county's practice of allowing subrecipients to charge administrative costs against quality initiative grants reduces the funds available for improving the quality of child care in the State.

As noted, federal and state rules require the Department to have an effective monitoring and review process and adequate internal controls to ensure that CCCAP funds are spent appropriately. The Department has not taken an active role in overseeing quality initiative spending and therefore is not fulfilling its responsibility to monitor the spending of these funds. We identified several ways in which the Department could improve its oversight of the counties' quality initiative spending. First, the Department should routinely review a sample of county quality initiative transactions to ensure that funds are being spent in accordance with applicable requirements. Currently the Department does not perform any detailed review of these expenditures. Second, the Department should require counties to establish formal grant processes if they are distributing quality initiative funds to child care providers. These processes should include standard procedures for notifying all providers in the county about the availability of funding, taking applications for funding, using standard criteria for determining which providers will receive funding, and monitoring provider

expenditures for compliance with applicable requirements, including verifying that goods bought with these funds are put into service by providers.

Finally, the Department should clarify its guidance on the allowability of certain types of expenditures, stated below. As noted previously, Department policy provides a specific list of uses for county quality initiative spending. The Department has also provided counties with informal written guidance about the allowability of certain types of expenditures. We found this guidance is more general than the Department's policy, in part because it provides a list of allowable activities that includes "any other activities that are consistent with the intent of the [CCDF]." The broadness of the Department's informal guidance weakens assurances that quality initiative funds will be spent appropriately or strategically to meet program goals. The Department should clarify requirements for quality initiative spending by ensuring that counties comply with current Department policy. The Department should also determine whether counties can use quality initiative funds for administrative expenses and for expenses related to other programs, such as Head Start and, if so, what limits should be placed on these expenses.

Without better oversight of county quality initiative spending, the Department cannot ensure that these funds are being used effectively and efficiently to improve the quality of child care in the State. Misuse of these funds could also result in federal recoveries for unallowable costs.

(CFDA No. 93.575; Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 101:

The Department of Human Services should improve its oversight of quality initiative spending by county departments of human/social services by:

a. Instituting a regular review of a sample of quality initiative transactions from all counties to determine if these transactions comply with all applicable requirements.

b. Auditing the $2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements.

c. Requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately.

d. Ensuring that guidance given to counties about the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements.

e. Clarifying whether administrative expenses and paying for the expenses of other programs like Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for these expenses.

Department of Human Services Response:

a. Agree. Implementation date: June 2009.

The Department will institute a regular sample review of documentation and transactions related to quality initiatives, ensuring all federal and state requirements are met on a regular basis.

b. Agree. Implementation date: June 2009.

The Department's Audit Division will conduct an audit of this $2.8 million transaction to determine if the expenditure was made in accordance with federal and state requirements.

c. Agree. Implementation date: April 2009.

The Department will develop an Agency Letter advising counties to establish a formal grant process to apply for funds for quality initiatives. The process will include developing a grant application, review process, and notification process, to be approved by the Department.

d. - e. Agree. Implementation date: April 2009.

An Agency Letter will be developed, providing direction on types of allowable quality initiative expenses, which will include administrative and other allowable expenses.

Department of Human Services

Prior Recommendations
Material Weakness or Significant Deficiency
Not Remediated by the Department
As of June 30, 2008

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department of Human Services in previous years and have not yet been remediated as of June 30, 2008. These recommendations can be found in the original report and the Prior Recommendations Section of this Report, beginning on page 427.

Report and Rec. No.	**Recommendation/ Classification**	**Implementation Date Provided by Department**
2007 Single Audit Rec. No. 92	Testing of CBMS Hot Site for Disaster Recovery *Significant Deficiency*	June 2009
2007 Single Audit Rec. No. 99	Federally Required Foster Care Reviews *Significant Deficiency*	July 2009
2007 Single Audit Rec. No. 101	Controls over Rate Setting for Foster Care *Significant Deficiency*	a. July 2009 b. July 2009 c. December 2008 d. December 2008
2007 Single Audit Rec. No. 102	Level-of-Care Assessments for Foster Care *Significant Deficiency*	a. January 2009 b. March 2009 c. June 2009
2007 Single Audit Rec. No. 103	County Administrative Spending for Foster Care Significant Deficiency	a. October 2009 b. [1]

2007 Single Audit Rec. No. 104	Incorrect Cost Allocations for Foster Care *Significant Deficiency*	a. b. c. d.	[1] December 2008 December 2008 April 2009
2007 Single Audit Rec. No. 105	Administrative Expenditures for Foster Care *Significant Deficiency*	a. b. c. d. e.	July 2008 December 2008 December 2009 December 2009 October 2009
2007 Single Audit Rec. No. 106	Payments to Foster Care Parents *Significant Deficiency*	a. b.	October 2008 July 2008

[1] This part of the recommendation has been implemented, partially implemented, or is not applicable. See Prior Recommendations Section of this Report, beginning on page 427.

Department of Labor and Employment

Introduction

The Department of Labor and Employment (Department) 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.

The following comments were prepared by the public accounting firm of Clifton Gunderson, LLP, which performed Fiscal Year 2008 audit work at the Department of Labor and Employment.

Cash Management

For Fiscal Year 2008 the Department expended $456 million in federal funds for the administration of 21 programs. The Department operates on a reimbursement basis with the federal government, expending general fund dollars for federal programs prior to requesting reimbursement for the appropriate federal share. The reimbursement process is governed by the federal Cash Management Improvement Act (CMIA). 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 expenditures.

Under CMIA the State must enter into a formal agreement with the federal Department of Treasury to establish reimbursement schedules for selected federal programs awarded to the State. For Fiscal Year 2008, Colorado's CMIA agreement included four programs administered by the Department: Unemployment Insurance Program (CFDA No. 17.225), Workforce Investment Act Cluster (CFDA Nos. 17.258, 17.259, 17.260). These programs covered under CMIA accounted for approximately $428 million, or 94 percent of the Department's total federal expenditures in Fiscal Year 2008. Programs not covered by the CMIA Agreement are subject to requirements for cash management contained in federal regulations and the grant award.

During Fiscal Year 2008, we performed testwork to determine compliance with CMIA and cash management requirements. Specifically we noted the following:

The 2008 CMIA Treasury - State Agreement requires composite clearance with a seven day accumulation and seven day draw pattern. Composite clearance allows the Department to accumulate disbursements for seven days before requesting disbursements. An example of composite clearing is as follows:

> Warrants are issued Saturday through Friday (seven day accumulation). The following Friday (seven day draw), federal funds are requested by the Department for total disbursements made during the prior week.

We tested a total of 25 draw requests for Unemployment Insurance Administrative Costs and noted that draws were not made by the Department consistent with the CMIA Treasury - State Agreement. The draw pattern ranged from one to 14 days for the items tested as summarized below:

	Number of Requests	Amount
Draw pattern less than seven days	16	$ 5,006,286
Draw pattern equal to seven days	3	1,120,682
Draw pattern more than seven days	6	373,367
Total	25	$ 6,500,335

In addition to the federal programs governed by the CMIA agreement identified above, the Department also has other grants that operate on a reimbursement basis. During Fiscal Year 2008, we also performed test work to determine compliance with federal grant cash management requirements for these major programs that are not governed by CMIA. We did not note any issues during our current year testing.

It is important for the Department to ensure that all federal requests for reimbursement comply with the CMIA agreement for covered programs. Noncompliance could result in the federal government assessing an interest penalty against the Department.

(CFDA Nos. 17.225, Unemployment Insurance, Cash Management. Classification of Finding: Significant Deficiency.)

Recommendation No. 102:

The Department of Labor and Employment should establish procedures to ensure compliance and consistency with the Cash Management Improvement Act and federal grant cash management requirements.

Department of Labor and Employment Response:

Agree. Implementation date: March 2009.

The Department of Labor and Employment will implement new cash management procedures for Unemployment Insurance administrative costs in accordance with the Cash Management Improvement Act agreement. The Department will develop an analysis tool to facilitate the execution of the Cash Management procedure for this grant program.

Federal Grants Payroll Time Sheets

In Fiscal Year 2008, total payroll costs (wages and benefits) charged to the Unemployment Insurance Program (CFDA No. 17.225), Workforce Investment Act Cluster (CFDA Nos. 17.258, 17.259, 17.260), and Employment Services Cluster (CFDA Nos. 17.207, 17.801, 17.804), federal grants were approximately $34.8 million.

OMB *Circular A-87 – Cost Principles for State, Local, and Indian Tribal Governments* specifies requirements for documentation of salaries and wages charged to federal programs including a requirement that employers sign their personnel activity reports or time sheets.

Further, State Personnel Rules require time sheets to be certified by the employee and supervisor. 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.

We tested a total of 50 payroll transactions and noted that eight were not supported in accordance with the requirements outlined above. Specifically, we noted six payroll transactions that were not certified by the employee, and two that were not certified by the employee or supervisor. We tested payroll transactions totaling $218,000 and found $31,000, or 14 percent of the dollar value of the transactions

tested were not properly certified. Our testing did not identify any resulting over or under payments.

Failure to prepare timesheets in accordance with Department policy and State Personnel Rules could result in unallowable costs being charged to federal programs.

(CFDA Nos. 17.207, 17.225, 17.801, 17.804, 17.258, 17.259, 17.260; Employment Service/Wagner-Peyser Funded Activities, Unemployment Insurance, Disabled Veterans Outreach Program, Local Veterans' Employment Representative Program, Workforce Investment Act Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

Recommendation No. 103:

The Department of Labor and Employment should ensure time sheets for salaries and wages charged either directly or indirectly to federal programs are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing certifications by both the employee and supervisor prior to issuing payments.

Department of Labor and Employment Response:

Agree. Implementation date: December 2008.

The Department of Labor and Employment ensures time sheets for salaries and wages are charged to the appropriate federal programs and are certified in accordance with federal regulation, State Personnel Rules and Department Policy. The Department has updated and implemented the Standard Policy and Procedure No. 73, distributing it to all staff. Compliance with this procedure will be monitored each reporting cycle. In addition, numerous Departmental training sessions have been conducted to instruct staff on the proper use of KRONOS.

Program Management Reporting

In Fiscal Year 2008, the Department expended federal funds for the Unemployment Insurance (UI) Program (CFDA No. 17.225), Workforce Investment Act Cluster (CFDA Nos. 17.258, 17.259, 17.260), and Employment Services Cluster (CFDA

Nos. 17.207, 17.801, 17.804), of approximately $445 million, including $350 million from the UI Trust Fund.

The Department is required to prepare and remit numerous reports including financial and performance reports. The reporting requirements include standard Office of Management and Budget reports and other reports as required by the grantor agency.

During our testing of grant reporting, we noted internal control and compliance issues as summarized in the following paragraphs:

Unemployment Insurance

"Employment and Training Administration ETA 227 Overpayment Detection and Recovery Activities" (ETA 227) provides unemployment data for the establishment of overpayments, recoveries of overpayments, criminal and civil actions involving overpayments obtained fraudulently, and an aging schedule of outstanding benefit overpayment accounts.

The total overpayment balance as reported in the Colorado Unemployment Benefits System (CUBS) and the State's accounting system, COFRS, is approximately $38 million, and the balance included on the ETA 227 is approximately $15 million. During our testing of the ETA 227 report we noted that the Department under-stated on the ETA 227 report the total outstanding benefit overpayment accounts receivable by approximately $23 million. The reporting error resulted from an input error in a prior year and carried forward to the current year beginning balances.

In addition to this reporting error noted in the ETA 227 we noted that several reports are not independently reviewed and approved by Department supervisors prior to submission, including the "ETA 581 Contribution Operations," "ETA 227-Overpayment Detection/Recovery Summary," and "ETA-2208A UI Contingency Report."

An independent detail review and approval of reports helps ensure that reports submitted to the U.S. Department of Labor (DOL) are properly prepared, accurate, and supported by source documentation.

Workforce Investment Act/Employment Services Cluster

The Department is required to submit Workforce Investment Act and Employment Services performance reports quarterly to the DOL. The requirements and guidelines for these reports are contained in Handbooks for each report. The Handbooks

require source data supporting counts to be retained for at least two years after the report due date.
The Department compiles information from the State's JobLink and Unemployment Insurance databases, and submits the reports electronically to the DOL. The DOL office notifies the Department of acceptance of the report through an email. During our testing of these reports we noted that the Department does not maintain supporting documentation once the reports are accepted by the regional office as required by the Handbooks.

(CFDA Nos. 17.207, 17.225, 17.801, 17.804, 17.258, 17.259, 17.260; Employment Service/Wagner-Peyser Funded Activities, Unemployment Insurance, Disabled Veterans Outreach Program, Local Veterans' Employment Representative Program, Workforce Investment Act Cluster; Reporting. Classification of Finding: Significant Deficiency.)

Recommendation No. 104:

The Department of Labor and Employment should improve controls over federal reporting by instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor (DOL) are accurately reported and supported by source documentation. Such documentation should be maintained in accordance with U.S. Department of Labor requirements. In addition, corrections should be made to the carry-forward balances in the Employment and Training Administration 227 report.

Department of Labor and Employment Response:

Agree. Implementation date: May 2009.

The Department of Labor and Employment will improve controls over program management reporting by instituting a secondary review and approval process to ensure amounts reported to the DOL are accurately reported and supported by source documentation. The Department will store the source information for generated reports. The Department will make and submit the appropriate corrections to the ETA 227 report.

Department of Public Health and Environment

Introduction

The Department of Public Health and Environment is responsible for improving and protecting the health of 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 divisions:

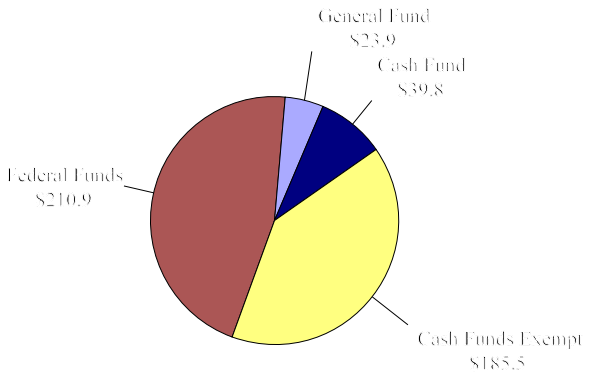
- **Administrative**
  - Administration and Support
  - Center for Health and Environmental Information
  - Laboratory Services
  - Local Health Services

- **Environmental**
  - Air Quality Control
  - Water Quality Control
  - Hazardous Materials and Waste Management
  - Consumer Protection

- **Health Services**
  - Disease Control and Environmental Epidemiology
  - Health Facilities and Emergency Medical Services
  - Prevention Services

The Department was appropriated $460.1 million and 1,187.9 full-time equivalent, or FTE, staff for Fiscal Year 2008. The chart on the following page shows the operating budget by funding source for the Fiscal Year 2008:

Department of Public Health and Environment
Fiscal Year 2008
Appropriations by Funding Source
(In Millions)



Source: Joint Budget Committee Fiscal Year 2008-2009 Appropriations Report.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2008 audit work at the Department of Public Health and Environment.

Expenditure Reporting

The Department of Public Health and Environment (Department) is responsible for administering the federal Child and Adult Care Food Program (CFDA No. 10.558). The objective of this program is to assist states, through grants-in-aid and donated foods, in initiating and maintaining non-profit food service programs for eligible children and adults in nonresidential day care settings. During Fiscal Year 2008, the Department expended approximately $21.3 million and provided services to an average of about 32,900 children and adults on a daily basis through the program.

OMB *Circular A-133* (OMB *A-133*) sets forth standards for consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards. According to OMB *A-133*, the Department is responsible, among other requirements, for identifying all federal programs for which the Department had expenditures during the year. Federal award and program identification should include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity. The Department provides this information on the Exhibit K and

submits the information to the Office of the State Controller who then prepares the Schedule of Expenditures of Federal Awards (SEFA).

The Department receives an annual Grant Award Document (GAD) from the United States Department of Agriculture's Food and Nutrition Services. The GAD lists the Department's Food and Nutrition Services (FNS) grant funding sources by CFDA number. For Federal Fiscal Year 2008, the federal FNS awarded the Department $15.7 million -- $15.3 million for the National School Lunch Program (CFDA No. 10.555) and $400,000 for the Child and Adult Care Food Program (CFDA No. 10.558).

We found during our Fiscal Year 2008 audit that the Department's reporting of FNS expenditures on its Exhibit K was inconsistent with the Department's award document from the federal FNS. Specifically, the Department reported $15.7 million in expenditures for the Child and Adult Care Food Program and reported no expenditures for the National School Lunch Program.

The Department indicated that it sought guidance from the federal FNS during Fiscal Year 2008 in order to determine how the FNS expenditures should be reported. The Department sought this guidance because it does not administer the National School Lunch Program and it believed that FNS intended to award the Department the entire $15.7 million for the Child and Adult Care Food Program for federal fiscal year 2008. FNS directed the Department to report the expenditures under the program in which they administer. In order to ensure that the Department's reporting of federal expenditures is appropriate and consistent, the Department should contact the federal FNS and request the future award documents to reflect the actual program being administered by the Department.

(CFDA No. 10.558, Child and Adult Care Food Program, Reporting. Classification of Finding: Control Deficiency.)

Recommendation No. 105:

The Department of Public Health and Environment should contact the United States Department of Agriculture, Food and Nutrition Services, to request that future grant funding award documents reflect the correct program. Differences in future grant award documents should be reconciled with the awarding agency and changes requested as appropriate.

Department of Public Health and Environment Response:

Partially agree. Implementation date: September 2008.

The Department agrees to review grant awards for possible inconsistencies between grant awards and programs we operate, and contact awarding agencies as appropriate to resolve them. In September 2008, the Department formally contacted Food and Nutrition Services (FNS) and requested that future grant funding award documents reflect the correct program.

The Department attributes a much lower significance to this finding and recommendation as this situation was an anomaly and is highly unlikely to occur in the future. In this particular case, the Department reported its Child and Adult Care Food Program (CACFP) expenditures under the CFDA number for the National School Lunch Program (NSLP) to coincide with the grant award documents received from FNS. When the auditors questioned this practice, we contacted FNS who did not believe it represented improper reporting. FNS's explanation was that they had gone to a block funding methodology in prior years that, in effect, combined funds for both CACFP and NSLP. As FNS expressed in a letter to the Department, this methodology did not work in Colorado because by administering the CACFP as an alternate State agency (i.e., one that administers just one FNS program), the Department is a departure from the administrative model used by other states to manage this program.

Correct Reporting of CFDA Number

The Department of Public Health and Environment (Department) receives federal funds from the Center for Disease Control (CDC) through the Public Health Emergency Preparedness grant (CFDA No. 93.069) for public health preparedness and response to bioterrorism. This grant is intended to provide funding to the Department for equipment purchases and the organization of personnel to be able to provide timely response to meet the needs of citizens in the event that terrorism, pandemic influenza, or other public health emergencies arise. The grant is awarded in five-year project period increments (commencing in August). During Fiscal Year 2008 the Department expended $17.8 million for the grant including $10.9 million that the Department distributed to 990 local public health departments (subrecipients).

Under the Public Health Emergency Preparedness grant requirements, the Department must ensure that grant expenditures are reported in accordance with the rules established by the United States Office of Management and Budget (OMB) and are reported accurately on the State's Schedule of Federal Awards (SEFA). The OMB uses each state's SEFA to track all federal expenditures. The Department must also share the award information (e.g., CFDA title and number, amount of award, award name and name of federal agency) with any of the Department's subrecipients to ensure that they have the required information for preparing their own SEFA.

We reviewed Notice of Award letters and subrecipient contracts and found weaknesses related to the Department's management of information related to their reporting and to the information provided to their subrecipients. Specifically, we found on August 31, 2007, the Department received its award notification letter from the CDC for federal fiscal year 2008. The award notification letter indicated that the Department was being awarded funds through CFDA No. 93.069 (Public Health Emergency Preparedness). However, all prior award notification letters associated with this grant were issued under CFDA No. 93.283 (Center for Disease Control and Prevention - Investigations and Technical Assistance). The Department did not contact the federal grant awarding agency to determine the reason for and appropriateness of the change in CFDA number until after the end of Fiscal Year 2008 when we brought the discrepancy to its attention. CDC directed the Department to report the expenditures under CFDA No. 93.069. Further, because the Department did not contact CDC in a timely manner, the Department included the wrong federal grant name and number in its subrecipient contracts and did not provide the correct program information to its subrecipients for reporting and other grant compliance purposes.

Of the 30 subrecipient contracts we reviewed, none were notified that the correct CFDA number for federal fiscal year 2008 was actually 93.069. By not having adequate internal controls in place to ensure that federal grant information discrepancies are identified and that changes are communicated to subrecipients, the Department risks subrecipient noncompliance with federal program requirements. As a result, the Department could be at risk of federal sanctions. Therefore, the Department should ensure that future discrepancies in federal grant information are investigated and addressed and that any required changes are communicated timely to subrecipients.

(CFDA No. 93.069; Public Health Emergency Preparedness; Reporting, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 106:

The Department of Public Health and Environment should ensure that future discrepancies in federal grant information are investigated and addressed and that any required changes are communicated timely to subrecipients. Differences in the CFDA number should be discussed by the Department with the awarding agency to resolve the discrepancy in a timely manner.

Department of Public Health and Environment Response:

Partially agree. Implementation date: January 2009.

Our program fiscal staff and grant accountants will review CFDA numbers on grant awards for differences with previous awards associated with the same grant and contact the awarding federal agency to try to resolve any differences that are found.

However, the Department attributes a much lower significance to, and the potential consequences (i.e., federal sanctions) associated with this matter. In more than 10 years, and at least 2,500 awards from federal agencies, this is the first known instance of a change in a CFDA number during a multi-year grant period. Consequently, we believe our procedures and controls have largely been sufficient to detect such occurrences and reflect the very low risk nature of this matter. It was only after a very aggressive effort by our grant accounting staff, covering more than a week, which the Center for Disease Control determined there had been an error, on their part, in the CFDA number used in previous awards associated with this grant. Moreover, we believe it is unlikely a federal agency would elect to impose sanctions on the Department given the factors related to this situation.

Subrecipient Monitoring Deficiencies

Under the United States Code of Federal Regulations (CFR), the Department is responsible for monitoring its subrecipients' use of federal awards. This can be done through reporting, site visits, regular contacts, obtaining and reviewing subrecipients' OMB *Circular A-133* audit reports (OMB *A-133*) as part of a quality control review (QCR), or other means to provide reasonable assurance that each subrecipient administers federal awards in compliance with laws, regulations, and

the provisions of contracts or grant agreements and that the performance goals are achieved. The objectives of an OMB *A-133* QCR are to (1) ensure that the audit was conducted in accordance with applicable standards and meets the Single Audit requirements, (2) identify any follow-up audit work needed, and (3) identify issues that may require management attention.

The Single Audit Act requires that subrecipients expending $500,000 or more in federal awards during the fiscal year undergo an OMB *A-133* audit. It also requires the Department's decisions on audit findings to be issued within six months after receipt of the subrecipient's audit report. The Department must ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

The Department requires each of its federal award subrecipients meeting the OMB *A-133* audit threshold to submit its annual audit report for the Department's review.

We found that the Department's review process for subrecipient OMB *A-133* reports is lacking. Specifically, we found during Fiscal Year 2008 that the Department failed to identify and issue a corrective action report to one of its subrecipients for the Public Health Emergency Preparedness grant (CFDA No. 93.069) for a significant deficiency in internal controls over financial reporting that was documented in the subrecipient's OMB *A-133* audit report. The significant deficiency identified related to the subrecipient's inability to properly record capital assets; this deficiency could have an impact on the subrecipient's ability to effectively administer federal award programs.

Based on Department staff's initial review of the subrecipient's OMB *A-133* report, they determined that the findings in the audit report did not specifically relate to a federal award passed through to the subrecipient by the Department and, therefore, did not require follow-up or the issuance of a corrective action to the subrecipient.

Under the Public Health Preparedness Grant, the Department is specifically required to purchase capital assets to develop emergency-ready public health departments by upgrading, integrating and evaluating state and local public health jurisdictions preparedness for and response to terrorism, pandemic influenza, and other health emergencies. Additionally, the grant requires the Department to produce an Equipment Inventory List at the close of the project period. This list documents in summary all equipment that was purchased with federal funds. The Department is reliant on the subrecipient's records for the compilation of this list, and as such, is at risk for not providing accurate information if the subrecipient's records contain inaccuracies. Therefore, the Department should have evaluated whether capital assets were properly recorded.

It is the Department's responsibility to review subrecipients' OMB *A-133* audits and consider the implications of the findings to determine whether the findings could have an effect on the Department's agreements or grants. Therefore, the Department must ensure its review process over subrecipients' OMB *A-133* audits is adequate and identifies all relevant issues. Further, the Department must ensure that it issues corrective actions to subrecipients as appropriate to minimize risks arising from subrecipient's deficiencies.

(CFDA No. 93.069, Public Health Emergency Preparedness, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

Recommendation No. 107:

The Department of Public Health and Environment should thoroughly review subrecipients' OMB *A-133* audits, and clearly document whether any deficiencies pose a risk to the Department's administration of federal grants. The Department should also notify appropriate subrecipient management and program personnel of the deficiencies identified so that follow-up of the corrective action plan can be accomplished.

Department of Public Health and Environment Response:

Partially agree. Implementation date: January 2009.

The Department agrees that we could have more clearly documented that we had determined that this deficiency did not pose a risk to our administration of federal grants in this particular instance. The Department's internal audit unit will continue to conduct subrecipient audit resolution in compliance with OMB *Circular A-133* and document the review of all subrecipient audit reports received.

The Department determined that the county's financial reporting finding did not warrant follow-up or issuance of a corrective action to the county or notification to our program personnel, based upon numerous factors including: (1) almost all of our funding, including Public Health and Emergency Preparedness (PHEP), is directly awarded to the county's public health department, which receives a separate financial statement audit; (2) the county's public health department's financial statements audit reported no significant deficiencies and/or material weaknesses related to internal control over financial reporting; (3) non-specific federal award findings

should be addressed by the applicable federal or pass-through agency, in accordance with the intent of OMB *Circular A-133* and the Single Audit Act, otherwise every funding agency would be issuing a corrective action to the subrecipient for the same finding; and (4) the Department's PHEP program regularly performs on-site subrecipient monitoring, which includes verification of all equipment purchased for $500 or more, including capital assets.

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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. Please refer to the introduction in the Office of the State Treasurer chapter within the Financial Statement findings section for additional background information.

The following was prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2008 audit at the Treasury.

Cash Management Improvement Act

The Cash Management Improvement Act (CMIA) regulates the transfer of federal grant funds between federal and state agencies. 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 addition, CMIA requires states to enter into a Treasury-State Agreement (Agreement) with the U.S. Treasury that specifies the procedures that each state will follow to carry out the matching requirements. In Colorado, the Department of Treasury is responsible for entering into the Agreement on behalf of the State of Colorado and compiling information on programs required to comply with the CMIA.

Colorado has completed the sixth year of its seven-year Agreement which concludes at the end of Fiscal Year 2009. The Agreement may be modified by either party to reflect updated information or requirements. In Fiscal Year 2008 there were a total of 23 programs covered by CMIA at the Departments of Education, Health Care Policy and Financing, Human Services, Labor and Employment, Local Affairs, Public Health and Environment, and Transportation. These programs had federal expenditures of nearly $4.5 billion out of total federal expenditures of $6.6 billion in Fiscal Year 2008.

Sections 4 and 5 of the Agreement are to identify the programs and agencies that are subject to the CMIA requirements based on an annual program expenditure threshold of $27.4 million in federal funds. Treasury must amend the two sections of the Agreement each year to add programs and agencies that are expected to exceed the established threshold and to delete programs and agencies that are expected to fall below the established threshold.

The federal government assigns each program receiving federal awards a Catalog of Federal Domestic Assistance (CFDA) number. It is not uncommon for more than one state agency to receive federal awards under the same CFDA number. The federal government considers all awards with the same CFDA number to be a single program for purposes of applying the CMIA threshold.

During the Fiscal Year 2008 audit, we noted that when determining which federal programs Colorado should include in the Treasury-State Agreement, the Treasury failed to combine federal awards with the same CFDA number between different state agencies. As a result, the Center for Disease Control and Prevention – Investigations and Technical Assistance programs combined across all State agencies met the required threshold but was not included in the Agreement. Failing to include appropriate programs in the Agreement puts the State at risk of incurring interest costs.

The Treasury must also identify in Appendix A2 of the Agreement the draw patterns of each program, which the agencies are required to follow. We found that the Treasury miscoded the payment voucher days for the Child Care and Development Block Grant (CFDA No. 93.575) as 0 days instead of 5 days. As the agencies follow the draw patterns identified in the Agreement, the miscoding could create a potential loss of interest on state general funds. Both of the issues noted above were also identified in the Fiscal Year 2007 audit.

(CFDA Nos. 93.283, 93.575; Center for Disease Control and Prevention Investigations and Technical Assistance Programs, Child Care and Development Block Grant; Cash Management. Classification of Finding: Not classified - not an internal control issue.)

Recommendation No. 108:

The Office of the State Treasurer should ensure the Treasurer-State Agreement (Agreement) under the Cash Management Improvement Act (CMIA) accurately reflects programs subject to CMIA annually by ensuring programs in the same CFDA number are combined when evaluating expenditures against the required threshold. Programs exceeding the threshold should be included in the Agreement. In addition, the appropriate draw patterns for each program should be identified in the Agreement.

Office of the State Treasurer Response:

Agree. Implementation date: September 2008.

The Treasury will continue to use the most current and accurate information available from both the Office of the State Controller and state agencies in order to ensure that the correct programs and appropriate draw patterns are included in the Agreement. The Treasury corrected both exceptions noted in the comment above and presented the results to the auditors during the performance of the fieldwork for the Fiscal Year 2008 audit.

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Department of Transportation

The Colorado Department of Transportation (CDOT) 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. Please refer to the introduction in the Department of Transportation chapter within the Financial Statement Findings section for additional background information.

The following was prepared by the public accounting firm of Clifton Gunderson, LLP, which performed the Fiscal Year 2008 audit work at the Department of Transportation.

Highway Planning and Construction Program - Subrecipient Monitoring

The Department is responsible for ensuring that subrecipients expending $500,000 or more in Federal awards during their fiscal year have met the audit requirements of OMB *Circular A-133* and that the required audits of these subrecipients are completed within nine months of the end of the subrecipient's audit period. Also, OMB *Circular A-133* requires the Department's decisions on audit findings to be issued within 6 months after receipt of the subrecipient's audit report. The Department must ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

We reviewed 23 subrecipient files and found that for 13 of these 23 files, the Department did not obtain either the required audit report or audit exemption, as appropriate. Moreover, for these 13 subrecipients we were unable to determine whether the subrecipient was required to file an *A-133* report as payments to these subrecipients were not tracked for the purposes of subrecipient monitoring requirements.

In order for a subrecipient to receive payments from the Department for a federal project, Department policy requires the completion of a project agreement/contract between the Department and the particular subrecipient. The Department's Internal Audit Division process is to track those subrecipients with a contract during any given year and to obtain the reports as required by the provisions of OMB *Circular A-133*. Because construction contracts often extend beyond a single fiscal year, payments made by the Department to a subrecipient in one year may be associated with a contract established in prior years. As a result, the Department may not

obtain the required reports for those subrecipients who did not enter into a contract for the current year, even though payments may have been made to them during the current year. As a result, the Department may not be aware of a subrecipient with audit findings that resulted in questioned costs or of audit findings that could impact future funds passed through to the subrecipient. It is the Department's responsibility to review subrecipients' OMB *A-133* audits and consider the implications of the findings.

(CFDA No. 20.205, Highway Planning and Construction, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

Recommendation No. 109:

The Department of Transportation should track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have $500,000 or more in federal funds as required by OMB *Circular A-133*. In addition, the Department should review the audits and address questioned costs and/or significant audit findings in a timely manner.

Department of Transportation Response:

Agree. Implementation date: December 31, 2009.

In February of each year, the Audit Division will get a listing of all local governments and non-profits that received payments from CDOT in the previous year. The Audit Division will send a letter to each agency or non-profit on the list informing them of the requirement to provide CDOT either a copy of their next *A-133* audit or a certification that the audit is not required. The Audit Division will follow up later in the year with entities that do not provide the requested documentation. The Audit Division will review the reports and maintain a database of all *A-133* reports and list any significant audit findings and questions costs and the evaluation report prepared by the Audit Division. Project managers and contract writers will review the intranet when contracts are executed and when payments are processed. The Audit Division meets every two weeks with the CDOT's agreement manager to discuss various issues including findings and questioned costs of subrecipients.

Colorado Department of Transportation

Prior Recommendations
Material Weakness or Significant Deficiency
Not Remediated by the Department
As of June 30, 2008

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department of Transportation in previous years and have not yet been remediated as of June 30, 2008. These recommendations can be found in the original report and the Prior Recommendations Section of this Report, beginning on page 427.

Report and Rec. No.	Recommendation/ Classification	Implementation Date Provided by Department
2007 Single Audit Rec. No. 46	Physical Safeguarding of Information Systems *Significant Deficiency*	July 2008
2007 Single Audit Rec. No. 47	System Access and Segregation of Duties *Significant Deficiency*	June 2009

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Disposition of Prior Audit Recommendations

The following audit recommendations are summarized from the Statewide Audit for Fiscal Years 2001 through 2007 and include only the recommendations not implemented as of June 30, 2008. The Statewide Audit includes both financial audit and Single Audit recommendations.

The classification of findings described in the Report Summary (see page nos. 1-11) has been applied throughout the dispositions, as needed. If the disposition is "Implemented" the classification is not needed; if the disposition references a current year recommendation, the classification will be with the current year finding. For other dispositions the classification of the findings are included in this section.

Report and Rec. No.	Recommendation	Disposition
	Department of Corrections	
2007 Single Audit Rec. No. 1	Expand testing for compliance with established controls over procurement card (P-card) transactions by (a) setting a minimum percentage of P-card transactions to be tested and incorporating the testing plan in the internal auditors' annual audit plan and (b) establishing and implementing a policy for uniform disciplinary actions for the various types of violations of P-card transaction policies and procedures.	Implemented.
2007 Single Audit Rec. No. 2	Continue to improve its monitoring of inmate banking by (a) ensuring compliance with Administrative Regulations over inmate banking, particularly with respect to the maintenance of complete and accurate documentation to support all activity in inmate accounts and (b) expanding testing of inmate banking transactions by the internal auditors.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Education	
2007 Single Audit Rec. No. 3	Continue to improve and strengthen controls over compensation adjustments by (a) keeping personnel files complete to ensure that important documentation regarding employee salaries and job descriptions is maintained; (b) ensuring that the Request for Personnel and/or Position Action (CDE-43) forms are reviewed before the salary change is implemented to ensure that all signatures are appropriate and, on the rare occasion that someone is authorized to sign on behalf of the authorized signor, the reason for that situation should be documented; (c) reviewing the CDE-43 forms to ensure that all of the signatures required on the CDE-43 form have been obtained; and (d) requiring that Human Resources, as the gate keeper for salary adjustments, perform desk reviews of employees being reallocated to ensure that the documentation provided in the Position Description Questionnaire is accurate and sufficient.	Implemented.
2007 Single Audit Rec. No. 48	Assign someone the responsibility to review transactions near or subsequent to the end of an award period to ensure all transactions are properly recorded within the period of available funding.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Health Care Policy and Financing	
2007 Single Audit Rec. No. 4	Improve controls over payroll by performing reconciliations between actual and expected gross pay on a monthly basis, prior to the distribution of monthly payroll, and incorporating a timely supervisory review of payroll reconciliations and related adjustments.	Implemented.
2007 Single Audit Rec. No. 5	Find an alternative method for recording unallocated amounts received for drug rebates and family planning and ensure that these amounts are recorded and reversed consistently.	Implemented.
2007 Single Audit Rec. No. 49	Set a deadline for the case cleansing of all remaining backlogs of Medicaid and State Children's Health Insurance Program cases on the Colorado Benefits Management System, requiring that all remaining cases be cleansed as soon as possible.	Not implemented. See current year Recommendation No. 56.
2007 Single Audit Rec. No. 50	Continue to improve the reporting from the Colorado Benefit Management System and work with county departments of human/social services and Medical Assistance sites to ensure that new Medicaid cases and redeterminations, as well as State Children's Health Insurance Program applications, are processed within federal guidelines.	Not implemented. See current year Recommendation No. 54.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 51	Ensure that Medicaid eligibility is terminated in a timely manner when individuals are no longer eligible for the program by (a) correcting the Transitional Benefits Report problem within the Colorado Benefits Management System (CBMS) related to the Transitional Medicaid program to ensure that eligibility is terminated if no Transitional Benefits Report is submitted; (b) establishing programmed alerts within CBMS for all Medicaid programs that have specified limitations for Medicaid eligibility, such as the Transitional Medicaid program and the Four-Month Extended program, to ensure that eligibility is redetermined for all cases when a period of eligibility expires; (c) ensuring that county departments of human/social services address all CBMS alerts in a timely manner; and (d) using existing eligibility determination monitoring procedures to identify additional inappropriate Medicaid payments related to the problems noted related to timeliness of eligibility determination and following up on problems identified, as appropriate.	Not implemented. See current year Recommendation No. 55.
2007 Single Audit Rec. No. 52	Ensure that case file documentation for the Medicaid program is adequate to support all eligibility determinations by utilizing established monitoring procedures to ensure required eligibility information is contained in county case files.	Not implemented. See current year Recommendation No. 56.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 53	Improve controls over Medicaid eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of human/social services and Medical Assistance sites 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 at counties and Medical Assistance sites.	Not implemented. See current year Recommendation No. 57.
2007 Single Audit Rec. No. 54	Ensure that county departments of human/social services are addressing Income, Eligibility, and Verification System data discrepancies within 45 days of receiving notification as required by federal regulations and in accordance with the State Plan it filed with the federal government.	Not implemented. See current year Recommendation No. 59.
2007 Single Audit Rec. No. 55	Improve the Medicaid Eligibility Quality Control (MEQC) system by ensuring that county departments of human/social services and Medical Assistance sites respond to findings that identify eligibility errors and that corrective action plans are adequate to address deficiencies identified. In addition, the Department should continue to follow-up on recovering any improper payments identified as a result of the MEQC process.	Not implemented. See current year Recommendation No. 60.
2007 Single Audit Rec. No. 56	Improve controls over payments to laboratory providers for the Medicaid program by (a) ensuring edits to identify laboratory certification numbers are implemented and operating as intended in the Medicaid Management Information System and (b) establishing a method to verify federally-issued certification numbers for laboratories.	Deferred. The Department plans to fully implement this recommendation by June 2009. (Classification of Finding: Material Weakness.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 57	Improve controls over Single Entry Points and for the Medicaid program to ensure that subrecipient monitoring responsibilities related to OMB *Circular A-133* audits are met and that appropriate follow-up is conducted.	Not implemented. See current year Recommendation No. 62.
2007 Single Audit Rec. No. 58	Improve controls over the administration of the State Children's Health Insurance Program in order to ensure that the State is in compliance with federal requirements for the grant such as allowable activities, eligibility determination, program income, subrecipient monitoring and federal reporting.	Not implemented. See current year Recommendation Nos. 54-57, 59-60, 62, and 68.
2007 Single Audit Rec. No. 59	Annually review and comply with the State Treasury Cash Management Improvement Act Agreement for all affected federal programs in the Department and communicate any changes needed to the State Treasury Department.	Implemented.
2007 Single Audit Rec. No. 60	Ensure an adequate review process is in place and that all information reported in the Quarterly PSC-272, *Federal Cash Transaction Report*, is accurate and complete prior to submission to the federal government.	Partially implemented. See current year Recommendation No. 66.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 61	Improve internal controls over the indirect cost process by (a) developing and implementing a review process of the allocation of statewide indirect costs and Departmental indirect costs across programs and other areas, (b) ensuring that all spreadsheets used for tracking indirect costs are protected from unauthorized user modifications and formulas are calculating correctly, and (c) evaluating the need to amend the Departmental indirect cost allocation plan and complying with federal regulations annually by either submitting an amended indirect cost plan for approval or certifying to the federal government that the approved cost-allocation plan is not outdated.	a. Implemented. b. Implemented. c. Partially implemented. The Department has contacted CMS and is drafting a plan for approval. The Department plans to fully implement this recommendation in July 2008. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 62	Establish and implement a procedure to ensure compliance with federal debarment and suspension requirements for all contracts and subawards by reviewing the federal Excluded Parties List System, including a clause regarding suspension or debarment in all Department contracts or obtaining a certification regarding suspension and debarment from the contractor.	Partially implemented. See current year Recommendation No. 67.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 64	Improve its oversight of nursing facilities to ensure compliance with federal and state requirements for managing resident fund accounts. Specifically, the Department should (a) develop and implement an audit program consistent with its existing authority to conduct more routine audits of resident fund accounts managed by nursing facilities participating in Medicaid; (b) take steps to identify Medicaid residents with account balances exceeding applicable resource limits; and (c) work with the Department of Public Health and Environment to improve communication and coordination and, to the extent possible, minimize the potential for duplication of resident fund account monitoring efforts.	Implemented.
2006 Single Audit Rec. No. 35	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.	Implemented.
2006 Single Audit Rec. No. 36	Develop and implement a plan to automate the process for updating licenses for providers in the Medicaid program.	Not implemented. See current year Recommendation No. 64.

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 37	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. Implemented and ongoing. The Department has substantially implemented this part of the recommendation. The Department took steps to investigate Medicare claims and resubmitted those claims to Medicare. The Department was unable to recover funds, in part, due to the Medicare timely filing requirement. The Department has implemented a review process to update procedure coding to ensure that Medicare is the payer of first resort. b. Implemented. c. Implemented.
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.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Higher Education	
	Colorado Historical Society	
2007 Single Audit Rec. No. 6	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately approved, appropriate per diem rates are used, travel reimbursements are recorded in the proper period, and that all other state policies regarding travel are followed and (b) training staff and supervisors on State travel rules and policies.	Not implemented. See current year Recommendation No. 6.
2007 Single Audit Rec. No. 7	Improve its monitoring controls over the Georgetown Loop Railroad by strengthening the process for reviewing monthly cash and credit card reconciliations prepared by the Contractor and following up on discrepancies in a timely manner.	Implemented.
	University of Colorado	
2007 Single Audit Rec. No. 65	Implement procedures to ensure that federal grant reimbursement requests are reviewed by someone other than the preparer prior to submission, and the University should maintain documentation that the reviews were performed.	Implemented.
	Colorado School of Mines	
2007 Single Audit Rec. No. 66	Ensure proper policies and procedures are in place to report all student status changes to the National Student Loan Data System within the proper timeframe	Not implemented. See current year Recommendation No. 78.

Report and Rec. No.	Recommendation	Disposition
	Colorado Community College System	
2007 Single Audit Rec. No. 67	Develop an action plan based on our current and prior findings related to the Community College of Denver, work performed by Colorado Community College System Internal Audit, and on the Internal Controls Report issued by the external forensic accountants.	Partially implemented. See current year Recommendation No. 80.
2007 Single Audit Rec. No. 68	Improve its subrecipient monitoring by implementing policies, procedures, and controls to ensure compliance with OMB *Circular A-133.* Specifically, the Department should (a) develop a risk-based approach for monitoring subrecipients, including written policies and procedures, in compliance with OMB *Circular A-133*; (b) perform periodic site visits to ensure 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; (c) 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; (d) develop written policies, procedures, and documentation requirements for subrecipients to support allowability and appropriateness of grants expenditures and other compliance requirements; (e) provide training to improve the technical skill of staff responsible for subrecipient monitoring; and (f) provide adequate oversight and supervisory review of the Perkins monitoring process.	Partially implemented. See current year Recommendation No. 81.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 69	For those employees who charge less than 100 percent of time to the Perkins program, ensure that time being charged is properly supported by time and effort reporting, including new employees charging time to the program. Ensure compliance with these requirements by (a) training employees who work on the Perkins programs regarding the importance of time and effort reporting and certifications and (b) performing periodic reviews of time and effort reporting or certifications for a sample of those employees who charge time to the Perkins programs.	Implemented.
2007 Single Audit Rec. No. 70	Work with Lamar Community College (LCC) to enhance procedures to make certain that the institution's portion of a student's unearned Title IV funds is returned to the federal government within 45 days after the school has determined the student has withdrawn.	Implemented.
2007 Single Audit Rec. No. 71	Work with LCC to enhance procedures to ensure that verification procedures over student information are properly performed and documented.	Implemented.
2007 Single Audit Rec. No. 72	Work with LCC to enhance procedures to comply with required exit counseling procedures.	Implemented.
2007 Single Audit Rec. No. 73	Work with Pueblo Community College to enhance procedures to comply with required satisfactory academic progress procedures.	Implemented.
2007 Single Audit Rec. No. 74	Work with Community College of Denver to enhance procedures to comply with eligibility requirements.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 57	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.	Partially implemented. House Bill 08-1079 changed the requirements for program approvals to include programs that prepare students to articulate to further training. CCCS plans to have criteria that schools must meet to demonstrate that their career and technical education programs provide students with the ability to articulate to further training in place by July 2009. (Classification of Finding: Control Deficiency.)
2006 Single Audit Rec. No. 58	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.	Implemented.
2006 Single Audit Rec. No. 60	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.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 61	Improve its oversight of Perkins grant subrecipients by developing and implementing a more systematic process for using local improvement plans.	Partially implemented. The Colorado Community College System (CCCS) has criteria for determining which Perkins subrecipients will be subject to a local improvement plan. State Fiscal Year 2009 is considered a "benchmark" year for Perkins performance data and, therefore, no subrecipients will be subject to a local improvement plan until Fiscal Year 2010. CCCS plans to implement a process that automatically requires subrecipients with substandard performance results to complete a local improvement plan by June 2009. (Classification of Finding: Control Deficiency.)
2006 Single Audit Rec. No. 64	Reevaluate its use of Perkins leadership funds to maximize their effectiveness.	Implemented.
2006 Single Audit Rec. No. 65	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.	Partially implemented. See current year Recommendation No. 81.

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 66	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.	Partially implemented. See current year Recommendation No. 81.
2006 Single Audit Rec. No. 67	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 implemented. In the Perkins State Plan for Fiscal Year 2007 through 2013, The Colorado Community College System (CCCS) commits to annual on-site monitoring of Perkins subrecipients but no longer specifies how often each subrecipient will be monitored. CCCS implemented a risk-based system for choosing which Perkins subrecipients receive on-site visits. CCCS revised its procedures so that CCCS staff now conduct on-site monitoring visits instead of having consortium administrators perform this monitoring. CCCS plans on implementing a policy that outlines the number of schools and programs required for review during monitoring visits by March 2009. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 68	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.	Partially implemented. See current year Recommendation No. 81.
	Adams State College	
2007 Single Audit Rec. No. 75	Improve the timeliness of the return of unearned Title IV funds and ensure federal timeframes are met.	Implemented.
	Metropolitan State College	
2007 Single Audit Rec. No. 76	Improve internal controls over the Teacher Quality Enhancement Grant by (a) ensuring the Project Steering Committee's oversight actions are documented in minutes of all meetings and (b) implementing procedures to ensure time and effort reports are reviewed and approved at a supervisory level on a timely basis.	Implemented.
	Western State College	
2007 Single Audit Rec. No. 77	Ensure that employees with oversight of Perkins loans understand all requirements of the program and are monitoring the third party contractor for administrative compliance.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 78	Formalize its policies and procedures in a manual for Student Financial Aid staff to follow.	Partially implemented. The Department plans to fully implement this recommendation by June 30, 2009. (Classification of Finding: Control Deficiency.)
	Colorado Student Loan Program dba College Assist	
2007 Single Audit Rec. No. 79	Implement and strengthen controls over the U.S. Department of Education Form 2000 reconciliation process by (a) ensuring complete and timely review of the monthly reconciliation; (b) establishing a process to compare the monthly Form 2000 to the amounts reported on the weekly invoice, and to the amounts recorded in the general ledger; (c) recording the activity related to these payments and reimbursements through separate accounts (gross amounts) so that any discrepancies between amounts paid and amounts received can be identified; and (d) ensuring that staff reviewing the Form 2000 are familiar with the reconciliation process in order to minimize the chance that errors would not be caught.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Human Services	
2007 Single Audit Rec. No. 8	Ensure that amounts reported on the State's accounting system, COFRS, related to counties' administration of public assistance programs is accurate and complete by (a) instituting a monthly reconciliation process to identify and resolve discrepancies between the County Financial Management System (CFMS) and COFRS, for amount payable to and receivable from the counties and (b) determining the cause of the discrepancies between the balances reported on CFMS and those reported on COFRS for amounts due to or from the counties at June 30, 2007, and making necessary adjustments.	Not implemented. See current year Recommendation No. 7.
2007 Single Audit Rec. No. 9	Establish adequate controls over benefit authorization and issuance data for the cash programs by (a) performing routine and comprehensive reconciliations between the Colorado Benefits Management System, County Financial Management System, the State's Electronic Benefits Transfer (EBT) 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 not involved in preparing the reconciliations; and (c) making any necessary adjustments to the appropriate systems in a timely manner.	Not implemented. See current year Recommendation No. 8.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 10	Improve controls over the year-end confirmation of funds held by commercial financial institutions by (a) ensuring that staff sending the confirmations are adequately trained on the Public Deposit Protection Act (PDPA) and that they include all information that must be confirmed by the institution, including the PDPA number; (b) adequately reviewing the returned confirmations and following up with the institution(s) on any information that was incorrect, incomplete, or not confirmed; and (c) working with the Office of the State Controller to revise and clarify the completion of the confirmation form to ensure agencies understand their responsibility to provide the required information to commercial financial institutions, and requiring explicit verification of PDPA numbers by commercial financial institutions.	a and b. Partially implemented. See current year Recommendation No. 10. c. Implemented.
2007 Single Audit Rec. No. 11	Improve controls over the revenue and receipt process for Medicare Part D at the Fort Logan and Pueblo Mental Health Institutes by (a) continuing to work with the vendor for the AVATAR system and the drug insurance companies to develop a method for reconciling the detail on all claims submitted for Medicare Part D reimbursement and tracking the related receivable from the drug insurance companies and (b) recording revenue and related accounts receivable on COFRS in accordance with generally accepted accounting principles.	Partially implemented. See current year Recommendation No. 11.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 12	Improve the process over signing bonuses at the Fitzsimons Nursing Home by (a) ensuring that standard language regarding the payment of bonuses and the terms under which repayment will be required is included in contracts for bonuses, and that the language is consistent with the Department's policies; (b) ensuring contracts are fully executed prior to making payments, and paying signing bonuses in accordance with contract terms; (c) recouping payments made to employees who have not fulfilled the terms stated in the contract; and (d) seeking repayment of the $1,500 bonus that should have been reimbursed to the State.	Partially implemented. During Fiscal Year 2008 the Department revised the contract for signing bonuses to be consistent with Department policy, including standard language regarding the payment of bonuses, as well as the terms for repayment. The Department implemented a tracking system which ensures all signing bonuses are paid in accordance with contract terms. However, we found that not all signing bonuses were paid timely. Further, the Department attempted but was unsuccessful in recovering the payment identified during our Fiscal Year 2007 audit. The Department has determined that it will not send the case to central collections due to the vague wording on the contract used in Fiscal Year 2007. The Department plans to fully implement this recommendation by January 2009. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 13	Improve controls over the payroll and human resource process by (a) ensuring that time sheets are certified and maintained within the timeframes in the Department's stated policy and (b) ensuring that employee information is entered into the Colorado Personnel and Payroll System in a timely manner.	a. Implemented and ongoing. The Department has substantially implemented this part of the recommendation by significantly reducing the error rate of missing time sheets and certifications from prior years. b. Not implemented. See current year Recommendation No. 13.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 14	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) continuing to ensure that staff preparing exhibits are adequately trained, yearly, on exhibit-preparation requirements and (b) enhancing the secondary review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.	Partially implemented. The Department has made improvements in this area by decreasing the percentage of exhibits revised due to errors, providing individually-based training for staff responsible for completing the exhibits, and by conducting a secondary review of the exhibits and supporting documentation. However, we continue to note errors that should be detected through the Department's review process. The Department plans to fully implement this recommendation by October 2008. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 15	Improve its internal controls over purchasing cards by (a) completing testing and implementation of the automated system to track the results of the Department's internal purchasing card audits and the responses of actions taken by approving authorities and (b) continuing to communicate to approving officials and cardholders of their responsibilities to ensure compliance with Department policy and consequences for policy violations through ongoing training.	Partially implemented. See current year Recommendation No. 14.
2007 Single Audit Rec. No. 80	Ensure that applications for Food Stamps and Temporary Assistance for Needy Families/Colorado Works benefits are processed within federal and state guidelines.	Partially implemented. See current year Recommendation No. 82.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 81	Continue to improve controls over Temporary Assistance for Needy Families (TANF)/Colorado Works eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by (a) directing county departments of human/social services to institute effective supervisory review processes over data entry into CBMS and eligibility determinations, (b) directing county department of human/social services to research all overpayments and determining if collections or further investigation should be pursued, and (c) continuing to use eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS.	Implemented and ongoing. The Department has substantially implemented this recommendation. During Fiscal Year 2008 the Department made significant improvements in data entry into CBMS. The Department issued Agency Letter TCW-07-05-P in November 2007 advising county departments of human/social services to institute effective supervisory review processes over data input into CBMS, follow up on possible overpayments, and determining if collections are necessary. Further, the Department is using the implementation of federal work verification procedures, as mandated by the federal Deficit Reduction Act of 2005, to continue to monitor case file processing, as well as the counties' supervisory review process.
2007 Single Audit Rec. No. 82	Take immediate steps to correct the Monthly Status Report problem identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	Implemented.
2007 Single Audit Rec. No. 83	Continue to work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies for the TANF/Colorado Works program within 45 days as required by federal and state regulations.	Not implemented. See current year Recommendation No. 83.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 84	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) continuing to use existing monitoring procedures to ensure that required eligibility information is contained in county case files; (b) continuing to provide training to ensure that county departments of human/social services are aware of the types of eligibility information that should be maintained in case files; and (c) continuing to communicate timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.	Not implemented. See current year Recommendation No. 84.
2007 Single Audit Rec. No. 85	The Department of Human Services should ensure it has adequate management tools to monitor for compliance with federal requirements for the Temporary Assistance for Needy Families program by (a) developing a reporting function for extracting and compiling information contained within CBMS for Income, Eligibility and Verification System; sanctions; and accounting-related data and (b) reviewing reports monthly to identify discrepancies, monitor for federal compliance, and take appropriate action.	The Department disagreed with this recommendation and did not implement it.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 86	Ensure that Food Stamps eligibility is terminated in a timely manner when individuals are no longer eligible for the program and improve controls over data entry into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of social services to institute effective supervisory review processes over data entry into CBMS and eligibility terminations and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS.	Implemented and ongoing. The Department has substantially implemented the recommendation. During Fiscal Year 2008, error rates related to timeliness of eligibility terminations and data entry were reduced significantly. Through State Regulation Volume IV-B 4121, the Department requires the counties to conduct supervisory reviews over food stamps determinations. During Fiscal Year 2008, the Department cited one county for an inadequate supervisory review process and required it to submit a corrective action plan.
2007 Single Audit Rec. No. 87	Ensure that Food Stamps redeterminations are processed within federal and state guidelines.	Not implemented. See current year Recommendation No. 87.
2007 Single Audit Rec. No. 88	Take immediate steps to correct the Food Stamps sanctions, change reporting, and restoration payments problems identified in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	Partially implemented. During Fiscal Year 2008, the Department implemented changes to correct the change reporting issue and to prevent county workers from changing and entering data on the "display sanctions" window in CBMS. However, the restoration payment and the sanction posting problems have not been remedied. See current year Recommendation No. 86.
2007 Single Audit Rec. No. 89	Work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies for the Food Stamps program within 45 days as required by federal and state regulations.	Not implemented. See current year Recommendation No. 88.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 90	Ensure that case file documentation for the Food Stamps program is adequate to support all benefit payments to recipients by (a) continuing to use existing monitoring procedures to ensure that required eligibility information is contained in county case files and (b) continuing to communicate timely with Department staff, as appropriate, regarding changes in policies and procedures affecting required case documentation.	Implemented and ongoing. The Department has substantially implemented this recommendation. During Fiscal Year 2008, we noted that the Department has made significant improvements in case file documentation. The monitoring procedures used by the Department include ensuring that required eligibility information is included in county case files. We noted that there were no changes in policies and procedures affecting required case documentation during Fiscal Year 2008.
2007 Single Audit Rec. No. 91	The Departments of Human Services and Health Care Policy and Financing should coordinate efforts to ensure that adequate SAS 70 Type 2 examinations of the Colorado Benefits Management System are conducted on a regular basis.	Implemented.
2007 Single Audit Rec. No. 92	The Department of Human Services and the Department of Health Care Policy and Financing should strengthen disaster recovery procedures over the Colorado Benefits Management System (CBMS) by ensuring that the CBMS Hot Site at the State's Disaster Recovery Site is operating and functional and that a full disaster recovery test is performed.	Deferred. The Department plans to fully implement this recommendation by June 2009. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 93	Strengthen controls over the Title IV-E Foster Care program by (a) ensuring that county personnel are properly trained on the requirements of Title IV-E and the claiming of IV-E funds in the Trails system, (b) training Trails Help Desk staff on the proper procedures for handling county requests to override system edits related to Title IV-E, (c) requiring that the counties implement procedures to ensure timely redetermination of Title IV-E eligibility, and (d) returning improperly claimed Title IV-E reimbursements identified during the audit to the federal government.	a. Implemented. b. Implemented. c. Deferred. The Department is in the process of implementing an automated Title IV-E eligibility process in the Trails system to comply with the federal Statewide Automated Child Welfare Information System (SACWIS) requirements. The automation project will provide a mechanism for tracking and providing information to counties when redeterminations are due for completion and allow for reporting to the State when redeterminations have not been completed timely. This part of the automation project is expected to be completed by December 31, 2008. See also current year Recommendation No. 92. d. Implemented. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 94	Improve the county technical assistance review process for Title IV-E Foster Care by developing a formal written policy for county technical assistance reviews that specifies how often reviews will take place by county size and sets time frames for timely submission of the findings letter to the county once the review is complete.	Partially implemented. The Department has developed a formal written policy for county technical assistance reviews specifying the frequency of the reviews and determining time frames for timely submission of findings to the counties once the reviews are completed. However, the Department did not complete all reviews within the time frames specified in the policy during Fiscal Year 2008. The Department plans to fully implement this recommendation by July 1, 2009. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 95	Improve its oversight of the foster parent certification process by (a) requiring county departments of human/social services and child placement agencies to conduct periodic (e.g., annual) desk audits of their certified foster parents to ensure that the parents meet all applicable requirements and that their qualifications are documented in their files, (b) developing and applying sanctions when the Department finds discrepancies between county and child placement agency (CPA) attestations and actual foster parent qualifications, (c) requiring that county departments of human/social services provide Family Service Plan information to child placement agencies with which they have placed children and ensuring that county-certified foster parents also receive Family Service Plan information, and (d) working with county departments of human/social services to develop a solution for providing relevant child information to foster parents without violating confidentiality requirements.	a. Partially implemented. The Department implemented rules requiring that counties and CPAs conduct desk audits and attest to the Department that all of their foster parents are qualified in accordance with applicable requirements. The Department only collected one attestation during Fiscal Year 2008 but intends to collect attestations statements from all counties and CPAs during Fiscal Year 2009. b. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. c. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. d. Deferred. The Department plans to fully implement this part of the recommendation by October 2008. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 96	Improve its oversight of institutional abuse or neglect (i.e., Stage I) investigations of children in foster care by (a) implementing a formalized and documented process to follow up with counties on disagreements between the conclusions of the Institutional Abuse Review Team and the county departments of human/social services regarding abuse or neglect investigations, (b) ensuring that the Institutional Abuse Review Team provides detailed recommendations to county departments of human/social services for corrective actions related to specific Stage I investigations and that Department staff follow up on the Review Team's recommendations to ensure that counties comply with them, and (c) requiring the Institutional Abuse Review Team to provide specific recommendations in its annual Child Abuse Prevention and Treatment Act report for correcting deficiencies identified during its review of county abuse or neglect investigations and ensuring that the recommendations are implemented.	a. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. b. Not implemented. The Department plans to fully implement this part of the recommendation by July 2008. c. Deferred. The Department plans to fully implement this part of the recommendation by September 2009. (Classification of Finding: Not classified - not a control deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 97	Strengthen its oversight of county foster care programs to ensure a high-quality foster care delivery system by (a) including specific strategies in its corrective action plans to address county noncompliance with federal foster care standards and state and federal requirements; (b) developing and implementing a system of ongoing or recurring corrective action and progressive sanctions, up to and including withholding reimbursement of county child welfare expenditures, to use when county departments of human/social services are noncompliant with statutory or regulatory requirements or federal standards; (c) improving the monitoring of counties' implementation of corrective action plans to ensure problems are corrected in a timely manner; and (d) modifying the procedures followed in periodic reviews of county foster care programs to focus more resources on case file reviews rather than on interviews and policy reviews.	a. Partially implemented. The Department completed two county monitoring visits in Fiscal Year 2008, and the corrective actions appeared to include specific strategies for addressing county noncompliance. However, given the small number of monitoring visits completed in Fiscal Year 2008, we intend on following up on this part of the recommendation in Fiscal Year 2009. b. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. c. Partially implemented. The Department completed two county monitoring visits in Fiscal Year 2008, and the timeliness of the Department's follow-up on the implementation of county corrective actions had improved. However, given the small number of monitoring visits completed in Fiscal Year 2008, we intend on following up on this part of the recommendation in Fiscal Year 2009. d. Partially implemented. The Department has modified its reviews to focus more on case file reviews. However, given the small number of monitoring visits completed in Fiscal Year 2008, we intend on following upon this part of the recommendation in Fiscal Year 2009.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 98	Improve oversight of child placement agencies for the foster care program by (a) establishing risk-based schedules for licensing and monitoring child placement agencies, (b) revising procedures for renewing child placement agency licenses to ensure that the agencies receive renewal materials in time to submit them at least 90 days before their licenses expire, (c) establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and retaining the supporting documentation, and (d) evaluating current licensing and monitoring procedures to identify and eliminate duplication.	a. Partially implemented. See current year Recommendation No. 93. b. Implemented. c. and d. Partially implemented. See current year Recommendation No. 93.
2007 Single Audit Rec. No. 99	Track the timeliness of all federally mandated foster care case reviews by monitoring how long reviews are delayed once they have gone beyond the federal deadline.	Deferred. The Department plans to fully implement this recommendation by July 2008. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 100	Increase monitoring and oversight of Core Services programs provided by county departments of human/social services to ensure counties provide these services only to families with children at risk of out-of-home placement. Specifically, the Department should (a) implement procedures to review samples of county files during on-site visits to verify that counties are only providing Core Services to children and families that meet the imminent risk criteria; (b) develop written policies to impose fiscal sanctions and/or require repayment of funds from county departments of human/social services for cases in which Core Services eligibility has not been adequately documented; and (c) provide training and technical assistance to the counties to ensure that counties understand how to document eligibility for Core Services and that counties are aware of available Department sanctions if documentation is not sufficient.	a. Not implemented. The Department now reports that it needs additional staff to perform file reviews. The Department had submitted a request as of February 2009 for additional staff to exempt from the State's hiring freeze. b. Not implemented. The Department intends to remove the rule allowing for fiscal sanctions if Core Services are provided to ineligible families by July 2009. c. Partially implemented. The Department has provided training to counties on Core Services eligibility documentation but not on the possible use of sanctions if Core Services' eligibility is not sufficiently documented. As noted in part "b," the Department does not intend to apply sanctions in these cases, as of July 2009. (Classification of Finding: Not classified - not an internal control issue.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 101	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by (a) analyzing the foster care rates being paid to providers, including county-certified providers, against provider costs and benchmark information on a periodic (e.g., annual) basis to determine if the rates being paid by county departments of human/social services are reasonable; (b) revising the formula for setting base administrative maintenance, administrative services, and child maintenance rates for child placement agencies and group homes and ensuring costs allocated to each component are accurate; (c) improving supervision and oversight of the counties' rate-setting and negotiating process by ensuring that counties submit documentation on their rate-setting practices, setting and implementing standards for reviewing county rate negotiation methodologies and rate levels, and following up to make sure that counties do not use their new rate negotiation methodologies until the Department determines that the new methodologies are acceptable; and (d) identifying and considering implementing alternative rate-setting methodologies that rely on objective cost data, such as benchmarks on child care and administrative costs, to pay for foster care services.	a. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. b. Deferred. The Department plans to fully implement this part of the recommendation by July 2009. c. Deferred. The Department plans to fully implement this part of the recommendation by December 2008. d. Deferred. The Department plans to fully implement this part of the recommendation by December 2008. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 102	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by (a) working with counties to develop and implement a validated, statewide level-of-care assessment tool; (b) updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates; and (c) conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.	a. Deferred. The Department plans to fully implement this part of the recommendation by January 2009. b. Deferred. The Department plans to fully implement this part of the recommendation by March 2009. c. Deferred. The Department plans to fully implement this part of the recommendation by June 2009. (Classification of Finding: Significant Deficiency.)
2007 Single Audit Rec. No. 103	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information and (b) using the improved cost information to analyze administrative and case management costs in the program services cost driver and considering allocating funds for administrative and case management costs in the child welfare allocation model separately.	a. Deferred. The Department plans to fully implement this part of the recommendation by October 2009. b. Not applicable. The Department disagreed with this part of the recommendation and did not implement it. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 104	Ensure it is claiming Title IV-E–eligible reimbursements for foster care appropriately by (a) contacting the U.S. Department of Health and Human Services (DHHS) to determine whether all case management costs qualify for federal reimbursement and should be included as part of administrative maintenance costs; (b) ensuring Department staff and county departments of human/social services record and classify case management services in accordance with the direction provided by DHHS in Part "a"; (c) implementing procedures for verifying that counties are entering rate information into Trails accurately, including bed reservation rates, and for ensuring that payments to counties reflect adjustments for any federal funds claimed incorrectly for reimbursement under Title IV-E; and (d) reviewing the incorrect payment allocations identified during our audit, requiring the affected counties to pay back any federal funds that did not qualify for Title IV-E reimbursement and making appropriate adjustments on reports to the federal government.	a. Implemented. b. Deferred. The Department plans to fully implement this part of the recommendation by December 2008. c. Deferred. The Department plans to fully implement this part of the recommendation by December 2008. d. Not Implemented. The Department plans to fully implement this part of the recommendation by April 2009. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 105	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by (a) evaluating the substance of the relationship between counties and CPAs based on OMB *Circular A-133* criteria and concluding on whether CPAs should be considered vendors or subrecipients; (b) implementing requirements for audits of CPAs in accordance with the determination suggested in part "a" of the recommendation; (c) establishing procedures to review the CPA audits and follow up on any findings identified; (d) evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds, which could include incorporating procedures into the periodic CPA monitoring visits conducted by the 24-Hour Monitoring Unit or having Field Audit staff participate on and provide support to the monitoring team; and (e) including examples of unallowable costs in regulations.	a. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. b. Deferred. The Department plans to fully implement this part of the recommendation by December 2008. c. Deferred. The Department plans to fully implement this part of the recommendation by December 2009. d. Deferred. The Department plans to fully implement this part of the recommendation by December 2009. e. Not implemented. The Department intends to introduce new rules clarifying allowable and unallowable CPA costs by October 2009. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 106	Ensure that child placement agencies (CPAs) pass along the correct child maintenance payments received from county departments of human/social services to foster parents by (a) implementing routine, periodic reviews of the payments made from CPAs to foster parents to ensure that they match the payments received from counties and (b) following up on identified over- or underpayments to foster parents to determine why the incorrect payments were made and to require that counties and CPAs rectify all incorrect payments.	a. Deferred. The Department plans to fully implement this part of the recommendation by October 2008. b. Deferred. The Department plans to fully implement this part of the recommendation by July 2008. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 108	Increase its oversight of Business Enterprise Program operators to ensure accurate financial reporting and compliance with applicable laws, rules and regulations, and the operators agreement by (a) ensuring only operators with fully executed contracts or operators agreements are managing business enterprise locations; (b) revising the Program's rules and regulations to define allowable and unallowable business expenses and, where necessary, cap the amount of certain business expenses that can be deducted from operator sales; (c) reviewing the operators' monthly financial reports to identify operators who appear to be reporting questionable or excessive expenses for follow-up by Program staff; (d) conducting annual onsite reviews at each business enterprise location to ensure that operators are maintaining documentation sufficient to support reported sales and expenses, reporting only allowable business expenses, reporting all revenue earned, paying applicable business and employee withholding taxes, and complying with the terms and conditions of the operators agreement; (e) improving the controls over vending machines to ensure that sales are reported completely and accurately; and (f) taking enforcement action against operators with recurring deficiencies, including license suspension and termination as appropriate.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 10	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.	Partially implemented. See current year Recommendation No. 12.
2006 Single Audit Rec. No. 13	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.	Not implemented. See current year Recommendation No. 15.
2006 Single Audit Rec. No. 84	Ensure that county departments of human/social services address all of the Colorado Benefits Management System alerts in a timely manner.	Partially implemented. During Fiscal Year 2008, the Department made system changes that reduced the number of alerts and enhanced the counties abilities to effectively manage alerts. However, we identified a number of instances of Income, Eligibility, and Verification System (IEVS) "hits" not being addressed by the counties. The Department plans to fully implement this recommendation by June 30, 2009. See also current year Recommendation No. 88. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 86	Ensure that signed certifications on compliance with federal debarment and suspension provisions have been received from all contractors and perform followup as needed.	Implemented.
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.	a. Implemented in Fiscal Year 2007. b. Partially implemented. During our Fiscal Year 2008 audit we noted that staff continued to submit final monitoring reports to counties after the 60-day timeline. The Department reports it was appropriated an additional three full-time equivalents (FTE), which were in place as of October 2007 and will allow it to fully implement this recommendation by December 2008. c. and d. Implemented in Fiscal 2007. (Classification of Finding: Control Deficiency.)

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. Partially implemented. During Fiscal Year 2008, the Department validated data used to complete the federally required Food Stamps Issuance Reconciliation Report. However, the Department reports it is still in the process of validating the data used to complete the federally-required Claims Activity Report. The Department plans to fully implement this recommendation by December 2009. b. and c. Implemented in Fiscal Year 2007. (Classification of Finding: Control Deficiency.)
	Department of Labor and Employment	
2007 Single Audit Rec. No. 16	Strengthen overall accounting controls by (a) developing written procedures to ensure that all year-end accounting functions are performed, such as a timely review of significant year-end account balances, including year-end accruals, account balance reconciliations, and significant adjustments; (b) ensuring that adequate supervisory reviews are in place and documented for all accounting functions; and (c) providing additional cross-training to staff.	Implemented.
2007 Single Audit Rec. No. 17	Implement a process to evaluate the accuracy and completeness of the liability to employers for overpayment of Unemployment Insurance claims.	Not implemented. See current year Recommendation No. 17.
2007 Single Audit Rec. No. 109	Establish procedures to ensure compliance with Cash Management Improvement Act and federal grant cash management requirements.	Not implemented. See current year Recommendation No. 102.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 110	Ensure time sheets for the Workforce Investment Act and Employment Services federal grants are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing time sheet certifications by both the employee and supervisor.	Not implemented. See current year Recommendation No. 103.
2007 Single Audit Rec. No. 111	Improve controls over federal reporting by instituting a secondary review process to ensure amounts recorded on reports to the federal government are accurate and complete prior to submission.	Not implemented. See current year Recommendation No. 104.
2007 Single Audit Rec. No. 112	Complete annual on-site monitoring of all workforce centers in accordance with federal requirements.	Implemented.
2006 Single Audit Rec. No. 14	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 (FARS) and the Colorado Financial Reporting System (COFRS) in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement.	Partially implemented. FARS to COFRS reconciliations are performed and documented monthly. However, there remains an uncorrected reconciling difference of approximately $374,000 that has been traced back to prior years that needs to be resolved. The Department plans to fully implement this recommendation by October 2008. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
	Department of Local Affairs	
2007 Single Audit Rec. No. 18	Re-evaluate its policies and procedures in place to capture all expenditures in the correct accounting period.	Partially implemented. The Department started its evaluation of its policies and procedures for capturing all expenditures in the correct accounting period. However, based on the testwork performed, we noted one exception in temporary employee payroll. The Department plans to fully implement this recommendation by June 30, 2009. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 19	Continue the development of the current Business Continuity Plan by (a) identifying specific threats and the probability of those threats occurring and tailoring the Plan to address these threats; (b) obtaining appropriate management approval and finalizing the status of the Plan, removing confidential information if necessary; and (c) testing the Plan at least annually.	Partially implemented. The Department completed 95 percent of the Continuity of Operations plan. There are certain items such as key individuals and their contact information that needs to be finalized and the plan document needs to be signed. The Department plans to fully implement this recommendation by June 30, 2009. (Classification of Finding: Not classified - not an internal control issue.)
	Department of Military and Veterans Affairs	
2007 Single Audit Rec. No. 20	Improve controls over the preparation of the Exhibit K to ensure that information reported on the Exhibit K is accurate and that supporting documentation is maintained and readily available for review.	Not implemented. See current year Recommendation No. 23.

Report and Rec. No.	Recommendation	Disposition
	Department of Natural Resources	
2007 Single Audit Rec. No. 21	Enforce its payroll policies and strengthen its controls over personnel and payroll activities by (a) requiring supervisors to review time sheets to ensure they are signed off by the employee at the end of each pay period and (b) reassigning incompatible duties within the Payroll Accountant and Payroll Technicians positions to other individuals.	Partially implemented. See current year Recommendation Nos. 27 and 35.
2007 Single Audit Rec. No. 22	Improve its controls over capital expenditures by (a) reviewing the expenditures related to capital projects and construction in progress in a timely manner to ensure that all completed capital projects are properly capitalized and depreciation taken in the appropriate fiscal year and (b) ensuring that expenditures for capital asset projects are reviewed and recorded appropriately on COFRS in accordance with the State Fiscal Procedures Manual.	Not implemented. See current year Recommendation No. 35.
	Department of Personnel & Administration	
2007 Single Audit Rec. No. 23	Strengthen controls over payroll by ensuring that an adequate review process is in place to identify and correct payroll adjustment errors.	Partially implemented. See current year Recommendation No. 37.
2007 Single Audit Rec. No. 24	Improve controls over expenditures by (a) ensuring that workers' compensation claims are reviewed and approved by Risk Management staff prior to payment, (b) processing expenditures within the 45-day timeframe required by State Fiscal Rules, and (c) coding expenditures appropriately on the State's accounting system.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 25	Ensure that the Office of the State Controller strengthens its controls over COFRS to ensure COFRS access is monitored for appropriateness and access is removed upon employee termination or job changes.	Implemented.
2007 Single Audit Rec. No. 26	Ensure the security of employee benefit information contained in Benefitsolver by establishing user administration procedural controls including (a) disabling or deleting user accounts in a timely manner, (b) performing periodic reviews of existing user access, and (c) ensuring that agencies have access only to the information related to the employees within their respective agencies.	a. Partially implemented. During our Fiscal Year 2008 audit we noted that the Department implemented a review process of user access; however, the Department did not retain evidence of the reviews that staff performed. Further, we identified five of the Department's Benefitsolver user accounts that were not terminated timely. The Department plans to fully implement this part of the recommendation by February 2009. b. Partially implemented. During our Fiscal Year 2008 audit we noted that the Department implemented a review process of user access; however, the Department did not retain evidence of the reviews that staff performed. Further, we identified five of the Department's Benefitsolver user accounts that were not terminated timely. The Department plans to fully implement this part of the recommendation by February 2009. c. Implemented. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2006 Single Audit Rec. No. 23	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. and b. Implemented. c. Partially implemented. See current year Recommendation No. 38.
2006 Single Audit Rec. No. 25	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.	a. The Department disagreed with this part of the recommendation and did not implement it. b. and c. Implemented in Fiscal Year 2007. d. Not implemented. The Department reports that it does not currently have the funding and personnel resources to implement this part of the recommendation. Therefore, they did not provide an updated implementation date for this part of the recommendation. (Classification of Finding: Control Deficiency.)

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 nine out of the 19 state departments to this database and plans to convert one additional department (Department of Natural Resources) during Fiscal Year 2009. 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. (Classification of Finding: Control Deficiency.)
	Department of Public Health and Environment	
2007 Single Audit Rec. No. 27	Segregate cash receipt responsibilities from the ability to credit customer accounts.	Partially implemented. The Department implemented procedures to segregate these duties during the last month of Fiscal Year 2008. The Department plans to fully implement this recommendation for Fiscal Year 2009. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 115	Comply with draw patterns in the Cash Management Improvement Act Agreement.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 116	Improve controls over the certification survey process to ensure that surveyors identify all deficient practices and cite deficiencies at a level that accurately and sufficiently identifies the scope and severity of the deficiency, in accordance with federal requirements. Specifically, the Department should (a) ensure that survey staff follow established quality review procedures, including use of a standard review form to document and track all changes made to deficiency citations prior to their release to the nursing facility or the public; (b) explore ways to expand quality review processes to ensure the completion of required survey forms, the sufficiency of documentation in support of deficiency citations, and the overall survey file organization; (c) work with survey supervisors to ensure timely communication with survey teams throughout the survey process and increase the frequency with which supervisors are required to be on-site with survey teams; (d) implement a standard format for organizing certification survey files and relevant supporting documentation; (e) improve documentation standards and work with surveyors and supervisors to ensure that required forms are properly labeled and completed and that results from inquiries, team meetings, and the resolution of potential issues are clearly and sufficiently documented; and (f) provide surveyors with more training on general investigative skills and protocols, as well as on the regulatory and legal aspects of the survey process.	a. - c. Implemented. d. Partially implemented. Guidelines and expectations are documented and surveyor training has been conducted. A formal quality assurance process is planned for January 2009. The Department plans to implement this part of the recommendation by January 2009. e. Partially implemented. Guidelines and expectations are documented and surveyor training has been conducted. A formal quality assurance process is planned for January 2009. The Department plans to implement this part of the recommendation by January 2009. f. Implemented. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 117	Work to improve the prioritization and timeliness of nursing facility complaint investigations by: (a) reviewing and updating the point schedules programmed in the Complaint Priority Assessment System to ensure the proper prioritization of nursing home complaints in accordance with current standards, practices, and relevant decision criteria; (b) establishing clear and consistent time frames within which each complaint investigation at a given priority level should begin; and (c) reviewing reports of complaints data on a routine basis to determine if nursing home complaint investigation time frames are being met, and take action as appropriate.	a. Implemented. b. Partially implemented. Dependent upon receiving additional state funding and resources to implement. The Department requires on-site investigation to start within two working days for Priority A complaints and to start within 10 working days for Priority B complaints. The Department revised the LTC Complaint Policy and implemented changes to reflect starting two and 10-day complaints by the 2nd and 10th dates, respectively, and applied start dates for priority levels C, D, and E to 15 months. Establishing and adhering to investigation start time frames sooner than 15 months for Priorities C, D, and E Medicare/Medicaid and comparable state priority complaints will require additional state funding and resources. As of September 2008, this recommendation remains partially implemented. Further change to this status is contingent upon approval during the 2009 legislative session to increase full-time equivalents, or FTE, and spending authority from increased licensure fees. The Department plans to fully implement this part of the recommendation by July 2010. c. Implemented. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 118	Improve the oversight of nursing facility resident assessments and Minimum Data Set (MDS) data by (a) continuing to increase awareness among surveyors of the risk of problems with MDS assessments and ensure that surveyors investigate any problems noted with the MDS assessments, including problems with validity and reliability, during certification surveys; (b) working with the Department of Health Care Policy and Financing (HCPF) to conduct more systematic review and analysis of standard reports available in the electronic MDS system and data maintained by HCPF's contract auditor on resource utilization group classifications to identify those facilities that are at higher risk of submitting invalid assessments and, therefore, warrant further attention during certification surveys or require additional training; (c) working with the HCPF to require that MDS coordinators at all Medicaid-certified nursing facilities complete the State's MDS training or a comparable MDS training on a routine basis, as appropriate. Facility MDS coordinators attending the State's training should be tracked and proof of comparable external training should be obtained to identify those facilities whose MDS coordinator has not completed the required training; (d) encouraging nursing facilities to identify and use best practices, such as standardized flow charts and checklists, to help collect data, improve communication, and better substantiate MDS assessments; and (e) working with the Department of Health Care Policy and Financing to evaluate options for the development and implementation of a state validation team to perform routine on-site reviews of nursing facilities' MDS assessments for Medicaid residents.	a. - d. Implemented. e. Not implemented. The Department disagreed with this part of the recommendation. Despite disagreeing with this recommendation, the Department met with HCPF in September 2008 to discuss how HCPF can best implement this recommendation. The Department will continue to work with HCPF to develop a program to meet this recommendation. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 119	Improve its oversight of nursing facilities to ensure compliance with federal and state requirements for managing resident fund accounts. Specifically, the Department should (a) ensure that surveyors are trained on the requirements and proper internal controls over resident fund accounts, as well as on common problems and risks associated with resident fund accounts; (b) include specific questions about resident fund accounts in interviews with residents, family members, and facility staff; and (c) work with the Department of Health Care Policy and Financing to improve communication and coordination and, to the extent possible, minimize the potential for duplication of resident fund account monitoring efforts.	Implemented.
	Department of Public Safety	
2007 Single Audit Rec. No. 28	Strengthen controls over travel expenditures by (a) ensuring that travel reimbursements are recorded in the proper period using the correct coding and that all other state policies regarding travel are followed and (b) training staff and supervisors on state travel rules and policies.	a. Partially implemented. See current year Recommendation No. 40. b. Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Revenue	
2007 Single Audit Rec. No. 29	Improve controls over the issuance of income tax refunds by (a) strengthening its review process by instituting a secondary review over potential duplicate refunds and (b) updating the criteria for the potential duplicate report to include duplicate payments made to the same taxpayer under different account and/or social security numbers.	Implemented.
2007 Single Audit Rec. No. 30	Strengthen controls over the security of tax warrants by ensuring that its new tax information system is designed to allow the internal transfer of funds for the collection of costs associated with county and special district taxes.	Deferred. The Department currently requires staff receiving transfer payments to verify that a cash receipt document in COFRS has been created with the appropriate amounts at the time of receipt. However, the Department indicates that its new tax information system will not be implemented until November 2010. Therefore, the Department plans to fully implement this recommendation by November 2010. (Classification of Finding: Significant Deficiency.)
2007 Single Audit Rec. No. 31	Improve controls over taxpayer accounts by instituting a secondary review and approval process over modifications of taxpayer information within the individual income and business tax systems.	Deferred. The Department plans to fully implement this recommendation by November 2010. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 32	Improve internal controls over warrants by restricting access to the outgoing mailroom.	Deferred. The Department plans to fully implement this recommendation by September 2009. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 33	Develop procedures to enforce its policy requiring employees to sign and submit annual Statements of Understanding to the Office of Human Resources.	Not implemented. See current year Recommendation No. 47.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 34	Improve controls over taxpayer payments by (a) implementing proper segregation of duties over the creation of new business accounts and the processing of loose checks from business taxpayers, (b) restricting physical access to the Registration Control area to authorized personnel and locking up loose checks in a vault, and (c) implementing adequate record-keeping procedures over loose checks.	a. The Department disagreed with this part of the recommendation and did not implement it. b. Partially implemented. All the locks on the Central Department Operations (CDO) processing doors were changed in January 2008 to disallow the cleaning crew from accessing these sections once the Department employees lock up for the day. The Department is in the process of acquiring funding for proximity card readers for all doors within the CDO processing sections. The Department believes that the CDO room itself will essentially be a "vault" once the proximity card readers are installed. The Department plans to fully implement this part of the recommendation by September 2009. c. Deferred. The Department prepared a request for funding an imaging system and anticipates the request will be submitted to OSPB for consideration. The Department did not provide an implementation date for this part of the recommendation during Fiscal Year 2007 audit but plans to fully implement this part of the recommendation by December 2009. (Classification of Finding: Significant Deficiency.)
2007 Single Audit Rec. No. 35	Review its current estimation process for Tax Conferee collections and bad debts for accuracy and appropriateness.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 36	Improve controls over information system security and access by (a) enforcing the policy that requires all employees to read the Department's Information Technology Security Standards and Policies document and sign a Statement of Compliance and ensuring that current Statements of Compliance are maintained in employee files and (b) ensuring that system access for terminated employees is revoked timely by improving communication between the Human Resources Section and the IT Security Administrator.	a. Implemented and ongoing. The Department has substantially implemented this part of the recommendation. The Department has implemented a new compliance form and has worked to better enforce its existing policy. The Department should continue to refine its process for enforcing compliance with its policies regarding Statements of Compliance. b. Partially implemented. The Department has implemented a new termination process but has not improved communication between the Human Resources Sections and IT Security Administrator. The Department plans to fully implement this part of the recommendation by December 2009. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 37	Improve controls to adequately secure sensitive data sent via e-mail by (a) revising its existing e-mail policy to address the appropriateness of sharing sensitive taxpayer data via e-mail, (b) considering the implementation of an e-mail encryption program and training employees on its proper use, and (c) training employees on the risks of and appropriate related procedures for using e-mail for data sharing.	a. Partially implemented. The Department has drafted a policy to address the acceptable use of e-mail for data sharing. The Department plans to finalize the policy by June 2009. b. Partially implemented. The Department is in the process of procuring Exchange 2007 for e-mail encryption. The Department plans to procure and install Exchange 2007 and train employees on its use by June 2009. c. Implemented. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 38	Improve controls over financial reporting related to income tax refunds by (a) resolving reporting issues on the "Summary of Income Tax Refunds Issued" report in a timely manner and (b) ensuring that the Income Tax System is able to correctly process information during interruptions in business.	Implemented.
2007 Single Audit Rec. No. 39	Improve its internal controls over financial reporting by (a) ensuring that exhibits are adequately reviewed by a supervisor prior to submission to the Office of the State Controller or other parties and (b) implementing procedures to ensure that all necessary and historical information is available to estimate year-end accruals.	a. Not implemented. See current year Recommendation No. 48. b. Implemented.
2007 Single Audit Rec. No. 40	Improve its internal controls over the issuance of purchasing cards by ensuring that required forms are obtained and signed prior to card issuance.	Not implemented. See current year Recommendation No. 49.

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 in Fiscal Year 2006. b. and c. Implemented in Fiscal Year 2007. d. Implemented in Fiscal Year 2005. e. Partially implemented. The Department had proposed legislation related to enforcement of withholding requirements prior to the State November 2008 election. Subsequent to their proposal, a ballot initiative that would have changed withholding requirements was placed on the November 2008 ballot but did not pass. Therefore, the Department plans to submit the legislative proposal for the 2010 legislation session. (Classification of Finding: Control Deficiency.)

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 in Fiscal Year 2005. b. Partially implemented. The Department modified the individual income tax form in Fiscal Year 2005 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 credits available after tax year 2008 for at least another two years. The Department will set an implementation date when TABOR credits are available. c. Implemented in Fiscal Year 2006. (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2002 Single Audit Rec. No. 20	Develop and implement procedures to review charitable contribution deductions claimed by taxpayers.	Partially implemented. In Fiscal Year 2007, the Department implemented necessary information systems programming changes by creating a computer edit to deny the deduction when a taxpayer the state income tax add back. The Department created a review list that identifies taxpayers claiming the deduction in an amount exceeding a certain dollar threshold. The Department is now in the process of determining how this review will be implemented with its new information system. The Department plans to fully implement this recommendation in Fiscal Year 2010.
Department of State		
2007 Single Audit Rec. No. 120	Ensure compliance with the 5 percent state match requirement and provide greater accountability for the sources and uses of the Help America Vote Act (HAVA) state match by (a) working with the federal Election Assistance Commission or other appropriate federal agency to resolve the issue related to whether matching funds must be deposited into the State's Federal Election Assistance Fund, (b) correcting the calculation of the match amount, and (c) revising reports to the federal government to reflect any corrections in the amount of matching funds expended by the State, as appropriate.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 121	Improve its documentation of staff time associated with the Help America Vote Act. This should include (a) adopting a method for tracking staff time spent on HAVA activities that is consistent with OMB *Circular A-87* for employees whose positions are not fully dedicated to this program and (b) ensuring that certifications are prepared and properly signed at least semi-annually by those employees whose positions are fully dedicated to HAVA.	Implemented.
2007 Single Audit Rec. No. 122	Strengthen its controls over Help America Vote Act (HAVA) fund management and reporting by (a) ensuring expenditures reported to the Election Assistance Commission (EAC) can be reconciled to COFRS and that all adjustments are supported by adequate documentation; (b) implementing a supervisory review process designed to ensure federal HAVA expenditures are reported accurately and completely and EAC requirements are correctly applied and reported; and (c) adopting formal written procedures documenting the processes related to HAVA funds management, including reporting to the EAC and submitting required certifications.	Implemented.
	Office of the State Treasurer	
2007 Single Audit Rec. No. 41	Ensure distributions from the Highway Users Tax Fund are made within the statutorily required five days after receiving revenue estimates from the Department of Revenue.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 42	Improve internal controls over Unclaimed Property by (a) documenting policies and procedures that apply to the computer system operations; (b) cross-training staff, including management, on the functionality of the computer system and the documented policies and procedures above to allow efficient operations in the event of turnover or employee absences; and (c) ensuring that proper monitoring is performed by requiring that review of change reports be documented and performed timely by an individual not involved in making changes to the Unclaimed Property system.	a. and b. Implemented. c. Partially implemented. During the Fiscal Year 2008 audit, we noted that the Department implemented a review of change reports; however, the review is not formally documented. In addition, the review is not being performed timely. The Department plans to fully implement this recommendation by December 2008. See also current year Recommendation No. 50.
2007 Single Audit Rec. No. 123	Continue to use the most current and accurate information available from both the Office of the State Controller and state agencies in order to ensure that the correct programs are included in the Agreement. In addition, programs should be combined based on the Catalog of Federal Domestic Assistance (CFDA) number and evaluated in total against the threshold for inclusion in the Agreement. The Agreement should also be reviewed by someone other than the preparer to ensure the appropriate draw patterns are identified in the Agreement.	Not implemented. See current year Recommendation No. 108.

Report and Rec. No.	Recommendation	Disposition
	Department of Transportation	
2007 Single Audit Rec. No. 43	Ensure the accounting system is calculating depreciation expense correctly by manually calculating depreciation expense, on a monthly basis, on a sample of capital assets in classes 400 and 850 and comparing the manual calculation results to the system's calculation of depreciation expense for those same line items until the Department has reached a high level of confidence that the system is calculating depreciation correctly.	Implemented.
2007 Single Audit Rec. No. 44	Continue to monitor all aspects of the processing and payment of payroll, including overtime earned.	Implemented.
2007 Single Audit Rec. No. 45	Improve year-end procedures to ensure all expenses and costs incurred prior to year-end are recorded.	Partially implemented. During the testwork performed there were instances of expenditures received after period 13 close related to contractor costs that were not accrued. The agency still needs to develop procedures to estimate such expenditures. The Department plans to fully implement this recommendation by June 2009. (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 46	Ensure that its information systems are safeguarded by (a) updating its existing disaster recovery plan to address the Systems, Applications and Products in Data Processing system and (b) addressing current environmental hazards to the Department's information systems.	Deferred. The Department plans to implement this recommendation by July 2008. (Classification of Finding: Significant Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 47	Perform a comprehensive security risk assessment and a detailed review of current transaction access rights as implemented in the Department's Systems, Applications and Products in Data Processing system to identify all conflicting transaction access rights and modify existing access rights as appropriate.	Deferred. The Department plans to implement this recommendation by June 2009. (Classification of Finding: Significant Deficiency.)
2007 Single Audit Rec. No. 124	Update its training manual to include specific language that directs its engineers on how to properly review contractor and subcontractor payroll information on a weekly basis for compliance with Davis-Bacon Act pay rate requirements and how to adequately document evidence of their review.	Implemented.
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 in Fiscal Year 2006. b. Implemented. c. Implemented in Fiscal Year 2006.

Report and Rec. No.	Recommendation	Disposition
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.	Implemented.

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December 19, 2008

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, 2008, and have issued our report thereon dated December 19, 2008. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units identified in Note 2 of the financial statements, which represent 100 percent of the total assets, 100 percent of the total net assets, and 100 percent of the total revenue of the aggregate discretely presented component units. In addition, we did not audit the financial statements of University Physicians, Inc., a blended component unit which represents 3 percent of assets, 4 percent of net assets, and 8 percent of revenue of Higher Education Institutions, a major enterprise fund, and 2 percent of the total assets, 3 percent of the net assets, and 6 percent of the total revenue of business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts and disclosures included for those discretely presented component units and for University Physicians, Inc., are based solely on the reports of the other auditors, except as explained in Note 4 of the financial statements. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Colorado's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the State of Colorado's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over

financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the State of Colorado's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State of Colorado's financial statements that is more than inconsequential will not be prevented or detected by the State of Colorado's internal control. We consider the deficiencies described in items number 4, 7-15, 17, 18, 20-24, 30-36, 42-44, 51-53, 63, 64, and 67 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State of Colorado's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider none to be a material weakness.

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.*

The State of Colorado's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State of Colorado's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Legislative Audit Committee, management, specified legislative or regulatory bodies, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

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December 19, 2008, and December 18, 2009,
see explanatory paragraph

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 the State's major federal programs for the year ended June 30, 2008, except the requirements discussed in the second paragraph of this report. 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 did not audit the State of Colorado's compliance with the requirements governing Reporting and Special Tests and Provisions 1 through 10 in accordance with the requirements of the Federal Family Education Loan program as described in section 84.032L of the Compliance Supplement (school as lender). Those requirements govern functions performed by Nelnet. Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements. Nelnet's compliance with the requirements governing the functions that it performs for the State of Colorado was examined by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* for the year ended December 31, 2007. Our report does not include the results of the other accountants' examination of Nelnet's compliance with such requirements.

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.

We performed additional testing of the Royalties Management program (CFDA No. 15.Unknown) under the Single Audit Act subsequent to December 19, 2008, prior to December 18, 2009.

As described in items number 53, 55, 56, 60, 62, 64, 79, 81, 83, 84, and 86-88 and in the accompanying Schedule of Findings and Questioned Costs, the State of Colorado did not comply with requirements regarding the following: 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); Special Tests and Provisions that are applicable to the Federal Family Education Loans (CFDA No. 84.032) and Federal Pell Grant Program (CFDA No. 84.063); Subrecipient Monitoring that is applicable to the Vocational Education Basic Grants to States Program (CFDA No. 84.048); Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Temporary Assistance for Needy Families (CFDA No. 93.558); Eligibility and Subrecipient Monitoring that are applicable to the State Children's Insurance Program (CFDA No. 93.767); and Activities Allowed and Unallowed; Allowable Costs/Cost Principles; Eligibility; Subrecipient Monitoring; and Special Tests and Provisions that are applicable to the Medicaid Cluster (CFDA Nos. 93.777 and 93.778). Compliance with such requirements is necessary to meet 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 in the first paragraph above that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 items number 54, 57-59, 63, 65, 67-76, 78, 80, 82, 85, 89-99, 101-107, and 109.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Colorado's internal control over compliance.

Requirements governing Reporting and Special Tests and Provisions 1 through 10 in the Federal Family Education Loan program as described in section 84.032L of the Compliance Supplement (school as lender) are performed by Nelnet. Internal control over compliance related to such functions was reported on by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* for the year ended December 31, 2007. Therefore, the scope of our work did not extend to internal control maintained at Nelnet. Our report does not include the results of the other accountants' examination of Nelnet's internal control over compliance related to such functions.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items number 53-60, 62-67, 71, 73, 76, 79, 81-89, 91, 93, 95, 96, 98, 99, 101-104, and 109 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items number 53, 56, 57, 59, 60, 62-64, 76, 81, 83, 84, and 86-88 to be material weaknesses.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above. However, as discussed above, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

We have audited the accompanying 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 fiscal year ended June 30, 2008, which collectively comprise the State's basic financial statements. 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.

The State of Colorado's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State of Colorado's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Legislative Audit Committee, management, specified legislative or regulatory bodies, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
STEVE WINTER ASSOCIATES, INC.					
Unclassified Grants and Contracts		GFE	14.000 / .SUB NO. HUD 18.7	(2,741)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(2,741)	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				(2,741)	0
SUBTOTAL				(2,741)	0
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.PRMP515/580/511	883,000	0
HIDTA Grants CSP		RAA	07.PRMP518	329,370	0
SUBTOTAL DIRECT FROM:				1,212,370	0
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY				1,212,370	0
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY				1,212,370	0
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
Market News		BAA	10.153 / 10.12-25-A-2114	23,216	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-25-G-0473	0	14,292
Federal-State Marketing Improvement Program		BAA	10.156 / 10.NONE	8,644	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.none	10,010	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4429	246,372	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4445	160,219	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4865	185,632	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4906	2,515	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-4916	104,100	0
Specialty Crop Block Grant Program		BAA	10.169 / 10.12-25-B-0633	13	0
Specialty Crop Block Grant Program		BAA	10.169 / 10.12-25-G-0532	93,896	0
SUBTOTAL DIRECT FROM:				834,617	14,292
SUBTOTAL AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE				834,617	14,292
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF IDAHO					
Agricultural Research Basic and Applied Research		GGB	10.001 / 10.BJKG46 SB 001	1,640	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,640	0
SUBTOTAL AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				1,640	0
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025	200,293	0
Plant and Animal Disease, Pest Control, and Animal Care		PBA	10.025	318,146	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.05-9708-1550-CA	105,848	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.06-9100-1071-CA	0	120,717
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.06-9708-1486-CA	35,298	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
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-8564-0013-CA	395,562	359,225
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9108-1148-CA	0	46,140
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1348-CA	10,730	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1486-CA	52,172	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1597-CA	68,891	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1735-CA	136,512	37,293
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1780-CA	37,248	28,292
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1794-CA	63,153	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.07-9708-1821-CA	65,683	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.08-8564-0013-CA	107,538	3,155
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.08-9708-1597-CA	27,162	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.08-9708-1780-CA	417	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.08-9708-1821-CA	1,328	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.43-6395-6-0047	33,352	0
Plant and Animal Disease, Pest Control, and Animal Care		BAA	10.025 / 10.AG-6395-P-07-0004	16,798	0
Wildlife Services		BAA	10.028 / 10.06-7308-5679-CA	13,909	0
Wildlife Services		BAA	10.028 / 10.08-7308-5679-CA	40,833	0
CSU ARCHIVING & GENOTYPING COOPERA		GGB	10.07-7100-0233-CA	136,280	0
NAIS ANALYSIS - INCLUDING EFFECTS		GGB	10.07-9208-0190-CA 07-1	2,420	0
NATIONAL POULTRY IMPROVEMENT PLAN		GGB	10.07-9708-1608-CA	34,067	0
SUBTOTAL DIRECT FROM:				1,903,640	594,822
PASS-THROUGH PROGRAMS FROM:					
KANSAS STATE UNIVERSITY					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025 / 10.SO8065	42,730	0
SPONSOR NAME NOT FOUND FOR YMNEO3 **					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025 / 10.07-9135-1090-CA	72,493	0
UNIVERSITY OF PENNSYLVANIA					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025 / 10.5-45345-A PO 1622929	4,841	0
UTAH STATE UNIVERSITY					
Wildlife Services		GGB	10.028 / 10.061141002	8,802	0
Wildlife Services		GGB	10.028 / 10.061141003	2,824	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				131,690	0
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				2,035,330	594,822
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
Food and Agricultural Sciences National Needs Graduate Fellowship Grants		GGB	10.210	50,462	0
Hispanic Serving Institutions Education Grants (B) -		GJM	10.223	146,988	0
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants		GJM	10.226	7,032	0
Cooperative Extension Service		GGB	10.500	3,570,111	0
DAWN THILMANY RESEARCH, EDUCATION		GGB	10.700-1005-200-004	65	0
SUBTOTAL DIRECT FROM:				3,774,658	0
PASS-THROUGH PROGRAMS FROM:					
CORNELL UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.05053506	43,202	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.48162-8389	28,423	0
KANSAS STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO4002.04	22	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.SO8092	14,320	0
Integrated Programs		GGB	10.303 / 10.SO7017	21,529	0
Homeland Security_Agricultural (Homeland Security Program)		GGB	10.304 / 10.SO8010	14,619	0
Cooperative Extension Service		GGB	10.500 / 10.SO7049	7,390	0
Cooperative Extension Service		GGB	10.500 / 10.SO7068	20,862	0
Cooperative Extension Service		GGB	10.500 / 10.SO8025	53,432	0
Cooperative Extension Service		GGB	10.500 / 10.SO8101	21,267	0
Cooperative Extension Service		GGB	10.500 / 10.SO8128	9,255	0
MICHIGAN STATE UNIVERSITY					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.61-4154A	25,645	0
NORTH CAROLINA STATE UNIVERSITY					
Integrated Programs		GGB	10.303 / 10.2007-1982-01	1,947	0
Cooperative Extension Service		GGB	10.500 / 10.2006-0457-16	5,937	0
Cooperative Extension Service		GGB	10.500 / 10.2007-0376-17	23,100	0
OHIO STATE UNIVERSITY					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.RF01003949	61,091	0
Integrated Programs		GGB	10.303 / 10.GRT00004638/60010835	120,981	0
Integrated Programs		GGB	10.303 / 10.RF01041910 #60003400	99,691	0
OKLAHOMA STATE UNIVERSITY					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.AB-5-60250-CO	7,651	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
PURDUE UNIVERSITY					
Integrated Programs		GGB	10.303 / 10.8000020668-AG	21,699	0
Homeland Security_Agricultural (Homeland Security Program)		GGB	10.304 / 10.8000022514-AG	3,502	0
TEXAS A & M					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.570462	1,194	0
THE INSTITUTE FOR GENOMIC RESEARCH					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.TIGR-06-002	24,007	0
UNIVERSITY OF ARKANSAS					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.UA AES 90805-11 AMEND	41,870	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.K016618-11	37,907	0
Integrated Programs		GGB	10.303 / 10.07-001492-CSU	23,504	0
Integrated Programs		GGB	10.303 / 10.07-001492-CSU1	16,833	0
Integrated Programs		GGB	10.303 / 10.K009607-C05	1,214	0
UNIVERSITY OF DELAWARE					
Higher Education Challenge Grants		GGB	10.217 / 10.9824	2,298	0
UNIVERSITY OF GEORGIA					
Cooperative Extension Service		GGB	10.500 / 10.RE677-324/3840068	4,770	0
UNIVERSITY OF MINNESOTA					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.Q6286224112	9,691	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.Q6286224223 AMD 1	14,947	0
UNIVERSITY OF NEBRASKA					
Integrated Programs		GGB	10.303 / 10.25-6321-0113-007	79	0
UNIVERSITY OF TEXAS					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.UTA07-790	2,985	0
UNIVERSITY OF VERMONT					
Cooperative Extension Service		GGB	10.500 / 10.21455 CO ST UNIV	12,000	0
UNIVERSITY OF WASHINGTON					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.319400	10,859	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.464489	2,906	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.464573	23,877	0
UNIVERSITY OF WISCONSIN					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.V221071	2,544	0
Cooperative Extension Service		GGB	10.500 / 10.232H190	5,901	0
UNIVERSITY OF WYOMING					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.USDACSRE45205CS	10,924	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.USDACSRE45206CS	76,711	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.USDACSRE45221SU	30,886	0
UTAH STATE UNIVERSITY					
MANURE MANAGEMENT: AN ESSENTIAL C		GGB	10.051688007	22,254	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.04-1535007	23,972	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.04-1535038	973	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.041535061	16,685	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.05-1687009	21,345	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.051687042	24,146	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.061553002	18,417	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.061553028	5,820	0
Cooperative Extension Service		GGB	10.500 / 10.080018010	12,278	0
VIRGINIA POLYTECHNIC INSTITUTE					
Higher Education Challenge Grants		GGB	10.217 / 10.CR-19019-320689	17,484	0
WASHINGTON STATE UNIVERSITY					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.103215_G001684_0	1,585	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.105047_G001871	7,684	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.106989_G002068	16,415	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.106989_G002070	20,000	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.102432_G002043	8,379	0
Cooperative Extension Service		GGB	10.500 / 10.11838-G001816	1,610	0
Cooperative Extension Service		GGB	10.500 / 10.G002019 (OGRD #11838)	8,473	0
Cooperative Extension Service		GGB	10.500 / 10.G002210	23,099	0
Cooperative Extension Service		GGB	10.500 / 10.G002214	40,191	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,254,282	0
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE				5,028,940	0
DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
DEPARTMENT OF AGRICULTURE					
HISPANIC NATIONAL RESOURCE CAREER		GGB	10.05-JV-11221600-227	7,622	0
COUNTY PRESCRIBED BURN PARTICIPATI		GGB	10.07-CS-11021200-011 MOD 4	46,627	0
TOTAL C AND TOTAL N ANALYSES OF PL		GGB	10.AG-82FT-B-06-0011	148	0
COLORADO AGRICULTURAL RURAL LEADER		GGB	10.AG-8B05-A-6-66	2,500	0
Creating of a Distance Learning System in Rural Western Colorado		GZA	10.CO 713-A16	14,361	0
SUBTOTAL DIRECT FROM:				71,258	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:					
PURDUE UNIVERSITY					
MULTI-CRITERIA OPTIMIZATION OF WAT		GGB	10.8000022284-AG	3,543	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
A RISK MANAGEMENT TOOL FOR CHRONIC		GGB	10.06-002416-CSU AMD #1	27,345	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				30,888	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				102,146	0
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
Agricultural and Rural Economic Research		GGB	10.250	305,372	0
SUBTOTAL DIRECT FROM:				305,372	0
SUBTOTAL ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				305,372	0
FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE					
Livestock Assistance Program		BAA	10.066 / 10.none	5,918	0
State Mediation Grants		BAA	10.435 / 10.none	43,510	0
SUBTOTAL DIRECT FROM:				49,428	0
SUBTOTAL FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE				49,428	0
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
Food Distribution	*	IHA	10.550	206,104	0
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		FAA	10.557	4,504,966	79,187,807
Child and Adult Care Food Program (CACFP)		FAA	10.558	18,798,192	2,528,629
Child and Adult Care Food Program (CACFP)	*	IHA	10.558	230,244	0
State Administrative Expenses for Child Nutrition		DAA	10.560	587,578	(3,751)
State Administrative Expenses for Child Nutrition		IHA	10.560	165,577	0
Commodity Supplemental Food Program (CSFP)	*	IHA	10.565	4,649,971	261,665
Team Nutrition Grants		DAA	10.574	50,858	0
SUBTOTAL DIRECT FROM:				29,193,490	81,974,350
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				29,193,490	81,974,350
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	55,758	0
SUBTOTAL DIRECT FROM:				55,758	0
SUBTOTAL FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				55,758	0
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
Technical Agricultural Assistance		GGB	10.960	539,061	674,337
Cochran Fellowship Program-International Training - Foreign Participant		GGB	10.962	34,466	0
SUBTOTAL DIRECT FROM:				573,527	674,337
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE				573,527	674,337

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
USFS INCIDENT SUPPORT -USDA-USFS-F		GGB	10.01F111020000-052/1422CAI	(5,709)	0
HISTORIC BUILDING PRESERVATION -US		GGB	10.03-CS-11020000-032	2,596	0
Cooperative Agreement		GWA	10.03-CS-11020407-0032	6,839	0
SJNF Land & Resource Mgmt Plan		GSA	10.03-CS-11021300-046	32,972	0
USFS Collaborative Research		GSA	10.03-DG-11020000-075	4,417	0
FCSFP-Future Capacity Bldg Ph I		GSA	10.03-JV-11221615-291	13,903	0
04 FOREST HEALTH MONIT -USDA-USFS-		GGB	10.04-DG-11020000-054 MOD 3	17,628	0
FRONT RANGE FUELS TREATMENT PARTNE		GGB	10.05-CS-11221611-219 MOD 4	(891)	0
JFS - Wildlife Protection Plans		GSA	10.05-JV-11221617-096	33,076	0
LODGE POLE FLATS PRESCRIBED BURN -		GGB	10.05-PA-11021200-082	1,050	0
Forest Service Cost Share Mine Closures		PKA	10.05CA11021384	5,150	0
Forest Planning Course		GSA	10.06-CS-1021300-073	95,341	0
San Juan Plan Revision		GSA	10.06-CS-1021300-073	189,724	0
CWPP Knowledge Transfer		GSA	10.06-CS-11021300-073 Mod #	13,931	0
Fire Risk Assesment		GSA	10.06-CS11021300-073	2,950	0
FRONT RANGE FUELS TREATMENT SUPPOR		GGB	10.07-CS-11021000-035	7,634	0
CO PRES BURN SAN JUAN -USDA-USFS-F		GGB	10.07-PA-11021300-057	24,499	0
Forest Service Avalance FY08		PIA	10.07CS1102-011	5,416	0
Forest Service Avalance FY08	*	PIA	10.07CS1102-011	5,302	0
Forest Service Avalance FY07		PIA	10.07CS11020011	1,273	0
NATURAL RESOURCES PROGRAM SUPPORT		GGB	10.08-CR-11221611-014	33,024	0
FISHERIES AND WILDLIFE MANAGEMENT		GGB	10.08-CR-11221611-029	31,736	0
CONSERVATION SUPPORT AT FORT RICHA		GGB	10.08-CR-1221611-052	63	0
Forest Service, Department of Agriculture		PIA	10.11020798035D	17,874	0
Forest Service, Department of Agriculture		PIA	10.11020798035F	4,528	0
Forest Service Cost Share Mine Closures		PKA	10.11021011026	24,267	0
Elephant Mine		PKA	10.11021510040	9,277	0
Elephant Mine	*	PKA	10.11021510040	2,000	0
Cooperative Forestry Assistance		GGB	10.664	7,252,542	(7,987)
Cooperative Forestry Assistance		PJA	10.664	12,047	0
National Forest: Dependent Rural Communities		GGB	10.670	6,743	0
Rural Development, Forestry and Communities		GGB	10.672	369,856	0
Forest Legacy Program		GGB	10.676	32,370	0
Forest Land Enhancement Program		GGB	10.677	54,917	0
Forest Health Protection		BAA	10.680 / 10.06-DG-11020000-051	32,207	100,000
Forest Health Protection		BAA	10.680 / 10.07-DG-11020000-039	40,712	144,622
BAT SURVEY - BT07		PBA	10.AG82BHP06021	550	0
SUBTOTAL DIRECT FROM:				8,381,814	236,635
PASS-THROUGH PROGRAMS FROM:					
NATIONAL FISH AND WILDLIFE FOUNDATION					
SHORTGRASS STEPPE CONSERVATION (CO		GGB	10.2006-0094-005	3,704	0
University of Nevada					
Forestry Research		BAA	10.652 / 10.UNR-08-01, 04-CA-1104	33,450	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				37,154	0
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				8,418,968	236,635
NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE					
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YMAS13 **					
National Sheep Industry Improvement Center		GGB	10.774 / 10.05220607	6,404	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,404	0
SUBTOTAL NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE				6,404	0
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
Soil and Water Conservation		PBA	10.902	137,961	0
Soil and Water Conservation		BAA	10.902 / 10.AG-8B05-A-6-38	39,128	345,996
Soil and Water Conservation		BAA	10.902 / 10.AG-8B05-A-6-54	20,892	0
Environmental Quality Incentives Program		GGB	10.912	13,391	0
Environmental Quality Incentives Program		BAA	10.912 / 10.AG-8B05-A-5-57	15,900	0
Environmental Quality Incentives Program		BAA	10.912 / 10.AG-8B05-A-7-31	31,837	0
Environmental Quality Incentives Program		BAA	10.912 / 10.NRCS 68-3A75-5-197	31,632	0
Cooperative Consv Partnership Initiative		BAA	10.AG-8B05-A-6-47	0	11,580

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
SUBTOTAL DIRECT FROM:				290,741	357,576
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE				290,741	357,576
RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE					
Rural Business Opportunity Grants		GJH	10.773	34,694	0
SUBTOTAL DIRECT FROM:				34,694	0
SUBTOTAL RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE				34,694	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				46,931,055	83,852,012
DEPARTMENT OF COMMERCE					
DEPARTMENT OF COMMERCE					
PASS-THROUGH PROGRAMS FROM:					
CORE					
Unclassified Grants and Contracts		GFB	11.000 / 11.OCG5006B	17,500	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				17,500	0
SUBTOTAL DEPARTMENT OF COMMERCE				17,500	0
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Trade Adjustment Assistance for Firms		GFB	11.313	885,414	422,677
SUBTOTAL DIRECT FROM:				885,414	422,677
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				885,414	422,677
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	1,758,571	0
Measurement and Engineering Research and Standards		GGJ	11.609	7,715	0
Measurement and Engineering Research and Standards		GLA	11.609 / 11.VARIOUS AWARDS	111,828	0
SUBTOTAL DIRECT FROM:				1,878,114	0
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE				1,878,114	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA), NATIONAL OCEAN SERVICE (NOS), DEPARTMENT OF COMMERCE					
PASS-THROUGH PROGRAMS FROM:					
TEXAS A & M					
Coastal Services Center		GGB	11.473 / 11.SO80027	8,103	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				8,103	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA), NATIONAL OCEAN SERVICE (NOS), DEPARTMENT OF COMMERCE				8,103	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
Congressionally Identified Awards and Projects		GFB	11.469	9,174	0
SUBTOTAL DIRECT FROM:				9,174	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE				9,174	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
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE					
PASS-THROUGH PROGRAMS FROM:					
UCAR-NCAR-COMET ATMOSPHERIC TECH. DIVIS.					
Meteorologic and Hydrologic Modernization Development		GGB	11.467 / 11.SO7-66862	10,953	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES					
Hydrologic Research		GGB	11.462 / 11.0135 G JB508	16,273	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				27,226	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE				27,226	0
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE					
Public Safety Interoperable Communications Grant Program		NAA	11.555	16,291	13,607
SUBTOTAL DIRECT FROM:				16,291	13,607
SUBTOTAL NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE				16,291	13,607
SUBTOTAL DEPARTMENT OF COMMERCE				2,841,822	436,284
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		GFC	12.800	188,404	0
IPA		GGJ	12.IPA: 709	119,412	0
SUBTOTAL DIRECT FROM:				307,816	0
PASS-THROUGH PROGRAMS FROM:					
NACCRRA					
Air Force Quality Family Child Care		GJL	12.6060.2	21,506	0
U.S AIR FORCE					
Air Force Defense Research Sciences Program		GFE	12.800 / 12.GS-02F-0055M	299,403	1,350
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				320,909	1,350
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE				628,725	1,350
DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE					
Industrial Equipment Loans to Educational Institutions		GFE	12.001	10,398	2,100
SUBTOTAL DIRECT FROM:				10,398	2,100
SUBTOTAL DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE				10,398	2,100
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		GFE	12.420	183,461	0
Military Medical Research & Development		GGB	12.420	292,065	0
Pueblo Chemical Demilitarization		FAA	12.Cooperative Agreement	1,101,258	19,020
SUBTOTAL DIRECT FROM:				1,576,784	19,020
PASS-THROUGH PROGRAMS FROM:					
GEORGETOWN UNIVERSITY					
Military Medical Research & Development		GGB	12.420 / 12.RX 4300-814-CSU	57,963	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				57,963	0
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE				1,634,747	19,020

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
DIRECT FROM:					
DEPARTMENT OF DEFENSE					
Unclassified Grants and Contracts		DAA	12.000	0	771,058
Lowry Privatization II Long Term Project		FAA	12.Contract 06 FEA 00020	188,347	0
CULTURAL RESOURCES MANAGEMENT PROG		GGB	12.DAMD17-02-0008 DO#0019	(1)	0
CULTURAL RESOURCES MANAGEMENT ASSI		GGB	12.DAMD17-02-2-0008 DO 0006	82,012	0
611 CES/ALASKA CR SUPPORT 2005 GAL		GGB	12.DAMD17-02-2-0008 DO#0012	24,882	0
KING SALMON AIRPORT, ALASKA INTEGR		GGB	12.DAMD17-02-2-0008 DO#0013	9,366	0
CULTURAL RESOURCES TECHNICAL SUPPO		GGB	12.DAMD17-02-2-0008 DO#0017	126,274	0
ASSESSMENT OF LIVESTOCK GRAZING IM		GGB	12.DAMD17-02-2-0008 DO#11AM	6,692	0
EARECKSON HISTORIC BUILDING INVENT		GGB	12.DAMD17-02-2-0008-0018	20,241	0
US ARMY GARRISON, ALASKA RESTORATI		GGB	12.DAPC49-02-D-0002 DO# 00	628	0
DOD FRONT RANGE ECO-REGIONAL PARTN		GGB	12.FA2517-05-P-6161	1	0
DEVELOPING GIS PRODUCTS FOR BIAK T		GGB	12.IGA# 07-006	14,252	0
SPATIAL DATA DEVELOPMENT IN SUPPOR		GGB	12.IGA#06-008	427	0
ITAM TRAINING SUPPORT INFORMATION		GGB	12.MIPR6F OSP TB005	16,682	0
CULTURAL RESOURCES PROGRAM SUPPORT		GGB	12.W81XWH-05-2-0023 --P0000	31,321	0
CULTURAL RESOURCES PROGRAM SUPPORT AT FORT BRAGG		GGB	12.W81XWH-05-2-0023-P00005	433,064	0
LEGACY RANGE IGNITION PROBABILITY		GGB	12.W912DY-07-2-0014	10,169	0
FISH AND WILDLIFE MANAGEMENT TECHN		GGB	12.W912DY-07-2-0044 P00008	6,170	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P00001	45,765	0
RESEARCH & DEVELOP OF STORAGE TANK		GGB	12.W912DY-07-2-0044 P00005	56	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P00007	18,685	0
ENVIRONMENTAL SURVEYS FOR FUTURE		GGB	12.W912DY-07-2-0044 P00007	70,862	0
FISH AND WILDLIFE MANAGEMENT TECHN		GGB	12.W912DY-07-2-0044 P00008	59,113	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P1 & P8	68,999	0
CULTURAL RESOURCES TECHNICAL SUPPO		GGB	12.W912DY-07-2-0044 TO#1	96,545	0
SOIL AND VEGETATION SAMPLE COLLEC		GGB	12.W912DY-07-2-0044 TO#12	50,066	0
INSTALLATION HARZARDOUS WASTE MNGM		GGB	12.W912DY-07-2-0044 TO#13	109,199	0
POLLUTION PREVENTION EFFICIENCY ST		GGB	12.W912DY-07-2-0044 TO#14	37,718	0
URBAN TREE MANAGEMENT PLAN AT KADE		GGB	12.W912DY-07-2-0044 TO#17	13,759	0
PINON CANYON MANUEVER SITE RESEARC		GGB	12.W912DY-07-2-0044 TO#19	12,183	0
NATIONAL ENVIRONMENTAL POLICY ACT		GGB	12.W912DY-07-2-0044 TO#2	55,236	0
ADMINISTRATIVE PROGRAM SUPPORT TO		GGB	12.W912DY-07-2-0044 TO#3	91,190	0
WILDLIFE, FISHERIES, & BOTANICAL		GGB	12.W912DY-07-2-0044 TO#4	125,809	0
FISH AND WILDLIFE MANAGEMENT PROGR		GGB	12.W912DY-07-2-0044 TO#5	63,835	0
FISH AND WILDLIFE MANAGEMENT PROGR		GGB	12.W912DY-07-2-0044 TO#6	55,859	0
FISH AND WILDLIFE MANAGEMENT PROGR		GGB	12.W912DY-07-2-0044 TO#7	21,945	0
IN THEATER HERTITAGE PLANNING & TR		GGB	12.W912DY-08-2-0007	12,149	0
LARGE-SCALE FENCE UNIT CONTRUCTION		GGB	12.W9132T-05-2-0032	1,233	0
RESOURCES THREAT MANAGEMENT AT POH		GGB	12.W9132T-05-2-0032	190,771	0
SUBTOTAL DIRECT FROM:				2,171,504	771,058
PASS-THROUGH PROGRAMS FROM:					
BOOZ. ALLEN & HAMILTON, INC.					
ARMY NATIONAL GUARD COMMON INSTALL		GGB	12.84616DBS18 CH #232	9,553	0
ARMY NATIONAL GUARD COMMON INSTALL		GGB	12.93302CBS25	24,219	0
FLORIDA A&M UNIVERSITY					
SVD-BASED PROCESSING OF IMAGES AND		GGB	12.00493: C-1526 MOD 01 PO#	24,292	0
SPONSOR NAME NOT FOUND FOR YCBUO2 **					
CHEMICAL KINETIC AND ENGINE MODELI		GGB	12.PO # S1046	11,605	0
SPONSOR NAME NOT FOUND FOR YCGIOO **					
HYPER-SPECTRAL DETECTION OF DEGREE		GGB	12.07006102	2,881	0
SPONSOR NAME NOT FOUND FOR YGDEOO **					
ARIZONA DEPARTMENT OF EMERGENCY AN		GGB	12.M5-0074 PO#06-0820-EV	7,289	0
SPONSOR NAME NOT FOUND FOR YGMIO3 **					
FAUNAL SURVEY, MACON TRAINING SITE		GGB	12.C307026001	855	0
STATE OF IDAHO					
RANGE AND TRAINING LAND ANALYSIS -		GGB	12.FY-06 TO #1 NGB16-03-D--	16,754	0
THE NATURE CONSERVANCY					
CENTRAL SHORTGRASS PRAIRIE ECOREGI		GGB	12.TNC/CSU CY2006-01	74,012	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				171,460	0
SUBTOTAL DEPARTMENT OF DEFENSE				2,342,964	771,058

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF THE 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	4,885,563	0
SUBTOTAL DIRECT FROM:				4,885,563	0
SUBTOTAL DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE				4,885,563	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	7,806,913	0
SUBTOTAL DIRECT FROM:				7,806,913	0
SUBTOTAL NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE				7,806,913	0
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
DIRECT FROM:					
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
Basic & Applied Scientific Research		GFE	12.300	506,399	25,050
SUBTOTAL DIRECT FROM:				506,399	25,050
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YC2100 **					
C-RAM: COGNITIVELY-BASED RAPID ASS		GGB	12.2008-CSU-0001	32,769	0
UNIVERSITY OF IDAHO					
Basic & Applied Scientific Research		GGB	12.300 / 12.SB000005 PO# P001550	69,262	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				102,031	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY				608,430	25,050
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	5,381
State Memorandum of Agreement Program for the Reimbursement of Technical Services		FAA	12.113	1,074,381	0
ARMY CORPS OF ENGINEERS COST SHARE CH		PJA	12.DACW45033001	507,844	0
ARMY CORPS OF ENGINEERS COST SHARE CC		PJA	12.DACW45033002	811,688	0
ARMY CORPS OF ENGINEERS COST SHARE CH		PJA	12.DACW47033001	19,282	0
SUBTOTAL DIRECT FROM:				2,413,195	5,381
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				2,413,195	5,381
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		GYA	12.431	103,644	0
SUBTOTAL DIRECT FROM:				103,644	0
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YUBR01 **					
Basic Scientific Research		GGB	12.431 / 12.00000053 P.O. # P992	19,284	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				19,284	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				122,928	0
SUBTOTAL DEPARTMENT OF DEFENSE				20,453,863	823,959

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 HOUSING AND URBAN DEVELOPMENT					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		NAA	14.228	331,863	12,029,912
Emergency Shelter Grants Program		NAA	14.231	80,000	979,637
Supportive Housing Program		GJL	14.235	74,416	0
Supportive Housing Program		IHA	14.235	279,655	0
Shelter Plus Care		IHA	14.238	2,816,123	0
HOME Investment Partnerships Program		NAA	14.239	1,185,334	11,731,073
Housing Opportunities for Persons with AIDS		NAA	14.241	6,271	295,937
SUBTOTAL DIRECT FROM:				4,773,662	25,036,559
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				4,773,662	25,036,559
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
College Housing Program		GSA	14.CH COLO 86D	16,964	0
Manufactured Housing Construction		NAA	14.DU100K900016684	8,600	0
SUBTOTAL DIRECT FROM:				25,564	0
PASS-THROUGH PROGRAMS FROM:					
C&C Denver/HUD					
HOPE VI - CC Denver		GTA	14.PO 66049	151	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				151	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				25,715	0
HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Rehabilitation Mortgage Insurance		GMA	14.108	168,440	0
Supportive Housing for Persons with Disabilities		NAA	14.181	337,541	23,266
SUBTOTAL DIRECT FROM:				505,981	23,266
SUBTOTAL HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				505,981	23,266
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	367,498	0
SUBTOTAL DIRECT FROM:				367,498	0
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				367,498	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		GYA	14.511	124,943	0
Hispanic-Serving Institutions Assisting Communities		GJH	14.514	143,346	0
Hispanic-Serving Institutions Assisting Communities		GJM	14.514	1,832	0
Hispanic-Serving Institutions Assisting Communities		GYA	14.514	407,504	0
SUBTOTAL DIRECT FROM:				677,625	0
SUBTOTAL OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				677,625	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
DIRECT FROM:					
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Section 8 Housing Choice Vouchers		IHA	14.871	18,352,560	0
Section 8 Housing Choice Vouchers		NAA	14.871	16,302,134	1,560,837
SUBTOTAL DIRECT FROM:				34,654,694	1,560,837
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				34,654,694	1,560,837
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				41,005,175	26,620,662
DEPARTMENT OF THE INTERIOR					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
CO & COM FIRE PL BLM -DOI-BLM-BURE		GGB	15.1422 CAA010010 TO 12	109,604	0
Oversight & Review of Anvil Points Facility - Bureau of Land Management, De		FAA	15.1422 CAA040014	11,765	0
COLORADO RURAL FIRE DEPARTMENT ASS		GGB	15.1422 CAA040017 M03	101,041	0
BLM R9 Red Zone Support		GSA	15.1422 CAA060028	3,021	0
BLM Map Survey		GTA	15.1422CAA040001	7,613	0
Assistance Agreement		GWA	15.1422CAA050004	10,836	0
BO COUNTY FUELS RED -DOI-BLM-BUREA		GGB	15.1422CAA050015 MOD 3	15,046	0
Cooperative Inspection Agreements with States & Tribes		PBA	15.222	193,436	0
Cooperative Inspection Agreements with States & Tribes		PKA	15.222	1,006,683	0
Cultural Resource Management		GCA	15.224	35,000	0
Cultural Resource Management		PKA	15.224	17,000	0
Recreation Resource Management		GZA	15.225	20,000	0
Fish, Wildlife and Plant Conservation Resource Management		PBA	15.231	31,442	0
Bat Surveys-Dolores River Canyon-II		PBA	15.CAA060005	4,085	0
Bat Data on Abandoned Mines		PBA	15.CAA060006	12,765	0
Archeological Inventory		GSA	15.J1470050627	5,223	0
Effects of Gas Well Compressor Noise		GSA	15.JSA041008	14,281	0
Cost Share Agreement		GWA	15.UNKNOWN	884	0
Sale of Public Lands		WBA	15.UNKNOWN	0	55,619
Taylor Grazing		WBA	15.UNKNOWN	0	190,951
SUBTOTAL DIRECT FROM:				1,599,725	246,570
PASS-THROUGH PROGRAMS FROM:					
Arizona State Univ					
BLM Site Evaluations		GZA	15.MOU CO 130-2006-01	301	0
MONTANA STATE UNIVERSITY					
Cultural Resource Management		GGB	15.224 / 15.G239-07-W0094	4,522	0
NATIONAL FISH AND WILDLIFE FOUNDATION					
PAGOSA SKYROCKET CONSERVATION (CO)		GGB	15.2006-094-004	4,520	0
THE NATURE CONSERVANCY					
Fish, Wildlife and Plant Conservation Resource Management		GGB	15.231 / 15.TASK ORDER #02	21,347	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				30,690	0
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				1,630,415	246,570
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
Coop Agreement		GCA	15.00-FC-40-3880	2,933	0
CATALOGING & STORAGE OF ARCHAEOLOG		GGB	15.03FC601857 MOD 006	25,339	0
Assist in Recovery of Endangered Fish in the Upper Colorado River Basin		PBA	15.03FG402050	60,739	0
Russel Lakes O&M		PBA	15.04FC402203	73,063	0
MAINT OF 4 WESTERN COLO RESERVOIRS		PJA	15.05FC402274	498,110	0
NAVAJO WATER SYSTEM COOP AGREEMENT		PJA	15.05FC601983	4,150	0
SOCIAL FACTORS AFFECTING THE TRANS		GGB	15.05FC811113	5,000	0
Close Basin Project		PEA	15.05PG400107	21,262	0
IRRIGATION AUDIT PROJECT FOR THE G		GGB	15.06-FG-40-2476	4,710	0
Williams Fork Operations and Maintenance- BOR		PEA	15.06FC402455	9,261	0
Water Desalination Research and Development Program		BAA	15.506 / 15.04-FC-40-2156	86,941	2,651,747
Upper Colorado and San Juan River Basins Endangered Fish Recovery Programs		PBA	15.529	43,867	0
BONNY RESERVOIR DESIGN & DEVELOP		PJA	15.6FC6008120	14,500	0
Take Pride in America		GCA	15.98FG810024	2,000	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

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Lone Dome Wetlands Area Cooperative Agreement		PBA	15.99-FC-40-1110	23,480	0
WESTERN SLOPE REHABILITATION		PJA	15.B605FC402431	71,300	0
SUBTOTAL DIRECT FROM:				946,655	2,651,747
PASS-THROUGH PROGRAMS FROM:					
DESERT RESEARCH INSTITUTE					
EVALUATION OF THE USE OF POLYACRYL		GGB	15.BOR-07-643-7405 #1	22,823	0
SPONSOR NAME NOT FOUND FOR YGNE10 **					
DECISION SUPPORT SYSTEMS FOR EFFIC		GGB	15.2008-RGB-02	132,021	0
SPONSOR NAME NOT FOUND FOR YUCE01 **					
Water Reclamation and Reuse Program		GGB	15.504 / 15.06123102	59,813	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				214,657	0
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				1,161,312	2,651,747
DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
DEPARTMENT OF THE INTERIOR					
Unclassified Grants and Contracts		GFB	15.000	12,500	0
Unclassified Grants and Contracts		GFE	15.000	75,479	0
Unclassified Grants and Contracts		TAA	15.000	703,117	0
BLM INCIDENT SUPPORT -DOI-BLM-BURE		GGB	15.1422CAA010010	879	0
Biological Control		BAA	15.H 1404-07-4150	5,000	0
Rocky Flats Nat Res Damage Restoraion Plan		LAA	15.Unknown	6,573	0
SUBTOTAL DIRECT FROM:				803,548	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF SOUTHERN CALIFORNIA					
LANDER-CSU -UNIVERSITY OF SOUTHERN		GGB	15.06500303	9,117	0
CSU-LANDER -UNIVERSITY OF SOUTHERN		GGB	15.PO NUMBER 124519	955	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				10,072	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				813,620	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	10,510	8,000
Earthquake Hazards Reduction Program		PIA	15.807 / 15.07HQGR0090	28,000	0
U.S. Geological Survey: Research & Data Acquisition		GFE	15.808	50,076	0
U.S. Geological Survey: Research & Data Acquisition		NAA	15.808	23,231	0
U.S. Geological Survey: Research & Data Acquisition		PEA	15.808	39,836	0
U.S. Geological Survey: Research & Data Acquisition		PIA	15.808	9,451	0
SUBTOTAL DIRECT FROM:				161,104	8,000
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				161,104	8,000
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
Royalties Mgmt		WBA	15.UNKNOWN	137,111,856	15,842,711
SUBTOTAL DIRECT FROM:				137,111,856	15,842,711
SUBTOTAL MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR				137,111,856	15,842,711
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
Preserve America		GCA	15.08-06-PA-2006	55,133	0
Coop Agreement		GCA	15.1443-CA-1200-98-005	4,530	0
Historic Preservation Fund Grants-In-Aid		GCA	15.904	724,169	0
Historic Preservation Fund Grants-In-Aid		GFE	15.904	1,173	0
National Historic Landmark		GFE	15.912	(1,322)	0
Outdoor Recreation: Acquisition, Development and Planning		PJA	15.916	378,820	1,369,526
Native American Graves Protection and Repatriation Act		GCA	15.922	4,251	0
Save America's Treasures		GFE	15.929	10,576	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
Evaluation and Re-eval Phase IITesting		GSA	15.CA-6000A9003, Mod 007	1,522	0
GeoPhys Prosp & Eval Testing		GSA	15.CA-6000A9003, Mod 009	6,895	0
MUSEUM EXHIBIT PRODUCTION -DOI-NPS		GGB	15.H1200040001 J1242067004	11,692	0
GUN GROUSE POP DEMO & HAB USE		PBA	15.H1379070054	14,221	0
TECHNICAL ASSISTANCE TO THE NPS WI		GGB	15.H2380040001	110,572	0
STATUS AND TRENDS OF IMPAIRED, THR		GGB	15.H2380040001 TO J2380050	272,015	0
DEVELOP, VERIFY, MAINTAIN, & DOCUM		GGB	15.H2380040001 J2370080044	17,370	0
Nationa Park Intern Support		GSA	15.J1496060030	3,340	0
Hydrology Study for Aztec Ruins		GSA	15.J7380050008	7,103	0
Sand Dunes Reclamatin Plan		PKA	15.P1470060808	8,900	0
NPS Interns		GZA	15.Sponsor Award J211807002	6,147	0
SUBTOTAL DIRECT FROM:				1,637,107	1,369,526
PASS-THROUGH PROGRAMS FROM:					
VIRGINIA POLYTECHNIC INSTITUTE					
HALF DOME CABLES MODELING AND VISI		GGB	15.CR-19019-432707	1,096	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,096	0
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				1,638,203	1,369,526
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		PAA	15.250	16,221	0
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		PKA	15.250	2,273,068	0
Abandoned Mine Land Reclamation (AMLR) Program		PAA	15.252	2,183	0
Abandoned Mine Land Reclamation (AMLR) Program		PKA	15.252	2,282,787	14,014
SUBTOTAL DIRECT FROM:				4,574,259	14,014
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF WYOMING					
Abandoned Mine Land Reclamation (AMLR) Program		GGB	15.252 / 15.WYDEQ49803	12,131	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				12,131	0
SUBTOTAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR				4,586,390	14,014
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
Landowner Recognition Program		PBA	15.6018104J193	2,423	0
COLORADO SNOWY PLOVER SURVEY		PBA	15.601817J370	2,183	0
Fish & Wildlife Management Assistance		GGB	15.608	326	0
Cooperative Endangered Species Conservation Fund		PBA	15.615	634,170	69,194
Cooperative Endangered Species Conservation Fund		PJA	15.615	24,895	0
Sportfishing and Boating Safety Act		PBA	15.622	0	18,494
Partners for Fish and Wildlife		PBA	15.631	40,485	0
Landowner Incentive Program		PBA	15.633	2,912,666	0
State Wildlife Grants		PBA	15.634	2,103,357	115,733
Contract		GWA	15.O#601816P636	12,000	0
SUBTOTAL DIRECT FROM:				5,732,505	203,421
PASS-THROUGH PROGRAMS FROM:					
MONTANA STATE UNIVERSITY					
INVESTIGATING COMPETITION AMONG LI		GGB	15.G291-06-W1033	10,268	0
SPONSOR NAME NOT FOUND FOR YGOK01 **					
RESEARCH ON EVALUATION OF STRIPED		GGB	15.F-50-R-13 PROJECT 20 FY2	10,536	0
SPONSOR NAME NOT FOUND FOR YMRM00 **					
MODELING FOREST NEOTROPICAL MIGRAT		GGB	15.CNHP-001-011906 TO# 1	5,776	0
WORLD WILDLIFE FUND					
Wildlife Without Borders- Latin America and the Caribbean		GGB	15.640 / 15.RJ64	6,001	0
WYOMING GAME & FISH DEPARTMENT					
GENETIC ASSESSMENT OF NATIVE FISHE		GGB	15.228106	9,997	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				42,578	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				5,775,083	203,421

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		PIA	15.810	236,955	0
Cooperative Research Units Program		GFE	15.812	(3,462)	0
Analysis		GWA	15.R#0789297020	340	0
SUBTOTAL DIRECT FROM:				233,833	0
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR				233,833	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				153,111,816	20,335,989
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	936,564	2,444,636
SUBTOTAL DIRECT FROM:				936,564	2,444,636
SUBTOTAL BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS				936,564	2,444,636
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
State Criminal Alien Assistance Program		CAA	16.606	3,204,544	0
Bulletproof Vest Partnership Program		RAA	16.607	57,120	0
Community Prosecution and Project Safe Neighborhoods		RAA	16.609	53,979	84,310
Criminal and Juvenile Justice and Mental Health Collaboration Program		JAA	16.745 / 16.2006-DD-BX-0316	66,722	0
Criminal and Juvenile Justice and Mental Health Collaboration Program		JAA	16.745 / 16.2006-MO-BX-0025	101,020	0
SUBTOTAL DIRECT FROM:				3,483,385	84,310
SUBTOTAL BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				3,483,385	84,310
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	58,167	0
National Criminal History Improvement Program (NCHIP)		RAA	16.554	535,304	0
SUBTOTAL DIRECT FROM:				593,471	0
SUBTOTAL BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE				593,471	0
COMMUNITY RELATIONS SERVICE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
COMMUNITY RELATIONS SERVICE, DEPARTMENT OF JUSTICE					
Community Relations Service		GFE	16.200	2,000	0
SUBTOTAL DIRECT FROM:				2,000	0
SUBTOTAL COMMUNITY RELATIONS SERVICE, DEPARTMENT OF JUSTICE				2,000	0
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)		RAA	16.202	28,026	0
Prisoner Reentry Initiative Demonstration (offender Reentry)		CAA	16.202 / 16.2006-RE-CX-0020	153,770	0
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)		RAA	16.203	54,919	0
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)		CAA	16.203 / 16.2004-WP-BX-0011	73,587	0
Residential Substance Abuse Treatment for State Prisoners		RAA	16.593	123,748	16,941
SUBTOTAL DIRECT FROM:				434,050	16,941
SUBTOTAL CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				434,050	16,941

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF JUSTICE					
DIRECT FROM:					
DEPARTMENT OF JUSTICE					
Unclassified Grants and Contracts		CAA	16.000 / 16.CO022135C	3,813	0
SUBTOTAL DIRECT FROM:				3,813	0
PASS-THROUGH PROGRAMS FROM:					
City of Greeley (Police Department)					
Enforcing Underage Drinking Laws Program		GKA	16.5-9-07	1,735	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,735	0
SUBTOTAL DEPARTMENT OF JUSTICE				5,548	0
FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE					
Metro Gang		RAA	16.Safe Streets	35,225	0
SUBTOTAL DIRECT FROM:				35,225	0
SUBTOTAL FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE				35,225	0
NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE					
Corrections: Training & Staff Development		CAA	16.601 / 16.07K94GJT5	6,232	0
SUBTOTAL DIRECT FROM:				6,232	0
SUBTOTAL NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE				6,232	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	252,326	0
National Institute of Justice Research, Evaluation, and Development Projects Grants		RAA	16.560	737,648	0
National Institute of Justice Research, Evaluation, and Development Projects Grants		CAA	16.560 / 16.2006-IJ-CX-0015	70,573	0
SUBTOTAL DIRECT FROM:				1,060,547	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE				1,060,547	0
NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Paul Coverdell Forensic Sciences Improvement Grant Program		RAA	16.742	1,130	95,000
Forensic Casework DNA Backlog Reduction Program		RAA	16.743	241,200	0
SUBTOTAL DIRECT FROM:				242,330	95,000
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				242,330	95,000
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	170,505	6,094
SUBTOTAL DIRECT FROM:				170,505	6,094
SUBTOTAL OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE				170,505	6,094

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 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	231,824	42,504
Anti-Gang Initiative		RAA	16.744	72,539	327,586
SUBTOTAL DIRECT FROM:				304,363	370,090
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE				304,363	370,090
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 / 16.2006-RP-BX-0045	202,674	0
SUBTOTAL DIRECT FROM:				202,674	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE				202,674	0
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Nat'l Institute of Justice		GGJ	16.2003DDBXK013	65,360	0
Nat'l Institute of Justice		GGJ	16.2006DDBX0475	38,677	0
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault and Stalking on Campus		GFB	16.525	44,661	0
Crime Victim Compensation		RAA	16.576	162,446	3,172,299
Drug Court Discretionary Grant Program		JAA	16.585 / 16.2005-DC-BX-0004	65,253	0
Violence Against Women Formula Grants		RAA	16.588	236,373	1,717,555
Grants to Encourage Arrest Policies and Enforcement of Protection Orders		JAA	16.590 / 16.2004-WE-AX-0003	71,124	0
SUBTOTAL DIRECT FROM:				683,894	4,889,854
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				683,894	4,889,854
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	213,008	0
Antiterrorism Emergency Reserve		RAA	16.321	0	94,208
Crime Victim Assistance		RAA	16.575	545,525	5,174,456
SUBTOTAL DIRECT FROM:				758,533	5,268,664
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE				758,533	5,268,664
OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE					
Supervised Visitation, Safe Havens for Children		RAA	16.527 / 16.DEA Overtime	37,896	0
SUBTOTAL DIRECT FROM:				37,896	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE				37,896	0
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
Juvenile Accountability Block Grants		RAA	16.523	202,436	474,364
Juvenile Justice & Delinquency Prevention: Allocation to States		RAA	16.540	384,972	553,914
Title V: Delinquency Prevention Program		RAA	16.548	4,740	64,878
Enforcing Underage Drinking Laws Program		TAA	16.727	274,769	0
Drug Prevention Program		SJS	16.728	220,442	0
SUBTOTAL DIRECT FROM:				1,087,359	1,093,156

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:					
City of Greeley (Police Department)					
Enforcing Underage Drinking Laws Program		GKA	16.727 / 16.5-19-07	5,092	0
Weld County					
Juvenile Accountability Block Grants		JAA	16.523 / 16.25-JB-L-19-13	1,375	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,467	0
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE				1,093,826	1,093,156
SUBTOTAL DEPARTMENT OF JUSTICE				10,051,043	14,268,745
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	1,735,050	0
Compensation & Working Conditions		FAA	17.005 / 17.W9J78108 8Q	30,018	0
SUBTOTAL DIRECT FROM:				1,765,068	0
SUBTOTAL BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR				1,765,068	0
DEPARTMENT OF LABOR					
DIRECT FROM:					
DEPARTMENT OF LABOR					
Unclassified Grants and Contracts		GFE	17.000	1,926,831	125,050
Reintegration of Ex-Offenders		RAA	17.270	25	0
HEALTH AND SAFETY CONSULTATION -DO		GGB	17.E9F8-0980	712,104	0
HEALTH AND SAFETY CONSULTATION -DO		GGB	17.E9F8-0980 CS16654CS8	11,859	0
SUBTOTAL DIRECT FROM:				2,650,819	125,050
SUBTOTAL DEPARTMENT OF LABOR				2,650,819	125,050
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
Unemployment Insurance		KAA	17.225	378,768,689	60,936
Senior Community Service Employment Program		IHA	17.235	963,171	0
Trade Adjustment Assistance		KAA	17.245	1,970,264	0
Workforce Investment Act		GJD	17.255	78,115	0
WIA Pilots, Demonstrations, and Research Projects		GJD	17.261	224,418	0
WIA Pilots, Demonstrations, and Research Projects		KAA	17.261	82,764	172,725
Work Incentive Grants		KAA	17.266	338,428	0
Work Incentive Grants		NAA	17.266	211,032	185,834
Incentive Grants-WIA Section 503		KAA	17.267	228,667	310,158
H-1B Job Training Grants		KAA	17.268	58,396	3,685,822
Community Based Job Training Grants		GJH	17.269	447,091	0
Community Based Job Training Grants		GJM	17.269	634,425	0
Community Based Job Training Grants		KAA	17.269	1,255	0
Permanent Labor Certification for Foreign Workers		KAA	17.272	93,630	0
Reed Act Administration		KAA	17.999	314,240	0
UI FECA		KAA	17.Unknown	10,046,079	0
SUBTOTAL DIRECT FROM:				394,460,664	4,415,475
PASS-THROUGH PROGRAMS FROM:					
Metro Denver WIRED Initiative					
WIA Pilots, Demonstrations, and Research Projects		GJL	17.261	153,553	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				153,553	0
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				394,614,217	4,415,475

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
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	292,120	0
SUBTOTAL DIRECT FROM:				292,120	0
SUBTOTAL MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				292,120	0
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
Consultation Agreements		GGB	17.504	298,714	0
SUBTOTAL DIRECT FROM:				298,714	0
SUBTOTAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				298,714	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	572	56,507
SUBTOTAL DIRECT FROM:				572	56,507
SUBTOTAL OFFICE OF DISABILITY EMPLOYMENT POLICY, DEPARTMENT OF LABOR				572	56,507
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	52,023	5,067
Homeless Veterans Reintegration Project		KAA	17.805	3,562	0
SUBTOTAL DIRECT FROM:				55,585	5,067
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				55,585	5,067
SUBTOTAL DEPARTMENT OF LABOR				399,677,095	4,602,099
DEPARTMENT OF STATE					
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE					
PASS-THROUGH PROGRAMS FROM:					
NAFSA: ASSOC. OF INTERNATIONAL EDUCATORS					
International Education Training and Research		GGB	19.430 / 19.06236104	334	0
International Education Training and Research		GGB	19.430 / 19.07762104	10,890	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				11,224	0
SUBTOTAL BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE				11,224	0
DEPARTMENT OF STATE					
PASS-THROUGH PROGRAMS FROM:					
NEW MEXICO STATE UNIVERSITY					
AFGHANISTAN WATER, AGRICULTURE AND		GGB	19.07863303	37,472	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				37,472	0
SUBTOTAL DEPARTMENT OF STATE				37,472	0
SUBTOTAL DEPARTMENT OF STATE				48,696	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
DEPARTMENT OF TRANSPORTATION					
Unclassified Grants and Contracts		TAA	20.000	128,960	0
TRIBAL TECHNICAL ASSISTANCE PROGRA		GGB	20.DTFH61-04-H-00006 AMEND	371,868	0
SUBTOTAL DIRECT FROM:				500,828	0
PASS-THROUGH PROGRAMS FROM:					
NATIONAL COOP. HIGHWAY RESEARCH PROGRAM					
MANUAL FOR EMULSION-BASED CHIP SEA		GGB	20.HR 14-17	129,884	41,727
NORTH DAKOTA STATE UNIVERSITY					
CAMBERING OF WOOD-CONCRETE HIGHWAY		GGB	20.DTRS99-G-0008	1,182	0
LOCAL TEL8 -NORTH DAKOTA STATE UNI		GGB	20.DTRS99-G-0008	667	0
NORTH FRONT RANGE INTERNSHIPS -NOR		GGB	20.DTRS99-G-0008	306	0
PERFORMANCE TESTING OF SECURITY ST		GGB	20.DTRS99-G-0008	21,052	0
TIME-DEPENDENT LOADING OF REPAIRED		GGB	20.DTRS99-G-0008	888	0
PULTRUDED COMPOSITE SHEAR SPIKE FO		GGB	20.DTRS99-G-0008 SUBCONTRAC	371	0
A NEW GENERATION OF EMERGENCY ESCA		GGB	20.DTRT07-G-0008	16,990	0
BENEFICIAL USE OF WASTE TIRE RUBBE		GGB	20.DTRT07-G-0008	1,320	0
BUS STOP SHELTERS: IMPROVED SAFETY		GGB	20.DTRT07-G-0008	19,673	0
MPC: LOCAL MANAGEMENT -NORTH DAKOT		GGB	20.DTRT07-G-0008	1,895	0
NORTH FRONT RANGE TRANSPORTATION R		GGB	20.DTRT07-G-0008	8,699	0
PARTICIPATION IN TRANSPORTATION LE		GGB	20.DTRT07-G-0008	3,565	0
TS-VIP FOR HIGHWAYS IN MOUNTAINOUS		GGB	20.DTRT07-G-0008	25,456	0
USE OF SALVAGED UTILITY POLES IN R		GGB	20.DTRT07-G-0008	8,486	0
Z-SPIKE REJUVENATION TO SALVAGE TI		GGB	20.DTRT07-G-0008	9,727	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				250,161	41,727
SUBTOTAL DEPARTMENT OF TRANSPORTATION				750,989	41,727
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Airport Improvement Program		HAA	20.106	234,161	0
SUBTOTAL DIRECT FROM:				234,161	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				234,161	0
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
National Motor Carrier Safety		RAA	20.218	3,116,561	0
Recreational Trails Program		PJA	20.219	336,319	700,315
SUBTOTAL DIRECT FROM:				3,452,880	700,315
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				3,452,880	700,315
FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Commercial Motor Vehicle Operator Training Grants		GJM	20.235	10,832	0
SUBTOTAL DIRECT FROM:				10,832	0
SUBTOTAL FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				10,832	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
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Federal Transit: Metropolitan Planning Grants		HAA	20.505	0	3,519,691
Formula Grants for Other Than Urbanized Areas		HAA	20.509	541,765	4,308,339
SUBTOTAL DIRECT FROM:				541,765	7,828,030
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				541,765	7,828,030
PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Pipeline Safety Program Bass Grants		SGA	20.700	515,678	0
SUBTOTAL DIRECT FROM:				515,678	0
SUBTOTAL PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				515,678	0
RESEARCH AND INNOVATION TECHNOLOGY, DEPARTMENT OF TRANSPORTATION					
PASS-THROUGH PROGRAMS FROM:					
NORTH DAKOTA STATE UNIVERSITY					
Research Grants		GGB	20.762 / 20.DTRS99-G-0008	60,991	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				60,991	0
SUBTOTAL RESEARCH AND INNOVATION TECHNOLOGY, DEPARTMENT OF TRANSPORTATION				60,991	0
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Interagency Hazardous Materials Public Sector Training and Planning Grants		NAA	20.703	149,794	51,507
SUBTOTAL DIRECT FROM:				149,794	51,507
SUBTOTAL RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				149,794	51,507
SUBTOTAL DEPARTMENT OF TRANSPORTATION				5,717,090	8,621,579
DEPARTMENT OF TREASURY					
DEPARTMENT OF TREASURY					
DIRECT FROM:					
DEPARTMENT OF TREASURY					
Treasury Equitable sharing program		TAA	21.court awards	107	0
SUBTOTAL DIRECT FROM:				107	0
SUBTOTAL DEPARTMENT OF TREASURY				107	0
SUBTOTAL DEPARTMENT OF TREASURY				107	0
OFFICE OF PERSONNEL MANAGEMENT					
OFFICE OF PERSONNEL MANAGEMENT					
DIRECT FROM:					
OFFICE OF PERSONNEL MANAGEMENT					
Intergovernmental Personnel Act (IPA) Mobility Program		GFC	27.011	(381)	0
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011	60,037	0
Intergovernmental Personnel Act (IPA) Mobility Program		GGB	27.011	1,443,500	0
SUBTOTAL DIRECT FROM:				1,503,156	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				1,503,156	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				1,503,156	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
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	269,465	0
SUBTOTAL DIRECT FROM:				269,465	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				269,465	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				269,465	0
GENERAL SERVICES ADMINISTRATION					
GENERAL SERVICES ADMINISTRATION					
DIRECT FROM:					
GENERAL SERVICES ADMINISTRATION					
Election Reform Payments		VAA	39.011	294,701	0
SUBTOTAL DIRECT FROM:				294,701	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				294,701	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				294,701	0
LIBRARY OF CONGRESS					
LIBRARY OF CONGRESS					
DIRECT FROM:					
LIBRARY OF CONGRESS					
Teaching with Primary Sources		GKA	42.10/10/2006	371,627	0
Library of Congress - TPS Colorado		GTA	42.GA08C0012	256,282	0
Library of Congress - TPS Regional		GTA	42.GA08C0018	25,301	0
SUBTOTAL DIRECT FROM:				653,210	0
PASS-THROUGH PROGRAMS FROM:					
Ed Research Consortium					
Adventures or the American Mind		GTA	42.00G-LIB-ND001	217,872	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				217,872	0
SUBTOTAL LIBRARY OF CONGRESS				871,082	0
SUBTOTAL LIBRARY OF CONGRESS				871,082	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	183,406	0
Aerospace Education Services Program		GFC	43.001	34,445	0
Aerospace Education Services Program		GJD	43.001	48,498	65,092
Technology Transfer		GFB	43.002	458,858	218,231
QUANTIFYING SCALE RELATIONSHIPS IN		GGB	43.NNG04GQ40H SUPP. 2	3,000	0
CHARACTERIZING KEY RESOURCE AREAS		GGB	43.NNG04GQ88H SUPP. 2	478	0
FINGERPRINTING NATIVE AND NON-NATI		GGB	43.NNG04GR36G	173,086	0
INTEGRATION OF GLAS AND AIRBORNE L		GGB	43.NNG05GQ05H	20,443	0
SUBTOTAL DIRECT FROM:				922,214	283,323

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:					
CALIF. INST. OF TECH/JET PROPULSION LAB					
THE ORBITING CARBON OBSERVATORY (O		GGB	43.1280999	588,629	16,000
CLOUDSAT ARTIC ENERGY BUDGET SCIEN		GGB	43.1297060	32,828	0
COLORADO POWER ELECTRONICS, INC.					
STANDARD ARCHITECTURE ANALYSIS AND		GGB	43.07812002	54,165	0
THERMAL AND DYNAMIC MODELING AND T		GGB	43.07813901	47,844	0
MISSISSIPPI STATE UNIVERSITY					
A RAPID PROTOTYPING CAPABILITY EXP		GGB	43.191000-361628-01	36,435	0
OPTIMIZING GPM PRECIPITATION ESTIM		GGB	43.191000-361631-01	18,678	0
EVALUATION OF GPM PRECIPITATION ES		GGB	43.191000-361632-01	48,811	0
MONTANA STATE UNIVERSITY					
Aerospace Education Services Program		GGB	43.001 / 43.G223-07-W1439	31,596	0
NATIONAL SPACE BIOMEDICAL RESEARCH INST.					
A RADIATION DOSIMETER FOR ASTRONAU		GGB	43.NCC 9-58-10 PROJ RE01301	60,398	19,334
PURDUE UNIVERSITY					
HIGH-RESOLUTION FOSSIL FUEL EMMISS		GGB	43.521-0438-01	64,912	0
SPACE TELESCOPE SCIENCE INSTITUTE					
Technology Transfer		GFB	43.002 / 43.HST-EO-10650.05-A	2,787	0
SPONSOR NAME NOT FOUND FOR YCPR1O **					
A NOVEL BIODOSIMETRY METHOD BASED		GGB	43.PC-0001	6,854	0
SPONSOR NAME NOT FOUND FOR YUHAO3 **					
NASA SATELLITES STUDY EARTH'S ATMO		GGB	43.P0700311	6,280	0
UCAR-NCAR-COMET ATMOSPHERIC TECH. DIVIS.					
INSPIRING THE NEXT GENERATION OF		GGB	43.S03-43483 MOD. M10	1,157,818	0
UNIVERSITY OF CALIFORNIA					
MECHANISMS OF RADIATION-INDUCED RE		GGB	43.00000026 AMD #3	135	0
UNIVERSITY OF CALIFORNIA AT BERKELEY					
STUDIES OF BIOSPHERE-ATMOSPHERE IN		GGB	43.SA4463-23236	51,011	0
University of Tennessee					
NAI-MIRS		GGJ	43.unknown	20,847	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,230,028	35,334
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				3,152,242	318,657
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				3,152,242	318,657
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					
Conservation Project Support		GCA	45.303	971	0
Conservation Project Support		GSA	45.303 / 45.IC-01-06-0094-06	7,626	0
Grants to States		DAA	45.310	2,500,474	233,883
National Leadership Grants		GSA	45.312 / 45.H7700077005	27,241	0
SUBTOTAL DIRECT FROM:				2,536,312	233,883
PASS-THROUGH PROGRAMS FROM:					
JOHNS HOPKINS UNIVERSITY					
Laura Bush 21st Century Librarian Program		GFE	45.313 / 45. 2000010548	3,770	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,770	0
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				2,540,082	233,883
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		GKA	45.024 / 45.08-3100-7105	10,000	0
Partnership		EDB	45.07-6100-2029	640,100	0
We the People		GCA	45.GM-50264-04	29,164	0
SUBTOTAL DIRECT FROM:				679,264	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				679,264	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
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		GGB	45.149	23,313	57,157
Promotion of the Humanities: Public Programs		GFE	45.164	581	0
SUBTOTAL DIRECT FROM:				23,894	57,157
PASS-THROUGH PROGRAMS FROM:					
CORNELL UNIVERSITY					
Promotion of the Humanities: Division of Preservation and Access		GGB	45.149 / 45.49503-8229	36,617	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				36,617	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				60,511	57,157
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				3,279,857	291,040
NATIONAL SCIENCE FOUNDATION					
NATIONAL SCIENCE FOUNDATION					
DIRECT FROM:					
NATIONAL SCIENCE FOUNDATION					
Engineering Grants		GFE	47.041	(622)	0
Engineering Grants		GGB	47.041	3,761	0
Mathematical and Physical Sciences		GFB	47.049	10,359	0
Mathematical and Physical Sciences		GFE	47.049	17,724	0
Mathematical and Physical Sciences		GGB	47.049	79,989	0
Mathematical and Physical Sciences		GZA	47.049	50,872	0
Mathematical and Physical Sciences		GSA	47.049 / 47.CHE-0520618	186	0
Computer and Information Science and Engineering		GFB	47.070	4,922	0
Biological Sciences		GGB	47.074	128,548	0
Biological Sciences		GZA	47.074	12,610	0
Biological Sciences		GZA	47.074 / 47.DEB-0346736	882	0
Social, Behavioral, and Economic Sciences		GFB	47.075	565,693	0
Education and Human Resources		GFB	47.076	717,413	0
Education and Human Resources		GFC	47.076	108,971	0
Education and Human Resources		GFE	47.076	2,024,290	738,451
Education and Human Resources		GGB	47.076	1,515,500	197,417
Education and Human Resources		GGJ	47.076	114,575	0
Education and Human Resources		GKA	47.076	62,627	0
Education and Human Resources		GTA	47.076	4,112	0
Education and Human Resources		GZA	47.076	85,740	0
Education and Human Resources		GSA	47.076 / 47.DUE - 0422337	61,019	0
International Science and Engineering (OISE)		GGB	47.079	113,633	0
SUBTOTAL DIRECT FROM:				5,682,804	935,868
PASS-THROUGH PROGRAMS FROM:					
BOYCE THOMPSON INSTITUTE FOR PLANT RES.					
Biological Sciences		GGB	47.074 / 47.AGREEMENT NUMBER 06-0	73,024	0
CLEMSON UNIVERSITY					
Engineering Grants		GGB	47.041 / 47.1105-7558-206-2005924	100,338	0
IREE SUPPLEMENT TO INVERTED COLLOI		GGB	47.1105-7558-206-2005924 #1	6,849	0
CORNELL UNIVERSITY					
Mathematical and Physical Sciences		GGB	47.049 / 47.SPS# 48722-7992	3,725	0
CRDF CIVILIAN RSRCH & DVLPMT FOUNDATION					
International Science and Engineering (OISE)		GGB	47.079 / 47.RUC2-2830-MO-06	8,032	0
KANSAS STATE UNIVERSITY					
Biological Sciences		GGB	47.074 / 47.SO5005	6,545	0
LOUISIANA STATE UNIVERSITY					
Geosciences		GGB	47.050 / 47.7138	23,173	0
MONTANA STATE UNIVERSITY					
Education and Human Resources		GGB	47.076 / 47.GC046-02-Z2484 MOD 09	99,145	0
OHIO STATE UNIVERSITY					
Polar Programs (B) -		GGB	47.078 / 47.GRT8213500/60000263 R	93,553	0
PORTLAND STATE UNIVERSITY					
Education and Human Resources		GGB	47.076 / 47.206DRE031	30,844	0
Polar Programs (B) -		GGB	47.078 / 47.208FOU071	18,372	0
PUBLIC ENTITY RISK INSTITUTE					
Engineering Grants		GFE	47.041 / 47.CMS-0556007	6,648	0
PURDUE UNIVERSITY					

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
Biological Sciences		GGB	47.074 / 47.501-1226-01	35,193	0
RUTGERS - STATE UNIVERSITY OF NEW JERSEY					
Education and Human Resources		GGB	47.076 / 47.2283 RU ACCT 4-28876	96,756	0
SPONSOR NAME NOT FOUND FOR YCNO12 **					
OBSERVATIONS AND NUMERICAL MODELIN		GGB	47.NWRA-06-S-100	(17)	0
SPONSOR NAME NOT FOUND FOR YUAL03 **					
SERVICES OF HEIDI STELTZER FOR UNI		GGB	47.PO313367A	13,662	0
SPONSOR NAME NOT FOUND FOR YUCA12 **					
Biological Sciences		GGB	47.074 / 47.S-00000139	28,390	0
Biological Sciences		GGB	47.074 / 47.S-000201	106,312	0
SPONSOR NAME NOT FOUND FOR YUWE04 **					
Education and Human Resources		GGB	47.076 / 47.06060208	4,830	0
UCAR-NCAR-NAT CTR FOR ATMOSPHERIC RES					
Geosciences		GGB	47.050 / 47.SO6-58489	31,773	0
Geosciences		GGB	47.050 / 47.SO7-62282	9,542	0
Education and Human Resources		GGB	47.076 / 47.SO7-61982	114,621	0
UMASS-UNIVERSITY OF MASSACHUSETTS					
Engineering Grants		GGB	47.041 / 47.UM#04-002341 B 09	6,906	0
Engineering Grants		GGB	47.041 / 47.UM#04-002341 B10 P000	528,907	0
UNIV. OF CALIFORNIA AT SANTA BARBARA					
Biological Sciences		GGB	47.074 / 47.KK7107	43,496	0
UNIVERSITY OF CALIFORNIA					
Polar Programs (B) -		GGB	47.078 / 47.KK8112	72,884	0
UNIVERSITY OF MINNESOTA					
Biological Sciences		GGB	47.074 / 47.X4416249101	83,127	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Computer and Information Science and Engineering		GGB	47.070 / 47.115674	16,042	0
UNIVERSITY OF WASHINGTON					
Geosciences		GGB	47.050 / 47.418119	36,156	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,698,828	0
SUBTOTAL NATIONAL SCIENCE FOUNDATION				7,381,632	935,868
SUBTOTAL NATIONAL SCIENCE FOUNDATION				7,381,632	935,868
SMALL BUSINESS ADMINISTRATION					
SMALL BUSINESS ADMINISTRATION					
DIRECT FROM:					
SMALL BUSINESS ADMINISTRATION					
Small Business Development Centers		EDA	59.037	744,000	0
SUBTOTAL DIRECT FROM:				744,000	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				744,000	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				744,000	0
DEPARTMENT OF VETERANS AFFAIRS					
DEPARTMENT OF VETERANS AFFAIRS					
DIRECT FROM:					
DEPARTMENT OF VETERANS AFFAIRS					
Unclassified Grants and Contracts		GJA	64.000	246,772	0
VET		GJB	64.21.4206	1,915	0
Vet Affairs-Reporting Fee		GJJ	64.Unknown	9,338	0
SUBTOTAL DIRECT FROM:				258,025	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				258,025	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
DIRECT FROM:					
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
Burial Expenses Allowance for Veterans		OBA	64.101	62,340	0
Veteran's Recording Fee		GGJ	64.unknown	2,148	0
SUBTOTAL DIRECT FROM:				64,488	0
SUBTOTAL VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				64,488	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	114,464	0
Veterans Nursing Home Care		IHA	64.010	162,691	0
Veterans State Domiciliary Care		IHA	64.014	300,610	0
Veterans State Nursing Home Care		IHA	64.015	9,789,225	0
Sharing Specialized Medical Resources		GFE	64.018	2,863,863	0
SUBTOTAL DIRECT FROM:				13,230,853	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				13,230,853	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				13,553,366	0
ENVIRONMENTAL PROTECTION AGENCY					
ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
ENVIRONMENTAL PROTECTION AGENCY					
Congressionally Mandated Projects		FAA	66.202	36,317	0
Performance Partnership Grants (A,B) -		FAA	66.605	8,003,757	265,859
Performance Partnership Grants (A,B) -		BAA	66.605 / 66.BG-97819601	276,755	10,669
Surveys, Studies, Investigations and Special Purpose Grants (B) -		FAA	66.606	431,497	62,942
Western Ecology Pilot Project		PBA	66.CR828150011	1,216	0
SUBTOTAL DIRECT FROM:				8,749,542	339,470
PASS-THROUGH PROGRAMS FROM:					
HEALTH EFFECTS INSTITUTE					
IMPACT OF IMPROVED AIR QUALITY DUR		GGB	66.4740-RFA04-4/06-1	2,717	0
Hinsdale County					
NPDES		GWA	66.CP978038-01	7,462	0
METRO WASTEWATER RECLAMATION DISTRICT					
URAD MOLYBDENUM MINE TAILING REVIT		GGB	66.04330503	57,408	0
MISSISSIPPI STATE UNIVERSITY					
SOUTHEAST REGIONAL-SMALL PUBLIC WATER SYSTEMS		GGB	66.080600-331712-22	27,279	0
Macro International, Inc.					
IPA Bedford		FAA	66.PPG-YW7-FAA	15,067	0
SPONSOR NAME NOT FOUND FOR YCICO1 **					
INTEGRATED CLIMATE AND LAND USE SC		GGB	66.PO# 26BL00019	66,639	0
CONTRIBUTING AUTHOR FOR SYNTHESIS		GGB	66.PO# 26BL00534	359	0
SPONSOR NAME NOT FOUND FOR YMLA05 **					
BIOMASS BURNING IMPACTS ON AIR QUA		GGB	66.4102	57,978	0
WATER ENVIRONMENT RESEARCH FOUNDATION					
LANDSCAPE IRRIGATION USING HOUSEHOLD GRAYWATER		GGB	66.06-CTS-1CO	5,923	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				240,832	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				8,990,374	339,470
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the C		FAA	66.034	72,195	11,880
SUBTOTAL DIRECT FROM:				72,195	11,880
SUBTOTAL OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY				72,195	11,880

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY					
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-97816101	88,111	15,534
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-97829901	147,369	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E97815601	5,462	0
Multi-Media Capacity Building Grants for States and Tribes		FAA	66.709	128,745	0
SUBTOTAL DIRECT FROM:				369,687	15,534
SUBTOTAL OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY				369,687	15,534
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	242,385	0
SUBTOTAL DIRECT FROM:				242,385	0
SUBTOTAL OFFICE OF ENVIRONMENTAL INFORMATION, ENVIRONMENTAL PROTECTION AGENCY				242,385	0
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
Source Reduction Assistance		FAA	66.717	9,750	0
SUBTOTAL DIRECT FROM:				9,750	0
SUBTOTAL OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY				9,750	0
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
Science to Achieve Results (STAR) Fellowship Program		GFB	66.514	49,213	0
SUBTOTAL DIRECT FROM:				49,213	0
PASS-THROUGH PROGRAMS FROM:					
AMERICAN WATER WORKS ASSC. RESEARCH FD.					
Environmental Protection-Consolidated Research		GGB	66.500 / 66.4029 #3	41,326	0
UNIVERSITY OF HOUSTON					
Science to Achieve Results (STAR) Research Program		GGB	66.509 / 66.R-07-0173	43,613	0
WASHINGTON STATE UNIVERSITY					
Science to Achieve Results (STAR) Research Program		GGB	66.509 / 66.106814_G002233	6,851	0
WATER ENVIRONMENT RESEARCH FOUNDATION					
Office of Research and Development Consolidated Research/Training/Fellowships		GGB	66.511 / 66.04-SW-4 #2	2,781	0
Office of Research and Development Consolidated Research/Training/Fellowships		GGB	66.511 / 66.06-SW-1 TO#1	13,954	19,051
Office of Research and Development Consolidated Research/Training/Fellowships		GGB	66.511 / 66.06-SW-1 TO#2 ADDENDUM	39,253	16,249
Office of Research and Development Consolidated Research/Training/Fellowships		GGB	66.511 / 66.PROJECT # 03-WSM-3 #2	4,236	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				152,014	35,300
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY				201,227	35,300
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	6,301,065	74,707
State and Tribal Underground Storage Tanks Program		KAA	66.804	182,948	0
Leaking Underground Storage Tank Trust Fund Program		KAA	66.805	1,799,427	0
Brownfield Pilots Cooperative Agreements (B) -		FAA	66.811	21,433	7,019
Brownfield Pilots Cooperative Agreements (B) -		KAA	66.811	49,593	0
State and Tribal Response Program Grants		FAA	66.817	860,740	0
SUBTOTAL DIRECT FROM:				9,215,206	81,726
SUBTOTAL OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY				9,215,206	81,726

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 SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY					
Solid Waste Management Assistance Grants		HAA	66.808	0	8,663
SUBTOTAL DIRECT FROM:				0	8,663
SUBTOTAL OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY				0	8,663
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
Water Pollution Control State, Interstate and Tribal Program Support		FAA	66.419	22,494	146,038
State Underground Water Source Protection		PHA	66.433	91,548	0
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements-Section 104		FAA	66.436	23,413	0
Water Quality Management Planning		FAA	66.454	47,043	40,000
Nonpoint Source Implementation Grants		FAA	66.460	912,284	880,351
Regional Wetland Program Development Grants		PAA	66.461	0	93,828
Regional Wetland Program Development Grants		PBA	66.461	0	285,178
Water Quality Cooperative Agreements		FAA	66.463	47,410	0
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs		FAA	66.471	98,836	0
Water Protection Grants to the States		FAA	66.474	132,092	0
SUBTOTAL DIRECT FROM:				1,375,120	1,445,395
PASS-THROUGH PROGRAMS FROM:					
BOULDER COUNTY PARKS & OPEN SPACES					
Regional Wetland Program Development Grants		GGB	66.461 / 66.PO# 46588	72,328	0
CO Water Res & Power Dev.					
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458	3,708,223	4,150
Colorado Water Resource Power Development Authority					
Capitalization Grants for Clean Water State Revolving Funds		NAA	66.458	45,748	0
METRO WASTEWATER RECLAMATION DISTRICT					
Water Quality Cooperative Agreements		GGB	66.463 / 66.06139304	56,647	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,882,946	4,150
SUBTOTAL OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY				5,258,066	1,449,545
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				24,358,890	1,942,118
NUCLEAR REGULATORY COMMISSION					
NUCLEAR REGULATORY COMMISSION					
DIRECT FROM:					
NUCLEAR REGULATORY COMMISSION					
NRC HEALTH PHYSICS FELLOWSHIP PROG		GGB	77.NRC-38-07-701	2,294	0
SUBTOTAL DIRECT FROM:				2,294	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION				2,294	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION				2,294	0
DEPARTMENT OF ENERGY					
DEPARTMENT OF ENERGY					
DIRECT FROM:					
DEPARTMENT OF ENERGY					
Synthesis of Methylerythritol		GSA	81.52430-001-07	15,379	0
Petroleum Violation Escrow		EFA	81.Ct Order 180 Exxon	172,091	0
Petroleum Violation Escrow		EFA	81.Ct Order 182 Strpr Well	899,443	0
Petroleum Violation Escrow		EFA	81.Ct Order 223 Texaco	572,136	0
REQUEST FOR STUDENT SUPPORT FOR TH		GGB	81.DE-FG02-07ER15871	5,000	0
Energy Assurance Plan		EFA	81.Unknown 02	13,000	0
SUBTOTAL DIRECT FROM:				1,677,049	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:						
MIDWEST RESEARCH INSTITUTE - NREL						
MOU- SERVICES OF DAVID HILLER -MID		GGB	81.07887302		39,573	0
MEMBRANE EXTRACTION FOR ACETIC ACI		GGB	81.KXDJ-0-30622-02		28,135	0
WIND FOR SCHOOLS (WFS) - WIND APPL		GGB	81.XEE-8-77562-01		6,230	0
MANUFACTURING PROCESS OPTIMIZATION		GGB	81.XXL-5-44205-02 MOD. 11		305,788	0
CHARACTERIZATION AND ANALYSIS OF C		GGB	81.XXL-5-44205-03		147,946	0
PREDICTION OF REACTION FREE ENERGY		GGB	81.ZCO-7-77386-01 MOD 1		110,788	0
COMPUTAIONAL ANALYSIS OF HIT AND C		GGB	81.ZEJ-7-77039-01		44,811	0
MEMBRANE-BASED EXTRACTION OF ACETI		GGB	81.ZFT-8-88524-01		9,989	0
Natl Renewable Energy Lab						
Organic Semiconductors		GTA	81.XEJ-6-66145-01		29,647	0
New Mexico Tech						
Carbon Sequestration		PIA	81.FC26O5N42591		20,188	0
SPONSOR NAME NOT FOUND FOR YMBA03 **						
ADAPTIVE MODELING OF GEOMETRICALLY		GGB	81.00069249		4,513	0
ADAPTIVE MODELING OF GEOMETRICALLY		GGB	81.00069249 AMENDMENT 001		70,225	0
UNIV CHICAGO/ARGONNE UNIV ASSOC-ARGN LAB						
SCIDAC INSTITUTE: COMBINATORIAL SC		GGB	81.7F-00323		22,505	0
UNIV. CALIFORNIA-LAWRENCE LIVERMORE LAB						
STUDENT DISSERTATION IN X-RAY LASE		GGB	81.B539675 #3		56,619	0
EVALUATION OF A SYNTHETIC VACCINE		GGB	81.B559895 MOD #4		1,066	0
A POSTERIORI ERROR CALCULATION OF		GGB	81.B573139		24,370	0
UNIV. CALIFORNIA-LOS ALAMOS NATIONAL LAB						
RISK ANALYSIS, COMMUNICATION, EVAL		GGB	81.29598-001-06 MOD 7		126,131	1,089,074
UNIVERSITY OF CALIFORNIA AT DAVIS						
SOIL C SATURATION & STEADY STATE L		GGB	81.K012567-01		42,546	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					1,091,070	1,089,074
SUBTOTAL DEPARTMENT OF ENERGY					2,768,119	1,089,074
OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY						
DIRECT FROM:						
OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY						
National Resource Center for Plutonium		FAA	81.110		165,661	0
SUBTOTAL DIRECT FROM:					165,661	0
SUBTOTAL OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY					165,661	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.NT43196		546,486	0
Weatherization Assistance for Low-Income Persons		EFA	81.042 / 81.R830001-07	8	(367,124)	0
Weatherization Assistance for Low-Income Persons		EFA	81.042 / 81.R830101-08	8	5,336,079	0
Conservation Research & Development		GGB	81.086		140,921	0
Conservation Research & Development		EFA	81.086 / 81.NT43013		22,022	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		EFA	81.117 / 81.GO47002		10,548	0
State Energy Program Special Projects		EFA	81.119 / 81.R806701		21,134	0
State Energy Program Special Projects		EFA	81.119 / 81.R806801		10,907	0
State Energy Program Special Projects		EFA	81.119 / 81.R807001		2,500	0
State Energy Program Special Projects		EFA	81.119 / 81.R807101		1,500	0
State Energy Program Special Projects		EFA	81.119 / 81.R807301		45,615	0
State Energy Program Special Projects		EFA	81.119 / 81.R807401		2,911	0
SUBTOTAL DIRECT FROM:					5,773,499	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					5,773,499	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		551,436	276,722
SUBTOTAL DIRECT FROM:					551,436	276,722

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
NATIONAL RENEWABLE ENERGY LABORATORY					
Renewable Energy Research & Development		GFE	81.087 / 81.AAX-3-33651-01	(6,865)	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXDK-9-29638-22	1	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-08	(3,086)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(9,950)	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				541,486	276,722
OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
AEROSOL DYNAMICS INC.					
Office of Science Financial Assistance Program		GGB	81.049 / 81.DE-FG-04ER86179	133,371	0
KANSAS STATE UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.SO7005	15,532	0
MTU - MICHIGAN TECHNOLOGICAL UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.050516Z17 PO# PO0722	44,376	0
Office of Science Financial Assistance Program		GGB	81.049 / 81.MTU 050516Z14 PO #PO	114,688	0
NORTHERN ARIZONA UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.MPC35TA-A1	86,165	0
Office of Science Financial Assistance Program		GGB	81.049 / 81.MPC35TA-A3	24,484	0
Office of Science Financial Assistance Program		GGB	81.049 / 81.MPC35TA-A4	59,106	45,506
PENNSYLVANIA STATE UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.3454-CSU-DOE-4157	122,069	0
SPONSOR NAME NOT FOUND FOR YUCA12 **					
Office of Science Financial Assistance Program		GGB	81.049 / 81.S-00000287	4,844	0
SPONSOR NAME NOT FOUND FOR YUST01 **					
Office of Science Financial Assistance Program		GGB	81.049 / 81.39745/1055595 AMD07	261,910	0
YALE UNIVERSITY					
Office of Science Financial Assistance Program		GGB	81.049 / 81.Y-05-00-08	50,588	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				917,133	45,506
SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY				917,133	45,506
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	133,426	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				133,426	0
SUBTOTAL OFFICE OF ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY				133,426	0
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
81.104 Office of Environmental Waste Processing		FAA	81.104	30,060	0
SUBTOTAL DIRECT FROM:				30,060	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 / 81.303310603	133,960	37,514
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				133,960	37,514
SUBTOTAL OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY				164,020	37,514
SUBTOTAL DEPARTMENT OF ENERGY				10,463,344	1,448,816
FEDERAL EMERGENCY MANAGEMENT AGENCY					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
PASS-THROUGH PROGRAMS FROM:					
City of Montrose					
FEMA		PIA	83.FEMA-Montrose	51,434	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				51,434	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
SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				51,434	0
PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
PASS-THROUGH PROGRAMS FROM:					
Pueblo County					
Chemical Stockpile Emergency Preparedness		GGJ	83.unknown	2,808	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,808	0
SUBTOTAL PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY				2,808	0
SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				54,242	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					
Ready to Teach		GZA	84.286	21,899	0
Twenty-First Century Community Learning Centers		DAA	84.287	397,642	8,768,610
SUBTOTAL DIRECT FROM:				419,541	8,768,610
SUBTOTAL ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION				419,541	8,768,610
DEPARTMENT OF EDUCATION					
DIRECT FROM:					
DEPARTMENT OF EDUCATION					
Unclassified Grants and Contracts		DAA	84.000	142,682	0
National Writing Project Model		GGJ	84.928	57,798	0
Teacher Quality Enhance		GWA	84.P336B040001	773,832	0
Academic Competitiveness Grant		GSA	84.P375A065271	74,448	0
Smart Grant		GSA	84.P376S065271	66,680	0
SUBTOTAL DIRECT FROM:				1,115,440	0
PASS-THROUGH PROGRAMS FROM:					
American Foundation for the Blind					
DOED - Web Based Distance Ed		GKA	84.Nat'l Literacy Ctr (NLC)	3,949	0
Greeley Dream Team, Inc					
DOED -Bright Futures		GKA	84.10/10/00	2,002	0
NATIONAL WRITING PROJECT					
PROGRAM INCOME FOR NATIONAL WRITIN		GGB	84.03-CO03	16,527	0
National Writing Project Model		GGB	84.928 / 84.03-CO03	55,531	0
Sys Chg Proj to Expand Emp Opp for Individuals with Mental or Physical Disabilities		GFE	84.989 / 84.00-C002	57,067	0
Nat'l Writing Project Corporation					
National Writing Project Model		GKA	84.928 / 84.Sub-contract #04-CO04	62,038	0
SPONSOR NAME NOT FOUND FOR YCTH04 **					
STUDY GROUP -THE STUDY GROUP, INC.		GGB	84.ED-04-CO-0042/0001	3,977	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				201,091	0
SUBTOTAL DEPARTMENT OF EDUCATION				1,316,531	0
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					
Statewide Data Systems		DAA	84.372	1,566,017	0
SUBTOTAL DIRECT FROM:				1,566,017	0
SUBTOTAL INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION				1,566,017	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 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	128,160	0
Fund for the Improvement of Education		GKA	84.215	419,867	0
SUBTOTAL DIRECT FROM:				548,027	0
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Fund for the Improvement of Education		GFE	84.215 / 84.S215X020233	(9,203)	0
Dgo Sch Dist 9-R					
Fund for the Improvement of Education		GSA	84.215	7,140	0
Weld County School District 6					
Fund for the Improvement of Education		GKA	84.215 / 84.S215X020174	244,962	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				242,899	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				790,926	0
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	618,610	0
Civil Rights Training and Advisory Services		GJD	84.004	282,775	0
Advanced Placement Program (Advanced placement Test Fee; Advanced Placement Incetive Program Grants)		DAA	84.330	126,458	(624)
SUBTOTAL DIRECT FROM:				1,027,843	(624)
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				1,027,843	(624)
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		GFE	84.016	33,136	2,000
Higher Education: Institutional Aid		GGJ	84.031	732,691	0
Higher Education: Institutional Aid		GJD	84.031	572,159	152,828
Higher Education: Institutional Aid		GJH	84.031	314,096	0
Higher Education: Institutional Aid		GJK	84.031	798,045	0
Higher Education: Institutional Aid		GJR	84.031	304,337	0
Higher Education: Institutional Aid		GYA	84.031	318,216	0
Perkins Loan Cancellations		GFB	84.037	66,367	0
Perkins Loan Cancellations		GFC	84.037	52,114	0
Perkins Loan Cancellations		GFE	84.037	151,851	0
Perkins Loan Cancellations		GGB	84.037	38,774	0
Perkins Loan Cancellations		GGJ	84.037	67,840	0
Perkins Loan Cancellations		GJM	84.037	4,136	0
Perkins Loan Cancellations		GKA	84.037	112,873	0
Perkins Loan Cancellations		GTA	84.037	95,867	0
Perkins Loan Cancellations		GZA	84.037	16,483	0
Leveraging Educational Assistance Partnership		GAA	84.069	888,022	0
Leveraging Educational Assistance Partnership		GFC	84.069	31,950	0
Leveraging Educational Assistance Partnership		GJD	84.069	9,853	0
Leveraging Educational Assistance Partnership		GJT	84.069	2,877	0
Leveraging Educational Assistance Partnership		GLA	84.069	48,315	0
Leveraging Educational Assistance Partnership		GZA	84.069	39,163	0
Fund for the Improvement of Postsecondary Education		GSA	84.116 / 84.P116Z030130	196,102	0
College Housing and Academic Facilities Loans		GKA	84.142	50,541	0
Byrd Honors Scholarships		DAA	84.185	0	599,500
Byrd Honors Scholarships		GFC	84.185	9,000	0
Graduate Assistance in Areas of National Need		GFB	84.200	563,853	0
Graduate Assistance in Areas of National Need		GGB	84.200	155,640	0
Graduate Assistance in Areas of National Need		GKA	84.200	152,387	0
Centers for International Business Education		GFE	84.220	285,582	1,800
Gaining Early Awareness and Readiness for Undergraduate Programs		GJD	84.334	38,841	0
Gaining Early Awareness and Readiness for Undergraduate Programs		GJJ	84.334	(234)	0
Gaining Early Awareness and Readiness for Undergraduate Programs		EAA	84.334 / 84.P334S050026	3,208,709	0
Child Care Access Means Parents in School		GFC	84.335	35,994	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
Child Care Access Means Parents in School		GGB	84.335	99,959	0
Child Care Access Means Parents in School		GSA	84.335 / 84.P335A010015	37,777	0
Teacher Quality Enhancement Grants		GTA	84.336	2,271,579	0
Preparing Tomorrow's Teachers to Use Technology		GFE	84.342	49,847	39,147
SUBTOTAL DIRECT FROM:				11,854,742	795,275
PASS-THROUGH PROGRAMS FROM:					
Research Foundation of SUNY					
Fund for the Improvement of Postsecondary Education		GKA	84.116 / 84.P166N060006	14,474	0
Wilbur Wright College					
Fund for the Improvement of Postsecondary Education		GJB	84.116	7,689	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				22,163	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				11,876,905	795,275
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	37,152,358	1,495,274
Rehabilitation Services: Service Projects		IHA	84.128	144,549	0
Independent Living: State Grants		IHA	84.169	(69,620)	350,707
Supported Employment Services for Individuals with Significant Disabilities		IHA	84.187	690,167	0
Assistive Technology		GFE	84.224	428,033	43,155
Rehabilitation Training: Continuing Education		GKA	84.264	292,818	0
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training		IHA	84.265	49,005	0
SUBTOTAL DIRECT FROM:				38,687,310	1,889,136
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				38,687,310	1,889,136
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					
Career and Technical Education-Basic Grants to States		GJA	84.048	19,897,283	0
SUBTOTAL DIRECT FROM:				19,897,283	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION				19,897,283	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		GJD	84.003	56,878	0
Bilingual Education: Professional Development		GFB	84.195	354,833	0
Bilingual Education: Professional Development		GFC	84.195	85,498	0
Bilingual Education: Professional Development		GFE	84.195	631,042	6,491
Bilingual Education: Professional Development		GJG	84.195	143,214	0
Bilingual Education: Professional Development		GKA	84.195	162,486	0
Bilingual Education: Professional Development		GTA	84.195	130,229	0
Bilingual Education: Professional Development		GYA	84.195	309,660	0
Bilingual Education: Professional Development		GZA	84.195	176,554	0
SUBTOTAL DIRECT FROM:				2,050,394	6,491
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				2,050,394	6,491
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	2,337,431	125,664,240
Migrant Education: State Grant Program		DAA	84.011	1,268,324	7,412,438
Chapter 1 ESEA - State Admin		GTA	84.012	23,911	0
Title I Program for Neglected and Delinquent Children		DAA	84.013	0	356,170
Migrant Education: High School Equivalency Program		GFB	84.141	511,882	0
Migrant Education: High School Equivalency Program		GJD	84.141	58,389	0
Migrant Education: Coordination Program		DAA	84.144	100,178	0
Migrant Education: College Assistance Migrant Program		GTA	84.149	539,437	0
Safe and Drug-Free Schools and Communities: National Programs		GGB	84.184	84,124	53,975
Safe and Drug-Free Schools and Communities: National Programs		GSA	84.184 / 84.Q184H050105	38,658	0
Safe and Drug-Free Schools: State Grants		DAA	84.186	261,125	2,834,030

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
Education for Homeless Children and Youth		DAA	84.196	129,309	489,822
Even Start: State Educational Agencies		DAA	84.213	77,805	884,393
Charter Schools		DAA	84.282	340,662	7,648,294
State Grants for Innovative Programs		DAA	84.298	339,626	1,349,527
Education Technology State Grants		DAA	84.318	141,938	3,575,400
Comprehensive School Reform Demonstration		DAA	84.332	32,979	722,401
Early Childhood Educator Professional Development		GJD	84.349	360,712	0
Transition to Teaching		GFE	84.350	55,654	78,659
Transition to Teaching		GGJ	84.350	353,732	0
Transition to Teaching		GWA	84.350 / 84.S350B02011	16,870	0
Reading First State Grants		DAA	84.357	1,688,632	8,885,867
Rural Education		DAA	84.358	12,957	230,655
English Language Acquisition Grants		DAA	84.365	475,393	9,225,030
Mathematics and Science Partnerships		DAA	84.366	53,504	1,961,759
Improving Teacher Quality State Grants		DAA	84.367	1,060,853	30,502,524
Improving Teacher Quality State Grants		GAA	84.367	760,180	0
Grants for State Assessments and Related Activities		DAA	84.369	6,020,199	0
School Improvement Grants		DAA	84.377	328	0
SUBTOTAL DIRECT FROM:				17,144,792	201,875,184
PASS-THROUGH PROGRAMS FROM:					
CENTENNIAL BOCES					
Improving Teacher Quality State Grants		GFE	84.367 / 84.COLORADO CONTSORTIUM	138,263	0
Clayton Foundation/CPCF					
Parental Information and Resource Centers		GTA	84.310	11,627	0
DENVER PUBLIC SCHOOLS					
Mathematics and Science Partnerships		GFE	84.366 / 84.SKILL-C. MARTIN	23,618	0
Denver Public Schools					
Title I Grants to Local Educational Agencies		GTA	84.010	31,032	0
Dgo Sch Dist 9-R					
Safe and Drug-Free Schools and Communities: National Programs		GSA	84.184	1,709	0
Ft Morgan School District RE3					
Mathematics and Science Partnerships		GKA	84.366 / 84.2/9/2008	38,006	0
JEFFERSON COUNTY SCHOOL DISTRICT					
Mathematics and Science Partnerships		GFE	84.366 / 84.CDE GRANT 2007-2008	27,803	0
NW Regional Ed Laboratory					
Early Reading First		GTA	84.359	33,419	0
SOUTH CENTRAL BOCES					
Mathematics and Science Partnerships		GFE	84.366 / 84.P.L.A.S.M.I.D.	45,638	0
Weld County School District 6					
Mathematics and Science Partnerships		GKA	84.366 / 84.9/10/2007	47,897	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				399,012	0
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				17,543,804	201,875,184
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
Rehabilitation Services: Independent Living Services for Older Individuals Who are Blind		IHA	84.177	(85,459)	390,861
Special Education-Grants for Infants and Families		IHA	84.181	6,630,437	0
Special Education - State Personnel Development		DAA	84.323	744,025	327,536
Research in Special Education		GFE	84.324	163,772	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFB	84.325	257,594	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325	85,749	23,828
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GKA	84.325	464,117	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GYA	84.325	95,793	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		DAA	84.326	142,505	10,000
SUBTOTAL DIRECT FROM:				8,498,533	752,225
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFE	84.326 / 84.07-827	95,395	0
California State Univ Los Angeles					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GKA	84.325 / 84.H325A010073	943	0
California State University, Northridge					
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GKA	84.326 / 84.F-06-2056-2.0/4003362	85,790	0
Florida State University					
Research in Special Education		GTA	84.324 / 84.R324E060086A	153,670	0
Pennsylvania College of Optometry					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GKA	84.325 / 84.H325U04001, Subcontra	87,228	0
UNIVERSITY OF FLORIDA					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFB	84.325 / 84.UF02097	6,715	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 NORTH CAROLINA AT CHAPEL HILL					
Research in Special Education		GFE	84.324 / 84.ACCT# 554464	102,982	0
UNIVERSITY OF SOUTH FLORIDA					
Research in Special Education		GFE	84.324 / 84.5830-1081-00-A	204,028	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFE	84.326 / 84.5830-1251-00-D	97,793	0
UNIVERSIYT OF CONNECTICUT					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325 / 84. 667807	62,506	0
Univ of Arkansas Little Rock					
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		GKA	84.160 / 84.None	105,335	0
University of Denver					
Research in Special Education		GKA	84.324 / 84.H325A030049	13,408	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,015,793	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				9,514,326	752,225
OFFICE OF THE SECRETARY					
DIRECT FROM:					
OFFICE OF THE SECRETARY					
Indian Education: Special Programs		GKA	84.299	538,074	17,964
SUBTOTAL DIRECT FROM:				538,074	17,964
SUBTOTAL OFFICE OF THE SECRETARY				538,074	17,964
OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION					
Adult Education-Basic Grant to States		DAA	84.002	1,090,398	6,285,266
Adult Education-Basic Grant to States		GJD	84.002	263,317	0
Literacy Programs for Prisoners		CAA	84.255 / 84.Q255A030053-05	25,433	0
Grants to States for Incarcerated Youth Offenders		CAA	84.331 / 84.Q331A060006	312,049	0
Grants to States for Incarcerated Youth Offenders		CAA	84.331 / 84.Q331A080006	221,616	0
Vocational Education_Occupational and Employment Information State Grants		GJA	84.346	13,998	0
SUBTOTAL DIRECT FROM:				1,926,811	6,285,266
SUBTOTAL OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION				1,926,811	6,285,266
SUBTOTAL DEPARTMENT OF EDUCATION				107,155,765	220,389,527
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	3,820	0
SUBTOTAL DIRECT FROM:				3,820	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				3,820	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				3,820	0
ELECTION ASSISTANCE COMMISSION					
DIRECT FROM:					
ELECTION ASSISTANCE COMMISSION					
Help America Vote Act Requirements Payments		VAA	90.401	8,902,019	0
SUBTOTAL DIRECT FROM:				8,902,019	0
SUBTOTAL ELECTION ASSISTANCE COMMISSION				8,902,019	0
SUBTOTAL				8,902,019	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Promoting Safe and Stable Families		IHA	93.556	(121,499)	3,821,788
State Court Improvement Program		JAA	93.586 / 93.0601COSCID	97,332	0
State Court Improvement Program		JAA	93.586 / 93.0601COSCIT	144,024	0
State Court Improvement Program		JAA	93.586 / 93.0701COSCIP	164,885	0
State Court Improvement Program		JAA	93.586 / 93.75-5-1512	38,782	0
SUBTOTAL DIRECT FROM:				323,524	3,821,788
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				323,524	3,821,788
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Compassion Capital Fund		GGB	93.009	231,575	59,360
Healthy Marriage Promotion and Responsible Fatherhood Grants		GGB	93.086	282,277	78,598
Healthy Marriage Promotion and Responsible Fatherhood Grants		IHA	93.086	2,382,619	170,128
Temporary Assistance for Needy Families (A) -		GJD	93.558	780,275	0
Temporary Assistance for Needy Families (A) -		IHA	93.558	110,599,306	0
Child Support Enforcement Research		IHA	93.564	32,899	245,371
Low-Income Home Energy Assistance (LIHEAP)		IHA	93.568	42,878,076	0
Community-Based Child Abuse Prevention Grants		FAA	93.590	680,646	88,011
Grants to States for Access and Visitation Programs (B) -		JAA	93.597 / 93.0601COSAVP	42,769	0
Grants to States for Access and Visitation Programs (B) -		JAA	93.597 / 93.0701COSAVP	92,866	0
Chafee Education and Training Vouchers Program (ETV)		IHA	93.599	761,016	0
Head Start		GGB	93.600	147,848	0
Head Start		GJD	93.600	154,313	0
Head Start		GJH	93.600	5,243,170	0
Head Start		EAA	93.600 / 93.05CD0012/05	63,618	0
Head Start		EAA	93.600 / 93.08CD0019/01	84,982	0
Voting Access for Individuals with Disabilities_Grants to States		VAA	93.617	166,562	0
Developmental Disabilities Basic Support and Advocacy Grants		IHA	93.630	909,721	8,269
Developmental Disabilities Projects of National Significance		GFE	93.631	145,900	38,730
University Centers for Excellence in Developmental Disabilities Education, Research, and Service		GFE	93.632	478,452	23,734
Children's Justice Grants to States		IHA	93.643	215,746	26,508
Child Welfare Services: State Grants		IHA	93.645	0	4,019,549
Foster Care: Title IV-E		IHA	93.658	6,059,524	57,770,874
Adoption Assistance		IHA	93.659	1,539,811	19,011,325
Social Services Block Grant		IHA	93.667	969	39,517,367
Child Abuse and Neglect State Grants		IHA	93.669	581,094	0
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to States and Indian T		IHA	93.671	1,573,958	0
Chafee Foster Care Independence Program		IHA	93.674	82,445	1,648,967
SUBTOTAL DIRECT FROM:				176,212,437	122,706,791
PASS-THROUGH PROGRAMS FROM:					
City and County of Denver					
Enhance The Safety of Children Affected By Parental Methamphetamine Or Other Substance Abuse		JAA	93.087 / 93.90CU0002/01	41,560	0
Foster Care: Title IV-E		JAA	93.658	27,551	0
Foster Care: Title IV-E		JAA	93.658 / 93.CE-61296	52,359	0
DENVER DEPT OF HUMAN SERVICES					
Temporary Assistance for Needy Families (A) -		GFE	93.558 / 93.CE52144	766	0
Temporary Assistance for Needy Families (A) -		GFE	93.558 / 93.PN:200701-184	559,754	75,000
SPONSOR NAME NOT FOUND FOR YMTH04 **					
Compassion Capital Fund		GGB	93.009 / 93.06215204	16,634	0
STATE OF WYOMING					
Child Abuse and Neglect State Grants		GFE	93.669 / 93.KC109900_AMD01	18,113	0
UNIVERSITY OF DENVER					
Foster Care: Title IV-E		GFE	93.658 / 93.SC36259-02-00	58,535	0
VANDERBILT UNIVERSITY					
Head Start		GFE	93.600 / 93.SUB # 19247	49,465	0
Head Start		GFE	93.600 / 93.SUB. #19247	85,551	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				910,288	75,000
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				177,122,725	122,781,791

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Special Programs for the Aging: Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and		IHA	93.041	17,484	44,923
Special Programs for the Aging: Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and		SFA	93.041	111,593	57,208
Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individua		IHA	93.042	46,543	136,263
Special Programs for the Aging: Title III, Part D: Disease Prevention and Health Promotion Services		IHA	93.043	256,332	0
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects		FAA	93.048	266,079	0
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects		IHA	93.048	130,832	0
Alzheimer's Disease Demonstration Grants to States		GGB	93.051	0	120,922
SUBTOTAL DIRECT FROM:				828,863	359,316
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				828,863	359,316
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	895,890	695,682
SUBTOTAL DIRECT FROM:				895,890	695,682
SUBTOTAL AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				895,890	695,682
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	101,690	0
SUBTOTAL DIRECT FROM:				101,690	0
SUBTOTAL AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				101,690	0
BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
National Research Service Award in Primary Care Medicine		GFE	93.186	278,043	0
SUBTOTAL DIRECT FROM:				278,043	0
SUBTOTAL BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				278,043	0
BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
COLORADO NONPROFIT DEVELOPMENT CENTER					
HIV Emergency Relief Project Grants		GFE	93.914 / 93.H89HA00027	78,741	0
PITON FOUNDATION					
HIV Emergency Relief Project Grants		GFE	93.914 / 93.PN:200703-113	138,104	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				216,845	0
SUBTOTAL BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				216,845	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					
Public Health Emergency Preparedness		FAA	93.069	6,906,248	10,851,846
Public Health Emergency Preparedness		KAA	93.069	7,762	0
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		FAA	93.116	401,032	52,359
Injury Prevention and Control Research and State and Community Based Programs		FAA	93.136	1,361,998	84,369
State Capacity Building		FAA	93.240	241,258	0
Occupational Safety and Health Program		GFE	93.262	21,892	0
Occupational Safety and Health Program		GGB	93.262	355,752	5,128
Immunization Grants		FAA	93.268	2,626,984	1,497,553
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	12,943,374	4,505,378
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	191,774	311,349
Centers for Disease Control and Prevention: Investigations and Technical Assistance		IHA	93.283	(229)	0
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Oth		DAA	93.938	562,903	92,449

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
HIV Prevention Activities: Health Department Based		FAA	93.940	4,015,859	721,215
HIV Demonstration, Research, Public and Professional Education Projects		FAA	93.941	92,593	6,610
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		FAA	93.944	1,006,779	479,896
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		FAA	93.946	156,117	0
Preventive Health Services: Sexually Transmitted Diseases Control Grants		FAA	93.977	1,079,020	436,534
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		FAA	93.978	387,333	11,231
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		FAA	93.988	480,227	0
Preventive Health and Health Services Block Grant		FAA	93.991	994,459	302,865
SUBTOTAL DIRECT FROM:				33,833,135	19,358,782
PASS-THROUGH PROGRAMS FROM:					
ASSOCIATION OF MAERICAN MEDICAL COLLEGES					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.RMPHEC2006#	65,634	0
Assoc State/Terr Health Officials					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.U50/CCU313903	22,073	0
Assoc. Public Health Laboratories					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	39,694	0
INDIANA UNIVERSITY					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.PO # 251613	38,054	0
Pueblo Community Diabetes					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGJ	93.283 / 93.H75/CCH824069-01	32,573	0
State of New Mexico					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.U59/CCI623401	52,679	125
State of Wyoming					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	118,950	0
State/Terr Epidemiologists					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.U60/CCU07277 CSTE	4,689	0
UNIVERSITY OF IOWA					
Occupational Safety and Health Program		GGB	93.262 / 93.PO 4000531892 AMD #05	12,612	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				386,958	125
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				34,220,093	19,358,907
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	138,868	0
Head Start-Higher Ed Hispanic/Latino		GSA	93.90YP0020/01	132,702	0
Women's Sexual Health PHS		GKA	93.HHSP233200500331P	42	0
SUBTOTAL DIRECT FROM:				271,612	0
PASS-THROUGH PROGRAMS FROM:					
National Govenor's Association					
NGAC Project		NAA	93.110-350-3761 93.Unknown	12,039	0
SPONSOR NAME NOT FOUND FOR YMTH04 **					
COMMUNITIES EMPOWERING YOUTH PROGR		GGB	93.07924805	42,892	0
Weld County Area on Aging					
Project Connect		GKA	93.Project Connect	500	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				55,431	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				327,043	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	333,906	0
Food and Drug Administration: Research		BAA	93.103 / 93.HHSF223200640168P	35,374	0
Food and Drug Administration: Research		BAA	93.103 / 93.HHSF223200740129P	24,333	0
SUBTOTAL DIRECT FROM:				393,613	0
SUBTOTAL FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				393,613	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	81,029,611	415,606

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
Medicare: Supplementary Medical Insurance		FAA	93.774	249,847	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		SFA	93.779	287,675	118,475
SUBTOTAL DIRECT FROM:				81,567,133	534,081
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				81,567,133	534,081
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	93,320	346,719
Maternal and Child Health Federal Consolidated Programs		FAA	93.110	357,063	0
Maternal and Child Health Federal Consolidated Programs		GFE	93.110	695,534	186,663
Grants for Preventive Medicine		GFE	93.117	205,959	0
Emergency Medical Services for Children		FAA	93.127	118,224	0
Cooperative Agreements to States/ Territories for the Coordination and Development or Primary Care Officers		FAA	93.130	146,942	0
AIDS Education and Training Centers		GFE	93.145	994,332	1,139,928
Coordinated Services and Access to Research for Women, Infants, Children, and Youth		GFE	93.153	361,907	546,991
Allied Health Special Projects		GFE	93.191	75,671	0
Traumatic Brain Injury State Demonstration Grant Program		IHA	93.234	86,516	0
Abstinence Education Program		FAA	93.235	99,495	14,242
Grants for Dental Public Health Residency Training		FAA	93.236	112,711	0
Advanced Education Nursing Grant Program		GFC	93.247	181,158	0
Advanced Education Nursing Grant Program		GFE	93.247	161,504	0
Universal Newborn Hearing Screening		FAA	93.251	37,351	0
Nurse Faculty Loan Program (NFLP)		GFE	93.264	40,006	0
Advanced Education Nursing Traineeships		GFC	93.358	47,031	0
Advanced Education Nursing Traineeships		GFE	93.358	120,455	0
Advanced Education Nursing Traineeships		GKA	93.358 / 93.A10HP00170-08-00	31,115	0
Basic Nurse Education, Practice and Retention Grants		GFE	93.359	291,084	0
Grants for Graduate Training in Family Medicine		GFB	93.379	3,731	0
Grants for Training in Primary Care Medicine and Dentistry		GFE	93.884	896,891	238,646
National Bioterrorism Hospital Preparedness Program		FAA	93.889	10,309,307	1,233,135
Rural Health Medical Education Demonstration Projects		GTA	93.906	159,762	0
HIV Care Formula Grants		FAA	93.917	11,336,318	1,133,572
Ryan White HIV/AIDS Dental Reimbursements/Community Based Dental Partnership		GFE	93.924	90,564	119,954
Public Health Traineeships		GFE	93.964	9,404	0
Academic Administrative Units In Primary Care		GFE	93.984	27,926	0
Maternal and Child Health Services Block Grant to the States		FAA	93.994	3,597,545	3,858,707
SUBTOTAL DIRECT FROM:				30,688,826	8,818,557
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YUH001 **					
AIDS Education and Training Centers		GGB	93.145 / 93.632357-H058748	2,754	0
TEXAS HEALTH INSTITUTE					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.PN200711-156	8,446	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES					
Maternal and Child Health Federal Consolidated Programs		GGB	93.110 / 93.1920 G JB548	8,783	0
UNIVERSITY OF FLORIDA					
Maternal and Child Health Federal Consolidated Programs		GGB	93.110 / 93.UF07040	59,409	0
UNIVERSITY OF KANSAS					
Basic Nurse Education, Practice and Retention Grants		GFE	93.359 / 93.KUMA RI# QC840840	46,654	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				126,046	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				30,814,872	8,818,557
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	3,275	0
SUBTOTAL DIRECT FROM:				3,275	0
PASS-THROUGH PROGRAMS FROM:					
BLACK HILLS CENTER FOR AMERICAN INDIAN HEALTH,S.D					
Indian Health Service: Health Management Development Program		GFE	93.228 / 93.U261IHS300107/02	181,802	0
Indian Health Service: Health Management Development Program		GFE	93.228 / 93.U26IHS300107/01	7,422	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				189,224	0
SUBTOTAL INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				192,499	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL INSTITUTE 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	140,842	0
SUBTOTAL DIRECT FROM:				140,842	0
PASS-THROUGH PROGRAMS FROM:					
UMASS-UNIVERSITY OF MASSACHUSETTS					
Research Related to Deafness and Communication Disorders		GGB	93.173 / 93.6081533/RFS8000019	69,106	0
UNIVERSITY OF MIAMI					
Research Related to Deafness and Communication Disorders		GGB	93.173 / 93.66350H	117,282	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				186,388	0
SUBTOTAL NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				327,230	0
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Oral Diseases and Disorders Research		GFE	93.121	36,668	0
Mental Health Research Grants		GFB	93.242	3,826	0
Mental Health Research Grants		GFE	93.242	377,090	0
Mental Health Research Grants		IHA	93.242	147,732	0
Alcohol National Research Service Awards for Research Training		GFB	93.272	26	0
Alcohol National Research Service Awards for Research Training		GFE	93.272	413,490	0
Drug Abuse National Research Service Awards for Research Training		GFB	93.278	(253)	0
Drug Abuse and Addiction Research Programs		GFE	93.279	52,102	0
Mental Health Research Career/Scientist Development Awards		GFB	93.281	19,341	0
Mental Health National Research Service Awards for Research Training		GFB	93.282	(24,316)	0
Nursing Research		GFE	93.361	43,987	0
National Center for Research Resources		GFE	93.389	267,491	87,144
Cancer Research Manpower		GFB	93.398	4,940	0
Cancer Research Manpower		GFE	93.398	670,693	10,271
Cancer Control		GFE	93.399	63,062	0
Cardiovascular Disease Research		GFB	93.837	10,854	0
Cardiovascular Disease Research		GFE	93.837	150,603	81,784
Lung Diseases Research		GFE	93.838	1,636,787	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846	440,197	0
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846	7,600	0
Arthritis, Musculoskeletal and Skin Diseases Research		GSA	93.846 / 93.1 R15 AR050402-01A1	45,795	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847	672,463	0
Digestive Diseases and Nutrition Research		GFE	93.848	652,898	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849	297,141	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853	456,988	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GGB	93.853	155,190	0
Allergy, Immunology and Transplantation Research		GFE	93.855	658,929	0
Microbiology and Infectious Diseases Research		GFE	93.856	7,622	0
Pharmacology, Physiology, and Biological Chemistry Research		GFB	93.859	2,105	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859	1,155,403	0
Pharmacology, Physiology, and Biological Chemistry Research		GGB	93.859	43,043	0
Pharmacology, Physiology, and Biological Chemistry Research		GGJ	93.859	24,097	0
Child Health and Human Development Extramural Research		GFB	93.865	205,352	0
Child Health and Human Development Extramural Research		GFE	93.865	438,929	0
Aging Research		GFE	93.866	687,405	140,197
Aging Research		GGB	93.866	23,948	0
Medical Library Assistance		GFE	93.879	395,593	0
Minority Access to Research Careers		GFE	93.880	4,974	0
SUBTOTAL DIRECT FROM:				10,249,795	319,396
PASS-THROUGH PROGRAMS FROM:					
AMERICAN ACADEMY CHILD ADOLESCENT PSYCHIATRY					
Career Development Awards		GFE	93.277 / 93.PN200509-313	46,843	0
BRIGHAM AND WOMENS HOSPITAL					
Mental Health Research Grants		GGB	93.242 / 93.06271403	11,346	0
Mental Health Research Grants		GGB	93.242 / 93.07968503	61,943	0
Mental Health Research Grants		GGB	93.242 / 93.07968603	114,535	0
C&C Denver/Mayor's Office					
Mayor's Quality Improvement Grant		GTA	93.07-098	763	0
CASE WESTERN RESERVE UNIVERSITY					
TUBERCULOSIS RESEARCH UNIT (TBRU)		GGB	93.RES502414	94,267	0
CITY OF HOPE NATIONAL MEDICAL CENTER					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.PO 6692.914851 PROJ 1	4,072	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
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.PO 6692.914852 PROJ 2	6,761	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.30.6692.915852 PROJ	70,575	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.PROJ 1 30.6692.915851	77,491	0
COLUMBIA UNIVERSITY					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.8 (5-35467)	73,765	0
CORNELL UNIVERSITY					
Cardiovascular Disease Research		GGB	93.837 / 93.SUB AWARD 1	3,130	0
DARTMOUTH COLLEGE					
Mental Health Research Grants		GGB	93.242 / 93.152	6,360	0
DUKE UNIVERSITY					
Cardiovascular Disease Research		GFE	93.837 / 93.PN200512-168	208	0
HENRY FORD HEALTH SYSTEM (HOSPITAL)					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.#3 R01 AR050562-04	70,790	0
HOSPITAL FOR SPECIAL SURGERY					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.PO #612211	3,138	0
INDIANA UNIVERSITY					
Kidney Diseases, Urology and Hematology Research		GGB	93.849 / 93.16845	19,631	0
JUVARIS BIOBIOTHERAPEUTICS					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.AMD 1	223,438	0
KAISER FOUNDATION					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.5 R01 DK070553-004	15,582	0
M.I.T. MASSACHUSETTS INSTITUTE OF TECH.					
Discovery and Applied Research for Technological Innovations to Improve Human Health		GGB	93.286 / 93.5710002213	20,864	0
MASSACHUSETTS GENERAL HOSPITAL					
Cancer Treatment Research		GGB	93.395 / 93.214049 MOD 02	150,787	0
MYCOLOGICS					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.06236003	4,895	0
NATL JEWISH HOSPITAL					
National Center on Sleep Disorders Research (B) -		GFE	93.233 / 93.22089602/HL075366-5	16,458	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93. 22083701	(496)	0
NYU-NEW YORK UNIVERSITY					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.04-0014 PO79687-0 MOD	27,499	0
OHIO STATE UNIVERSITY					
Drug Abuse and Addiction Research Programs		GGB	93.279 / 93.RF01034511	368,664	0
OREGON HEALTH SCIENCES UNIVERSITY					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.GPULM0101B	11,102	0
LARGE SCALE ANTIBODY & T CELL EPIT		GGB	93.GPULM0070AA AMD #1	107,574	0
QUEENSLAND INSTITUTE OF MEDICAL RESEARCH					
ROLE OF MISSENSE MUTANT ATM IN RAD		GGB	93.PST29955, PST45578	87	0
SOCIAL AND SCIENTIFIC SYSTEMS					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.BRS-06-00139-T005	40,218	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.Q-07-00139-T007	28,670	0
SPONSOR NAME NOT FOUND FOR YCAE03 **					
Cancer Treatment Research		GGB	93.395 / 93.06164604	18,794	0
SPONSOR NAME NOT FOUND FOR YCKL00 **					
Cancer Cause and Prevention Research		GGB	93.393 / 93.209-CSU	15,936	0
Cancer Cause and Prevention Research		GGB	93.393 / 93.239-CSU	36,441	0
Cancer Cause and Prevention Research		GGB	93.393 / 93.249-CSU	90,656	0
SPONSOR NAME NOT FOUND FOR YMFR00 **					
Cancer Centers Support		GGB	93.397 / 93.0000618218	(6,709)	0
Cancer Centers Support		GGB	93.397 / 93.0000639128	195,942	0
SPONSOR NAME NOT FOUND FOR YMIN20 **					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.06005903	46,158	0
SPONSOR NAME NOT FOUND FOR YMNO06 **					
Blood Diseases and Resources Research		GGB	93.839 / 93.001061 #2	43,244	0
SPONSOR NAME NOT FOUND FOR YUAL05 **					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GGB	93.853 / 93.9-526-2334	24,813	0
SPONSOR NAME NOT FOUND FOR YUSA02 **					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.2 R01AI048391-04A2	19,250	0
SPONSOR NAME NOT FOUND FOR YUST01 **					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.40730/1057765	9,481	0
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.43967/1065229	148,185	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.PRIME # 1045556 AMD #	35,413	0
SPONSOR NAME NOT FOUND FOR YUWA05 **					
Child Health and Human Development Extramural Research		GGB	93.865 / 93.WFUHS 17206	443	0
SPONSOR NAME NOT FOUND FOR YZCH00 **					
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.12.7888.A- AMD #1	122,933	0
THE CENTER TO PROTECT WORKERS' RIGHTS					
SAFETY TRAINING & SAFETY CAMPAIGNS ACROSS THREE REGIONS		GGB	93.1030-13	149,660	0
SAFETY TRAINING & SAFETY CAMPAIGNS ACROSS THREE REGIONS		GGB	93.1030-13-A3	1,399	0
THE SCRIPPS RESEARCH INSTITUTE					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.5-20935	108,994	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.PO # 5-20793 MOD 2	46,048	0
UNIV. OF TEXAS MEDICAL BRANCH/GALVESTON.					
UNITED STATES BASED COLLABORATION		GGB	93.03-030 MOD #7	140,780	0
UNITED STATES BASED COLLABORATION		GGB	93.03-030 MOD #9	819,205	135,149

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
International Research and Research Training		GGB	93.989 / 93.5D43TW006590-05 07-07	44,933	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.K008522-01 AMD #5	18,909	0
UNIVERSITY OF CALIFORNIA LOS ANGELES					
Aging Research		GFE	93.866 / 93.1558 G JC248	18,079	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.1554 G EC081 AMD 4	88,933	0
UNIVERSITY OF CHICAGO					
CYTOSKELETAL REGULATION OF ENDOTHE		GGB	93.TRACS-31350	7,994	0
UNIVERSITY OF FLORIDA					
Child Health and Human Development Extramural Research		GGB	93.865 / 93.UF06039A	36,997	0
UNIVERSITY OF MICHIGAN					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93. 3000769682	17,284	0
POPULATION & ENVIRONMENT IN THE U.S. GREAT PLAINS		GGB	93.F017407	64,574	0
UNIVERSITY OF NEBRASKA					
Blood Diseases and Resources Research		GGB	93.839 / 93.24-1106-0002-204	159,480	0
UNIVERSITY OF NEW MEXICO					
Alcohol Research Programs		GGB	93.273 / 93.EP010448	142,760	0
UNIVERSITY OF NOTRE DAME					
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.UND FUND #200897	38,667	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.200690 AMD#4	98,240	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Cancer Cause and Prevention Research		GGB	93.393 / 93.093864 AMD 03	80,927	0
Cancer Cause and Prevention Research		GGB	93.393 / 93.094794 AMD 03	19,595	0
UNIVERSITY OF TENNESSEE					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.R0732621194	124,922	0
UNIVERSITY OF UTAH					
Discovery and Applied Research for Technological Innovations to Improve Human Health		GGB	93.286 / 93.10003208-02	11,428	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GGB	93.286 / 93.R01 EB000894 10003210	102,783	0
Medical Library Assistance		GFE	93.879 / 93.N01-LM-1-3514/25070	105,303	0
UNIVERSITY OF WASHINGTON					
National Center for Research Resources		GGB	93.389 / 93.451450	9,945	0
Cancer Research Manpower		GFE	93.398 / 93.UW-291912	4,862	0
WAYNE STATE UNIVERSITY					
Aging Research		GGB	93.866 / 93.WSU06063-A2	126,653	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				5,071,294	135,149
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				15,321,089	454,545
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	15,474,905	36,127,125
SUBTOTAL DIRECT FROM:				15,474,905	36,127,125
SUBTOTAL OFFICE OF CHILD SUPPORT ENFORCEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				15,474,905	36,127,125
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	348,391	4,945,325
SUBTOTAL DIRECT FROM:				348,391	4,945,325
PASS-THROUGH PROGRAMS FROM:					
DENVER DEPT OF HUMAN SERVICES					
Community Services Block Grant (CSBG)		GFE	93.569 / 93.90CU0002/01 GC72058	88,437	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				88,437	0
SUBTOTAL OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				436,828	4,945,325
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		FAA	93.006	163,224	0
SUBTOTAL DIRECT FROM:				163,224	0
SUBTOTAL OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				163,224	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 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	739,865	2,546,889
SUBTOTAL DIRECT FROM:				739,865	2,546,889
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				739,865	2,546,889
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	589,028	2,131,477
Refugee and Entrant Assistance: Discretionary Grants		FAA	93.576	88,895	0
Refugee and Entrant Assistance: Discretionary Grants		IHA	93.576	180,811	89,319
Refugee and Entrant Assistance: Wilson/Fish Programs		IHA	93.583	776,502	2,105,984
Refugee and Entrant Assistance_Targeted Assistance Grants		IHA	93.584	222,307	261,676
SUBTOTAL DIRECT FROM:				1,857,543	4,588,456
SUBTOTAL OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,857,543	4,588,456
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	(95)	0
SUBTOTAL DIRECT FROM:				(95)	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF IOWA					
Policy Research and Evaluation Grants		GFE	93.239 / 93.UIOWA 4000505977-01	(7,922)	0
UNIVERSITY OF WASHINGTON					
Policy Research and Evaluation Grants		GGB	93.239 / 93.474362	14,071	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,149	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				6,054	0
PUBLIC HEALTH SERVICE					
PASS-THROUGH PROGRAMS FROM:					
SPONSOR NAME NOT FOUND FOR YCHGOO **					
CIPROFLOXACIN ANALYSIS -HGS-HUMAN		GGB	93.07846704	63,664	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				63,664	0
SUBTOTAL PUBLIC HEALTH SERVICE				63,664	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	1,009,189	0
Projects for Assistance in Transition from Homelessness (PATH)		IHA	93.150	721,703	0
Consolidated Knowledge Development and Application (KD&A) Program		GFE	93.230	76,970	95,724
Consolidated Knowledge Development and Application (KD&A) Program		IHA	93.230	101,572	0
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		FAA	93.238	220,943	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		FAA	93.243	358,666	135,699
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GFE	93.243	77,786	107,601
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		IHA	93.243	189,582	3,219,435
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		JAA	93.243	196,143	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		JAA	93.243 / 93.1H79SP014018-01	169,153	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		JAA	93.243 / 93.1H79TI019277.01	201,376	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		EAA	93.243 / 93.CU1TI18302A	2,572,604	0
Block Grants for Community Mental Health Services		IHA	93.958	6,167,190	41,320
Block Grants for Prevention and Treatment of Substance Abuse		IHA	93.959	3,216,991	19,985,494
SUBTOTAL DIRECT FROM:				15,279,868	23,585,273
PASS-THROUGH PROGRAMS FROM:					
DENVER DEPT OF HUMAN SERVICES					
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GFE	93.243 / 93.CCP GE72250	138,315	0

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
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PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
GREATER DENVER INTERFAITH ALLIANCE					
Block Grants for Community Mental Health Services		GFE	93.958 / 93.PN200608-001	(14,234)	0
Block Grants for Community Mental Health Services		GFE	93.958 / 93.PN200608-01_AMD01	6	0
HUMAN RESOURCES RESEARCH ORGANIZATION					
Mental Health Clinical and AIDS Service-Related Training Grants		GFE	93.244 / 93.SUB #07-07	92,469	0
Northrop Grumman					
Fetal Alcohol Spectrum Disorder		JAA	93.7500025988	51,296	0
SIGNAL BEHAVIORAL HEALTH NETWORK					
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.PN200605-376	(63,324)	0
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.PN200706-078	294,116	0
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.PN:200706-078	2,544,618	0
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.PN;200706-078	598,615	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				3,641,877	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				18,921,745	23,585,273
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				380,594,980	228,617,735
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	81,309	0
State Commissions		EBB	94.003	167,869	41,511
State Commissions		GZA	94.003	292,070	0
Learn and Serve America: School and Community Based Programs		DAA	94.004	88,974	130,000
Learn and Serve America: School and Community Based Programs		EBB	94.004	41,511	0
AmeriCorps		EBB	94.006	2	2,059,015
AmeriCorps		GZA	94.006	364	0
Planning and Program Development Grants		EBB	94.007	42,540	24,900
Training and Technical Assistance		EBB	94.009	123,777	0
SUBTOTAL DIRECT FROM:				838,416	2,255,426
PASS-THROUGH PROGRAMS FROM:					
Colorado Campus Compact					
AmeriCorps		GKA	94.006 / 94.None	4,171	0
Colorado Compac					
AmeriCorps		GZA	94.006 / 94.CC-MSC-N	3,775	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				7,946	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				846,362	2,255,426
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				846,362	2,255,426
DEPARTMENT OF HOMELAND SECURITY					
DEPARTMENT OF HOMELAND SECURITY					
DIRECT FROM:					
DEPARTMENT OF HOMELAND SECURITY					
Urban Areas Security Initiative		NAA	97.008	0	46,530
Boating Safety Financial Assistance		PJA	97.012	518,425	0
Pre-Disaster Mitigation (PDM) Competitive Grants		NAA	97.017	612,731	5,155,717
Community Assistance Program: State Support Services Element (CAP-SSSE)		NAA	97.023	57,401	0
Flood Mitigation Assistance		NAA	97.029	83,871	0
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		NAA	97.036	618,914	96,509
Chemical Stockpile Emergency Preparedness Program		NAA	97.040	618,436	6,074,180
National Dam Safety Program		PEA	97.041	81,059	0
Emergency Management Performance Grants		NAA	97.042	1,523,650	971,965
State Fire Training Systems Grants		RAA	97.043	21,896	0
Cooperating Technical Partners		PDA	97.045	983,488	0
Fire Management Assistance Grant		GGB	97.046	776,460	0
Map Modernization Management Support		PDA	97.070	129,302	0
Rail and Transit Security Grant Program		NAA	97.075	913	1,188,250

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
Buffer Zone Protection Program (BZPp)		NAA	97.078	0	20,622
Homeland Security Biowatch Program		FAA	97.091	354,742	0
SUBTOTAL DIRECT FROM:				6,381,288	13,553,773
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				6,381,288	13,553,773
EMERGENCY PREPAREDNESS AND RESPONSE, FEDERAL EMERGENCY MANAGEMENT, DEPARTMENT OF HOMELAND SECURITY					
DIRECT FROM:					
EMERGENCY PREPAREDNESS AND RESPONSE, FEDERAL EMERGENCY MANAGEMENT, DEPARTMENT OF HOMELAND SECURITY					
Disaster Housing Assistance Grant		NAA	97.109	45,826	12,963
SUBTOTAL DIRECT FROM:				45,826	12,963
SUBTOTAL EMERGENCY PREPAREDNESS AND RESPONSE, FEDERAL EMERGENCY MANAGEMENT, DEPARTMENT OF HOMELAND SECURITY				45,826	12,963
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				6,427,114	13,566,736
FOREIGN FOOD DONATION					
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT					
DIRECT FROM:					
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT					
UNSAID Foreign Assistance for Programs Overseas		GFE	98.001	104,336	74,273
SUBTOTAL DIRECT FROM:				104,336	74,273
PASS-THROUGH PROGRAMS FROM:					
AMERICAN COUNCIL ON EDUCATION (ACE)					
AN INTEGRATED PARTNERSHIP FOR IMPR		GGB	98.07739103	127,044	0
Georgetown University					
Professional Dev for Teachers in Central America & the Carribean		GKA	98.UNCO-RX2050-852-07-P-6	144,433	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				271,477	0
SUBTOTAL UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				375,813	74,273
SUBTOTAL FOREIGN FOOD DONATION				375,813	74,273
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
CONSUMER PRODUCT SAFETY COMMISSION					
DIRECT FROM:					
CONSUMER PRODUCT SAFETY COMMISSION					
Consumer Product Safety		FAA	99.CPSC-W-070040	4,551	0
SUBTOTAL DIRECT FROM:				4,551	0
SUBTOTAL CONSUMER PRODUCT SAFETY COMMISSION				4,551	0
OTHER FEDERAL AGENCIES					
DIRECT FROM:					
OTHER FEDERAL AGENCIES					
OF-CON		GFB	99.Unknown	14,376	0
SUBTOTAL DIRECT FROM:				14,376	0
SUBTOTAL OTHER FEDERAL AGENCIES				14,376	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				18,927	0
SUBTOTAL A - UNCLUSTERED PROGRAMS				1,251,300,462	629,401,525

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	5,488,015	0
Special Programs for the Aging: Title III, Part C: Nutrition Services		IHA	93.045	5,412,168	0
Nutrition Services Incentive Program		IHA	93.053	166,644	2,912,612
SUBTOTAL DIRECT FROM:				11,066,827	2,912,612
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				11,066,827	2,912,612
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				11,066,827	2,912,612
SUBTOTAL AGING-CLUSTER				11,066,827	2,912,612

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	(68,518,860)	107,669,866
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (A) -		IHA	93.596	9,898,901	27,606,140
SUBTOTAL DIRECT FROM:				(58,619,959)	135,276,006
PASS-THROUGH PROGRAMS FROM:					
Qualistar					
Child Care and Development Block Grant (CCDBG)		GJL	93.575	171,374	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				171,374	0
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				(58,448,585)	135,276,006
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				(58,448,585)	135,276,006
SUBTOTAL CCDF-CLUSTER				(58,448,585)	135,276,006

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
CDBG - CLUSTER					
**********					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
CITY AND COUNTY OF DENVER					
Community Development Block Grants/Entitlement Grants	GFE		14.218 / 14.CDBG GRANT CPS#0018	35,632	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				35,632	0
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				35,632	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				35,632	0
SUBTOTAL CDBG - CLUSTER				35,632	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	0	19,575,941
National School Lunch Program (NSLP)		DAA	10.555	0	86,931,692
National School Lunch Program (NSLP)	*	IHA	10.555	14,492,520	0
Special Milk Program for Children		DAA	10.556	0	73,855
Summer Food Service Program for Children		DAA	10.559	46,880	1,662,479
Summer Food Service Program for Children	*	IHA	10.559	622,491	0
SUBTOTAL DIRECT FROM:				15,161,891	108,243,967
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				15,161,891	108,243,967
SUBTOTAL DEPARTMENT OF AGRICULTURE				15,161,891	108,243,967
SUBTOTAL CHILD NUTRITION-CLUSTER				15,161,891	108,243,967

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	18,527,135	0
SUBTOTAL DIRECT FROM:				18,527,135	0
PASS-THROUGH PROGRAMS FROM:					
ASSOCIATION OF UNIVERSITY CNTRS ON DISABILITIES					
Social Security: Disability Insurance		GFE	96.001 / 96.PMU 07 CO	64,169	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				64,169	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				18,591,304	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				18,591,304	0
SUBTOTAL DISABILITY INSURANCE/SSI-CLUSTER				18,591,304	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	2,603,874	556,639
SUBTOTAL DIRECT FROM:				2,603,874	556,639
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				2,603,874	556,639
SUBTOTAL DEPARTMENT OF AGRICULTURE				2,603,874	556,639
SUBTOTAL EMERGENCY FOOD ASSISTANCE-CLUSTER				2,603,874	556,639

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	4,142,658	9,509,334
SUBTOTAL DIRECT FROM:				4,142,658	9,509,334
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				4,142,658	9,509,334
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	1,262,487	200,890
Local Veterans' Employment Representative Program		KAA	17.804	1,481,533	127,330
SUBTOTAL DIRECT FROM:				2,744,020	328,220
PASS-THROUGH PROGRAMS FROM:					
PREMIER CONSULTANTS					
Disabled Veterans' Outreach Program (DVOP)		GFE	17.801 / 17.VETS 2007 TRAINING	130,650	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				130,650	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				2,874,670	328,220
SUBTOTAL DEPARTMENT OF LABOR				7,017,328	9,837,554
SUBTOTAL EMPLOYMENT SERVICE-CLUSTER				7,017,328	9,837,554

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	12,465	163,616
SUBTOTAL DIRECT FROM:				12,465	163,616
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				12,465	163,616
SUBTOTAL DEPARTMENT OF TRANSPORTATION				12,465	163,616
SUBTOTAL FEDERAL TRANSIT-CLUSTER				12,465	163,616

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 Program		PBA	15.605	5,781,533	1,976,199
Wildlife Restoration		PBA	15.611	5,363,819	84,003
SUBTOTAL DIRECT FROM:				11,145,352	2,060,202
PASS-THROUGH PROGRAMS FROM:					
Rec Boat & Fishing Foundation					
Sport Fish Restoration Program		PBA	15.605 / 15.RBFF-07-G111	22,320	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				22,320	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				11,167,672	2,060,202
SUBTOTAL DEPARTMENT OF THE INTERIOR				11,167,672	2,060,202
SUBTOTAL FISH AND WILDLIFE-CLUSTER				11,167,672	2,060,202

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	320,838,978	0
State Administrative Matching Grants for Food Stamp Program		GJD	10.561	98,334	0
State Administrative Matching Grants for Food Stamp Program		IHA	10.561	37,157,492	0
SUBTOTAL DIRECT FROM:				358,094,804	0
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				358,094,804	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				358,094,804	0
SUBTOTAL FOOD STAMP PROGRAM-CLUSTER				358,094,804	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
DIRECT FROM:					
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Highway Planning & Construction		HAA	20.205	397,034,266	50,825,869
SUBTOTAL DIRECT FROM:				397,034,266	50,825,869
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				397,034,266	50,825,869
SUBTOTAL DEPARTMENT OF TRANSPORTATION				397,034,266	50,825,869
SUBTOTAL HIGHWAY PLANNING & CONST-CLUSTER				397,034,266	50,825,869

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	471,081	4,467,008
SUBTOTAL DIRECT FROM:				471,081	4,467,008
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				471,081	4,467,008
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	0	1,977,276
SUBTOTAL DIRECT FROM:				0	1,977,276
PASS-THROUGH PROGRAMS FROM:					
NATIONAL ACADEMY OF SCIENCE					
Federal Highway Safety Data Improvements Incentive Grants		GFB	20.603 / 20.HR 14-15	52,214	65,455
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				52,214	65,455
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				52,214	2,042,731
SUBTOTAL DEPARTMENT OF TRANSPORTATION				523,295	6,509,739
SUBTOTAL HIGHWAY SAFETY-CLUSTER				523,295	6,509,739

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
Homeland Security Grant Program		NAA	97.067	3,638,261	14,968,217
Homeland Security Grant Program		AMA	97.067 / 97.8EM758DPA	390,598	0
SUBTOTAL DIRECT FROM:				4,028,859	14,968,217
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				4,028,859	14,968,217
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				4,028,859	14,968,217
SUBTOTAL HOMELAND SECURITY-CLUSTER				4,028,859	14,968,217

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	4,423,758	0
Medical Assistance Program (Medicaid)		UHA	93.778 / 93.M0805C05028	1,591,798,307	0
Medical Assistance Program (Medicaid)		UHA	93.778 / 93.M0805C05048	78,395,860	9,180,623
SUBTOTAL DIRECT FROM:				1,674,617,925	9,180,623
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,674,617,925	9,180,623
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.M0805C05001	2,397,493	0
SUBTOTAL DIRECT FROM:				2,397,493	0
SUBTOTAL HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,397,493	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 / 93.01-0701-5050	227,869	0
State Medicaid Fraud Control Units		LAA	93.775 / 93.01-0801-5050	743,462	0
SUBTOTAL DIRECT FROM:				971,331	0
SUBTOTAL OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				971,331	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,677,986,749	9,180,623
SUBTOTAL MEDICAID-CLUSTER				1,677,986,749	9,180,623

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 WORKS & ECONOMIC DEV-CLUSTER					
**********					
DEPARTMENT OF COMMERCE					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Economic Adjustment Assistance		GFC	11.307	75,000	0
SUBTOTAL DIRECT FROM:				75,000	0
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				75,000	0
SUBTOTAL DEPARTMENT OF COMMERCE				75,000	0
SUBTOTAL PUBLIC WORKS & ECONOMIC DEV-CLUSTER				75,000	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	2,255,019	14,817
SUBTOTAL DIRECT FROM:				2,255,019	14,817
PASS-THROUGH PROGRAMS FROM:					
HARVARD UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .123137	17,605	0
INVOCON, INC					
Unclassified Grants and Contracts		GFB	43.000 / .IVC337-2007-07	282,208	0
JET PROPULSION LABORATORY					
Unclassified Grants and Contracts		GFB	43.000 / .1287780	20,008	0
Unclassified Grants and Contracts		GFB	43.000 / .1289339	60,590	0
Unclassified Grants and Contracts		GFB	43.000 / .1289650	52,000	0
Unclassified Grants and Contracts		GFB	43.000 / .1291410	25,408	0
Unclassified Grants and Contracts		GFB	43.000 / .1295133	35,530	0
Unclassified Grants and Contracts		GFB	43.000 / .1299858	321,003	0
Unclassified Grants and Contracts		GFB	43.000 / .1301452	32,028	0
Unclassified Grants and Contracts		GFB	43.000 / .1321268	129	0
Unclassified Grants and Contracts		GFB	43.000 / .132505	100,943	0
Unclassified Grants and Contracts		GFB	43.000 / .1325846	21,974	0
Unclassified Grants and Contracts		GFB	43.000 / .1328394	47,280	0
JOHNS HOPKINS UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .911436	3,482	0
LOCKHEED MARTIN					
Unclassified Grants and Contracts		GFB	43.000 / .8100000527	45,777	0
MICHIGAN TECHNOLOGICAL UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .MTU 060456Z1	62,127	0
REDEFINE TECHNOLOGIES					
Unclassified Grants and Contracts		GFB	43.000 / .7-07 NNAD7BC02C	73,974	0
SCIENCE SYSTEMS & APPLICATIONS INC					
Unclassified Grants and Contracts		GFB	43.000 / .2613-06-041	21,481	0
SETI INSTITUTE					
Unclassified Grants and Contracts		GFB	43.000 / .SUB#00280-06-001	6,133	0
SOUTHWEST RESEARCH INSTITUTE					
Unclassified Grants and Contracts		GFB	43.000 / .699035X	64,501	0
Unclassified Grants and Contracts		GFB	43.000 / .699050X	1,093	0
Unclassified Grants and Contracts		GFB	43.000 / .699052X	5,204	0
Unclassified Grants and Contracts		GFB	43.000 / .799148BT	19,438	0
Unclassified Grants and Contracts		GFB	43.000 / .799160X	15,282	0
Unclassified Grants and Contracts		GFB	43.000 / .P.O. # 787219J	1,000	0
SPACE TELESCOPE SCIENCE INSTITUTE					
Unclassified Grants and Contracts		GFB	43.000 / .HST-AR-11250.02-A	1,729	0
Unclassified Grants and Contracts		GFB	43.000 / .HST-GO-10467.01-A	11,991	0
Unclassified Grants and Contracts		GFB	43.000 / .HST-GO-10767.01-A	25,246	0
STANFORD UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .PR1469305	32,614	0
TUFTS UNIVERSITY					
Unclassified Grants and Contracts		GFB	43.000 / .OCG4784B	97,024	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Unclassified Grants and Contracts		GFB	43.000 / .S08-61999	14,885	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Unclassified Grants and Contracts		GFB	43.000 / .2005-1656	1,704	0
UNIVERSITY OF CALIFORNIA LOS ANGELES					
Unclassified Grants and Contracts		GFB	43.000 / .0995 G GC318	315	0
UNIVERSITY OF MARYLAND COLLEGE PARK					
Unclassified Grants and Contracts		GFB	43.000 / .Z634019	11,379	0
UNIVERSITY OF MICHIGAN					
Unclassified Grants and Contracts		GFB	43.000 / .OCG4908B/3000696016	68,872	0
Unclassified Grants and Contracts		GFB	43.000 / .OCG4995B	28,005	0
UNIVERSITY OF MINNESOTA					
Unclassified Grants and Contracts		GFB	43.000 / .X5336545103	217,460	0
UNIVERSITY OF NEW HAMPSHIRE					
Unclassified Grants and Contracts		GFB	43.000 / .PZ07064	1,090,550	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,937,972	0
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				5,192,991	14,817

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) / FEDERAL AGENCY / MAJOR SUBDIVISION OF FEDERAL AGENCY / SOURCE TYPE (DIRECT OR PASS-THROUGH) / ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) / PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SMALL BUSINESS ADMINISTRATION					
DIRECT FROM:					
SMALL BUSINESS ADMINISTRATION					
Unclassified Grants and Contracts		GFB	59.000	9,232	0
SUBTOTAL DIRECT FROM:				9,232	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				9,232	0
SUBTOTAL				5,202,223	14,817
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
Agricultural Research Basic and Applied Research		GGB	10.001	494,951	9,921
R&D		GGB	10.58-3625-6-153	18,481	0
R&D		GGB	10.58-5402-3-306 MOD 5	11,172	0
SUBTOTAL DIRECT FROM:				524,604	9,921
PASS-THROUGH PROGRAMS FROM:					
BOISE STATE UNIVERSITY					
Agricultural Research Basic and Applied Research		GLA	10.001 / 10.2004-35102-14802	7,667	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				7,667	0
SUBTOTAL AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				532,271	9,921
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	809,850	0
Wildlife Services		GGB	10.028	149,853	0
R&D		GGB	10.06-7100-0187-CA	(4,050)	0
R&D		GGB	10.06-9708-1608-CA	(220)	0
R&D		GGB	10.07-7100-0187-CA	20,321	0
R&D		GGB	10.07-7100-0228-CA	218,201	0
R&D		GGB	10.07-7483-0667(CA)	917	0
R&D		GGB	10.07-9419-0075-CA	693	0
R&D		GGB	10.07-9708-1793-CA	37,895	0
R&D		GGB	10.08-7485-0559(CA)	9,554	0
R&D		GGB	10.08-7488-0680(CA)	21,651	0
R&D		GGB	10.08-9708-1795-CA	27,581	0
SUBTOTAL DIRECT FROM:				1,292,246	0
PASS-THROUGH PROGRAMS FROM:					
NEVADA DIV OF WILDLIFE					
Wildlife Services		GFB	10.028 / 10.0CG4679B	(540)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(540)	0
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				1,291,706	0
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
Grants for Agricultural Research, Special Research Grants		GGB	10.200	650,184	167,709
Cooperative Forestry Research		GFB	10.202	10,811	0
Cooperative Forestry Research		GFC	10.202	1,517	0
Cooperative Forestry Research		GGB	10.202	313,755	0
Payments to Agricultural Experiment Stations Under the Hatch Act		GGB	10.203	4,359,651	0
Grants for Agricultural Research: Competitive Research Grants		GFB	10.206	55,195	0
Grants for Agricultural Research: Competitive Research Grants		GFE	10.206	121,689	96,853
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206	2,026,813	677,213
Grants for Agricultural Research: Competitive Research Grants		GLA	10.206 / 10.2006-35504-16618	71,503	0
Animal Health and Disease Research		GGB	10.207	231,698	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) / FEDERAL AGENCY / MAJOR SUBDIVISION OF FEDERAL AGENCY / SOURCE TYPE (DIRECT OR PASS-THROUGH) / ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) / PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Food and Agricultural Sciences National Needs Graduate Fellowship Grants		GGB	10.210	3,624	0
Higher Education Challenge Grants		GGB	10.217	131,137	75,530
Biotechnology Risk Assessment Research		GGB	10.219	4,075	0
Integrated Programs		GGB	10.303	858,568	477,635
Homeland Security_Agricultural (Homeland Security Program)		GGB	10.304	301,820	10,207
Cooperative Extension Service		GGB	10.500	216,138	126,583
SUBTOTAL DIRECT FROM:				9,358,178	1,631,730
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE				9,358,178	1,631,730
DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
DEPARTMENT OF AGRICULTURE					
Unclassified Grants and Contracts		GFB	10.000	4,753	0
R&D		GGB	10.01-CS-11021300-051 MOD.	1,713	0
R&D		GGB	10.02-CR-11221611-248	102,465	0
R&D		GGB	10.02-JV-11221602-264	27,260	0
R&D		GGB	10.03-CS-11221611-278 AMD.	33,355	0
R&D		GGB	10.04-CR-11221625-219 MOD	22,028	0
R&D		GGB	10.05-CR-11221611-190	42,122	0
R&D		GGB	10.05-CR-11221611-244	16	0
R&D		GGB	10.05-CR-11221611-268 AMD #	(1,444)	0
R&D		GGB	10.05-CR-11221611-269	3,274	0
R&D		GGB	10.05-CR-11221611-278	616,935	0
R&D		GGB	10.05-CS-11021400-008 MOD 3	531	0
R&D		GGB	10.05-CS-11221616-164	16,835	0
R&D		GGB	10.05-JV-11221607-106	24,483	0
R&D		GGB	10.07-CR-11221611-117	58,125	0
R&D		GGB	10.07-CS-11221617-315	18,385	0
R&D		GGB	10.07-JV-11221602-264	62,925	0
R&D		GGB	10.68--3A75-4-106 MOD 6	55,789	0
R&D		GGB	10.68-3A75-4-102 MOD. 4	14,721	0
R&D		GGB	10.68-3A75-4-106 MOD 5	30,491	0
R&D		GGB	10.68-3A75-4-106 MOD 8	50,000	0
R&D		GGB	10.68-3A75-4-106 MOD. 3	180,775	29,725
R&D		GGB	10.68-3A75-4-106 MOD. 9	109,593	42,000
R&D		GGB	10.68-7482-2-44Y AMEND. 5	48,983	0
SUBTOTAL DIRECT FROM:				1,524,113	71,725
SUBTOTAL DEPARTMENT OF AGRICULTURE				1,524,113	71,725
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
Agricultural and Rural Economic Research		GGB	10.250	17,023	2,000
SUBTOTAL DIRECT FROM:				17,023	2,000
SUBTOTAL ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				17,023	2,000
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.58-3148-5-095 AMEND #9	5,822	0
Technical Agricultural Assistance		GFB	10.960	15,957	0
Technical Agricultural Assistance		GGB	10.960	837,594	0
Cochran Fellowship Program-International Training - Foreign Participant		GGB	10.962	249,817	0
SUBTOTAL DIRECT FROM:				1,109,190	0
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE				1,109,190	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.02-CR-11221611-248	32,405	0
R&D		GGB	10.03-CA-11120101-009 MOD 5	40,716	0
R&D		GGB	10.03-CR-11052007-079	11,389	0
R&D		GGB	10.03-JV-11221609-272	16,042	0
R&D		GGB	10.03-JV-11221610-065	51,823	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	10.03-JV-11221616-093	14,516	0
R&D	GGB	10.03-JV-11222065-292	7,166	0
R&D	GGB	10.04-CA-11120101-047	4,718	0
R&D	GGB	10.04-JV-11221610-039	1,209	0
R&D	GGB	10.04-JV-11221617-189 #2	10,733	0
R&D	GGB	10.04-JV-11222014-175	8,867	0
R&D	GGB	10.04-JV-11272164-428	40,313	0
R&D	GGB	10.05-CA-11242343-029	92	0
R&D	GGB	10.05-CR-11031600-083	190,820	0
R&D	GGB	10.05-CR-11221611-279 MOD #	56,429	0
R&D	GGB	10.05-CS-11020000-088	2,522	0
R&D	GGB	10.05-CS-11221611-213	79,740	0
R&D	GGB	10.05-CS-11221625-170	2,590	0
R&D	GGB	10.05-JV-11221607-106	16,794	0
R&D	GGB	10.05-JV-11221616-108	24,234	0
R&D	GGB	10.05-JV-11221617-101	53,951	0
R&D	GGB	10.05-JV-11221617-205 #3	16,226	0
R&D	GGB	10.06-CR-11052007-173	315,909	0
R&D	GGB	10.06-CR-11221611-066	479,475	0
R&D	GGB	10.06-CR-11221611-078 MOD #	1,186,634	0
R&D	GGB	10.06-CR-11221611-084 AMD 2	63,482	0
R&D	GGB	10.06-CR-11221611-123	137,969	0
R&D	GGB	10.06-CR-11221611-137 AMD #	3,554	0
R&D	GGB	10.06-CR-11221611-138	184,669	0
R&D	GGB	10.06-CR-11221611-151	(197)	0
R&D	GGB	10.06-CR-11221611-153	195,057	0
R&D	GGB	10.06-CR-11221611-155	33,403	0
R&D	GGB	10.06-CR-11221611-166	263,373	0
R&D	GGB	10.06-CR-11221611-169 AMD 1	15,313	0
R&D	GGB	10.06-CR-11221611-174 AMD#1	148,864	0
R&D	GGB	10.06-CR-11221611-203	27,826	0
R&D	GGB	10.06-CR-11221611-204	14,554	0
R&D	GGB	10.06-CR-11221611-223	16,438	0
R&D	GGB	10.06-CR-11221611-243	18,312	0
R&D	GGB	10.06-CR-11221611-244	13,672	0
R&D	GGB	10.06-CR-11221611-246	(453)	0
R&D	GGB	10.06-CR-11221611-248	26,480	0
R&D	GGB	10.06-CR-11221611-249	20,501	0
R&D	GGB	10.06-CR-11221611-251	41,765	0
R&D	GGB	10.06-CR-11221611-257	53,200	0
R&D	GGB	10.06-CR-11221611-284	34,355	0
R&D	GGB	10.06-CR-11221611-285	8,254	0
R&D	GGB	10.06-CR-11221611-286	12,254	0
R&D	GGB	10.06-CR-11221611-287	935	0
R&D	GGB	10.06-CR-11221611-288	8,315	0
R&D	GGB	10.06-CR-11221611-290	(11)	0
R&D	GGB	10.06-CR-11221611-293	4,488	0
R&D	GGB	10.06-CR-11221611-299	329	0
R&D	GGB	10.06-CR-11221611-320	135,966	0
R&D	GGB	10.06-CR-11221611-323	14,313	0
R&D	GGB	10.06-CR-11221611-324	57,309	0
R&D	GGB	10.06-CR-11221611-325	57,851	0
R&D	GGB	10.06-CR-11221611-326	64,781	0
R&D	GGB	10.06-CR11221611-117	2,042	0
R&D	GGB	10.06-CR11221611-321	10,322	0
R&D	GGB	10.06-CS-11020000-081	33,436	0
R&D	GGB	10.06-CS-11020000-082	5,665	0
R&D	GGB	10.06-CS-11020604-043	21,989	0
R&D	GGB	10.06-CS-11132427-235	59,941	0
R&D	GGB	10.06-CS-11132427-236	25,598	0
R&D	GGB	10.06-CS-11221611-211 (REVI	7,069	0
R&D	GGB	10.06-DG-11132762-202	20,369	0
R&D	GGB	10.06-JV-11221616-179	9,535	0
R&D	GGB	10.06-JV-11221616-266	75,825	0
R&D	GGB	10.06-JV-11221617-141	86,379	0
R&D	GGB	10.06-JV-11221617-233	3,905	0
R&D	GGB	10.06-JV-11272137-059	9,127	0
R&D	GGB	10.07-CA-11120101-019	30,984	0
R&D	GGB	10.07-CA-11132762-102	46,418	0
R&D	GGB	10.07-CR-11221611-001	2,553	0
R&D	GGB	10.07-CR-11221611-002	29,385	0
R&D	GGB	10.07-CR-11221611-003 AMD #	15,520	0
R&D	GGB	10.07-CR-11221611-004	28,829	0
R&D	GGB	10.07-CR-11221611-005	8,022	0
R&D	GGB	10.07-CR-11221611-006	44,354	0
R&D	GGB	10.07-CR-11221611-007	35,454	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	10.07-CR-11221611-008	18,415	0
R&D	GGB	10.07-CR-11221611-009	16,608	0
R&D	GGB	10.07-CR-11221611-010	12,850	0
R&D	GGB	10.07-CR-11221611-011	23,274	0
R&D	GGB	10.07-CR-11221611-012	26,040	0
R&D	GGB	10.07-CR-11221611-013	16,051	0
R&D	GGB	10.07-CR-11221611-014	137,335	0
R&D	GGB	10.07-CR-11221611-017	1,292	0
R&D	GGB	10.07-CR-11221611-018	75,402	0
R&D	GGB	10.07-CR-11221611-019	33,226	0
R&D	GGB	10.07-CR-11221611-020	7,257	0
R&D	GGB	10.07-CR-11221611-021	19,987	0
R&D	GGB	10.07-CR-11221611-022	18,895	0
R&D	GGB	10.07-CR-11221611-023	121,024	0
R&D	GGB	10.07-CR-11221611-024	26,846	0
R&D	GGB	10.07-CR-11221611-025	22,384	0
R&D	GGB	10.07-CR-11221611-026	14,990	0
R&D	GGB	10.07-CR-11221611-028	17,547	0
R&D	GGB	10.07-CR-11221611-029	372,946	0
R&D	GGB	10.07-CR-11221611-030	64,208	0
R&D	GGB	10.07-CR-11221611-031	39,406	0
R&D	GGB	10.07-CR-11221611-032	254,104	0
R&D	GGB	10.07-CR-11221611-033	27,680	0
R&D	GGB	10.07-CR-11221611-034	20,727	0
R&D	GGB	10.07-CR-11221611-035	23,138	0
R&D	GGB	10.07-CR-11221611-036 AMD 1	22,613	0
R&D	GGB	10.07-CR-11221611-037	59,202	0
R&D	GGB	10.07-CR-11221611-038	91,931	0
R&D	GGB	10.07-CR-11221611-039 AMD #	1,828	0
R&D	GGB	10.07-CR-11221611-040	22,132	0
R&D	GGB	10.07-CR-11221611-043	28,963	0
R&D	GGB	10.07-CR-11221611-047	39,343	0
R&D	GGB	10.07-CR-11221611-049	13,714	0
R&D	GGB	10.07-CR-11221611-065	52,635	0
R&D	GGB	10.07-CR-11221611-067	26,057	0
R&D	GGB	10.07-CR-11221611-091	226,096	0
R&D	GGB	10.07-CR-11221611-094	211,178	0
R&D	GGB	10.07-CR-11221611-095	148,109	0
R&D	GGB	10.07-CR-11221611-096 AMD #	49,078	0
R&D	GGB	10.07-CR-11221611-097	43,192	0
R&D	GGB	10.07-CR-11221611-098	612	0
R&D	GGB	10.07-CR-11221611-099	1,049	0
R&D	GGB	10.07-CR-11221611-100	38,728	0
R&D	GGB	10.07-CR-11221611-101	36,116	0
R&D	GGB	10.07-CR-11221611-105 AMD #	50,734	0
R&D	GGB	10.07-CR-11221611-106	98,686	0
R&D	GGB	10.07-CR-11221611-108 AMD1	31,317	0
R&D	GGB	10.07-CR-11221611-109	62,757	0
R&D	GGB	10.07-CR-11221611-110	45,981	0
R&D	GGB	10.07-CR-11221611-111	342,521	0
R&D	GGB	10.07-CR-11221611-112	13,194	0
R&D	GGB	10.07-CR-11221611-142	379,525	0
R&D	GGB	10.07-CR-11221611-143	57,666	0
R&D	GGB	10.07-CR-11221611-144	108,000	0
R&D	GGB	10.07-CR-11221611-145	53,203	0
R&D	GGB	10.07-CR-11221611-146	29,264	0
R&D	GGB	10.07-CR-11221611-147	31,836	0
R&D	GGB	10.07-CR-11221611-148	40,652	0
R&D	GGB	10.07-CR-11221611-149	57,630	0
R&D	GGB	10.07-CR-11221611-150	8,979	0
R&D	GGB	10.07-CR-11221611-151	408,988	0
R&D	GGB	10.07-CR-11221611-152	312,067	0
R&D	GGB	10.07-CR-11221611-153	56,258	0
R&D	GGB	10.07-CR-11221611-174	994,189	0
R&D	GGB	10.07-CR-11221611-197	164,625	0
R&D	GGB	10.07-CR-11221611-198	16,850	0
R&D	GGB	10.07-CR-11221611-200	47,480	0
R&D	GGB	10.07-CR-11221611-219	99,485	0
R&D	GGB	10.07-CR-11221611-220	32,792	0
R&D	GGB	10.07-CR-11221611-221	32,410	0
R&D	GGB	10.07-CR-11221611-222	38,183	0
R&D	GGB	10.07-CR-11221611-223	43,188	0
R&D	GGB	10.07-CR-11221611-224	357,276	0
R&D	GGB	10.07-CR-11221611-234	15,067	0
R&D	GGB	10.07-CR-11221611-235	247,283	0
R&D	GGB	10.07-CR-11221611-237	85,907	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	10.07-CR-11221611-238	50,863	0
R&D	GGB	10.07-CR-11221611-240	34,406	0
R&D	GGB	10.07-CR-11221611-245	35,665	0
R&D	GGB	10.07-CR-11221611-246	397	0
R&D	GGB	10.07-CR-11221611-266	4,988	0
R&D	GGB	10.07-CR-11221611-267	452	0
R&D	GGB	10.07-CR-11221611-268	61,529	0
R&D	GGB	10.07-CR-11221611-269	48,943	0
R&D	GGB	10.07-CR-11221611-294	81,234	0
R&D	GGB	10.07-CR-11221611-295	35,776	0
R&D	GGB	10.07-CR-11221611-299	73,359	0
R&D	GGB	10.07-CR-11221611-300	10,634	0
R&D	GGB	10.07-CR-11221611-354	36,871	0
R&D	GGB	10.07-CR-11221611-355	557,098	0
R&D	GGB	10.07-CR-11221611-356	44,098	0
R&D	GGB	10.07-CR-11221611-357 AMD1	102,673	0
R&D	GGB	10.07-CR-11221611-358	1,137	0
R&D	GGB	10.07-CR-11221611-359	128,328	0
R&D	GGB	10.07-CR-11221611-360	12,587	0
R&D	GGB	10.07-CR-11221611-361	50,705	0
R&D	GGB	10.07-CR-11221611-362	48,888	0
R&D	GGB	10.07-CR-11221611-363	55,241	0
R&D	GGB	10.07-CR-11221611-369	37,843	0
R&D	GGB	10.07-CR-11221611-382	749	0
R&D	GGB	10.07-CR-11221611-386	9,907	0
R&D	GGB	10.07-CR-1221611-236	2,505	0
R&D	GGB	10.07-CR-1221611-244	11,245	0
R&D	GGB	10.07-CS-11021300-069	36,325	0
R&D	GGB	10.07-CS-11050650-021	40,532	0
R&D	GGB	10.07-CS-11051574-075	44,896	0
R&D	GGB	10.07-CS-11132422-223	1,564	0
R&D	GGB	10.07-CS-11132422-247	20,321	0
R&D	GGB	10.07-CS-11221610-351	11,061	0
R&D	GGB	10.07-JV-11221611-180	46,656	0
R&D	GGB	10.07-JV-11221611-259	2,296	0
R&D	GGB	10.07-JV-11221611-260	2,337	0
R&D	GGB	10.07-JV-11221616-061	43,587	0
R&D	GGB	10.07-JV-11221616-252	22,311	0
R&D	GGB	10.07-JV-11221616-352	7,139	0
R&D	GGB	10.07-JV-11221665-253	10,192	0
R&D	GGB	10.07-JV-11221667-333	10,000	0
R&D	GGB	10.07-JV-11221673-135	10,011	0
R&D	GGB	10.07-PA-11221616-207	48,444	0
R&D	GGB	10.07CA11100100204	36,580	0
R&D	GGB	10.08-CR-11221611-013	55,475	0
R&D	GGB	10.08-CR-11221611-015 AMD#1	62,148	0
R&D	GGB	10.08-CR-11221611-016 AMD1	41,229	0
R&D	GGB	10.08-CR-11221611-017	124,985	0
R&D	GGB	10.08-CR-11221611-022	52,658	0
R&D	GGB	10.08-CR-11221611-026	126,000	0
R&D	GGB	10.08-CR-11221611-039	449	0
R&D	GGB	10.08-CR-11221611-040	73,370	0
R&D	GGB	10.08-CR-11221611-041	36,002	0
R&D	GGB	10.08-CR-11221611-042	319	0
R&D	GGB	10.08-CR-11221611-043	56,363	0
R&D	GGB	10.08-CR-11221611-051	40,459	0
R&D	GGB	10.08-CR-11221611-064	53	0
R&D	GGB	10.08-CR-11221611-065	12,070	0
R&D	GGB	10.08-CR-11221611-066	22,862	0
R&D	GGB	10.08-CR-11221611-072	69,166	0
R&D	GGB	10.08-CR-11221611-073	36,159	0
R&D	GGB	10.08-CR-11221611-075	264,871	0
R&D	GGB	10.08-CR-11221611-076	4,139	0
R&D	GGB	10.08-CR-11221611-087	15,151	0
R&D	GGB	10.08-CR-11221611-088	24,012	0
R&D	GGB	10.08-CR-11221611-089	21,410	0
R&D	GGB	10.08-CR-11221611-091	23,002	0
R&D	GGB	10.08-CR-11221611-092	18,160	0
R&D	GGB	10.08-CR-11221611-094	40,242	0
R&D	GGB	10.08-CR-11221611-097	28,073	0
R&D	GGB	10.08-CR-11221611-098	178,736	0
R&D	GGB	10.08-CR-11221611-104	20,022	0
R&D	GGB	10.08-CR-11221611-107	2,157	0
R&D	GGB	10.08-CR-11221611-108	35,637	0
R&D	GGB	10.08-CR-11221611-119	48,829	0
R&D	GGB	10.08-CR-11221611-122	46	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	10.08-CR-11221611-144	16,601	0
R&D		GGB	10.08-JV-11221634-069	8,927	0
R&D		GGB	10.080CR-11221611-093	16,435	0
Forestry Research		GFB	10.652	63,833	0
Forestry Research		GGB	10.652	201,920	0
Forest Health Protection		GGB	10.680	40,156	0
International Forestry Programs		GGB	10.684	31,199	0
SUBTOTAL DIRECT FROM:				15,688,854	0
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				15,688,854	0
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
Soil and Water Conservation		GGB	10.902	34,566	0
Environmental Quality Incentives Program		GGB	10.912	336,379	0
SUBTOTAL DIRECT FROM:				370,945	0
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE				370,945	0
OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE					
Agricultural Market and Economic Research		GGB	10.290	6,261	0
SUBTOTAL DIRECT FROM:				6,261	0
SUBTOTAL OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE				6,261	0
RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE					
Community Outreach and Assistance Partnership Program		GGB	10.455	66,377	0
Commodity Partnerships for Risk Management Education		GGB	10.457	86,879	0
Commodity Partnerships for Small Agricultural Risk Management Education Sessions		GGB	10.459	65,422	0
SUBTOTAL DIRECT FROM:				218,678	0
SUBTOTAL RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE				218,678	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				30,117,219	1,715,376
DEPARTMENT OF COMMERCE					
DEPARTMENT OF COMMERCE					
DIRECT FROM:					
DEPARTMENT OF COMMERCE					
Unclassified Grants and Contracts		GFB	11.000	711,023	0
Unclassified Grants and Contracts		GFE	11.000	130,622	0
SUBTOTAL DIRECT FROM:				841,645	0
PASS-THROUGH PROGRAMS FROM:					
CARNEGIE INSTITUTE OF WASHINGTON					
Unclassified Grants and Contracts		GFB	11.000 / 11.9-3568-01	34,421	0
THE HDF GROUP					
Unclassified Grants and Contracts		GFB	11.000 / 11.OCG5030B	1,374	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				35,795	0
SUBTOTAL DEPARTMENT OF COMMERCE				877,440	0
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Economic Development: Support for Planning Organizations		GLA	11.302 / 11.05-87-04411	45,944	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
SUBTOTAL DIRECT FROM:				45,944	0
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				45,944	0
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	6,369,053	0
Measurement and Engineering Research and Standards		GFE	11.609	61,083	0
Measurement and Engineering Research and Standards		GGB	11.609	8,843	0
Measurement and Engineering Research and Standards		GLA	11.609 / 11.70NANB8H8090	2,800	0
Measurement and Engineering Research and Standards		GLA	11.609 / 11.70NANB7H6083	3,137	0
Advanced Technology Program		GFB	11.612	63,103	0
R&D		GLA	11.NA030AR4300104	(127)	0
SUBTOTAL DIRECT FROM:				6,507,892	0
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE				6,507,892	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
R&D		GGB	11.07908203	101,834	0
Sea Grant Support		GGB	11.417	25,959	5,200
Climate and Atmospheric Research		GFB	11.431	287,029	0
Climate and Atmospheric Research		GGB	11.431	139,326	14,972
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GFB	11.432	24,725,421	34,149
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GGB	11.432	6,995,708	74,726
Environmental Sciences, Applications, Data, and Education		GFB	11.440	1	0
Congressionally Identified Awards and Projects		GGB	11.469	199,560	0
R&D		GGB	11.NA07OAR4310281	111,770	0
R&D		GGB	11.NA17RJ1228 #161	138,657	0
R&D		GGB	11.NA17RJ1228 #164	138,874	0
R&D		GGB	11.NA17RJ1228 AMEND.185	868,745	0
R&D		GGB	11.NA17RJ1228 #106	6	0
R&D		GGB	11.NA17RJ1228 #110	28,943	0
R&D		GGB	11.NA17RJ1228 #127	90,697	0
R&D		GGB	11.NA17RJ1228 #130	31,312	0
R&D		GGB	11.NA17RJ1228 #157	92,022	0
R&D		GGB	11.NA17RJ1228 #167	65,583	0
R&D		GGB	11.NA17RJ1228 #172	324,682	0
R&D		GGB	11.NA17RJ1228 #174	7,110	0
R&D		GGB	11.NA17RJ1228 #79	151,838	0
R&D		GGB	11.NA17RJ1228 AMEND. 142	12,942	0
R&D		GGB	11.NA17RJ1228 AMEND. 175	377,401	0
R&D		GGB	11.NA17RJ1228 AMEND. 24	11	0
R&D		GGB	11.NA17RJ1228 AMEND.171	83,395	0
SUBTOTAL DIRECT FROM:				34,998,826	129,047
PASS-THROUGH PROGRAMS FROM:					
TUFTS UNIVERSITY					
Climate and Atmospheric Research		GFB	11.431 / 11.MFD373	21,877	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Climate and Atmospheric Research		GFB	11.431 / 11.SO6-54898	(1,833)	0
UNIVERSITY OF ARIZONA					
Climate and Atmospheric Research		GFB	11.431 / 11.Y482943	20,369	0
UNIVERSITY OF MIAMI					
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GFB	11.432 / 11.66080T/PO#P779141	(55)	0
UNIVERSITY OF NEBRASKA LINCOLN					
Climate and Atmospheric Research		GFB	11.431 / 11.25-6238-0297-002	1,073	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				41,431	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE				35,040,257	129,047

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE					
Unallied Science Program		GFB	11.472	56,696	0
SUBTOTAL DIRECT FROM:				56,696	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE				56,696	0
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	36,960	56,367
SUBTOTAL DIRECT FROM:				36,960	56,367
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE				36,960	56,367
SUBTOTAL DEPARTMENT OF COMMERCE				42,565,189	185,414
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	2,027,322	0
Air Force Defense Research Sciences Program		GFC	12.800	712	0
Air Force Defense Research Sciences Program		GGB	12.800	637,565	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.202466-SU6	7,335	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.CSM-07.01	87,780	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.FA8750-06-1-0001	202,376	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.FA9550-06-1-0548	124,637	15,093
Air Force Defense Research Sciences Program		GLA	12.800 / 12.FA9550-07-0026	120,935	0
R&D		GLA	12.FA9550-08-1-0007	133,472	0
R&D		GLA	12.N00014-06-1-0207	136,776	0
R&D		GLA	12.Service Order No. 452652	173,608	0
R&D		GLA	12.W912HQ-06-C-0018	52,545	0
SUBTOTAL DIRECT FROM:				3,705,063	15,093
PASS-THROUGH PROGRAMS FROM:					
ADA Technologies, Inc.					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.05-0965S	(13,158)	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.06-08365	17,434	0
Functional Coating Technologies, LLC					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.FA8650-07-C-2741	2,161	0
GE GLOBAL RESEARCH					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.PO 700118281	4,807	0
General Electric Company					
R&D		GLA	12.700146469	14,951	0
NORTHWESTERN UNIVERSITY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.0650 300 F416 427	25,903	0
Noblis, Inc					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.30940	62,415	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.31265	52,571	0
Pathfinder Systems, Inc.					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.0212-001	2,037	0
Percep Tek, Inc.					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.non-given	64,904	0
Princeton University					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.1040	406,134	161,096
TDA Research, Inc.					
Air Force Defense Research Sciences Program		GLA	12.800 / 12.CSM06.01	16	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.SA4391-32438PG	214,928	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				855,103	161,096
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE				4,560,166	176,189

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
Research & Technology Development		GFB	12.910	1,112,693	181,175
Research & Technology Development		GLA	12.910 / 12.61175	31,347	0
Research & Technology Development		GLA	12.910 / 12.FA9453-07-1-0202	59,670	0
SUBTOTAL DIRECT FROM:				1,203,710	181,175
PASS-THROUGH PROGRAMS FROM:					
Firestar Engineering					
R&D		GLA	12.non-given	19,662	0
Versa Power Systems					
R&D		GLA	12.80305	25,984	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				45,646	0
SUBTOTAL DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE				1,249,356	181,175
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	125	0
Military Medical Research & Development		GFE	12.420	1,738,666	0
Military Medical Research & Development		GGB	12.420	198,072	0
SUBTOTAL DIRECT FROM:				1,936,863	0
PASS-THROUGH PROGRAMS FROM:					
AXIOM RESOURCE MANAGEMENT, INC.					
Military Medical Research & Development		GFE	12.420 / 12.W81XWH-04-F-0828	46,229	0
INDIANA UNIVERSITY					
Military Medical Research & Development		GFE	12.420 / 12.IND.UNIV #71287	126,833	0
UNIVERSITY OF ROCHESTER					
Military Medical Research & Development		GFE	12.420 / 12.PO413883-G	248	0
UNIVERSITY OF WISCONSIN					
Military Medical Research & Development		GFE	12.420 / 12.V207594	111,258	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				284,568	0
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE				2,221,431	0
DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF DEFENSE					
Unclassified Grants and Contracts		GFB	12.000	660,112	0
R&D		GGB	12.DAAD19-02-2-0005 P00009	509	21,061
R&D		GGB	12.DAMD17-02-0008 DO#0019	23,736	0
R&D		GGB	12.M67854-07-1-7021 MOD P00	742,076	0
R&D		GGB	12.N62473-06-LT-R0026	54,630	0
R&D		GGB	12.N6247307LTR0023	114,141	0
R&D		GLA	12.P200A060133	82,112	0
R&D		GGB	12.W911NF-06-2-0015	369,342	0
R&D		GGB	12.W911NF-06-2-0015 #0003	56,352	0
R&D		GGB	12.W911NF-06-2-0015 MOD 002	14,278	37,783
R&D		GGB	12.W911NF-06-2-0015 MOD#000	377,806	0
R&D		GGB	12.W9128F-06-P-0072 P00004	184,938	0
R&D		GGB	12.W912DY-07-2-0044 P00005	26,385	0
R&D		GGB	12.W912HQ-04-C-0043	272,969	13,521
R&D		GGB	12.W912HQ-05-C-0028	95,867	0
R&D		GGB	12.W912HQ-05-C-0042 #04	39,850	39,449
R&D		GGB	12.W912HQ-06-C-0012	30,601	0
R&D		GGB	12.W9132T-05-2-0032	243,378	0
R&D		GGB	12.W9132T-06-2-0018 P00003	30,292	0
R&D		GGB	12.W9132T-07-2-0012	38,886	0
R&D		GGB	12.W9132T-08-2-0008	9,184	0
R&D		GGB	12.W91CRB-04-C-0061 P0009	34,654	0
R&D		GGB	12.W91CRB-08-C-0037	58,206	0
SUBTOTAL DIRECT FROM:				3,560,304	111,814

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:					
ALD NANOSOLUTIONS, INC.					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4980B	29,296	0
BAE SYSTEMS					
Unclassified Grants and Contracts		GFB	12.000 / 12.248320	1,918	0
BATTELLE, COLUMBUS DIVISION					
Unclassified Grants and Contracts		GFB	12.000 / 12.TCN 07066 W911NF-07	9,054	0
Unclassified Grants and Contracts		GFB	12.000 / 12.TCN 07116	61,122	0
BBNT SOLUTIONS LLC					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4748B PO 9500008	262,666	0
BOULDER LABS					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4960B	24,815	0
COLDQUANTA, INC					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4978B	38,730	0
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4985B	28,625	0
CORNERSTONE RESEARCH GROUP					
Unclassified Grants and Contracts		GFB	12.000 / 12.7345	(2,389)	0
Unclassified Grants and Contracts		GFB	12.000 / 12.9471	128,066	0
FIRST RF CORPORATION					
Unclassified Grants and Contracts		GFB	12.000 / 12.PO 8632	74,568	0
L-3 COMMUNICATIONS CORPORATION					
Unclassified Grants and Contracts		GFB	12.000 / 12.C07-0308	104,034	0
MIDE TECHNOLOGY CORPORATION					
Unclassified Grants and Contracts		GFB	12.000 / 12.1016	63,164	0
MOSAIC AMT, INC.					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4920B	55,423	0
ROHM AND HAAS					
Unclassified Grants and Contracts		GFB	12.000 / 12.PENDING-1543926	66,057	0
SHARED SPECTRUM COMPANY					
Unclassified Grants and Contracts		GFB	12.000 / 12.2005-13	123,433	0
SYNKERA TECHNOLOGIES, INC.					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4739B	83,228	0
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4867	(23)	0
UNIVERSITY OF ILLINOIS					
Unclassified Grants and Contracts		GFB	12.000 / 12.2006-06418-01	51,581	0
UNIVERSITY OF WASHINGTON					
Unclassified Grants and Contracts		GFB	12.000 / 12.SUBCONTRACT NO.3023	124,965	0
VESCENT PHOTONICS, INC.					
Unclassified Grants and Contracts		GFB	12.000 / 12.OCG4829B	205,952	0
ZONA TECHNOLOGY					
Unclassified Grants and Contracts		GFB	12.000 / 12.ZTUOC011708	27,902	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,562,187	0
SUBTOTAL DEPARTMENT OF DEFENSE				5,122,491	111,814
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
Mathematical Sciences Grants Program		GGB	12.901	11,100	0
SUBTOTAL DIRECT FROM:				11,100	0
SUBTOTAL NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE				11,100	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	2,689,848	244,639
Basic & Applied Scientific Research		GFC	12.300	270,158	241,346
Basic & Applied Scientific Research		GGB	12.300	1,103,937	126,433
R&D		GLA	12.CSM-07.02	56,760	0
R&D		GLA	12.N00014	28,688	0
R&D		GGB	12.N61331-06-C-0027 #P00002	99,313	0
R&D		GGB	12.N66001-08-C-2028	20,842	20,000
SUBTOTAL DIRECT FROM:				4,269,546	632,418
PASS-THROUGH PROGRAMS FROM:					
BAE SYSTEMS					
Basic & Applied Scientific Research		GFB	12.300 / 12.165974	150,878	0
COLUMBIA UNIVERSITY					
Basic & Applied Scientific Research		GFC	12.300 / 12.N00014-05-1-0188	16,433	0
Basic & Applied Scientific Research		GFC	12.300 / 12.N00014-06-1-0032	29,103	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
InnovaTek, Inc.					
R&D		GLA	12.14442	50,977	0
Office of Naval Research					
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-02-1-0234	70,406	0
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-02-1-0665	182,442	26,320
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-05-1-0339	289,664	514,580
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-06-1-0544	29,629	0
QuesTek Innovations LLC					
R&D		GLA	12.PO No. 05-197	85,100	0
REMOTE REALITY					
Basic & Applied Scientific Research		GFC	12.300 / 12.PO-M10025	33,387	0
TDA RESEARCH INC.					
Basic & Applied Scientific Research		GFB	12.300 / 12.UCB05.01	71,483	0
UNIVERSITY OF WASHINGTON					
Basic & Applied Scientific Research		GFB	12.300 / 12.245906	290,461	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,299,963	540,900
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY				5,569,509	1,173,318
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	7,884	0
Collaborative Research & Development		GFB	12.114	24,492	0
Collaborative Research & Development		GGB	12.114	84,155	53,681
SUBTOTAL DIRECT FROM:				116,531	53,681
PASS-THROUGH PROGRAMS FROM:					
HONEYWELL INTERNATIONAL, INC.					
Collaborative Research & Development		GFB	12.114 / 12.GPA A007075,A006563	(5,967)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(5,967)	0
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				110,564	53,681
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	850,836	24,170
Basic, Applied, & Advanced Research in Science and Engineering		GFC	12.630	1,142,145	0
Basic, Applied, & Advanced Research in Science and Engineering		GGB	12.630	62,390	0
SUBTOTAL DIRECT FROM:				2,055,371	24,170
PASS-THROUGH PROGRAMS FROM:					
NORTHROP GRUMMAN					
Basic, Applied, & Advanced Research in Science and Engineering		GFB	12.630 / 12.16112QDP4S	4,803	0
TELEDYNE SCIENTIFIC AND IMAGING, LLC					
Basic, Applied, & Advanced Research in Science and Engineering		GFB	12.630 / 12.B6U517361	(17,418)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(12,615)	0
SUBTOTAL OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE				2,042,756	24,170
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
DIRECT FROM:					
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
Basic Scientific Research		GFB	12.431	2,755,618	1,059,573
Basic Scientific Research		GFC	12.431	469,613	534,927
Basic Scientific Research		GFE	12.431	180,949	86,006
Basic Scientific Research		GGB	12.431	372,914	0
Basic Scientific Research		GLA	12.431 / 12.202563.028	226,938	0
Basic Scientific Research		GLA	12.431 / 12.DACA42-03-C-0067	76,972	0
Basic Scientific Research		GLA	12.431 / 12.W911NF-06-1-0223	5,226	0
Basic Scientific Research		GLA	12.431 / 12.W911NF-07-1-0134	97,069	0
Basic Scientific Research		GLA	12.431 / 12.W911NF-07-1-025-8	30,314	0
Basic Scientific Research		GLA	12.431 / 12.W911NF-07-1-0478	70,436	32,058
Basic Scientific Research		GLA	12.431 / 12.W912HQ-04-C-0040	93,821	65,263
Basic Scientific Research		GLA	12.431 / 12.WF911NF-04-1-0169	62,630	0
R&D		GLA	12.W81XWH-07-C-0061	309,570	23,227
R&D		GLA	12.W912HQ-08-0030	1,493	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		GLA	12.W912HQ-08-P-0055	872	0
R&D		GLA	12.W912HQ-08-P0035	10,763	0
SUBTOTAL DIRECT FROM:				4,765,198	1,801,054
PASS-THROUGH PROGRAMS FROM:					
ADA Technologies, Inc.					
Basic Scientific Research		GLA	12.431 / 12.07-0241S	72,008	0
AMERICAN MUSEUM OF NATURAL HISTORY					
Basic Scientific Research		GFB	12.431 / 12.SUB2-2005/PO#40004	2,463	0
Advanced Technology Institute					
R&D		GLA	12.2006-343	(5)	0
American Chemical Society					
R&D		GLA	12.2006-343	256,467	0
Army Research Office					
Basic Scientific Research		GLA	12.431 / 12.W911NF-06-1-0311	102,649	0
Basic Scientific Research		GLA	12.431 / 12.W911NF-06-1-0350	63,378	55,430
Carnegie Mellon University					
R&D		GLA	12.1130070-179180	91,206	0
Corning Incorporated					
Basic Scientific Research		GLA	12.431 / 12.PO#1021P-0000022153	20,762	0
KENT STATE UNIVERSITY					
Basic Scientific Research		GFC	12.431 / 12.444295-P0002260	16,890	0
Kuchera Defense Systems					
Basic Scientific Research		GLA	12.431 / 12.203198.SU2	88,922	0
PURDUE UNIVERSITY					
Basic Scientific Research		GFB	12.431 / 12.531-0897-01	143,091	0
SKY RESEARCH, INC.					
R&D		GLA	12.W912HQ-04-C-0009	(334)	0
Shaw Enviormental					
R&D		GLA	12.PO286959/J.O.126656.0100	100,547	0
TDA Research, Inc.					
R&D		GLA	12.CSM-07.03	40,000	0
UNIVERSITY OF MARYLAND COLLEGE PARK					
Basic Scientific Research		GFB	12.431 / 12.Z918808	341,824	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,339,868	55,430
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				6,105,066	1,856,484
SUBTOTAL DEPARTMENT OF DEFENSE				26,992,439	3,576,831
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	73,488	0
SUBTOTAL DIRECT FROM:				73,488	0
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				73,488	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				73,488	0
DEPARTMENT OF THE INTERIOR					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
Bureau of Indian Affairs Facilities: Operations and Maintenance (C) -		GFB	15.048	76,068	0
R&D		GLA	15.CMK00000003	2,616	0
R&D		GLA	15.CMK16060016	159,944	0
SUBTOTAL DIRECT FROM:				238,628	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:					
Burea of Indian Affairs					
R&D		GLA	15.CMK00000003	9,089	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				9,089	0
SUBTOTAL BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR				247,717	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 CAF050034	33,901	0
R&D		GGB	15.1422 CAA030001/CAF060018	10,854	0
R&D, BLM GIS Projects for Students		GZA	15.1422 CAA050009	12,343	0
R&D		GGB	15.1422 CAA050023	44,579	0
R&D		GGB	15.1422 CAA070029	5,027	0
R&D		GGB	15.1422 CAA070030	9,148	0
Recreation Resource Management		GFB	15.225	37,990	0
National Fire Plan - Wildland Urban Interface Community Fire Assistance		GGB	15.228	10,997	0
Fish, Wildlife and Plant Conservation Resource Management		GGB	15.231	20,780	0
R&D		GGB	15.JSA041002, PAA 07-0003 (	20,304	0
R&D		GGB	15.KAA000011 KAF031018	70,589	173
SUBTOTAL DIRECT FROM:				276,512	173
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				276,512	173
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
R&D		GGB	15.02-FC-40-6130	669,689	0
R&D		GGB	15.03-FC-40-2100 MOD. 002	882	0
R&D		GGB	15.05FC601953	10,000	0
R&D		GGB	15.06FG602179	67,938	0
R&D		GGB	15.06FG602184 #001	47,449	0
R&D		GGB	15.06PG810159	578	0
R&D		GGB	15.07-FC-81-1348 07D866854	22,363	0
R&D		GGB	15.07FC602204	22,051	0
Water Reclamation and Reuse Program		GFB	15.504	189,477	0
Water Reclamation and Reuse Program		GLA	15.504 / 15.0105PO39363	381	0
Water Reclamation and Reuse Program		GLA	15.504 / 15.0106CT39654	95,102	0
Water Reclamation and Reuse Program		GLA	15.504 / 15.0106PO39592	2,770	0
Water Reclamation and Reuse Program		GLA	15.504 / 15.1435-01-04-36637	(1,263)	0
Water Reclamation and Reuse Program		GLA	15.504 / 15.M08PX20049/001000447	14,990	0
R&D		GGB	15.99-FC-60-12140 MOD. #01	77,557	0
SUBTOTAL DIRECT FROM:				1,219,964	0
PASS-THROUGH PROGRAMS FROM:					
WATER REUSE FOUNDATION					
R&D		GLA	15.WRF-03-014	0	20,470
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				0	20,470
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				1,219,964	20,470
DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
DEPARTMENT OF THE INTERIOR					
Unclassified Grants and Contracts		GFB	15.000	1,281,561	0
Unclassified Grants and Contracts		GFE	15.000	126,736	0
R&D		GGB	15.07FG602246	20,051	0
R&D		GGB	15.1425-05-FC-10-1135 #002	6,216	0
R&D		GGB	15.S06PC12056	22,567	0
SUBTOTAL DIRECT FROM:				1,457,131	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:					
UNIVERSITY OF ALASKA					
Unclassified Grants and Contracts		GFB	15.000 / 15.UAF 08-0034	18,882	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				18,882	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				1,476,013	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	70,273	0
Earthquake Hazards Reduction Program		GFB	15.807	78,545	0
Earthquake Hazards Reduction Program		GLA	15.807 / 15.06HQGR0006	33,639	0
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808	198,991	0
U.S. Geological Survey: Research & Data Acquisition		GFE	15.808	29,910	0
U.S. Geological Survey: Research & Data Acquisition		GGB	15.808	1,031,066	6,930
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.07ERAG0010	20,137	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.08WRAG0002	71,166	0
SUBTOTAL DIRECT FROM:				1,533,727	6,930
PASS-THROUGH PROGRAMS FROM:					
SCIENCE APPLICATIONS INTERNATIONAL CORP					
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808 / 15.4400085812	107,813	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				107,813	0
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				1,641,540	6,930
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
Technical Preservation Services		GKA	15.915	13,633	0
Outdoor Recreation: Acquisition, Development and Planning		GGB	15.916	44,630	0
Rivers, Trails, & Conservation Assistance		GFB	15.921	(5)	0
Native American Graves Protection and Repatriation Act		GFB	15.922	(6)	0
National Center for Preservation Technology and Training (B) -		GFE	15.923	29,867	0
National Center for Preservation Technology and Training (B) -		GLA	15.923 / 15.20118 INITIAL 2006	52,941	0
American Battlefield Protection		GFB	15.926	(184)	0
R&D		GGB	15.CA H2380040001/J23700725	84,835	0
R&D		GGB	15.CA H2380040002 TO 04-09	7,285	0
R&D		GGB	15.CA6000A0100 TA# J-2106-0	(23)	0
R&D		GGB	15.H1200040001 J124205006	7,561	0
R&D		GGB	15.H1200040001 J7350060006	35,101	0
R&D		GGB	15.H1200040001 CSU-08, -04	2,725	0
R&D		GGB	15.H1200040001 CSU-22	782	0
R&D		GGB	15.H1200040001 CSU-31	5,084	0
R&D		GGB	15.H1200040001 CSU-32	5,386	0
R&D		GGB	15.H1200040001 CSU-34,29,21	71,661	0
R&D		GGB	15.H1200040001 CSURM-100/27	72,194	0
R&D		GGB	15.H1200040001 CSURM-101	36,955	0
R&D		GGB	15.H1200040001 CSURM-102	4,748	0
R&D		GGB	15.H1200040001 CSURM-104/94	13,576	0
R&D		GGB	15.H1200040001 CSURM-106	160	0
R&D		GGB	15.H1200040001 CSURM-108/14	23,951	0
R&D		GGB	15.H1200040001 CSURM-109/42	46,065	0
R&D		GGB	15.H1200040001 CSURM-110	9,001	0
R&D		GGB	15.H1200040001 CSURM-111/99	2,859	0
R&D		GGB	15.H1200040001 CSURM-113/71	19,279	0
R&D		GGB	15.H1200040001 CSURM-114/52	2,746	0
R&D		GGB	15.H1200040001 CSURM-115/73	63,042	0
R&D		GGB	15.H1200040001 CSURM-16	8,918	0
R&D		GGB	15.H1200040001 CSURM-43	9,463	0
R&D		GGB	15.H1200040001 CSURM-46	10,380	0
R&D		GGB	15.H1200040001 CSURM-57	9,670	0
R&D		GGB	15.H1200040001 CSURM-64	17,848	0
R&D		GGB	15.H1200040001 CSURM-65	3,152	0
R&D		GGB	15.H1200040001 CSURM-68, 78	4,823	0
R&D		GGB	15.H1200040001 CSURM-70,37	11,808	0
R&D		GGB	15.H1200040001 CSURM-72	6,259	0
R&D		GGB	15.H1200040001 CSURM-76	5,777	0
R&D		GGB	15.H1200040001 CSURM-79	1,175	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.H1200040001 CSURM-80	7,998	0
R&D	GGB	15.H1200040001 CSURM-82/53	73,898	0
R&D	GGB	15.H1200040001 CSURM-83	3,000	0
R&D	GGB	15.H1200040001 CSURM-84	10,292	0
R&D	GGB	15.H1200040001 CSURM-85	1,750	0
R&D	GGB	15.H1200040001 CSURM-86	4,201	0
R&D	GGB	15.H1200040001 CSURM-88	6,540	0
R&D	GGB	15.H1200040001 CSURM-90	2,730	0
R&D	GGB	15.H1200040001 CSURM-92	59	0
R&D	GGB	15.H1200040001 CSURM-95/75	50,063	0
R&D	GGB	15.H1200040001 J9453060048	37,028	0
R&D	GGB	15.H1200040001 TO J21140600	75,756	0
R&D	GGB	15.H1200040001/CSURM-74	58,388	0
R&D	GGB	15.H1200040002 CSU-107, 98	(5,021)	0
R&D	GGB	15.H1200040002 CSU-108	4,924	0
R&D	GGB	15.H1200040002 CSU-109	9,771	0
R&D	GGB	15.H1200040002 CSUCP-105	4,239	0
R&D	GGB	15.H1200040002 CSUCP-119	40,078	0
R&D	GGB	15.H1200040002 CSUCP-120	15,000	0
R&D	GGB	15.H1200040002 CSUCP-121	90,890	0
R&D	GGB	15.H1200040002 CSUCP-122/10	69,324	0
R&D	GGB	15.H120004001/J1242060300	50,076	0
R&D, Native Plant Restoration, Colo Natl Mon	GZA	15.H1378040033	2,453	0
R&D	GGB	15.H230040001/J2370071506	31,509	0
R&D	GGB	15.H23800040001 TO J2350075	598,234	0
R&D	GGB	15.H23800040002 TO J2350064	181,218	0
R&D	GGB	15.H2380040001 J234007001	47,897	0
R&D	GGB	15.H2380040001 J2370072511	12,420	0
R&D	GGB	15.H2380040001 J2390070027	28,248	0
R&D	GGB	15.H2380040001 J2340060027	3,210	0
R&D	GGB	15.H2380040001 J2340070052	68,869	0
R&D	GGB	15.H2380040001 J2350064110	4,089	0
R&D	GGB	15.H2380040001 J2360075182	270,622	0
R&D	GGB	15.H2380040001 J2370050544	10,801	0
R&D	GGB	15.H2380040001 J2380060110	4,373	0
R&D	GGB	15.H2380040001 T.O. 04-01	2	0
R&D	GGB	15.H2380040001 T.O.J2380060	167,656	0
R&D	GGB	15.H2380040001 TO 04-59	2,046	0
R&D	GGB	15.H2380040001 TO J23400070	14,530	0
R&D	GGB	15.H2380040001 TO J23400500	113,990	0
R&D	GGB	15.H2380040001 TO J23400600	93,292	0
R&D	GGB	15.H2380040001 TO J23400700	3,196	0
R&D	GGB	15.H2380040001 TO J23600751	20,903	0
R&D	GGB	15.H2380040001 TO J23700501	105,429	0
R&D	GGB	15.H2380040001 TO J23700505	26,016	0
R&D	GGB	15.H2380040001 TO J23700601	429,143	0
R&D	GGB	15.H2380040001 TO J23700625	109,109	0
R&D	GGB	15.H2380040001 TO J23800501	62,854	0
R&D	GGB	15.H2380040001/ J2551053034	176,834	0
R&D	GGB	15.H2380040001/J2350075147	17,180	13,965
R&D	GGB	15.H2380040001/J2350075181	146,413	0
R&D	GGB	15.H2380040001/J2350086023	13,649	0
R&D	GGB	15.H2380040001/J2380070094	99,330	0
R&D	GGB	15.H2380040001/J2380070178	234,890	0
R&D	GGB	15.H2380040001/J2380070206	6,824	0
R&D	GGB	15.H2380040001/J2551075137	66,727	0
R&D	GGB	15.H2380040002 02-19/J2485	310,954	0
R&D	GGB	15.H2380040002 TO 04-20 MO	41,197	0
R&D	GGB	15.H2380040002 J2340060040	23,102	0
R&D	GGB	15.H2380040002 J2485050105	53,717	0
R&D	GGB	15.H2380040002 TO 04-05 MOD	18,113	0
R&D	GGB	15.H2380040002 TO J23400600	121,662	0
R&D	GGB	15.H2380040002 TO J23600641	233,475	0
R&D	GGB	15.H2380040002 TO J23600751	350,050	0
R&D	GGB	15.H2380040002 TO J23700530	196,621	0
R&D	GGB	15.H2380040002 TO J95600600	58,489	0
R&D	GGB	15.H2380040002/J2350064155	156,379	0
R&D	GGB	15.H2380040002/J2350075042	62,551	0
R&D	GGB	15.H2380040002/J2370050079	41,046	0
R&D: Dept of Interior: Ethnographic Overview RMNP	GKA	15.J1217060007	20,439	0
R&D: Dept of Interior: Cultural Environmental Interp	GKA	15.J1242067025UNC-04	10,000	0
R&D	GGB	15.J1264070024	8,642	0
R&D	GGB	15.J1526085283 H1200040001	707	0
R&D	GGB	15.J2340070064	7,740	0
R&D	GGB	15.TASK J1378050007 CSUCP-1	7,857	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
SUBTOTAL DIRECT FROM:				6,252,803	13,965
PASS-THROUGH PROGRAMS FROM:					
NATIONAL PARK FOUNDATION					
National Center for Preservation Technology and Training (B) -		GFB	15.923 / 15.OCG4544B	(4)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(4)	0
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				6,252,799	13,965
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		GGB	15.608	181,649	0
Coastal Program		GFB	15.630	31,168	0
State Wildlife Grants		GFB	15.634	128,761	0
SUBTOTAL DIRECT FROM:				341,578	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				341,578	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	15.05HQGR0150 MOD 01	0	46,880
National Spatial Data Infrastructure Competitive Cooperative Agreements Program		GFB	15.809	3,893	4,809
National Cooperative Geologic Mapping Program		GZA	15.810 / 15.05HQAG0036	4,659	0
Cooperative Research Units Program		GGB	15.812	38,444	0
R&D		GLA	15.non-given	21,970	0
SUBTOTAL DIRECT FROM:				68,966	51,689
PASS-THROUGH PROGRAMS FROM:					
LOUISIANA STATE UNIVERSITY					
National Spatial Data Infrastructure Competitive Cooperative Agreements Program		GFB	15.809 / 15.R141730	11,410	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				11,410	0
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR				80,376	51,689
SUBTOTAL DEPARTMENT OF THE INTERIOR				11,536,499	93,227
DEPARTMENT OF JUSTICE					
DEPARTMENT OF JUSTICE					
DIRECT FROM:					
DEPARTMENT OF JUSTICE					
Unclassified Grants and Contracts		GFB	16.000	113,009	64,747
SUBTOTAL DIRECT FROM:				113,009	64,747
SUBTOTAL DEPARTMENT OF JUSTICE				113,009	64,747
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	178,942	0
SUBTOTAL DIRECT FROM:				178,942	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE				178,942	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
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	40,684	0
SUBTOTAL DIRECT FROM:				40,684	0
SUBTOTAL OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE				40,684	0
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE					
Congressionally Recommended Awards		GFE	16.753	113,799	0
SUBTOTAL DIRECT FROM:				113,799	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE				113,799	0
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	24,975	11,287
Part E -Developing, Testing and Demonstrating Promising New Programs		GFB	16.541	462,098	0
Part E -Developing, Testing and Demonstrating Promising New Programs		GFE	16.541	108,019	86,971
Part D - Research, Evaluation, Technical Assistance and Training		GFE	16.542	125,927	21,506
SUBTOTAL DIRECT FROM:				721,019	119,764
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE				721,019	119,764
SUBTOTAL DEPARTMENT OF JUSTICE				1,167,453	184,511
DEPARTMENT OF LABOR					
BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR					
PASS-THROUGH PROGRAMS FROM:					
Red Rocks Community College					
Productivity & Technology Data		GLA	17.004 / 17.non-given	10,151	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				10,151	0
SUBTOTAL BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR				10,151	0
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
PASS-THROUGH PROGRAMS FROM:					
METRO DENVER ECONOMIC DEVELOPMENT CORPORATION					
WIA Pilots, Demonstrations, and Research Projects		GFE	17.261 / 17.WIRED	74,764	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				74,764	0
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				74,764	0
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
PASS-THROUGH PROGRAMS FROM:					
University of California					
Occupational Safety & Health: Susan Harwood Training Grants		GLA	17.502 / 17.PO 10255091	198,786	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				198,786	0
SUBTOTAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				198,786	0
SUBTOTAL DEPARTMENT OF LABOR				283,701	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
DEPARTMENT OF STATE					
DIRECT FROM:					
DEPARTMENT OF STATE					
Unclassified Grants		GFB	19.000	2,351	0
SUBTOTAL DIRECT FROM:				2,351	0
SUBTOTAL DEPARTMENT OF STATE				2,351	0
SUBTOTAL DEPARTMENT OF STATE				2,351	0
DEPARTMENT OF TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
DEPARTMENT OF TRANSPORTATION					
Unclassified Grants and Contracts		GFB	20.000	28,696	0
Unclassified Grants and Contracts		GFE	20.000	19,884	0
R&D		GLA	20.DTFH61-07-H-00036	7,624	0
R&D		GGB	20.DTFH61-99-X-00009	92,371	0
R&D		GGB	20.DTFH68-07-E-00043	34,789	0
R&D		GGB	20.DTFH68-07-X-00002	32,747	0
R&D		GLA	20.DTPH56-07-T-000009	217,055	0
SUBTOTAL DIRECT FROM:				433,166	0
PASS-THROUGH PROGRAMS FROM:					
NATIONAL ACADEMY OF SCIENCE					
Unclassified Grants and Contracts		GFB	20.000 / 20.HR 20-59(24)	21,614	11,496
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				21,614	11,496
SUBTOTAL DEPARTMENT OF TRANSPORTATION				454,780	11,496
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Aviation Research Grants		GFB	20.108	38,358	0
SUBTOTAL DIRECT FROM:				38,358	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				38,358	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				493,138	11,496
OFFICE OF PERSONNEL MANAGEMENT					
OFFICE OF PERSONNEL MANAGEMENT					
DIRECT FROM:					
OFFICE OF PERSONNEL MANAGEMENT					
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011	2,046,827	0
SUBTOTAL DIRECT FROM:				2,046,827	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				2,046,827	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				2,046,827	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
Federal Citizen Information Center		GFE	39.009	9,976	0
SUBTOTAL DIRECT FROM:				9,976	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				9,976	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				9,976	0
LIBRARY OF CONGRESS					
LIBRARY OF CONGRESS					
DIRECT FROM:					
LIBRARY OF CONGRESS					
Distribution of Library of Congress Cataloging		GFB	42.003	566,743	26,468
SUBTOTAL DIRECT FROM:				566,743	26,468
SUBTOTAL LIBRARY OF CONGRESS				566,743	26,468
SUBTOTAL LIBRARY OF CONGRESS				566,743	26,468
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
DIRECT FROM:					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Aerospace Education Services Program		GFB	43.001	375,290	0
Aerospace Education Services Program		GFC	43.001	120,684	0
Aerospace Education Services Program		GGB	43.001	2,799	(1,980)
Technology Transfer		GFB	43.002	39,776,776	4,491,185
Technology Transfer		GFE	43.002	114,211	0
R&D		GLA	43.02500-0009	231	0
R&D		GLA	43.CNS-0546712	(179)	0
R&D		GLA	43.NAG5-12754	17,386	0
R&D		GGB	43.NAG5-13567 MOD 5	(5)	0
R&D		GGB	43.NAG5-13640 #2	1,550	0
R&D		GGB	43.NAG5-13712 SUPP. 8	493	0
R&D		GGB	43.NAG5-13712 SUPP. 9	713	0
R&D		GGB	43.NAG9-1569 SUPP #1	1,358,384	536,979
R&D		GGB	43.NAS1-99103 AMEND. 24	64,364	0
R&D		GGB	43.NAS5-99237 MOD 30	739,426	0
R&D		GGB	43.NAS5-99237 MOD. 30	853,357	0
R&D		GGB	43.NNA06CB25G	43,173	0
R&D		GLA	43.NNA06CB64G	90,595	0
R&D		GLA	43.NNC04AA13A	23,372	0
R&D		GLA	43.NNC8-238	429,069	163,078
R&D		GLA	43.NNC04GA97G	24,731	0
R&D		GGB	43.NNG04GD75G SUPPLEMENT 5	51,987	0
R&D		GGB	43.NNG04GF52A #3	318,385	0
R&D		GGB	43.NNG04GH53G SUPP 3	44,350	4,271
R&D		GGB	43.NNG04GH63G SUPP. 2	57,481	(5,814)
R&D		GLA	43.NNG04GL90G	1,972	0
R&D		GLA	43.NNG04GN40G	(9,700)	10,000
R&D		GGB	43.NNG04GO73G	0	54,884
R&D		GGB	43.NNG04GP59G #2	120,203	0
R&D		GGB	43.NNG04GR44G MOD 2	145,841	0
R&D		GGB	43.NNG05GA33G	132,599	51,235
R&D		GGB	43.NNG05GD15G AMD3	271,719	0
R&D		GGB	43.NNG05GF41G #03	73,907	0
R&D		GGB	43.NNG05GK54G	196,107	0
R&D		GGB	43.NNG05GL07G	94,222	0
R&D		GLA	43.NNG05GL52H	33,947	0
R&D		GGB	43.NNG05GP53H SUP2	23,965	0
R&D		GGB	43.NNG06GA54G SUPP 2	150,811	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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.NNG06GB41G	67,063	0
R&D		GGB	43.NNG06GB60G	109,829	0
R&D		GGB	43.NNG06GC10G	54,498	0
R&D		GGB	43.NNG06GC42G	187,186	0
R&D		GGB	43.NNG06GC46G	180,542	0
R&D		GGB	43.NNG06GE11A	151,991	55,914
R&D		GGB	43.NNG06GF00G	159,848	0
R&D		GGB	43.NNJ04HD83G SUPP 11	250,165	0
R&D		GLA	43.NNJ05HE13G	2,108	0
R&D		GLA	43.NNJ06AH15G	170,875	162,267
R&D		GGB	43.NNM06AA25G	38,179	0
R&D		GGB	43.NNS06AB01A	67,258	0
R&D		GGB	43.NNX06AB63G	5,714	0
R&D		GGB	43.NNX06AB66G	3,865	0
R&D		GGB	43.NNX06AC11G SUPP 3	92,263	0
R&D		GGB	43.NNX06AC75G SUPP1	195,608	0
R&D		GGB	43.NNX06AC76G AMD3	126,073	0
R&D		GGB	43.NNX06AG89G	62,885	0
R&D		GGB	43.NNX06AH36G	233,379	(15,021)
R&D		GGB	43.NNX07AB64G AMD002	46,501	0
R&D		GGB	43.NNX07AD35G SUPP 1	119,690	0
R&D		GGB	43.NNX07AD37G #1	208,039	0
R&D		GGB	43.NNX07AD47G #1	108,624	0
R&D		GGB	43.NNX07AD51G	187,005	0
R&D		GGB	43.NNX07AD75G	264,669	0
R&D		GGB	43.NNX07AD81G SUPP 1	115,210	0
R&D		GGB	43.NNX07AN88H	24,424	0
R&D		GGB	43.NNX07AO24H AMD000001	24,262	0
R&D		GGB	43.NNX07AO55H	20,321	0
R&D		GGB	43.NNX07AP85G	199,103	0
R&D		GGB	43.NNX07AR11G	287,876	0
R&D		GGB	43.NNX07AR97G AMD1	79,010	0
R&D		GGB	43.NNX08AB65G	26,963	0
R&D		GGB	43.NNX08AE11G	38,558	0
R&D		GGB	43.NNX08AE29G	16,975	0
R&D: Mars Lava Flow Surface Morphology		GKA	43.NNX08AF36G	6,086	0
R&D		GGB	43.NNX08AF74G	49,645	0
R&D		GGB	43.NNX08AI03G	1,561	0
R&D		GGB	43.NNX08AI77G	654	0
R&D		GGB	43.NNX08AK08G	14,447	0
R&D		GGB	43.NNX08AL32G	338	0
R&D		GGB	43.NNX08AL72G	10,753	0
R&D		GGB	43.NNX08AM56G	11,117	0
SUBTOTAL DIRECT FROM:				49,765,376	5,506,998
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Aerospace Education Services Program		GFE	43.001 / 43.ASU 08-867	71,741	0
Technology Transfer		GFB	43.002 / 43.01-079	56,061	0
BALL AEROSPACE					
Technology Transfer		GFB	43.002 / 43.97BSM00005	668,083	(377)
Technology Transfer		GFB	43.002 / 43.99BSM00007	1,178,099	1,041
Technology Transfer		GFB	43.002 / 43.PO# 05SAK00003	1,406,147	0
BOSTON UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.GC 189636 NGA	108,488	0
Technology Transfer		GFB	43.002 / 43.GC 198394 NGA	1,087,877	0
BRIGHAM YOUNG UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.04-0127/PO#292	34,258	0
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Technology Transfer		GFB	43.002 / 43.44B-1080550	19,023	0
CARNEGIE INSTITUTE OF WASHINGTON					
Technology Transfer		GFB	43.002 / 43.9-3226-01	77,289	0
Technology Transfer		GFB	43.002 / 43.DTM-3250-01 PHASE E	274,642	0
Case Western Reserve University					
R&D		GLA	43.Nasa Grant NNC05GA29G	(3,076)	0
Firestar Engineering					
R&D		GLA	43.NOF-B0BS-1	6,000	0
GEORGIA INSTITUTE OF TECHNOLOGY					
Aerospace Education Services Program		GFB	43.001 / 43.G-35-B82-G1	15,492	0
HAMPTON UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.10-Mar	1,986,556	1,567,534
Honeybee Robotics, inc					
R&D		GLA	43.non-given	19,000	0
JET PROPULSION LABORATORY					
Technology Transfer		GFB	43.002 / 43.1225700	130,249	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
Technology Transfer		GFB	43.002 / 43.1253767	3,001	0
Technology Transfer		GFB	43.002 / 43.1259025	182,010	0
Technology Transfer		GFB	43.002 / 43.1259168	3,456	0
Technology Transfer		GFB	43.002 / 43.1259515	33,893	0
Technology Transfer		GFB	43.002 / 43.1264310	11	0
Technology Transfer		GFB	43.002 / 43.1264538	1,007	0
Technology Transfer		GFB	43.002 / 43.1264905	3,868	0
Technology Transfer		GFB	43.002 / 43.1265288	9,195	0
Technology Transfer		GFB	43.002 / 43.1268004	3,482	0
Technology Transfer		GFB	43.002 / 43.1268026	(45)	0
Technology Transfer		GFB	43.002 / 43.1269163	247,499	27,510
Technology Transfer		GFB	43.002 / 43.1275296	29,301	0
Technology Transfer		GFB	43.002 / 43.1275599	15,293	0
Technology Transfer		GFB	43.002 / 43.1276945	6	0
Technology Transfer		GFB	43.002 / 43.1278036	5,054	0
Technology Transfer		GFB	43.002 / 43.1279178	1,406,717	284,512
Technology Transfer		GFB	43.002 / 43.1283568	91,273	0
Technology Transfer		GFB	43.002 / 43.1285530	9,174	0
Technology Transfer		GFB	43.002 / 43.1287918	2,755	0
Technology Transfer		GFB	43.002 / 43.1287949	4,836	0
Technology Transfer		GFB	43.002 / 43.1310776	43,789	0
Technology Transfer		GFB	43.002 / 43.1325933	107,966	0
Technology Transfer		GFB	43.002 / 43.1326747	59,452	0
Technology Transfer		GFB	43.002 / 43.1329564	4,701	0
Technology Transfer		GFB	43.002 / 43.961571	7	0
JOHNS HOPKINS UNIVERSITY					
Aerospace Education Services Program		GFB	43.001 / 43.919299	20,405	0
Technology Transfer		GFB	43.002 / 43.893472	23,168	0
LOCKHEED MARTIN					
Technology Transfer		GFB	43.002 / 43.SQ02H5801R	74,686	9,300
Lockheed Martin Astronautics					
R&D		GLA	43.PO4500056929	20,000	0
Lockheed Martin Mission Services					
R&D		GLA	43.PO7100034985	15,492	0
Makel Engineering					
R&D		GLA	43.NNJ05JB88C	(8,004)	0
R&D		GLA	43.PO-RO6112	45,929	0
NORTHWEST RESEARCH ASSOCIATES INC					
Technology Transfer		GFB	43.002 / 43.NWRA-07-S-101	12,382	0
Technology Transfer		GFB	43.002 / 43.NWRA-08-S-106	42,290	0
SCIENCE APPLICATIONS INTERNATIONAL CORP					
Technology Transfer		GFB	43.002 / 43.4400120513	50,833	0
SOUTHWEST RESEARCH INSTITUTE					
Technology Transfer		GFB	43.002 / 43.278985Q	62,767	0
Technology Transfer		GFB	43.002 / 43.299449Q	84,167	0
Technology Transfer		GFB	43.002 / 43.499877Q	3,129	1,877
Technology Transfer		GFB	43.002 / 43.499942Q	65,054	0
Technology Transfer		GFB	43.002 / 43.599791Q	197,227	0
Technology Transfer		GFB	43.002 / 43.599795X	10,381	0
Technology Transfer		GFB	43.002 / 43.799190LU	31,994	0
Technology Transfer		GFB	43.002 / 43.PO #431541E	434	0
SPACE TELESCOPE SCIENCE INSTITUTE					
Technology Transfer		GFB	43.002 / 43.HST-AR-10203.02-A	6,791	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10638.01-A	27,921	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10645.02-A	7,480	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10650.01-A	8,369	0
Technology Transfer		GFB	43.002 / 43.HST-AR-10956.01-A	7,162	0
Technology Transfer		GFB	43.002 / 43.HST-EO-10241.05-A	12,056	0
Technology Transfer		GFB	43.002 / 43.HST-GO-06593.01-A	5,407	0
Technology Transfer		GFB	43.002 / 43.HST-GO-09506.01-A	1,654	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10496.08-A	9,947	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10549.09-A	(37)	0
Technology Transfer		GFB	43.002 / 43.HST-GO-10925.01-A	37,144	0
Stone Aerospace, Inc.					
R&D		GLA	43.NNG04GC09G	2,885	0
Sysrand					
R&D		GLA	43.non-given	4,500	0
Technologies Applications Inc					
R&D		GLA	43.S07-C029-054	42,000	0
UNIVERSITIES SPACE RESEARCH ASSOCIATION					
Technology Transfer		GFB	43.002 / 43.07605-003-053	84,576	26,817
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Technology Transfer		GFB	43.002 / 43.S05-50919	67,319	0
UNIVERSITY OF ARIZONA					
Technology Transfer		GFB	43.002 / 43.Y402819	93,921	0
Technology Transfer		GFB	43.002 / 43.Y432803	311,822	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 CALIFORNIA AT IRVINE					
Aerospace Education Services Program		GFB	43.001 / 43.2004-1433	68,359	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Technology Transfer		GFB	43.002 / 43.SA3649-26326	335,845	0
Technology Transfer		GFB	43.002 / 43.SA4585-10331	82,312	0
Technology Transfer		GFB	43.002 / 43.SA4890-26309	97,969	0
Technology Transfer		GFB	43.002 / 43.SA5650-26309	2,366	0
UNIVERSITY OF CENTRAL FLORIDA					
Technology Transfer		GFB	43.002 / 43.16296044	479,142	0
UNIVERSITY OF NEW HAMPSHIRE					
Technology Transfer		GFB	43.002 / 43.05-901	40,811	0
United Technologies Research					
R&D		GLA	43.PO2600805	28,653	0
Universities Space Research Assoc					
R&D		GLA	43.2502.001	7,425	0
University of California					
R&D		GLA	43.S-00000167	61,355	0
University of Central Florida					
R&D		GLA	43.PO#110110	121,711	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				12,212,829	1,918,214
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				61,978,205	7,425,212
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				61,978,205	7,425,212
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					
Conservation Project Support		GGB	45.303	15,067	0
Grants to States		GZA	45.310	6,784	0
Laura Bush 21st Century Librarian Program		GFB	45.313	89,678	43,974
SUBTOTAL DIRECT FROM:				111,529	43,974
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				111,529	43,974
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		GGB	45.149	2,000	0
Promotion of the Humanities: Fellowships and Stipends		GFB	45.160	40,000	0
SUBTOTAL DIRECT FROM:				42,000	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				42,000	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				153,529	43,974
NATIONAL SCIENCE FOUNDATION					
NATIONAL SCIENCE FOUNDATION					
DIRECT FROM:					
NATIONAL SCIENCE FOUNDATION					
Unclassified Grants and Contracts		GFB	47.000	2,966,807	0
Engineering Grants		GFB	47.041	3,390,975	416,862
Engineering Grants		GFC	47.041	28,886	0
Engineering Grants		GFE	47.041	172,861	0
Engineering Grants		GGB	47.041	2,005,655	2,928,344
Engineering Grants		GLA	47.041 / 47.618380	50,180	0
Engineering Grants		GLA	47.041 / 47.BES-0628282	127,186	86,216
Engineering Grants		GLA	47.041 / 47.CBET-0731319	6,346	0
Engineering Grants		GLA	47.041 / 47.CMMI-0700869	73,653	0
Engineering Grants		GLA	47.041 / 47.DMI-0547649	100,669	0
Engineering Grants		GLA	47.041 / 47.DUE-0630888	15,025	0
Engineering Grants		GLA	47.041 / 47.ECCS-0725752	17,087	0
Engineering Grants		GLA	47.041 / 47.ECCS-0757956	11,976	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
	GLA	47.041 / 47.EEC-0529777	58,640	0
	GLA	47.041 / 47.ES-I0623808	166,360	0
	GFB	47.049	7,068,057	189,473
	GFC	47.049	198,468	0
	GFE	47.049	395,543	0
	GGB	47.049	2,713,258	7,962
	GKA	47.049	1,552	0
	GLA	47.049 / 47.ANT-0530340	4,048	0
	GLA	47.049 / 47.CHE-0515521	52,983	0
	GLA	47.049 / 47.DMR 0606054	8,899	0
	GLA	47.049 / 47.DMR-0303510	1,265	0
	GLA	47.049 / 47.DMR-0606054	108,848	0
	GLA	47.049 / 47.DMS-0539176	50,381	0
	GLA	47.049 / 47.DMS-0621118	82,836	0
	GLA	47.049 / 47.DMS-0724715	3,811	0
	GLA	47.049 / 47.DMS-0724717	11,607	0
	GKA	47.049 / 47.NSF CHE-0532516	26,837	0
	GLA	47.049 / 47.PHY-0420357	90,941	0
	GFB	47.050	8,784,165	375,386
	GFE	47.050	193,404	0
	GGB	47.050	7,551,260	1,230,096
	GZA	47.050	25,739	0
	GLA	47.050 / 47.EAR-0337379	16,111	0
	GLA	47.050 / 47.EAR-0609595	51,046	0
	GLA	47.050 / 47.EAR-0720257	30,401	0
	GLA	47.050 / 47.EAR-0733782	25,719	0
	GLA	47.050 / 47.EAR-0749035	10,395	0
	GKA	47.050 / 47.NSF EAR-0305074	137,711	171,016
	GLA	47.050 / 47.OCE-0551715	154,905	0
	GFB	47.070	5,401,802	742,958
	GFC	47.070	14,241	0
	GFE	47.070	117,501	0
	GGB	47.070	637,395	0
	GLA	47.070 / 47.CNS-0208352	7	0
	GLA	47.070 / 47.CNS-0240558	7,431	0
	GLA	47.070 / 47.CNS-0435376	74,529	0
	GLA	47.070 / 47.CNS-0546712	2,657	0
	GLA	47.070 / 47.CNS-0720875	55,095	0
	GLA	47.070 / 47.CNS-0722415	4,001	0
	GLA	47.070 / 47.CNS-0738102	178	0
	GLA	47.070 / 47.CNS-0739233	34,094	0
	GLA	47.070 / 47.EAR-0345935	(14)	0
	GLA	47.071-0405	49,941	0
	GFB	47.074	3,473,638	124,044
	GFE	47.074	949,566	0
	GGB	47.074	4,477,658	686,846
	GLA	47.074 / 47.624789	34,252	0
	GLA	47.074 / 47.DBI-0454686	66,449	0
	GZA	47.074 / 47.DEB-0346736	882	0
	GKA	47.074 / 47.NSF DBI-0237149	3,055	0
	GFB	47.075	1,881,407	335,133
	GFC	47.075	49,911	0
	GFE	47.075	31,698	18,813
	GGB	47.075	377,462	(48,380)
	GLA	47.075 / 47.INT-0106665	10,836	0
	GFB	47.076	3,305,456	403,506
	GFE	47.076	139,309	65,204
	GGB	47.076	1,288,433	131,252
	GLA	47.076 / 47.DGE 0638719	4,639	0
	GLA	47.076 / 47.DGE-0231611	425,244	0
	GKA	47.076 / 47.DUE 0717589	3,262	0
	GZA	47.076 / 47.DUE-0094493	4,714	0
	GLA	47.076 / 47.DUE-071775	21,929	0
	GLA	47.076 / 47.G-3202-4	12,384	0
	GFB	47.078	3,341,864	166,594
	GGB	47.078	351,561	35,299
	GFB	47.079	121,786	0
	GGB	47.079	5,647	0
	GLA	47.079 / 47.CTS-0626226	5,933	0
	GLA	47.079 / 47.OISE-0106665	1,338	0
	GGB	47.080	243,720	38,531
	GLA	47.ANI-0240558	100,069	0
	GGB	47.ATM-0500061 AMD003	193,494	0
	GGB	47.ATM-0545221 AMD005	210,402	0
	GGB	47.CBET-0808987	238	0
	GGB	47.CHE-0707223 AMD001	223,535	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		GLA	47.CMS-0408150	37,049	0
R&D		GLA	47.CNS-0435376	14,325	0
R&D		GLA	47.CTS-0093611	(540)	0
R&D		GLA	47.CTS-0419204	149,768	0
R&D		GLA	47.CTS-0626226	78,785	0
R&D		GLA	47.DBI-0454686	2,863	0
R&D		GLA	47.DEB 0614350	38,352	0
R&D		GGB	47.DEB-0743786	18,707	0
R&D		GLA	47.DMR-0702351	69,775	0
R&D		GLA	47.DMR-0746086	29,581	0
R&D		GLA	47.DMS-0453600	86,524	0
R&D		GLA	47.DUE-0532684	4,711	0
R&D		GLA	47.DUE-0717751	6,356	0
R&D		GGB	47.EAR-0552526 #002	58,621	0
R&D		GLA	47.EAR-0716153	144,338	0
R&D		GLA	47.ECS-0134130	55,381	0
R&D		GLA	47.ECS-0134132	74,196	0
R&D		GGB	47.ECS-0647380	986	0
R&D		GLA	47.EEC-0002918	(174)	0
R&D		GGB	47.EEC-0310717 #014	799,226	7,500
R&D		GGB	47.EEC-0310717 #13	19,375	15,000
R&D		GGB	47.EEC-0310717 AMENDMENT 01	572,957	0
R&D		GGB	47.EEC-0310717#014	307,111	0
R&D		GGB	47.EEC-0332555	11,500	0
R&D		GLA	47.EEC-0550169	28,058	102,608
R&D		GGB	47.IOB-0335203	9,277	0
R&D		GGB	47.IOB-0444471 ADM002	856	0
R&D		GGB	47.MCB-0314644 004	43,909	0
R&D		GGB	47.MCB-0314644 006	11,783	0
R&D		GLA	47.OCE-0809351	81,756	0
R&D		GLA	47.P00527	68,753	0
R&D		GLA	47.PHY-0547845	103,675	0
SUBTOTAL DIRECT FROM:				67,680,965	8,230,263
PASS-THROUGH PROGRAMS FROM:					
ABILENE CHRISTIAN UNIVERSITY					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4783B	2,723	0
AGRIHOUSE					
Engineering Grants		GFB	47.041 / 47.OCG5008B	89,432	0
ALD NANOSOLUTIONS, INC.					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4779B	22,153	0
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4903B	141,232	0
Engineering Grants		GFB	47.041 / 47.OCG4632B	(1,454)	0
Engineering Grants		GFB	47.041 / 47.OCG4751B	(28,099)	0
Engineering Grants		GFB	47.041 / 47.OCG4887B	44,181	0
AMERICAN EDUCATIONAL RESEARCH ASSOCIATION					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4988B	12,826	0
American Society for Engineering Education					
Education and Human Resources		GLA	47.076 / 47.DUE-0517528.	132,241	0
American Society for Engr Ed					
Education and Human Resources		GLA	47.076 / 47.DUE-0341127	91,656	0
Association of American Geographers					
Education and Human Resources		GKA	47.076 / 47.7055	10,949	0
BOSTON UNIVERSITY					
Geosciences		GFB	47.050 / 47.GC177055NGA	579,385	16,089
BRANDEIS UNIVERSITY					
Unclassified Grants and Contracts		GFB	47.000 / 47.CNS-0551615	58,529	0
CARLETON COLLEGE					
Geosciences		GFB	47.050 / 47.OCG4884B	417	0
CARNEGIE MELLON UNIVERSITY					
Engineering Grants		GFB	47.041 / 47.1120523-152253	96,807	0
CASE WESTERN RESERVE UNIVERSITY					
Mathematical and Physical Sciences		GFE	47.049 / 47.RES502673	29,770	0
CMD Research LLC					
R&D		GLA	47.non-given	21,362	0
COMPUTING RESEARCH ASSOCIATION					
Education and Human Resources		GFB	47.076 / 47.110	77,994	0
CORNELL UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.49759-8180	605	0
Geosciences		GFB	47.050 / 47.49130-8301	52,383	0
Cardianl Peak, LLC					
R&D		GLA	47.NSF-STTR PHASE1	57,277	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
DENVER MUSEUM OF NATURE & SCIENCE					
Computer and Information Science and Engineering		GFB	47.070 / 47.OCG4661B	16,282	0
EVOLUTIONARY GENOMICS					
Engineering Grants		GFE	47.041 / 47.NSF-0450627	47,634	0
FIDELITY COMTECH INC					
Computer and Information Science and Engineering		GFB	47.070 / 47.OCG4725B	(4,080)	0
GEOFF-HAINES-STILES PRODUCTIONS, INC.					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG4904B	4,190	0
INDIANA UNIVERSITY					
Biological Sciences		GFE	47.074 / 47.PO# 363450	37,922	0
INPHASE TECHNOLOGIES					
Unclassified Grants and Contracts		GFB	47.000 / 47.PENDING-1544487	67,030	0
ITN Energy Systems Inc.					
Engineering Grants		GLA	47.041 / 47.PO#05I-0564	208,757	216,921
ITN Engery Systems, Inc.					
Engineering Grants		GLA	47.041 / 47.PO#051-0564	4,047	0
L-3 COMMUNICATIONS CORPORATION					
Computer and Information Science and Engineering		GFB	47.070 / 47.SUB #C05-0268	22,004	0
LOUISIANA STATE UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.SUB AWARD #19529	117,911	0
Montana State University					
Education and Human Resources		GKA	47.076 / 47.NSF ESI-0119786	119,528	0
NATIONAL OPTICAL ASTRONOMY OBSERVATORY					
Unclassified Grants and Contracts		GFB	47.000 / 47.C10568A	14,289	0
NATIONAL SCIENCE FOUNDATION					
Engineering Grants		GFC	47.041 / 47.IIP-0650251	23,893	0
Education and Human Resources		GFC	47.076 / 47.DUE-0736941	90,201	0
NETWORK FOR EARTHQUAKE ENGINEERING SIMULATION					
Engineering Grants		GFB	47.041 / 47.OMSA-2004,V3.1	(690)	0
Engineering Grants		GFB	47.041 / 47.OMSA-2006-SSL-UCOB	160,568	0
Engineering Grants		GFB	47.041 / 47.OMSA-2007-SSL-UCOB	319,982	0
NEW YORK UNIVERSITY					
Computer and Information Science and Engineering		GFB	47.070 / 47.F6682-01/PO#P137871	22,465	0
NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE U					
Computer and Information Science and Engineering		GFB	47.070 / 47.260064E	15,240	0
Computer and Information Science and Engineering		GFB	47.070 / 47.260064K	11,128	0
NORTH CAROLINA STATE UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.2004-1057-01	47,577	0
NORTHERN ARIZONA UNIVERSITY					
Biological Sciences		GFB	47.074 / 47.OCG4274B	(1,492)	0
NORTHWEST RESEARCH ASSOCIATES INC					
Unclassified Grants and Contracts		GFB	47.000 / 47.NWRA-05-S-091	44,730	0
Unclassified Grants and Contracts		GFB	47.000 / 47.NWRA-06-S-098	48,560	0
National Academy of Sciences					
R&D		GLA	47.HR 21-09	140,951	172,392
R&D		GLA	47.NAE-5944-04-001	86,326	0
Northern Illinois University					
Mathematical and Physical Sciences		GLA	47.049 / 47.44-G6A63809/PO#80907	42,648	0
R&D		GLA	47.44-G6A63809/P0800080907	15,141	0
OHIO STATE UNIVERSITY RESEARCH FOUNDATION					
Mathematical and Physical Sciences		GFB	47.049 / 47.746336PO#RF00981315	58,122	0
Polar Programs (B) -		GFB	47.078 / 47.GRT8213500/60000263	45,603	0
PENNSYLVANIA STATE UNIVERISTY					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.3383-UC-NSF-7888	32,201	0
PV Technologies					
R&D		GLA	47.non-given	3,062	0
Purdue University					
R&D		GLA	47.4101-20587/CBET0742753	7,512	0
QUEST PRODUCT DEVELOPMENT CORPORATION					
Unclassified Grants and Contracts		GFB	47.000 / 47.OCG5026B	46,342	0
RESEARCH CORP OF THE UNIVERSITY OF HAWAII					
Biological Sciences		GFB	47.074 / 47.Z689721	93,912	0
RICE UNIVERSITY					
Computer and Information Science and Engineering		GFB	47.070 / 47.R3A594/CNS 0634516	72,462	0
SAINT JOSEPH'S UNIVERSITY					
Education and Human Resources		GLA	47.076 / 47.DUE-0339734	2,040	0
SAN DIEGO STATE UNIVERSITY FOUNDATION					
Education and Human Resources		GFB	47.076 / 47.#52270AP16237802211	1,171	0
Education and Human Resources		GFB	47.076 / 47.52270AP16237802211	696	0
Polar Programs (B) -		GFB	47.078 / 47.53678A P1529 7804	66,651	0
SANDIA NATIONAL LABORATORIES					
Unclassified Grants and Contracts		GFB	47.000 / 47.618780	101,856	0
SANTA FE INSTITUTE					
Biological Sciences		GFB	47.074 / 47.UCB-EF0526747	221,082	0
SECURICS, INC					
Engineering Grants		GFC	47.041 / 47.SUBAWARD - 10/17/06	9,454	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
SPACE SCIENCE INSTITUTE				
Education and Human Resources	GFE	47.076 / 47.SPO00359	2,130	0
SRI INTERNATIONAL				
Geosciences	GFB	47.050 / 47.03-000027	97,820	0
Geosciences	GFB	47.050 / 47.03-000030	18,172	0
Computer and Information Science and Engineering	GFB	47.070 / 47.55-000342	3	0
Computer and Information Science and Engineering	GFB	47.070 / 47.55-000452	12,690	0
Computer and Information Science and Engineering	GFB	47.070 / 47.66-000195	11,399	0
ST. JOSEPH'S UNIVERSITY				
Education and Human Resources	GLA	47.076 / 47.NFF DUE-0302542	13,062	0
STATE UNIVERSITY NEW YORK RESEARCH FOUND				
Mathematical and Physical Sciences	GFB	47.049 / 47.39745/1055595	675,525	0
Geosciences	GFB	47.050 / 47.1025099	495	0
STEVENS INSTITUTE OF TECHNOLOGY				
Computer and Information Science and Engineering	GFB	47.070 / 47.SUBAWARD 527032-01	101,363	0
Southwest Research Institute				
R&D	GLA	47.699021X	35,872	0
TDA RESEARCH INC.				
Unclassified Grants and Contracts	GFB	47.000 / 47.UCB07-01	44,433	0
TERC				
Unclassified Grants and Contracts	GFB	47.000 / 47.4200	1,907	0
Unclassified Grants and Contracts	GFB	47.000 / 47.4205	24,831	0
THE UNIVERSITY OF KANSAS CENTER FOR RSCH, INC				
Biological Sciences	GFB	47.074 / 47.FY2006-008	6,742	0
UNIV. OF WASHINGTON				
Education and Human Resources	GLA	47.076 / 47.ESI-0227558	146,271	17,441
Education and Human Resources	GLA	47.076 / 47.NSF NO.ESI-0227558	6,150	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH				
Mathematical and Physical Sciences	GFB	47.049 / 47.S05-39607	79,819	13,991
Geosciences	GFB	47.050 / 47.P0756249	12,672	0
Geosciences	GFB	47.050 / 47.PO 858104	4,337	0
Geosciences	GFB	47.050 / 47.PO#P0240650	1	0
Geosciences	GFB	47.050 / 47.S06-58156	49,124	0
Geosciences	GFB	47.050 / 47.S08-70419	14,503	0
Computer and Information Science and Engineering	GFB	47.070 / 47.S03-36368	26,283	0
Biological Sciences	GFB	47.074 / 47.S08-69702	56,226	0
Biological Sciences	GFB	47.074 / 47.SUBAWARD#S07-61944	12,148	0
Education and Human Resources	GFB	47.076 / 47.S04-47899	20,207	0
Education and Human Resources	GFB	47.076 / 47.S08-60846	23,535	0
UNIVERSITY OF ALASKA				
Polar Programs (B) -	GFB	47.078 / 47.230752-G00003543/PO	7,566	0
Polar Programs (B) -	GFB	47.078 / 47.UAF 05-0009	6,398	0
Polar Programs (B) -	GFB	47.078 / 47.UAF 07-0106	65,798	0
Polar Programs (B) -	GFB	47.078 / 47.UAF 07-0125	18,000	0
UNIVERSITY OF ARIZONA				
Geosciences	GFB	47.050 / 47.PO# Y414431	82,729	0
UNIVERSITY OF CALIFORNIA AT IRVINE				
Computer and Information Science and Engineering	GFB	47.070 / 47.2003-1352	59,225	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO				
Unclassified Grants and Contracts	GFB	47.000 / 47.10257353	56,133	0
Engineering Grants	GFB	47.041 / 47.10255042	107,188	0
Social, Behavioral, and Economic Sciences	GFB	47.075 / 47.PO #10278213	16,627	0
UNIVERSITY OF CALIFORNIA BERKLEY				
Unclassified Grants and Contracts	GFB	47.000 / 47.SA5920-11779	89,766	0
Mathematical and Physical Sciences	GFB	47.049 / 47.SA5876-11815	30,420	0
UNIVERSITY OF CHICAGO				
Education and Human Resources	GFB	47.076 / 47.34522	20,534	0
Polar Programs (B) -	GFB	47.078 / 47.34252-C	15,547	0
UNIVERSITY OF FLORIDA				
Mathematical and Physical Sciences	GFE	47.049 / 47.UF07130/CHE-0718007	8,147	0
UNIVERSITY OF MAINE				
Unclassified Grants and Contracts	GFB	47.000 / 47.OCG4961B/UM-S668	17,328	0
UNIVERSITY OF MARYLAND COLLEGE PARK				
Geosciences	GFB	47.050 / 47.4733	15,235	0
UNIVERSITY OF MIAMI				
Geosciences	GFB	47.050 / 47.66189W/P100162	42,495	0
Geosciences	GFB	47.050 / 47.PENDING - 1544771	4,151	0
Social, Behavioral, and Economic Sciences	GFB	47.075 / 47.66080C	83,447	0
UNIVERSITY OF MINNESOTA				
Geosciences	GFB	47.050 / 47.T5366216009	62,484	0
UNIVERSITY OF MISSOURI-COLUMBIA				
International Science and Engineering (OISE)	GFB	47.079 / 47.C00014827-2	27,001	0
UNIVERSITY OF NEW MEXICO				
Engineering Grants	GFB	47.041 / 47.740023-874X	(2,021)	0
UNIVERSITY OF TEXAS AT EL PASO				
Unclassified Grants and Contracts	GFB	47.000 / 47.26-1007-1761	55,737	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 WISCONSIN					
Mathematical and Physical Sciences		GFB	47.049 / 47.FO82353	21,346	0
Biological Sciences		GFB	47.074 / 47.X260256/144-LL26	39,527	0
Education and Human Resources		GFB	47.076 / 47.X255113	4,144	0
Education and Human Resources		GFB	47.076 / 47.X260271	60,104	0
UNIVERSITY OF WYOMING					
Geosciences		GFB	47.050 / 47.NSF44316SUB	22,841	0
US CIVILIAN RESEARCH/DEVELOPMENT FDN					
Social, Behavioral, and Economic Sciences		GFE	47.075 / 47.GEB2-3344-TB-06	6,696	0
International Science and Engineering (OISE)		GFB	47.079 / 47.RUB1-2863-MO-07	7,318	0
International Science and Engineering (OISE)		GFC	47.079 / 47.UKM2-2811-OD-06	198	0
VANDERBILT UNIVERSITY					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.18494	65,601	0
VIRGINIA TECH					
Education and Human Resources		GLA	47.076 / 47.NSF DUE-0230992	3,339	0
Virginia Polytechnic Institute & State University					
Social, Behavioral, and Economic Sciences		GLA	47.075 / 47.19459-477347	25,421	0
WAYNE STATE UNIVERSITY					
Mathematical and Physical Sciences		GFE	47.049 / 47.WSU07077	140	0
WESTED					
Education and Human Resources		GFB	47.076 / 47.5436 S07-081	59,850	0
WOODS HOLE OCEANOGRAPHIC INSTITUTION					
Engineering Grants		GFB	47.041 / 47.NA17RJ1223 37122357	12,135	0
ZENWA, INC.					
Unclassified Grants and Contracts		GFB	47.000 / 47.SUB# OCG4879B	83,886	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,777,478	436,834
SUBTOTAL NATIONAL SCIENCE FOUNDATION				74,458,443	8,667,097
SUBTOTAL NATIONAL SCIENCE FOUNDATION				74,458,443	8,667,097
SMALL BUSINESS ADMINISTRATION					
SMALL BUSINESS ADMINISTRATION					
DIRECT FROM:					
SMALL BUSINESS ADMINISTRATION					
R&D		GGB	59.08065002	16,793	0
SUBTOTAL DIRECT FROM:				16,793	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				16,793	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				16,793	0
TENNESSEE VALLEY AUTHORITY					
TENNESSEE VALLEY AUTHORITY					
DIRECT FROM:					
TENNESSEE VALLEY AUTHORITY					
TVA Energy Research and Technology Applications		GFB	62.001	278,187	0
SUBTOTAL DIRECT FROM:				278,187	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY				278,187	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY				278,187	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
Sharing Specialized Medical Resources		GFE	64.018	38,066	0
SUBTOTAL DIRECT FROM:				38,066	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				38,066	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				38,066	0
ENVIRONMENTAL PROTECTION AGENCY					
ENVIRONMENTAL PROTECTION AGENCY					
PASS-THROUGH PROGRAMS FROM:					
MOUNTAIN STUDIES INSTITUTE					
Unclassified Grants and Contracts		GFB	66.000 / 66.OCG4834B	2,886	0
WATER ENVIRONMENT RESEARCH					
R&D		GLA	66.X-83085101	266,529	11,898
Water Environment Research Fou					
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GLA	66.606 / 66.DEC14U06	295	0
Water Environment Research Foundation					
R&D		GLA	66.4-Dec-06	97,494	38,719
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				367,204	50,617
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				367,204	50,617
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
PASS-THROUGH PROGRAMS FROM:					
NATL JEWISH HOSPITAL					
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the C		GFE	66.034 / 66.NJH 22086201	5,565	0
UNIVERSITY OF MINNESOTA					
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the C		GFC	66.034 / 66.R3969069102	4,062	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				9,627	0
SUBTOTAL OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY				9,627	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	0	14,744
SUBTOTAL DIRECT FROM:				0	14,744
SUBTOTAL OFFICE OF BROWNFIELDS CLEANUP AND REDEVELOPMENT, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY				0	14,744
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies		GGB	66.716	95,113	0
SUBTOTAL DIRECT FROM:				95,113	0
SUBTOTAL OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY				95,113	0
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Protection-Consolidated Research		GFB	66.500	(2,378)	0
Environmental Protection-Consolidated Research		GGB	66.500	26,289	76,761
Environmental Protection-Consolidated Research		GLA	66.500 / 66.08-FEA-00013	28,251	0
Environmental Protection-Consolidated Research		GLA	66.500 / 66.EP08H001132	75	0
Environmental Protection-Consolidated Research		GLA	66.500 / 66.R-83043101-0	2,486	0
Science to Achieve Results (STAR) Research Program		GFB	66.509	211,808	76,121

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		GGB	66.509	283,940	53,660
Science to Achieve Results (STAR) Research Program		GLA	66.509 / 66.RD-83153001-1	14,628	0
Science to Achieve Results (STAR) Research Program		GLA	66.509 / 66.RD-833332401-01	64,774	2,119
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development		GGB	66.510	45,531	0
P3 Award: National Student Design Competition for Sustainability		GFE	66.516	10,313	0
SUBTOTAL DIRECT FROM:				685,717	208,661
PASS-THROUGH PROGRAMS FROM:					
MACTEC ENGINEERING AND CONSULTING INC					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.6064035004-3230	6,854	0
MALCOLM PIRNIE					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.1700-035	(3,709)	0
METROPOLITAN WATER DIST SOUTHERN CALIFORNIA					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.57398	182	0
ST CLOUD STATE UNIVERSITY					
Science to Achieve Results (STAR) Research Program		GFB	66.509 / 66.PO 117225	111,984	0
UNIVERSITY OF CALIFORNIA RIVERSIDE					
Science to Achieve Results (STAR) Research Program		GFB	66.509 / 66.SO043	12	0
UNIVERSITY OF CHICAGO					
Environmental Protection-Consolidated Research		GFB	66.500 / 66.22602-E	32,743	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Science to Achieve Results (STAR) Research Program		GFB	66.509 / 66.122934/RD83215701	51,232	0
WERF					
Office of Research and Development Consolidated Research/Training/Fellowships		GLA	66.511 / 66.CR-83155901	5,265	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				204,563	0
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY				890,280	208,661
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
Regional Wetland Program Development Grants		GGB	66.461	17,948	0
Water Quality Cooperative Agreements		GFB	66.463	(208)	0
Water Quality Cooperative Agreements		GGB	66.463	7,785	0
SUBTOTAL DIRECT FROM:				25,525	0
SUBTOTAL OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY				25,525	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				1,387,749	274,022
DEPARTMENT OF ENERGY					
CIVILIAN RADIOACTIVE WASTE MANAGEMENT, DEPARTMENT OF ENERGY					
DIRECT FROM:					
CIVILIAN RADIOACTIVE WASTE MANAGEMENT, DEPARTMENT OF ENERGY					
Nuclear Waste Disposal Siting		GLA	81.065 / 81.RUE1-2653-MO-05	2,410	0
SUBTOTAL DIRECT FROM:				2,410	0
SUBTOTAL CIVILIAN RADIOACTIVE WASTE MANAGEMENT, DEPARTMENT OF ENERGY				2,410	0
DEPARTMENT OF ENERGY					
DIRECT FROM:					
DEPARTMENT OF ENERGY					
Unclassified Grants and Contracts		GFB	81.000	1,141,796	310,049
R&D		GLA	81.06C733F	64,772	0
R&D		GGB	81.08094602	25,590	0
R&D		GLA	81.16063-001-05	(466)	0
R&D		GLA	81.2006-3434300048178	125,752	0
R&D		GLA	81.2035-CSM-DOE-1025	180	0
R&D		GLA	81.24498-001-06 2A	23,230	0
R&D		GLA	81.403684	51,913	0
R&D		GLA	81.43822-001-029F	(439)	0
R&D		GLA	81.47291-001-07	111,760	0
R&D		GLA	81.47501-001-07	5,000	0
R&D		GLA	81.52533-001-07	95,443	0
R&D		GLA	81.A0344/228627	2,727	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		GLA	81.ADJ-2-30630-05	(806)	0
R&D		GLA	81.B570356	23,132	0
R&D		GLA	81.B575251	80,703	0
R&D		GLA	81.DE-AD91-07WE07036	22,052	0
R&D		GLA	81.DE-AF26-06NT03205	12,388	0
R&D		GGB	81.DE-AP36-07GO27452	9,775	0
R&D		GLA	81.DE-FC07-051D14648	94,992	0
R&D		GGB	81.DE-FC26-02NT41335 AMEND.	43,224	0
R&D		GGB	81.DE-FG02-02ER15351	1,589	0
R&D		GGB	81.DE-FG02-02ER63370 AMEND.	(439)	0
R&D		GGB	81.DE-FG02-03ER15451	9,853	0
R&D		GGB	81.DE-FG02-04ER15591 AMD A	122,238	0
R&D		GLA	81.DE-FG02-04ER54775	40,153	0
R&D		GLA	81.DE-FG02-04ER63900	99,747	0
R&D		GLA	81.DE-FG02-05ER15739	64,275	0
R&D		GLA	81.DE-FG02-05ER46242	269,156	0
R&D		GGB	81.DE-FG02-05ER64087 A004	243,110	117,276
R&D		GGB	81.DE-FG02-05ER64137 A001	25,766	0
R&D		GLA	81.DE-FG02-06ER15778	120,611	0
R&D		GGB	81.DE-FG02-06ER25724	80,686	0
R&D		GLA	81.DE-FG02-06ER64233	161,045	0
R&D		GLA	81.DE-FG02-07ER46397	75,789	0
R&D		GGB	81.DE-FG02-07ER46448	73,202	0
R&D		GGB	81.DE-FG02-07ER64350 A01	279,097	0
R&D		GLA	81.DE-FG02-07ER64419	62,599	0
R&D		GLA	81.DE-FG02-07ER64423	119,891	0
R&D		GLA	81.DE-FG02-93ER40789	153,761	0
R&D		GGB	81.DE-FG02-94ER61748 AMEND.	157,320	0
R&D		GLA	81.DE-FG07-07ID14849	90,460	0
R&D		GLA	81.DE-FG26-05NT42537	46	0
R&D		GLA	81.DE-FG26-07NT43329	10,000	0
R&D		GLA	81.DE-FG36-06GO16032	193,480	179,733
R&D		GLA	81.DE-FG36-08GO88100	128,066	0
R&D		GGB	81.DE-FG52-06NA26152 #002	165,749	32,397
R&D		GGB	81.DE-FGO2-96ER14625 A018	114,060	0
R&D		GLA	81.DGE-0531499	(3,296)	250,260
R&D		GLA	81.KXEA-3-336017-28	18,518	0
R&D		GLA	81.KXEA-3-33607-16	8,842	0
R&D		GLA	81.KXEA-3-33607-17	99	0
R&D		GLA	81.KXEA-3-33607-18	(22)	0
R&D		GLA	81.KXEA-3-33607-19	(2,767)	0
R&D		GLA	81.KXEA-3-33607-21	40,450	0
R&D		GLA	81.KXEA-3-33607-24	29,431	0
R&D		GLA	81.KXEA-3-33607-25	21,112	0
R&D		GLA	81.KXEA-3-33607-26	74,328	0
R&D		GLA	81.KXEA-3-33607-27	91,759	0
R&D		GLA	81.KXEA-3-33607-29	150,317	0
R&D		GLA	81.KXEA-3-33607-30	28,473	0
R&D		GLA	81.KXEA-3-33607-31	8,046	0
R&D		GLA	81.KXEA-3-33607-32	33,957	0
R&D		GLA	81.KXEA-3-33607-33	31,294	0
R&D		GLA	81.KXEA-3-33607-34	21,966	0
R&D		GLA	81.KXEA-3-33607-35	44,325	0
R&D		GLA	81.KXEA-3-33607-36	8,583	0
R&D		GLA	81.KXEA-3-33607-37	5,426	0
R&D		GLA	81.KXEA-3-33607-38	1,675	0
R&D		GLA	81.NEV-7-77395-01	85,106	0
R&D		GLA	81.PO 187325	6,475	0
R&D		GLA	81.PO 493140	4,268	0
R&D		GLA	81.PO# 187179	2,501	0
R&D		GLA	81.PO#173797	42,581	0
R&D		GLA	81.PO#A0344/814697	16,480	0
R&D		GLA	81.USMMM258U9	174,534	0
R&D		GLA	81.XEA-5-44245-01	104,877	0
R&D		GLA	81.ZDJ-7-77605-02	96,497	0
R&D		GLA	81.ZFT-8-88517-01	2,423	0
SUBTOTAL DIRECT FROM:				5,942,286	889,715
PASS-THROUGH PROGRAMS FROM:					
AERODYNE RESEARCH, INC.					
Unclassified Grants and Contracts		GFB	81.000 / 81.10420-4	53,749	0
AMERICAN IRON AND STEEL INST.					
R&D		GLA	81.DE-FC36-97ID13554	879	0
Advanced Technology Institute					
R&D		GLA	81.DE-FC36-04GO14230	60,862	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
Agouron Institute, Inc.					
R&D		GLA	81.KXEA-3-33607-22	33,802	0
Argonne National Labs					
R&D		GLA	81.W-31-109-ENG-38	42,603	0
BATTELLE MEMORIAL INSTITUTE					
Unclassified Grants and Contracts		GFB	81.000 / 81.37317	73,171	0
Unclassified Grants and Contracts		GFB	81.000 / 81.37396	(17)	0
Unclassified Grants and Contracts		GFB	81.000 / 81.46479	19,970	0
BBNT SOLUTIONS LLC					
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG4748B PO 9500008	181,640	0
BERKELEY NATIONAL LABORATORY					
Unclassified Grants and Contracts		GFE	81.000 / 81.DE-AC02-05CH11231	9,481	0
BOISE STATE UNIVERSITY					
R&D		GLA	81.BSU NO. 130G106009	6,742	0
Batelle Energy Alliance					
R&D		GLA	81.72949	19,278	0
Battelle Memorial Institute					
R&D		GLA	81.36101	34,173	0
Bechtel SAIC Company, LLC					
R&D		GLA	81.NN-SRA 0004 TI 003	(8)	0
R&D		GLA	81.NN-SRA-00004, TO 6	(75)	0
R&D		GLA	81.NN-SRA-00004; TO 5	(85)	0
R&D		GLA	81.NN-SRA-0004 TO 0001	(441)	0
R&D		GLA	81.NN-SRA-0004 TO 0002	(699)	0
R&D		GLA	81.NN-SRA-004, TO 8	4,066	0
Brookhaven National Laboratory					
R&D		GLA	81.114940	45,735	0
CLEMSON UNIVERSITY RESEARCH FOUNDATION					
Unclassified Grants and Contracts		GFB	81.000 / 81.07-01-SR126	88,597	0
Gas Technology Institute					
R&D		GLA	81.KI40570	21,547	0
Golder Associates Inc.					
R&D		GLA	81.DE-FG26-02NT15451-3	50,000	0
Knolls Atomic Power Laboratory					
R&D		GLA	81.KN6007286	77,513	0
LAWRENCE LIVERMORE NATIONAL LABORATORY					
Unclassified Grants and Contracts		GFB	81.000 / 81.B571235	12,915	0
MSE Technology Applications					
R&D		GLA	81.DE-AC09-96WE96405	(1)	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-18	46,288	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-19	106,422	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-20	49,293	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-21	49,518	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-22	14,470	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-24	30,390	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-25	38,832	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-27	20,314	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-28	27,245	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-29	18,928	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-30	20,272	0
Unclassified Grants and Contracts		GFB	81.000 / 81.NCO-6-66378-01	1	0
Unclassified Grants and Contracts		GFB	81.000 / 81.NFT-8-88527-01	36,107	0
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG5003B	12,912	0
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG5004B	12,999	0
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG5005B	12,963	0
Unclassified Grants and Contracts		GFB	81.000 / 81.PO #185898	856	0
Unclassified Grants and Contracts		GFB	81.000 / 81.PO #185899	856	0
Unclassified Grants and Contracts		GFB	81.000 / 81.PO #185900	856	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XCO-6-66421-01	83,423	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XEE-7-77554-01	41,233	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XEE-8-89007-01	63,740	0
Unclassified Grants and Contracts		GFB	81.000 / 81.ZCO-7-77431-01	32,936	0
NORTH CAROLINA STATE UNIVERSITY					
Unclassified Grants and Contracts		GFB	81.000 / 81.2005-0993-01	115,423	0
NORTHERN ARIZONA UNIVERSITY					
Unclassified Grants and Contracts		GFB	81.000 / 81.MPC35TB-A2	160,005	0
Northeastern University					
R&D		GLA	81.560540	(5,255)	0
Pall Corporation					
R&D		GLA	81.DE-FG36-05GO15093	94,854	0
Petroleum Technology Transfer Council					
R&D		GLA	81.Subcontract No. 0895	105,599	0
Praxair, Inc					
R&D		GLA	81.DE-FC26-07NT43054	65,557	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
SANDIA NATIONAL LABORATORIES					
Unclassified Grants and Contracts		GFB	81.000 / 81.740745, PO# A0357	33,444	0
Unclassified Grants and Contracts		GFB	81.000 / 81.762274	21,482	0
SWARTHMORE COLLEGE					
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG4892B	28,933	0
South Dakota School of Mines and Tech					
R&D		GLA	81.CSM 08-02	117,841	0
Southwest Research Institute					
R&D		GLA	81.799171L	36,551	0
TDA RESEARCH INC.					
Unclassified Grants and Contracts		GFB	81.000 / 81.UCB05.02	(2,532)	0
TDA Research, Inc.					
R&D		GLA	81.CSM-08.01	94	0
R&D		GLA	81.non-given	283	0
UNIVERSITY OF CALIFORNIA, MERCED					
Unclassified Grants and Contracts		GFB	81.000 / 81.DE-FG02-07ER64457	25,149	0
UNIVERSITY OF MINNESOTA					
Unclassified Grants and Contracts		GFB	81.000 / 81.X5186780101	62,821	0
UQM TECHNOLOGIES INC					
R&D		GLA	81.non-given	9,176	0
United Solar Ovonic, LLC					
R&D		GLA	81.DE-FC36-07G017053	145,672	0
Univ of Chicago, Argonne Nat'l Lab					
R&D: Development of Metallic Single Crystal Growth Facility		GKA	81.7F-01281	11,595	0
University of Nevada, Las Vegas					
R&D		GLA	81.17GC00000022 UNR-07-16	33,513	0
University of Utah					
R&D		GLA	81.2406098	(9,233)	0
Water Environment Research Fou					
R&D		GLA	81.DEC1R06	32,686	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,639,909	0
SUBTOTAL DEPARTMENT OF ENERGY				8,582,195	889,715
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	284,161	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		GFB	81.117	1,668,059	0
SUBTOTAL DIRECT FROM:				1,952,220	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF OREGON					
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysi		GFB	81.117 / 81.234151-1	13,014	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				13,014	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				1,965,234	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	152,105	35,506
SUBTOTAL DIRECT FROM:				152,105	35,506
PASS-THROUGH PROGRAMS FROM:					
AERODYNE RESEARCH, INC.					
Renewable Energy Research & Development		GFB	81.087 / 81.10366-2	4,015	0
Renewable Energy Research & Development		GFB	81.087 / 81.10366-3	(10,712)	0
ITN Energy Systems, Inc.					
Renewable Energy Research & Development		GLA	81.087 / 81.PO#061-0813	2,227	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Renewable Energy Research & Development		GFB	81.087 / 81.KXDK-9-29638-22	(5,209)	0
Renewable Energy Research & Development		GFB	81.087 / 81.KXEA-3-33606-12	(7,337)	0
Renewable Energy Research & Development		GFB	81.087 / 81.XAT-5-33636-01	7,365	40,023
Renewable Energy Research & Development		GFB	81.087 / 81.XEA-6-55422-01	4,950	0
SANDIA NATIONAL LABORATORIES					
Renewable Energy Research & Development		GFB	81.087 / 81.15191 PO#A0357	(3,812)	0
Renewable Energy Research & Development		GFB	81.087 / 81.15268	(4,023)	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 / 81.31095	(194)	0
Renewable Energy Research & Development		GFB	81.087 / 81.35962	(6,385)	0
Renewable Energy Research & Development		GFB	81.087 / 81.728518	25,000	0
Renewable Energy Research & Development		GFB	81.087 / 81.OCG4830B	5,733	0
Renewable Energy Research & Development		GFB	81.087 / 81.PO177989	21,567	0
UNIVERSITY OF NEVADA AT LAS VEGAS					
Renewable Energy Research & Development		GFB	81.087 / 81.#RF-05-SHGR-006	271,805	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				304,990	40,023
SUBTOTAL OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				457,095	75,529
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	4,040,033	0
Office of Science Financial Assistance Program		GFE	81.049	39,875	0
Office of Science Financial Assistance Program		GGB	81.049	3,268,050	432,595
Office of Science Financial Assistance Program		GLA	81.049 / 81.DE-FG02-07ER15841	40,857	0
Office of Science Financial Assistance Program		GLA	81.049 / 81.DE-FG02-93ER14363	95,091	0
Office of Scientific & Technical Information		GFB	81.064	216,790	0
SUBTOTAL DIRECT FROM:				7,700,696	432,595
PASS-THROUGH PROGRAMS FROM:					
AERODYNE RESEARCH, INC.					
Office of Scientific & Technical Information		GFB	81.064 / 81.ARI-10319-1	24,975	0
American Water Works Research Assoc.					
Office of Science Financial Assistance Program		GLA	81.049 / 81.4150	45,357	0
CONNECTICUT ANALYTICAL CORPORATION					
Office of Science Financial Assistance Program		GFE	81.049 / 81.DE-FG02-07ER86307	59,200	0
MASSACHUSETTS INSTITUTE OF TECHNOLOGY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.5710001810	55,740	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.5710002340	10,970	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.KXEA-3-33606-16	715	0
NORTHERN ARIZONA UNIVERSITY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.MPC 35UT-01	125,899	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.MPC35TV-01	18,367	0
UNIVERSITY OF UTAH					
Office of Scientific & Technical Information		GFB	81.064 / 81.2403133/PO#124856	36,071	0
UT BATTELLE LLC					
Office of Scientific & Technical Information		GFB	81.064 / 81.4000038129	85,204	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				462,498	0
SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY				8,163,194	432,595
OFFICE OF ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
NATL JEWISH HOSPITAL					
Epidemiology and Other Health Studies Financial Assistance Program		GFE	81.108 / 81.NJH 22085403	28,564	0
Epidemiology and Other Health Studies Financial Assistance Program		GFE	81.108 / 81.NJH 22085404	160,188	0
OAK RIDGE ASSOCIATED UNIVERSITIES					
Epidemiology and Other Health Studies Financial Assistance Program		GFE	81.108 / 81.12-12526	155,441	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				344,193	0
SUBTOTAL OFFICE OF ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY				344,193	0
OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY					
Fossil Energy Research & Development		GLA	81.089 / 81.DE-FC26-04NT15505	0	29,653
SUBTOTAL DIRECT FROM:				0	29,653
SUBTOTAL OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY				0	29,653

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 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	110,233	0
SUBTOTAL DIRECT FROM:				110,233	0
SUBTOTAL OFFICE OF NONPROLIFERATION AND NATIONAL SECURITY, DEPARTMENT OF ENERGY				110,233	0
OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
Georgia Institute of Technolog					
Nuclear Energy Research, Development and Demonstration		GLA	81.121 / 81.R8895-G3/DPO#25000161	61,187	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				61,187	0
SUBTOTAL OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY				61,187	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	106,594	0
SUBTOTAL DIRECT FROM:				106,594	0
SUBTOTAL ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY				106,594	0
SUBTOTAL DEPARTMENT OF ENERGY				19,792,335	1,427,492
DEPARTMENT OF EDUCATION					
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
ROCKY MOUNTAIN PUBLIC BROADCASTING NETWORK, INC.					
Ready to Teach		GFC	84.286 / 84.AGREEMENT 10/12/05	257,938	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				257,938	0
SUBTOTAL ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION				257,938	0
DEPARTMENT OF EDUCATION					
DIRECT FROM:					
DEPARTMENT OF EDUCATION					
Unclassified Grants and Contracts		GFB	84.000	41,882	0
R&D		GLA	84.P116B040030	78,641	20,756
SUBTOTAL DIRECT FROM:				120,523	20,756
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Unclassified Grants and Contracts		GFB	84.000 / 84.07-811/PO#SC34107M0	75,680	0
American Printing House for the Blind					
R&D: Research Lit Low Vision APHB		GKA	84.FT08-100	3,444	0
NATIONAL WRITING PROJECT					
National Writing Project Model		GFE	84.928 / 84.NATIONAL WRITING	54,597	0
UNIVERSITY OF ILLINOIS					
Unclassified Grants and Contracts		GFB	84.000 / 84.2007-05169-01-00	47,040	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				180,761	0
SUBTOTAL DEPARTMENT OF EDUCATION				301,284	20,756
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					
Education Research, Development and Dissemination		GFB	84.305	920,758	248,766
SUBTOTAL DIRECT FROM:				920,758	248,766

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF CALIFORNIA LOS ANGELES					
Education Research, Development and Dissemination		GFB	84.305 / 84.0070 G GB335	61,977	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				61,977	0
SUBTOTAL INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION				982,735	248,766
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
National Resource Centers Program for Foreign Language and Area studies of Foreign Language and Internation		GFB	84.015	411,662	0
Undergraduate International Studies and Foreign Language Programs		GFB	84.016	86,543	0
Overseas Programs-Group Project Award		GFB	84.021	87,880	0
Fund for the Improvement of Postsecondary Education		GGB	84.116	178,541	0
Fund for the Improvement of Postsecondary Education		GKA	84.116	106,051	20,520
Graduate Assistance in Areas of National Need		GFB	84.200	561,055	0
Graduate Assistance in Areas of National Need		GFE	84.200	18,859	0
Graduate Assistance in Areas of National Need		GLA	84.200 / 84.P200A070503	17,198	0
Demonstration Projects to Ensure Students With Disabilities Receive a Higher Education		GGB	84.333	234,625	0
SUBTOTAL DIRECT FROM:				1,702,414	20,520
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				1,702,414	20,520
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	13,371	6,036
National Institute on Disability and Rehabilitation Research		GFE	84.133	802,343	538,154
SUBTOTAL DIRECT FROM:				815,714	544,190
PASS-THROUGH PROGRAMS FROM:					
GEORGIA INSTITUTE OF TECHNOLOGY					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.R8686-GI	58,462	0
OREGON UNIVERSITY SYSTEM					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.TRSUB08.06	1,862	0
REHABILITATION INSTITUTE RESEARCH CORP					
Rehabilitation Services Demonstration and Training Programs		GFB	84.235 / 84.OCG4727	1,749	0
UNIVERSITY OF ILLINOIS					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.H133EE020715	48,673	95,078
UNIVERSITY OF MICHIGAN					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.SUB# 3000662025	18,052	0
UNIVERSITY OF MINNESOTA					
National Institute on Disability and Rehabilitation Research		GFE	84.133 / 84.H133B031116-04	112,578	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				241,376	95,078
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				1,057,090	639,268
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	695,321	35,000
SUBTOTAL DIRECT FROM:				695,321	35,000
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				695,321	35,000
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Migrant Education: College Assistance Migrant Program		GFB	84.149	383,480	0
Safe and Drug-Free Schools and Communities: National Programs		GFB	84.184	284,367	0
Improving Teacher Quality State Grants		GLA	84.367 / 84.B06-07-4	91,139	0
SUBTOTAL DIRECT FROM:				758,986	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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					
Parental Information and Resource Centers		GFE	84.310 / 84.CPIRC	73,306	0
Early Reading First		GFE	84.359 / 84.PN200611-023	2,132	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				75,438	0
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				834,424	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	160,141	0
Research in Special Education		GFE	84.324	400,591	22,927
Research in Special Education		GGB	84.324	1,425	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFB	84.325	273,190	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325	274,399	15,966
SUBTOTAL DIRECT FROM:				1,109,746	38,893
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325 / 84.07-825	43,562	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFB	84.326 / 84.07-819/PO# SC 34107	43,427	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFE	84.326 / 84.07-826	53,803	0
TENNESSE VOICES FOR CHILDREN					
Research in Special Education		GFE	84.324 / 84.H324C030118	19,467	0
UNIVERSITY OF FLORIDA					
Research in Special Education		GFB	84.324 / 84.UF07045	63,413	0
UNIVERSITY OF NORTHERN IOWA					
Research in Special Education		GFC	84.324 / 84.SUBC. NO:S4728B	48,933	0
UNIVERSITY OF SOUTH FLORIDA					
Research in Special Education		GFE	84.324 / 84.5830-1081-00-A	28,370	0
Research in Special Education		GFE	84.324 / 84.5830-479-LO-H	38,908	0
UNIVERSITY OF WASHINGTON					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		GFE	84.325 / 84.NO. 334905	49,577	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				389,460	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				1,499,206	38,893
SUBTOTAL DEPARTMENT OF EDUCATION				7,330,412	1,003,203
SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS					
THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION					
DIRECT FROM:					
THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION					
Morris K. Udall Scholarship Program (C) -		GFE	85.400	110,792	0
Morris K. Udall Fellowship Program (C) -		GFE	85.401	12,461	0
SUBTOTAL DIRECT FROM:				123,253	0
SUBTOTAL THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION				123,253	0
SUBTOTAL SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS				123,253	0
UNITED STATES INSTITUTE OF PEACE					
UNITED STATES INSTITUTE OF PEACE					
DIRECT FROM:					
UNITED STATES INSTITUTE OF PEACE					
Unsolicited Grant Program		GFB	91.001	13,036	0
SUBTOTAL DIRECT FROM:				13,036	0
SUBTOTAL UNITED STATES INSTITUTE OF PEACE				13,036	0
SUBTOTAL UNITED STATES INSTITUTE OF PEACE				13,036	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Abandoned Infants		GFE	93.551	423,126	0
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Discretionary Grants		GFE	93.592	928	0
Head Start		GFE	93.600	565,254	393,783
Head Start		GGB	93.600	4,330	0
Developmental Disabilities Projects of National Significance		GFE	93.631	255,930	1,217
SUBTOTAL DIRECT FROM:				1,249,568	395,000
PASS-THROUGH PROGRAMS FROM:					
Earle School District					
Community-Based Abstinence Education (CBAE)		GKA	93.010 / 93.Prime Award #90AE0219	8,806	0
GEO EDUCATION & RESEARCH					
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Discretionary Grants		GFC	93.592 / 93.R3969069102	24,541	0
Weld County Department of Social Svs					
Healthy Marriage Promotion and Responsible Fatherhood Grants		GKA	93.086 / 93.90FE0134/01	74,235	0
XTRIA, LLC					
Head Start		GFE	93.600 / 93.SUB# 1053-007-45-18	40,789	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				148,371	0
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,397,939	395,000
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 D: In-Home Services for Frail Older Individuals		GFE	93.046	200,984	0
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects		GFE	93.048	2,945,302	610,542
Alzheimer's Disease Demonstration Grants to States		GGB	93.051	105,532	129,732
SUBTOTAL DIRECT FROM:				3,251,818	740,274
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				3,251,818	740,274
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	3,017	0
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226	1,583,825	256,553
SUBTOTAL DIRECT FROM:				1,586,842	256,553
PASS-THROUGH PROGRAMS FROM:					
DENVER HEALTH AND HOSPITAL					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226 / 93.DHH-E2553	39,053	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				39,053	0
SUBTOTAL AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,625,895	256,553
AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
ASSOCIATION OF UNIVERSITY CNTRS ON DISABILITIES					
Human Health Studies: Applied Research and Development		GFE	93.206 / 93.RTO12005-1/2-07	188,172	55,466
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				188,172	55,466
SUBTOTAL AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				188,172	55,466

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
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					
Innovations in Applied Public Health Research		GFE	93.061	159,040	0
Centers for Genomics and Public Health		GFE	93.063	112,181	43,978
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135	1,308,418	6,188
Injury Prevention and Control Research and State and Community Based Programs		GFE	93.136	267,383	67,206
Injury Prevention and Control Research and State and Community Based Programs		GGB	93.136	441,567	253,754
Health Program for Toxic Substances and Disease Registry		GGB	93.161	9,603	0
Immunization Research, Demonstration, Public Information and Education: Training and Clinical Skills Improv		GFE	93.185	368,099	24,786
Occupational Safety and Health Program		GFB	93.262	327,541	29,891
Occupational Safety and Health Program		GFE	93.262	964,927	498,988
Occupational Safety and Health Program		GGB	93.262	587,007	217,904
Occupational Safety and Health Program		GLA	93.262 / 93.254-2006-M-15778	(2,226)	0
Occupational Safety and Health: Training Grants		GLA	93.263 / 93.214-2008-M-25560	3,931	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFB	93.283	30,102	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	482,286	12,090
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGB	93.283	500,750	302,198
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Viru		GGB	93.943	385,657	0
Assistance Programs for Chronic Disease Prevention and Control		GFE	93.945	656,676	40,387
SUBTOTAL DIRECT FROM:				6,602,942	1,497,370
PASS-THROUGH PROGRAMS FROM:					
CERNER CORPORATION					
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Viru		GFE	93.943 / 93.200-2001-00133	2,949	0
CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER					
Assistance Programs for Chronic Disease Prevention and Control		GFE	93.945 / 93.CHMC#500/U01DP00248	9,898	0
DENVER HEALTH AND HOSPITAL					
Laboratory Training, Evaluation, and Quality Assurance Programs		GFE	93.064 / 93.E2238	3,000	0
Laboratory Training, Evaluation, and Quality Assurance Programs		GFE	93.064 / 93.E2238-1	2,941	0
Preventive Health Services: Sexually Transmitted Diseases Control Grants		GFE	93.977 / 93.CONT 87072	34,017	0
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		GFE	93.978 / 93.E1919B-2 PTC CLINIC	23,353	0
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		GFE	93.978 / 93.E1919B-3 BEHAVIORAL	(3,873)	0
DUKE UNIVERSITY					
Occupational Safety and Health Program		GFE	93.262 / 93.R01 OH008007-03	13,667	0
INDIANA UNIVERSITY					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.IU 4645709	16,073	0
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.PO# 251613	1,418	0
KAISER FOUNDATION					
Immunization Research, Demonstration, Public Information and Education: Training and Clinical Skills Improv		GFE	93.185 / 93.PN200707-041	35,640	0
MCMASTER UNIVERSITY					
Injury Prevention and Control Research and State and Community Based Programs		GFE	93.136 / 93.04-441-UC	47,963	0
NATIONAL JEWISH MEDICAL AND RESEARCH CENTER					
Immunization Grants		GFE	93.268 / 93.NO1-AI-40029	44,694	0
UNIVERSITY OF ALABAMA					
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		GFE	93.944 / 93.BAMSG 3-01	928	0
UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER					
Injury Prevention and Control Research and State and Community Based Programs		GFE	93.136 / 93.290200710009I TO2	24,457	0
UNIVERSITY OF SOUTH CAROLINA					
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135 / 93.PO# 72057J	5,020	0
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135 / 93.PO# 82014J	4,937	0
University of Missouri - Rolla					
Occupational Safety and Health Program		GLA	93.262 / 93.1-R25-OH003819-01	415,038	0
WESTAT, INC					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.7735-S035	537,379	365,950
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.8350-S035	619,651	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,839,150	365,950
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				8,442,092	1,863,320
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Unclassified Grants and Contracts		GFB	93.000	403,691	0
SUBTOTAL DIRECT FROM:				403,691	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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:					
AKTIV-DRY LLC					
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4745B	435,872	0
INDEVR, LLC					
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4851B	112,863	0
INDIANA UNIVERSITY					
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4900B/PO#324461	30,609	0
PalTech					
R&D: Family & Youth Services Bureau		GKA	93.GS-10F-0311K FYSB	26,866	0
SERENDIPITY PHARMACEUTICALS, INC.					
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4870B	6,657	0
STATE UNIVERSITY NEW YORK RESEARCH FOUND					
Unclassified Grants and Contracts		GFB	93.000 / 93.1049874-2-37135	32,793	0
THE SCRIPPS RESEARCH INSTITUTE					
Unclassified Grants and Contracts		GFB	93.000 / 93.PO# 5-22651	28,084	0
UNIVERSITY OF WASHINGTON					
Unclassified Grants and Contracts		GFB	93.000 / 93.377978	32,281	0
WASHINGTON STATE UNIVERSITY					
Unclassified Grants and Contracts		GFB	93.000 / 93.G001928 N01-A1-3055	6,066	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				712,091	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,115,782	0
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Demonstration to Maintain Independence and Employment		GFE	93.769	97,225	0
Medicare: Supplementary Medical Insurance		GFE	93.774	1,251,299	41,820
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779	214,080	0
SUBTOTAL DIRECT FROM:				1,562,604	41,820
PASS-THROUGH PROGRAMS FROM:					
ABT ASSOCIATES INC					
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779 / 93. 2115530	200,315	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779 / 93.ABT 18563	197,134	0
COLORADO FOUNDATION MEDICAL CARE					
Medicare: Hospital Insurance		GFE	93.773 / 93.500-02-C001	259,367	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations		GFE	93.779 / 93.CMS# 500-05-C001	172,780	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				829,596	0
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,392,200	41,820
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	102,584	110,152
Health Education and Training Centers		GFE	93.189	34,959	0
Universal Newborn Hearing Screening		GFB	93.251	103,787	21,525
Minority Health and Health Disparities Research		GFE	93.307	258,138	148,786
SUBTOTAL DIRECT FROM:				499,468	280,463
PASS-THROUGH PROGRAMS FROM:					
CHILDRENS HOSPITAL					
Grants to Increase Organ Donations		GFE	93.134 / 93.G06810-03	76,156	0
DENVER DEPT OF HUMAN SERVICES					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.CE 61304	30,744	0
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.CE61304 (1)	107,271	0
PUEBLO COMMUNITY HEALTH CENTER					
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		GFE	93.918 / 93.CU EIS CONTRCT2003	21,205	0
SOCIAL AND SCIENTIFIC SYSTEMS					
AIDS Education and Training Centers		GFE	93.145 / 93.BRS-Q-06-00116-T005	300	0
TEXAS HEALTH INSTITUTE					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.PN200708-202	28,554	0
UNIVERSITY OF FLORIDA					
Development and Coordination of Rural Health Services		GFE	93.223 / 93.R18 HL073326	14,619	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 NEW MEXICO					
Cooperative Agreements to States/ Territories for the Coordination and Development or Primary Care Officers		GFE	93.130 / 93.HHSN268200425211C	31,967	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				310,816	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				810,284	280,463
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	188,072	861
SUBTOTAL DIRECT FROM:				188,072	861
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF WASHINGTON					
Human Genome Research		GFE	93.172 / 93. 441040	21,694	0
Human Genome Research		GFE	93.172 / 93.P50HG003374	2,136	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				23,830	0
SUBTOTAL NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				211,902	861
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	232,699	0
SUBTOTAL DIRECT FROM:				232,699	0
SUBTOTAL NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				232,699	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	577,900	191,716
Research Related to Deafness and Communication Disorders		GFE	93.173	3,622,729	365,142
Research Related to Deafness and Communication Disorders		GGB	93.173	335,837	98,007
SUBTOTAL DIRECT FROM:				4,536,466	654,865
PASS-THROUGH PROGRAMS FROM:					
Creare					
Research Related to Deafness and Communication Disorders		GKA	93.173 / 93.2R44DC005112-02A2, Su	18,310	0
UNIVERSITY OF PITTSBURG					
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.108488-2	29,200	0
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.UPITT 111077-1	1,389	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				48,899	0
SUBTOTAL NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				4,585,365	654,865
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	93.1 R25 DK067017-05	4,396	0
Biological Response to Environmental Health Hazards		GFE	93.113	715,007	0
Biological Response to Environmental Health Hazards		GGB	93.113	844,139	0
Oral Diseases and Disorders Research		GFB	93.121	1,398,740	0
Oral Diseases and Disorders Research		GFE	93.121	3,852,036	28,535
R&D		GGB	93.1U50OH008085-01	(356)	0
Research and Training in Complementary and Alternative Medicine		GFB	93.213	83,831	0
Research and Training in Complementary and Alternative Medicine		GFE	93.213	313,712	0
Mental Health Research Grants		GFB	93.242	3,992,110	264,932
Mental Health Research Grants		GFC	93.242	27,556	0
Mental Health Research Grants		GFE	93.242	8,779,474	786,369
Mental Health Research Grants		GGB	93.242	321,593	46,582
Alcohol Research Career Development Awards for Scientists and Clinicians		GFB	93.271	204,246	0
Alcohol National Research Service Awards for Research Training		GFB	93.272	34,224	0
Alcohol Research Programs		GFB	93.273	1,318,258	87,883
Alcohol Research Programs		GFE	93.273	5,263,399	476,024
Alcohol Research Programs		GGB	93.273	443,082	207,089

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
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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
Drug Abuse National Research Service Awards for Research Training		GFB	93.278	227,609	0
Drug Abuse and Addiction Research Programs		GFB	93.279	2,352,533	592,363
Drug Abuse and Addiction Research Programs		GFE	93.279	5,333,390	1,483,774
Drug Abuse and Addiction Research Programs		GGB	93.279	616,679	0
Mental Health Research Career/Scientist Development Awards		GFB	93.281	89,948	0
Mental Health Research Career/Scientist Development Awards		GFE	93.281	114,655	0
Mental Health National Research Service Awards for Research Training		GFB	93.282	301,527	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GFB	93.286	712,004	232,237
Discovery and Applied Research for Technological Innovations to Improve Human Health		GFE	93.286	352,443	0
Discovery and Applied Research for Technological Innovations to Improve Human Health		GGB	93.286	173,827	0
Trans-NIH Research Support		GGB	93.310	76,705	0
Clinical Research		GFE	93.333	19,184	0
Nursing Research		GFE	93.361	127,879	63,971
Minority Biomedical Research Support		GFE	93.375	757,892	53,498
National Center for Research Resources		GFB	93.389	1,115,923	0
National Center for Research Resources		GFE	93.389	7,558,912	5,405,154
National Center for Research Resources		GGB	93.389	4,419,682	(3,243)
Cancer Cause and Prevention Research		GFB	93.393	253,170	0
Cancer Cause and Prevention Research		GFE	93.393	3,077,363	0
Cancer Cause and Prevention Research		GGB	93.393	1,580,937	2,163
Cancer Detection and Diagnosis Research		GFB	93.394	676,004	0
Cancer Detection and Diagnosis Research		GFE	93.394	1,071,912	0
Cancer Detection and Diagnosis Research		GGB	93.394	186,146	0
Cancer Treatment Research		GFB	93.395	51,156	0
Cancer Treatment Research		GFE	93.395	2,117,399	1,174,013
Cancer Treatment Research		GGB	93.395	1,023,536	43,853
Cancer Biology Research		GFB	93.396	1,248,832	32,454
Cancer Biology Research		GFE	93.396	3,318,110	58,631
Cancer Centers Support		GFE	93.397	6,366,894	406,885
Cancer Research Manpower		GFB	93.398	82,626	0
Cancer Research Manpower		GFE	93.398	763,149	0
Cancer Research Manpower		GGB	93.398	509,680	0
Cancer Control		GFB	93.399	208,825	38,463
Cancer Control		GFE	93.399	2,958,574	1,670,965
Cancer Control		GKA	93.399	102,894	0
R&D		GGB	93.5 T32 HD007031-32	23,250	0
R&D		GGB	93.5 U54 AI065357-03	264,376	0
R&D		GGB	93.5U5OOH008085-02	(392)	0
Cell Biology and Biophysics Research		GFB	93.821	178,505	0
Cell Biology and Biophysics Research		GFE	93.821	(1,732)	0
Cardiovascular Disease Research		GFB	93.837	1,828,181	55,724
Cardiovascular Disease Research		GFE	93.837	6,804,510	70,469
Cardiovascular Disease Research		GGB	93.837	556,887	0
Lung Diseases Research		GFB	93.838	235,077	0
Lung Diseases Research		GFE	93.838	11,484,170	2,038,075
Blood Diseases and Resources Research		GFB	93.839	(8,085)	0
Blood Diseases and Resources Research		GFE	93.839	721,415	48,892
Blood Diseases and Resources Research		GGB	93.839	53,479	65,920
Arthritis, Musculoskeletal and Skin Diseases Research		GFB	93.846	989,797	153,926
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846	3,165,116	529,931
Diabetes, Endocrinology and Metabolism Research		GFB	93.847	98,109	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847	12,613,893	547,699
Diabetes, Endocrinology and Metabolism Research		GGB	93.847	301,869	0
Digestive Diseases and Nutrition Research		GFE	93.848	7,497,787	255,935
Digestive Diseases and Nutrition Research		GGB	93.848	204,370	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849	4,450,917	107,638
Kidney Diseases, Urology and Hematology Research		GGB	93.849	402,416	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFB	93.853	509,555	129,879
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853	6,957,134	391,616
Extramural Research Programs in the Neurosciences and Neurological Disorders		GGB	93.853	1,223,386	97,906
Biological Basis Research in the Neurosciences		GFE	93.854	(4,997)	0
Allergy, Immunology and Transplantation Research		GFB	93.855	1,367,074	118,551
Allergy, Immunology and Transplantation Research		GFE	93.855	13,664,146	3,972,786
Allergy, Immunology and Transplantation Research		GGB	93.855	1,847,810	704,881
Allergy, Immunology and Transplantation Research		GKA	93.855	90,863	0
Microbiology and Infectious Diseases Research		GFB	93.856	658,826	0
Microbiology and Infectious Diseases Research		GFE	93.856	749,969	689,755
Microbiology and Infectious Diseases Research		GGB	93.856	10,558,231	6,060,506
Pharmacology, Physiology, and Biological Chemistry Research		GFB	93.859	9,206,849	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859	4,492,897	361,749
Pharmacology, Physiology, and Biological Chemistry Research		GGB	93.859	2,079,458	65,744
Genetics and Developmental Biology Research and Research Training		GFB	93.862	(2)	0
Genetics and Developmental Biology Research and Research Training		GFE	93.862	(59)	0
Population Research		GFB	93.864	(3,026)	0
Population Research		GFE	93.864	295,069	23,053
Child Health and Human Development Extramural Research		GFB	93.865	2,943,196	605,794

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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 Health and Human Development Extramural Research		GFE	93.865	7,249,907	750,813
Child Health and Human Development Extramural Research		GGB	93.865	775,283	0
Aging Research		GFB	93.866	3,225,061	111,294
Aging Research		GFC	93.866	145,516	140,048
Aging Research		GFE	93.866	4,176,764	129,972
Aging Research		GGB	93.866	497,573	71,679
Vision Research		GFB	93.867	537,201	35,300
Vision Research		GFE	93.867	483,952	11,271
Vision Research		GGB	93.867	524,622	0
Medical Library Assistance		GFE	93.879	744,207	29,517
Fogarty International Research Collaboration Award		GFE	93.934	762,195	96,352
International Research and Research Training		GFB	93.989	58,506	125,499
International Research and Research Training		GFE	93.989	2,191	0
International Research and Research Training		GGB	93.989	59,681	99,621
R&D		GGB	93.N01 AI-40091 MOD 6	1,030,915	0
R&D		GGB	93.N01-AI-25469 AMD #9	731,585	1,844
R&D		GGB	93.N01-AI-25491 MOD 7	863,875	175,203
R&D		GGB	93.N01-AI-95385 AMD 14	499,945	0
R&D		GGB	93.N01 AI-40091 MOD 6	2,146,815	267,104
SUBTOTAL DIRECT FROM:				210,559,534	32,294,541
PASS-THROUGH PROGRAMS FROM:					
AMERICAN COLLEGE OF RADIOLOGY					
Cancer Treatment Research		GFE	93.395 / 93.ACOR CA21661	222,496	0
BAYLOR COLLEGE OF MEDICINE					
Cancer Biology Research		GFE	93.396 / 93.PO# 100108810	38,274	0
BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.BRI3215.04 UDK62418	1,263	0
BETA CELL BIOLOGY CONSORTIUM					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.VUMC32680-4	32,896	0
BLACK HILLS CENTER FOR AMERICAN INDIAN HEALTH,S.D					
Cardiovascular Disease Research		GFE	93.837 / 93.U01HL087422-01	13,985	0
BOOZ ALLEN HAMILTON INC.MD					
Cancer Centers Support		GFE	93.397 / 93.SUB# 79556CBS10	30,440	0
BRIGHAM AND WOMENS HOSPITAL					
Oral Diseases and Disorders Research		GFE	93.121 / 93.5 P5ODE016191-BWH	174,645	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846 / 93.P50 AR044750	123,737	0
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Lung Diseases Research		GFB	93.838 / 93.19-1079538	244,886	0
CALIFORNIA PACIFIC MEDICAL CENTER					
Aging Research		GFE	93.866 / 93.2803204-S043	70,702	0
CHANNING LABORATORY AT HARVARD MEDICAL SCHOOL					
Lung Diseases Research		GFE	93.838 / 93.SUB# 103118-3	13,869	0
CHILDRENS HOSPITAL					
National Center for Research Resources		GFE	93.389 / 93.G06834-1	6,401	0
National Center for Research Resources		GFE	93.389 / 93.G06834-2	5,259	0
National Center for Research Resources		GFE	93.389 / 93.G07056	138,363	0
CHILDRENS HOSPITAL OF CINCINNATI					
National Center for Research Resources		GFE	93.389 / 93.CHMC# 100453	(254)	0
National Center for Research Resources		GFE	93.389 / 93.CHMC# 470	(14,588)	0
CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER					
Cardiovascular Disease Research		GFE	93.837 / 93.CHMC# 103634	42,167	0
CLARKSON UNIVERSITY					
Cardiovascular Disease Research		GFE	93.837 / 93.SUB# 375-32780-1	3,636	0
CLEVELAND CLINIC FOUNDATION					
Kidney Diseases, Urology and Hematology Research		GFB	93.849 / 93.4.94135E+11	87,573	0
Population Research		GFE	93.864 / 93.1R01HD041162 MOD#6	21,774	0
COLLINGE AND ASSOCIATES					
Cancer Cause and Prevention Research		GFE	93.393 / 93.CA103606A	29,180	0
COLORADO SEMINARY					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.SC36028-01-03	63,562	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.SC#36070-02-05	57,310	0
COLUMBIA UNIVERSITY					
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846 / 93.NONE	(30,800)	0
Diabetes, Endocrinology and Metabolism Research		GFB	93.847 / 93.5-65604 / PO#570622	262,003	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.COLUMBU-NSO48125	13,409	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.R01 NSO45294-03	1,758	0
COLUMBUS CHILDRENS RESEARCH INSTITUTE					
Cancer Control		GFE	93.399 / 93.RCA098217	42,596	0
DARTMOUTH COLLEGE					
Mental Health Research Grants		GFC	93.242 / 93.5-30676-5700	9,614	0
Cancer Control		GFE	93.399 / 93.5 R01 CA098286-04	(166)	0
Cancer Control		GFE	93.399 / 93.5-30190.5710	9,432	0
Cancer Control		GFE	93.399 / 93.502032.5000.L00378	84,657	0

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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
DENVER HEALTH AND HOSPITAL					
Cancer Cause and Prevention Research		GFE	93.393 / 93.DHH - E1815B-2	60,105	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815A	19,849	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815B-1	37,582	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815C	118,323	0
Cardiovascular Disease Research		GFE	93.837 / 93.E2062A	29,868	0
Lung Diseases Research		GFE	93.838 / 93.DHH - E1392B4	7,406	0
Lung Diseases Research		GFE	93.838 / 93.DHH - E1392B5	174,564	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.DHH E1942-A	11,666	0
DUKE UNIVERSITY					
Discovery and Applied Research for Technological Innovations to Improve Human Health		GFE	93.286 / 93.07-SC-NIH-1007	16,418	0
Cancer Treatment Research		GFE	93.395 / 93.7U10CA76001	19,044	0
Cancer Treatment Research		GFE	93.395 / 93.GCID-345	1,946	0
Cardiovascular Disease Research		GFE	93.837 / 93. 141988	265,618	0
Aging Research		GFB	93.866 / 93.04-SC-NIH-1072	229,022	0
EMMES CORPORATION					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.EMMES CTN-0017	47,315	0
EMORY UNIVERSITY, ATLANTA					
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93.5-23315-G3	7,595	0
FISHER BIOSERVICES CORP					
Cancer Treatment Research		GFE	93.395 / 93.FBS-43312-19	20,280	0
FLORIDA A&M UNIVERSITY					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.C-1786	173,620	0
GEORGE WASHINGTON UNIVERSITY					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.23301-6-CCLS20349F	2,247	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU 06-A08	51,185	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU-S-TRN0708-NL08	426,854	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWUNIV #06-A06	(20,260)	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWUNIV 06-M13	21,695	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.PTA#23301-2-CCLS201	275,489	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.S-TRN0708-NL13	364,323	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.TRN0708/DK061055-07	671,654	0
H.LEE MOFFITT CANCER CENTR & RESEARCH INSTITUTE					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.AGRMNT# 2004-011	(6,998)	0
HARVARD UNIVERSITY-SCHOOL OF PUBLIC HEALTH					
Child Health and Human Development Extramural Research		GFE	93.865 / 93.U01 HD052102-FFP	231,867	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.U01 HD052102-FUP	7,551	0
HENRY M. JACKSON FOUNDATION					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93. 142140	303,540	0
HOPE FOUNDATION					
Cancer Treatment Research		GFE	93.395 / 93.PN:200704-060	25,598	0
HOSPITAL FOR SPECIAL SURGERY					
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.AI055007-05 R01	148,505	0
HTD BIOSYSTEMS					
Allergy, Immunology and Transplantation Research		GFB	93.855 / 93.OCG4573B	134	0
INTERNET SOLUTIONS FOR KIDS, INC.					
Mental Health Research Grants		GFE	93.242 / 93.PN200612-130	16,789	0
JOHNS HOPKINS UNIVERSITY					
Mental Health Research Grants		GFE	93.242 / 93. 2000056571	10,063	0
Cancer Control		GFE	93.399 / 93. 2000289068	43,282	0
Lung Diseases Research		GFE	93.838 / 93.SUB-2000011369	82,526	11,127
Child Health and Human Development Extramural Research		GFE	93.865 / 93. 2000235383	9,008	0
KAISER FOUNDATION					
Research and Training in Complementary and Alternative Medicine		GFE	93.213 / 93.R21AT002617	50,685	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.PN200607-114	26,580	0
Cardiovascular Disease Research		GFE	93.837 / 93.KAISER 115-9350B	(1,969)	0
KEYSTONE BIOMEDICAL INC					
Cardiovascular Disease Research		GFE	93.837 / 93.PN200411-152	(1,781)	0
KLEIN BRUNDEL, INC.					
Cancer Cause and Prevention Research		GFE	93.393 / 93.238-UCD	40,399	0
KLEIN BUENDEL					
Cancer Cause and Prevention Research		GFB	93.393 / 93.249-UCD	36,091	0
KLEIN BUENDEL, INC.					
Cancer Cause and Prevention Research		GFE	93.393 / 93.0253-0101-000	2,545	0
LIVING SYSTEMS, INC.					
Biomedical Technology		GFE	93.371 / 93.06-0771	14,083	0
M.D.ANDERSON CANCER CENTER AT UNIV OF TEXAS					
Cancer Research Manpower		GFE	93.398 / 93.PO# 19407-2000	7,129	0
Cancer Control		GFE	93.399 / 93.17102/98017942	(9,232)	0
Cancer Control		GFE	93.399 / 93.20191-98017942	607,684	0
MARSHFIELD CLINIC FOUNDATION					
Cancer Detection and Diagnosis Research		GFE	93.394 / 93.PN200610-235	93	0
MASSACHUSETTS GENERAL HOSPITAL					
Cancer Cause and Prevention Research		GFE	93.393 / 93. 9235784	1,999	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.RFP-N01-PC-55049-40	99,299	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859 / 93.2 U54 GM062119-06	38,333	0

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PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
	GFE	93.859 / 93.5 U54 GM062119-07	82,725	0
	GFE	93.848 / 93.MAYO DK66270-03	54,891	0
	GFE	93.847 / 93.MEDCG 21039	49,894	0
	GFE	93.242 / 93.R01 MH068813/08-010	277,326	0
	GFE	93.853 / 93.NS045719	38,780	0
	GFE	93.113 / 93.NJH-23089402	58,649	0
	GFE	93.113 / 93.U54 ES015678	2,804	0
	GFE	93.838 / 93.NJH-24019701	27,410	0
	GFE	93.838 / 93.NJMRC-P01 ES11810-5	(1,321)	0
	GFE	93.855 / 93.HHSN266200400029C	20,499	0
	GFE	93.113 / 93.NJH # 22072604	32,650	0
	GFE	93.113 / 93.NJH 23089602	481,898	0
	GFE	93.113 / 93.NJH 23089603	14,149	0
	GFE	93.113 / 93.NJH 23089901	(7,643)	0
	GFE	93.113 / 93.NJH 23089902	156,640	0
	GFE	93.233 / 93. 22089602	9,043	0
	GFE	93.233 / 93. 22091401	27,496	0
	GFE	93.286 / 93.NJH 22203004	121,340	0
	GFE	93.838 / 93.HL09099101/22091901	49,796	0
	GFE	93.838 / 93.NJH #24012417	88,699	0
	GFE	93.838 / 93.NJH #24012418	289,250	0
	GFE	93.838 / 93.NJH #24012517	66,727	0
	GFE	93.838 / 93.NJH #24012518	228,519	0
	GFE	93.838 / 93.NJH- 22090401	10,049	0
	GFE	93.838 / 93.P01 HL36577-20	(44)	0
	GFE	93.849 / 93. 22072505	(9)	0
	GFE	93.855 / 93. 22083703	14,194	0
	GFE	93.855 / 93. 26001121	84,763	0
	GFE	93.855 / 93. 26001221	17,328	0
	GFE	93.855 / 93. 26003405	15,744	0
	GFE	93.855 / 93.NJH # 20020698	36,090	0
	GFE	93.855 / 93.NJH 20023425	19,398	0
	GFE	93.855 / 93.NJH 22083002	(1,655)	0
	GFE	93.855 / 93.NJH 22083003	23,000	0
	GFE	93.855 / 93.NJH-23092901	7,788	0
	GFE	93.847 / 93.NCIRE-2 FRAM 770-02	29,072	0
	GFE	93.395 / 93.NSABP TFED32A-340	45,680	0
	GFE	93.395 / 93.NSABP TFED36-#340	5,669	0
	GFB	93.859 / 93.6O0070771	34,361	0
	GFE	93.847 / 93.GPRC00605A5	955	0
	GFE	93.838 / 93.R01 HL082662-SUB	18,507	0
	GFE	93.399 / 93.R41CA171013	57,445	0
	GFE	93.371 / 93.PN2O0611-079	5,467	0
	GFE	93.389 / 93.PN:200701-167	7,752	0
	GFE	93.395 / 93.1-340-0209139	156,393	0
	GFB	93.866 / 93.837F664/3297	4,600	0
	GFE	93.856 / 93.NO1-AI-45250	6,149	0
	GFE	93.855 / 93.SRI-U19AI063603	15,741	0
	GFE	93.395 / 93.PN2O0607-199	21,385	0
	GFE	93.856 / 93.AACTG.00044.UICTU	16,835	0
	GFE	93.856 / 93.AACTG27.5073.02	9,518	0
	GFE	93.856 / 93.BRS-Q-06-00116-T003	227,921	0
	GFE	93.856 / 93.BRS-Q-06-00139-T001	204,383	0
	GFE	93.395 / 93.FO18911	11,019	0
	GFE	93.395 / 93.SO502	21,693	0
	GFE	93.395 / 93.SWOG-CA32102/37429	107,756	0

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PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Cancer Treatment Research		GFE	93.395 / 93.SWOG-S0354	4,209	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG-S0635	4,212	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG-S0636	4,169	0
Cancer Control		GFE	93.399 / 93.CCOP-06000	(12,590)	0
Cancer Control		GFE	93.399 / 93.CCOP-06001	(13,985)	0
STATE UNIVERSITY NEW YORK RESEARCH FOUND					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.35848/1R21AI063034	7,092	0
SUN HEALTH RESEARCH INSTITUTE					
Arthritis, Musculoskeletal and Skin Diseases Research		GFB	93.846 / 93.751179-SUB	71,243	0
TDA RESEARCH INC.					
Lung Diseases Research		GFE	93.838 / 93.1 R43 DK075192-01A1	37,467	0
TEMPLE UNIVERSITY					
Research and Training in Complementary and Alternative Medicine		GFE	93.213 / 93.36-0611-101	5,410	0
Drug Abuse and Addiction Research Programs		GFB	93.279 / 93.PO# CC0148990	25,263	0
THE MIND INSTITUTE					
Alcohol Research Programs		GFB	93.273 / 93.6048-001 SUB N1	120,261	0
THOMAS JEFFERSON UNIVERSITY					
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859 / 93.080-04000-R53804	41,081	0
TISSUE GENETICS, LLC					
Cancer Treatment Research		GFE	93.395 / 93.1R41CA126011-01A2	13,763	0
Cancer Biology Research		GFE	93.396 / 93.1R41CA124191-01A1-J	58,870	0
Cancer Biology Research		GFE	93.396 / 93.1R41CA128233-01A1-J	12,560	0
TUFTS UNIVERSITY					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.TUFTS-R01 NS036524	128,133	0
Medical Library Assistance		GFE	93.879 / 93.PN200610-249	10,061	0
TULANE UNIVERSITY					
Cancer Cause and Prevention Research		GFE	93.393 / 93.5 R01 CA096717-04	15,320	0
UNIV OF KENTUCKY RESEARCH FOUNDATION					
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.UKRF 4-68214-05-062	47,069	0
UNIVERSITY OF ALABAMA					
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93.N01-AI-30025	3,993	0
UNIVERSITY OF ALABAMA AT BIRMINHAM					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.DK065958-02	6,997	0
UNIVERSITY OF ARIZONA					
Cancer Cause and Prevention Research		GFE	93.393 / 93.Y431674	79,971	0
UNIVERSITY OF CALIFORNIA AT DAVIS					
Trans-NIH Research Support		GFE	93.310 / 93.RL1AG32115/07004393	47,614	0
Cancer Treatment Research		GFE	93.395 / 93.010342-UCHSC	12,745	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.K-006198 AMEND#4	(6,465)	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Mental Health Research Grants		GFE	93.242 / 93.2007-1859	64,606	0
Cancer Control		GFE	93.399 / 93.UCHSC-2003-1185 #5	(9,648)	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO					
Cell Biology and Biophysics Research		GFE	93.821 / 93.PO#10228622-003	25,989	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.PO#10228622-004	404,797	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.UCSD 10228623-003	11,108	0
Cell Biology and Biophysics Research		GFE	93.821 / 93.UCSD 10228623-004	202,123	0
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO					
Clinical Research		GFE	93.333 / 93.UCSF-#3068SC	41,461	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.UCSF 5009SC	14,983	0
Lung Diseases Research		GFE	93.838 / 93.UCSF-SUB 4917SC	20,066	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846 / 93.SUB#3661SC AMD01	4,823	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.ITN10180-00SC	4,939	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB# 0132SC	77,794	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB# 3698SC	208,783	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.UCSF-#3109SC	48,722	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Mental Health Research Grants		GFE	93.242 / 93.SA4519-10269PG	64,697	0
Cancer Biology Research		GFB	93.396 / 93.SA4901-10810	109,881	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859 / 93.SA5302-10612	4,429	0
UNIVERSITY OF CALIFORNIA SANTA CRUZ					
Vision Research		GFB	93.867 / 93.SO181633	27,341	0
UNIVERSITY OF CINCINNATI					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.3 U10 DA013732-07	80,827	0
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.5 U10 DA013732-07	53,860	0
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.5 U10 DA013732-08	697,043	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.SRS# 19633	23,103	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.SRS#001169	93,629	0
Cardiovascular Disease Research		GFE	93.837 / 93.005422-1005891	5,524	0
UNIVERSITY OF DENVER					
Mental Health Research Grants		GFE	93.242 / 93.SC36215-01-02	34,445	0
Child Health and Human Development Extramural Research		GFE	93.865 / 93.SC36278A-00-02	10,979	0
UNIVERSITY OF ILLINOIS					
Cardiovascular Disease Research		GFE	93.837 / 93.5 P01 HL062426-07	163,814	0
Cardiovascular Disease Research		GFE	93.837 / 93.5 R37 HL049244-13	3,684	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 MARYLAND COLLEGE PARK					
Child Health and Human Development Extramural Research		GFE	93.865 / 93.UMD-Z194601	29,540	0
UNIVERSITY OF MICHIGAN					
Cancer Treatment Research		GFE	93.395 / 93.CA32102-F015004	12,585	0
Cancer Treatment Research		GFE	93.395 / 93.CA32102-F015011	10,828	0
Cancer Treatment Research		GFE	93.395 / 93.CA32102-F017590	55,688	0
Cancer Treatment Research		GFE	93.395 / 93.CA32102-F017591	47,812	0
Cancer Treatment Research		GFE	93.395 / 93.F015711	(2,288)	0
Cancer Treatment Research		GFE	93.395 / 93.F015915	20	0
Cancer Treatment Research		GFE	93.395 / 93.F018084	772,468	0
Cardiovascular Disease Research		GFE	93.837 / 93. 3000856465	25,113	0
Lung Diseases Research		GFE	93.838 / 93. 3000899032	310,155	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93. 3000675741	1,189	0
Pharmacology, Physiology, and Biological Chemistry Research		GFB	93.859 / 93.5000003180	91,432	0
UNIVERSITY OF MINNESOTA					
Lung Diseases Research		GFE	93.838 / 93.PN:0503-097	(3,446)	0
UNIVERSITY OF NEVADA, RENO					
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.1320 122 17AD	43,938	0
UNIVERSITY OF NEW MEXICO					
Drug Abuse and Addiction Research Programs		GFB	93.279 / 93.3R59H	18,834	0
UNIVERSITY OF NORTH CAROLINA					
Child Health and Human Development Extramural Research		GFB	93.865 / 93.5-33901	892,205	0
Child Health and Human Development Extramural Research		GFB	93.865 / 93.5-33983	144,282	24,251
UNIVERSITY OF PITTSBURG					
Trans-NIH Research Support		GFE	93.310 / 93.PN200804-091	9,834	0
Cardiovascular Disease Research		GFE	93.837 / 93.UP104407	835	0
Lung Diseases Research		GFE	93.838 / 93.UPITTS 106908-2	29,408	0
UNIVERSITY OF ROCHESTER					
Mental Health Research Grants		GFE	93.242 / 93.413641-G	104,000	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.UROCH PO# 412464-G	90,090	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.NS37167-PO#413445-G	8,064	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.UROCH 5-29913	30,128	0
UNIVERSITY OF SOUTH CAROLINA					
Mental Health Research Grants		GFE	93.242 / 93.USCRF 03-0774	9,198	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.08-1468	12,617	0
UNIVERSITY OF SOUTH FLORIDA					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.6119-1094-00-B	146,273	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.USF 6119-1094-00-L	1,423,151	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.USF# 6119-1094-00-I	262,318	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Cancer Cause and Prevention Research		GFE	93.393 / 93.H35330	180,888	0
UNIVERSITY OF TENNESSEE					
Alcohol Research Programs		GFB	93.273 / 93.U01 AA 014425	57,121	0
Alcohol Research Programs		GFB	93.273 / 93.U01 AA014425	(36,345)	0
UNIVERSITY OF TEXAS AT AUSTIN					
Child Health and Human Development Extramural Research		GFB	93.865 / 93.UTA06-597	120,301	0
UNIVERSITY OF TEXAS AT SAN ANTONIO					
Oral Diseases and Disorders Research		GFE	93.121 / 93.121874/121472	13,088	0
Oral Diseases and Disorders Research		GFE	93.121 / 93.122040/121476	80,273	0
Cancer Control		GFE	93.399 / 93.PCPT# 07001	346,118	0
Cancer Control		GFE	93.399 / 93.SELECT-07004	103,260	0
UNIVERSITY OF TEXAS SW MEDICAL CENTER					
Cancer Centers Support		GFE	93.397 / 93.UTEX # GMO-400816	158,586	0
UNIVERSITY OF UTAH					
Mental Health Research Grants		GFE	93.242 / 93.2406136-01	21,810	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.UUTAH 9709055-1	4,156	0
UNIVERSITY OF WASHINGTON					
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GFB	93.115 / 93.972343	162,872	0
Drug Abuse and Addiction Research Programs		GFB	93.279 / 93.SUBCONTRACT #209498	91,830	0
Digestive Diseases and Nutrition Research		GFB	93.848 / 93.2904601AWU-08-32	198,302	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.SUB # 226495	127,729	0
UNIVERSITY OF WISCONSIN					
National Center for Research Resources		GFE	93.389 / 93.K087578	5,975	0
Cancer Cause and Prevention Research		GFB	93.393 / 93.836F356	8,973	0
US CIVILIAN RESEARCH/DEVELOPMENT FDN					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.RUX0-2716-MO-06	3,931	0
VANDERBILT UNIVERSITY					
Cancer Control		GFE	93.399 / 93.VUMC31458-R	28,881	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.VUMC 32611-R	124,917	0
VANDERBILT UNIVERSITY MEDICAL CENTER					
Cancer Detection and Diagnosis Research		GFE	93.394 / 93.VUMC 31979-R	63,657	0
Lung Diseases Research		GFE	93.838 / 93.VUMC 32274-R	(199)	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846 / 93.VUMC33017-R	7,134	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.VUMC 32633-R	57,966	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.VUMC 33065-R	30,836	0
Allergy, Immunology and Transplantation Research		GFB	93.855 / 93.VUMC 33080-R	(777)	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
VAX DESIGN CORPORATION					
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.70003-UCHSC	154,566	22,323
VIRGINIA TECH UNIVERSITY					
National Center for Research Resources		GFE	93.389 / 93.431399-19720-01	11,332	0
Vanderbilt University					
Arthritis, Musculoskeletal and Skin Diseases Research		GLA	93.846 / 93.19165-S1	10,806	0
WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE					
Cardiovascular Disease Research		GFE	93.837 / 93.WFUHS 19118	36,903	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.U01 DK62418-4	62,054	0
WASHINGTON STATE UNIVERSITY					
National Center for Research Resources		GFE	93.389 / 93.WSTU-G001905	85,940	0
WASHINGTON UNIVERSITY IN ST LOUIST					
Lung Diseases Research		GFE	93.838 / 93.WU-05-03	(29,104)	0
WESTAT, INC					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.N01-HD-3-3345	286,130	0
WRIGHT STATE UNIVERSITY					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.PSM06540	1,588	0
YALE UNIVERSITY					
Cardiovascular Disease Research		GFE	93.837 / 93.A06695	12,948	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.YALE-A06512	115,268	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				20,526,708	57,701
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				231,086,242	32,352,242
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Project Grants for Facilities to Improve the Health Status of Minority Populations		GFE	93.005	54	0
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		GLA	93.006 / 93.1 R01 OH008709-01	198,617	26,150
SUBTOTAL DIRECT FROM:				198,671	26,150
PASS-THROUGH PROGRAMS FROM:					
ADA Technologies, Inc.					
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		GLA	93.006 / 93.07-030805	2,400	0
MALCOM PERNIE					
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		GLA	93.006 / 93.5322009	52,494	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				54,894	0
SUBTOTAL OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				253,565	26,150
OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Social Services Research and Demonstration		GFE	93.647	37,792	0
SUBTOTAL DIRECT FROM:				37,792	0
PASS-THROUGH PROGRAMS FROM:					
INSTITUTE FOR SOCIAL & ECONOMIC DEVELOPMENT					
Social Services Research and Demonstration		GFE	93.647 / 93.2005-9090-6	(12)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(12)	0
SUBTOTAL OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES				37,780	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					
Adolescent Family Life Research Grants		GFB	93.111	61,036	0
Adolescent Family Life: Demonstration Projects		GGB	93.995	273,467	50,000
SUBTOTAL DIRECT FROM:				334,503	50,000

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

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
Friends First					
Adolescent Family Life: Demonstration Projects		GKA	93.995 / 93.Prime Award # 1 APHPA	44,305	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				44,305	0
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				378,808	50,000
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		GFE	93.230	198,367	86,141
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GFE	93.243	209,756	0
SUBTOTAL DIRECT FROM:				408,123	86,141
PASS-THROUGH PROGRAMS FROM:					
ALAMOSE COUNTY NURSING SERVICES					
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		GFE	93.238 / 93.PN200601-300	16,482	0
ORC MACRO INTERNATIONAL, INC.					
Substance Abuse and Mental Health Services: Projects of Regional and National Significance		GFE	93.243 / 93.35126-6S-836	55,742	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				72,224	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				480,347	86,141
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				256,490,890	36,803,155
SOCIAL SECURITY ADMINISTRATION					
SOCIAL SECURITY ADMINISTRATION					
DIRECT FROM:					
SOCIAL SECURITY ADMINISTRATION					
Social Security: Research and Demonstration		GFE	96.007	431,510	769,921
SUBTOTAL DIRECT FROM:				431,510	769,921
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				431,510	769,921
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				431,510	769,921
DEPARTMENT OF HOMELAND SECURITY					
DEPARTMENT OF HOMELAND SECURITY					
DIRECT FROM:					
DEPARTMENT OF HOMELAND SECURITY					
National Dam Safety Program		GGB	97.041	50,281	0
SUBTOTAL DIRECT FROM:				50,281	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF MARYLAND COLLEGE PARK					
Centers for Homeland Security		GFB	97.061 / 97.Z988503	393,945	224,621
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				393,945	224,621
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				444,226	224,621
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				444,226	224,621
FOREIGN FOOD DONATION					
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
INDIANA UNIVERSITY					
UNSAID Foreign Assistance for Programs Overseas		GFB	98.001 / 98.19525A-425632 PO# 1	7,186	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
WASHINGTON STATE UNIVERSITY					
UNSAID Foreign Assistance for Programs Overseas		GFB	98.001 / 98.GO02141/105825	65,735	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				72,921	0
SUBTOTAL UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				72,921	0
SUBTOTAL FOREIGN FOOD DONATION				72,921	0
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
OTHER FEDERAL AGENCIES					
PASS-THROUGH PROGRAMS FROM:					
Henry M Jackson Foundation					
R&D: Blast Lethality Injury Program		GKA	99.Prime Award # HU0001-07-	22,391	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				22,391	0
SUBTOTAL OTHER FEDERAL AGENCIES				22,391	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				22,391	0
SUBTOTAL RESEARCH AND DEVELOPMENT-CLUSTER				544,089,192	62,446,837

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	6,431,072
SUBTOTAL DIRECT FROM:				0	6,431,072
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				0	6,431,072
SUBTOTAL DEPARTMENT OF AGRICULTURE				0	6,431,072
SUBTOTAL SCHOOLS AND ROADS-CLUSTER				0	6,431,072

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	62,687	0
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		NAA	14.856	293,777	23,323
SUBTOTAL DIRECT FROM:				356,464	23,323
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				356,464	23,323
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				356,464	23,323
SUBTOTAL SECTION 8-CLUSTER				356,464	23,323

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	9,475,870	144,567,412
Special Education: Preschool Grants		DAA	84.173	990,227	3,976,709
SUBTOTAL DIRECT FROM:				10,466,097	148,544,121
PASS-THROUGH PROGRAMS FROM:					
ADAMS COUNTY SCHOOL DISTRICT 50					
Special Education: Grants to States		GFE	84.027 / 84.MOU- SILVER GRANT	(40)	0
State of Louisiana					
Special Education: Grants to States		GKA	84.027 / 84.655305	11,795	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				11,755	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				10,477,852	148,544,121
SUBTOTAL DEPARTMENT OF EDUCATION				10,477,852	148,544,121
SUBTOTAL SPECIAL EDUCATION (IDEA)-CLUSTER				10,477,852	148,544,121

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
STUDENT FINANCIAL AID-CLUSTER					
**********					
DEPARTMENT OF EDUCATION					
FEDERAL STUDENT AID, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
FEDERAL STUDENT AID, DEPARTMENT OF EDUCATION					
Academic Competitive Grants		GFB	84.375	593,470	0
Academic Competitive Grants		GFC	84.375	204,548	0
Academic Competitive Grants		GFE	84.375	180,928	0
Academic Competitive Grants		GGB	84.375	544,947	0
Academic Competitive Grants		GGJ	84.375	114,202	0
Academic Competitive Grants		GJB	84.375	5,922	0
Academic Competitive Grants		GJC	84.375	6,075	0
Academic Competitive Grants		GJE	84.375	1,125	0
Academic Competitive Grants		GJG	84.375	3,375	0
Academic Competitive Grants		GJJ	84.375	8,975	0
Academic Competitive Grants		GJK	84.375	3,550	0
Academic Competitive Grants		GJL	84.375	21,375	0
Academic Competitive Grants		GJM	84.375	8,225	0
Academic Competitive Grants		GJR	84.375	17,800	0
Academic Competitive Grants		GJT	84.375	8,225	0
Academic Competitive Grants		GKA	84.375	195,750	0
Academic Competitive Grants		GTA	84.375	157,999	0
Academic Competitive Grants		GWA	84.375	56,667	0
Academic Competitive Grants		GYA	84.375	155,350	0
Academic Competitive Grants		GZA	84.375	90,325	0
Academic Competitive Grants		GLA	84.375 / 84.P375A0x1201	89,020	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GFB	84.376	852,172	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GFC	84.376	240,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GFE	84.376	315,052	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GGB	84.376	626,123	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GGJ	84.376	183,270	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GKA	84.376	62,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GTA	84.376	349,867	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GWA	84.376	26,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GYA	84.376	30,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GZA	84.376	81,876	0
National Science and Mathematics Access to Retain Talent (SMART) Grants		GLA	84.376 / 84.P376S0x1201	268,000	0
SUBTOTAL DIRECT FROM:				5,502,213	0
SUBTOTAL FEDERAL STUDENT AID, DEPARTMENT OF EDUCATION				5,502,213	0
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	1,012,936	0
Federal Supplemental Educational Opportunity Grants		GFC	84.007	235,736	0
Federal Supplemental Educational Opportunity Grants		GFE	84.007	297,795	0
Federal Supplemental Educational Opportunity Grants		GGB	84.007	800,000	0
Federal Supplemental Educational Opportunity Grants		GGJ	84.007	588,548	0
Federal Supplemental Educational Opportunity Grants		GJB	84.007	72,488	0
Federal Supplemental Educational Opportunity Grants		GJC	84.007	61,687	0
Federal Supplemental Educational Opportunity Grants		GJD	84.007	181,068	0
Federal Supplemental Educational Opportunity Grants		GJE	84.007	192,851	0
Federal Supplemental Educational Opportunity Grants		GJF	84.007	12,569	0
Federal Supplemental Educational Opportunity Grants		GJG	84.007	15,120	0
Federal Supplemental Educational Opportunity Grants		GJH	84.007	40,071	0
Federal Supplemental Educational Opportunity Grants		GJJ	84.007	146,422	0
Federal Supplemental Educational Opportunity Grants		GJK	84.007	160,650	0
Federal Supplemental Educational Opportunity Grants		GJL	84.007	76,009	0
Federal Supplemental Educational Opportunity Grants		GJM	84.007	72,666	0
Federal Supplemental Educational Opportunity Grants		GJR	84.007	35,344	0
Federal Supplemental Educational Opportunity Grants		GJT	84.007	19,026	0
Federal Supplemental Educational Opportunity Grants		GKA	84.007	266,460	0
Federal Supplemental Educational Opportunity Grants		GSA	84.007	146,685	0
Federal Supplemental Educational Opportunity Grants		GTA	84.007	576,573	0
Federal Supplemental Educational Opportunity Grants		GWA	84.007	85,760	0
Federal Supplemental Educational Opportunity Grants		GYA	84.007	145,580	0
Federal Supplemental Educational Opportunity Grants		GZA	84.007	183,860	0
Federal Supplemental Educational Opportunity Grants		GLA	84.007 / 84.P007A0x0707	97,779	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 Family Education Loans		GDA	84.032	319,641,472	0
Federal Family Education Loans		GFC	84.032	28,141,329	0
Federal Family Education Loans		GFE	84.032	105,239,967	0
Federal Family Education Loans		GGJ	84.032	16,522,676	0
Federal Family Education Loans		GJB	84.032	10,830,888	0
Federal Family Education Loans		GJC	84.032	5,781,694	0
Federal Family Education Loans		GJD	84.032	8,279,289	0
Federal Family Education Loans		GJE	84.032	15,554,956	0
Federal Family Education Loans		GJF	84.032	1,846,271	0
Federal Family Education Loans		GJG	84.032	1,339,455	0
Federal Family Education Loans		GJH	84.032	3,379,821	0
Federal Family Education Loans		GJJ	84.032	14,533,378	0
Federal Family Education Loans		GJK	84.032	16,193,259	0
Federal Family Education Loans		GJL	84.032	6,954,181	0
Federal Family Education Loans		GJM	84.032	1,706,402	0
Federal Family Education Loans		GJR	84.032	1,941,556	0
Federal Family Education Loans		GJT	84.032	1,119,584	0
Federal Family Education Loans		GKA	84.032	44,774,573	0
Federal Family Education Loans		GLA	84.032	13,248,657	0
Federal Family Education Loans		GRA	84.032	26,478,691	0
Federal Family Education Loans		GSA	84.032	1,360,019	0
Federal Family Education Loans		GTA	84.032	58,110,927	0
Federal Family Education Loans		GYA	84.032	13,427,232	0
Federal Family Education Loans		GZA	84.032	18,958,039	0
Federal Family Education Loans		GWA	84.032 / 84.CO College Access Net	6,375,576	0
Federal Family Education Loans		GSA	84.032 / 84.College Assist	9,268,758	0
Federal Family Education Loans		GWA	84.032 / 84.various state/private	131,589	0
Federal Work-Study Program		GFB	84.033	1,675,235	0
Federal Work-Study Program		GFC	84.033	459,843	0
Federal Work-Study Program		GFE	84.033	799,609	0
Federal Work-Study Program		GGB	84.033	794,163	0
Federal Work-Study Program		GGJ	84.033	310,967	0
Federal Work-Study Program		GJB	84.033	128,501	0
Federal Work-Study Program		GJD	84.033	40,926	0
Federal Work-Study Program		GJE	84.033	324,771	0
Federal Work-Study Program		GJF	84.033	26,425	0
Federal Work-Study Program		GJG	84.033	26,255	0
Federal Work-Study Program		GJH	84.033	65,653	0
Federal Work-Study Program		GJJ	84.033	235,779	0
Federal Work-Study Program		GJK	84.033	228,472	0
Federal Work-Study Program		GJL	84.033	114,419	0
Federal Work-Study Program		GJM	84.033	72,556	0
Federal Work-Study Program		GJR	84.033	82,732	0
Federal Work-Study Program		GJT	84.033	23,224	0
Federal Work-Study Program		GKA	84.033	387,895	0
Federal Work-Study Program		GSA	84.033	189,911	0
Federal Work-Study Program		GTA	84.033	522,982	0
Federal Work-Study Program		GWA	84.033	136,218	0
Federal Work-Study Program		GYA	84.033	306,315	0
Federal Work-Study Program		GZA	84.033	175,881	0
Federal Work-Study Program	*	GJC	84.033	184,568	0
Federal Work-Study Program		GLA	84.033 / 84.P033A0x0707	121,511	0
Federal Perkins Loan Program: Federal Capital Contributions	*	GTA	84.038	104,473	0
Federal Direct Student Loans		GFB	84.268	112,823,963	0
Federal Direct Student Loans		GFE	84.268	5,939,841	0
Federal Direct Student Loans		GGB	84.268	95,862,641	0
SUBTOTAL DIRECT FROM:				978,829,651	0
PASS-THROUGH PROGRAMS FROM:					
OFFICE OF CONTRACTS & GRANTS CLEARING ACCOUNT					
Federal Work-Study Program		GFB	84.033 / 84.OCGA CLEARING ACCT	212,008	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				212,008	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				979,041,659	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Federal Pell Grant Program		GFB	84.063	10,375,093	0
Federal Pell Grant Program		GFC	84.063	4,671,668	0
Federal Pell Grant Program		GFE	84.063	6,762,291	0
Federal Pell Grant Program		GGB	84.063	10,119,729	0
Federal Pell Grant Program		GGJ	84.063	4,856,773	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) / FEDERAL AGENCY / MAJOR SUBDIVISION OF FEDERAL AGENCY / SOURCE TYPE (DIRECT OR PASS-THROUGH) / ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) / PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Federal Pell Grant Program		GJB	84.063	3,013,049	0
Federal Pell Grant Program		GJC	84.063	3,209,879	0
Federal Pell Grant Program		GJD	84.063	5,993,146	0
Federal Pell Grant Program		GJE	84.063	7,427,986	0
Federal Pell Grant Program		GJF	84.063	1,136,836	0
Federal Pell Grant Program		GJG	84.063	1,261,919	0
Federal Pell Grant Program		GJH	84.063	2,301,877	0
Federal Pell Grant Program		GJJ	84.063	8,386,850	0
Federal Pell Grant Program		GJK	84.063	7,174,360	0
Federal Pell Grant Program		GJL	84.063	3,045,631	0
Federal Pell Grant Program		GJM	84.063	2,230,418	0
Federal Pell Grant Program		GJR	84.063	1,258,548	0
Federal Pell Grant Program		GJT	84.063	532,742	0
Federal Pell Grant Program		GKA	84.063	5,262,295	0
Federal Pell Grant Program		GSA	84.063	3,046,670	0
Federal Pell Grant Program		GTA	84.063	14,730,272	0
Federal Pell Grant Program		GWA	84.063	1,382,666	0
Federal Pell Grant Program		GYA	84.063	3,851,330	0
Federal Pell Grant Program		GZA	84.063	5,008,238	0
Federal Pell Grant Program		GLA	84.063 / 84.P063P0x1201	1,439,037	0
SUBTOTAL DIRECT FROM:				118,479,303	0
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				118,479,303	0
SUBTOTAL DEPARTMENT OF EDUCATION				1,103,023,175	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		GFE	93.342	33,239	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GFE	93.925	157,559	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GGB	93.925	74,250	0
SUBTOTAL DIRECT FROM:				265,048	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				265,048	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				265,048	0
SUBTOTAL STUDENT FINANCIAL AID-CLUSTER				1,103,288,223	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
TRANSIT SERVICES-CLUSTER					
DEPARTMENT OF TRANSPORTATION					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Capital Assistance Program for Elderly Persons & Persons with Disabilities		HAA	20.513	1,113,857	246,185
SUBTOTAL DIRECT FROM:				1,113,857	246,185
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				1,113,857	246,185
SUBTOTAL DEPARTMENT OF TRANSPORTATION				1,113,857	246,185
SUBTOTAL TRANSIT SERVICES-CLUSTER				1,113,857	246,185

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	314,811	0
TRIO: Student Support Services		GFE	84.042	176,807	0
TRIO: Student Support Services		GGB	84.042	378,019	0
TRIO: Student Support Services		GGJ	84.042	252,172	0
TRIO: Student Support Services		GJD	84.042	244,412	0
TRIO: Student Support Services		GJF	84.042	223,598	0
TRIO: Student Support Services		GJJ	84.042	216,219	0
TRIO: Student Support Services		GJK	84.042	121,033	0
TRIO: Student Support Services		GJM	84.042	408,650	0
TRIO: Student Support Services		GJR	84.042	198,826	0
TRIO: Student Support Services		GKA	84.042	265,461	0
TRIO: Student Support Services		GTA	84.042	282,617	0
TRIO: Student Support Services		GYA	84.042	220,748	0
TRIO: Student Support Services		GSA	84.042 / 84.P042A020971	274,570	0
TRIO: Talent Search		GGB	84.044	368,918	0
TRIO: Talent Search		GJB	84.044	171,682	0
TRIO: Talent Search		GSA	84.044	292,937	0
TRIO: Upward Bound		GFB	84.047	553,597	0
TRIO: Upward Bound		GFE	84.047	138,368	0
TRIO: Upward Bound		GGB	84.047	525,991	0
TRIO: Upward Bound		GGJ	84.047	664,988	0
TRIO: Upward Bound		GJK	84.047	237,142	0
TRIO: Upward Bound		GJM	84.047	753,306	0
TRIO: Upward Bound		GKA	84.047	369,684	0
TRIO: Upward Bound		GSA	84.047	262,506	0
TRIO: Upward Bound		GTA	84.047	649,125	0
TRIO: Upward Bound		GYA	84.047	455,280	0
TRIO: Educational Opportunity Centers		GGB	84.066	499,178	0
TRIO: Educational Opportunity Centers		GGJ	84.066	419,639	0
TRIO: Educational Opportunity Centers		GJD	84.066	618,297	0
TRIO: McNair Post-Baccalaureate Achievement		GFB	84.217	297,538	0
TRIO: McNair Post-Baccalaureate Achievement		GFE	84.217	34,903	0
TRIO: McNair Post-Baccalaureate Achievement		GGB	84.217	267,071	0
TRIO: McNair Post-Baccalaureate Achievement		GKA	84.217	196,870	0
SUBTOTAL DIRECT FROM:				11,354,963	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				11,354,963	0
SUBTOTAL DEPARTMENT OF EDUCATION				11,354,963	0
SUBTOTAL TRIO-CLUSTER				11,354,963	0

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	2,297,630	12,176,452
WIA Youth Activities		KAA	17.259	1,181,185	9,095,570
WIA Dislocated Workers		KAA	17.260	3,408,392	11,214,079
SUBTOTAL DIRECT FROM:				6,887,207	32,486,101
PASS-THROUGH PROGRAMS FROM:					
Tri County Workforce Center					
WIA Dislocated Workers		GJL	17.260	98,131	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				98,131	0
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				6,985,338	32,486,101
SUBTOTAL DEPARTMENT OF LABOR				6,985,338	32,486,101
SUBTOTAL WIA-CLUSTER				6,985,338	32,486,101
TOTAL				5,373,917,732	1,220,114,208

STATE OF COLORADO
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 $388,875,704 for grant 17.225 - Unemployment Insurance and 17.Unknown for Federal Employee Compensation Act (FECA) Reimbursable, Federal Extended Benefits and Temporary Extended Unemployment Compensation (TEUC) Benefit Payments. The total expenditure amount includes the federal portion of the grants and the required state match in the amounts of $49,389,357 and $339,486,347, respectively.

B. The State Department of Higher Education expended $751,140,239 for grant 84.032 - Federal Family Education Loans. Of this amount, $319,641,472 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 $384,010,701 was guaranteed by College Assist, and $47,488,066 was guaranteed by other entities. The outstanding balance of the Federal Family Education Loan program since its inception was $13,081,223,566 as of June 30, 2008

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	GJF	LAMAR COMMUNITY COLLEGE	NAA	DEPARTMENT OF LOCAL AFFAIRS
BAA	DEPARTMENT OF AGRICULTURE	GJG	MORGAN COMMUNITY COLLEGE	OAA	DIVISION OF NATIONAL GUARD
CAA	CORRECTIONS ADMINISTRATION	GJH	OTERO JUNIOR COLLEGE	OBA	VETERANS AFFAIRS
DAA	DEPARTMENT OF EDUCATION	GJJ	PIKES PEAK COMMUNITY COLLEGE	PAA	DNR - EXECUTIVE DIRECTOR
EAA	OFFICE OF THE GOVERNOR	GJK	PUEBLO COMMUNITY COLLEGE	PBA	DIVISION OF WILDLIFE
EBB	COMMISSION ON COMMMUNITY SRVC	GJL	RED ROCKS COMMUNITY COLLEGE	PDA	WATER CONSERVATION BOARD
EDA	OFFICE OF ECONOMIC DEVELOPMENT	GJM	TRINIDAD STATE JUNIOR COLLEGE	PEA	DIVISION OF WATER RESOURCES
EDB	COUNCIL ON THE ARTS	GJR	NORTHEASTERN JUNIOR COLLEGE	PHA	OIL AND GAS CONSERVATION COMM
EFA	GOVERNOR'S ENERGY OFFICE	GJT	NORTHWESTERN COMMUNITY COLLEGE	PIA	COLORADO GEOLOGICAL SURVEY
FAA	DEPT OF PUB HLTH & ENVIRONMENT	GKA	UNIVERSITY OF NORTHERN COLO	PJA	PARKS AND OUTDOOR RECREATION
GAA	COLO COMMISSION ON HIGHER ED	GLA	COLORADO SCHOOL OF MINES	PKA	DIV RECLAMATION,MINING,SAFETY
GCA	STATE HISTORICAL SOCIETY	GMA	AURARIA HIGHER EDUCATION CTR	RAA	DEPARTMENT OF PUBLIC SAFETY
GDA	COLLEGE ASSIST	GRA	COLLEGE INVEST	SDA	CIVIL RIGHTS DIVISION
GFB	CU - BOULDER	GSA	FORT LEWIS COLLEGE	SFA	DIVISION OF INSURANCE
GFC	CU - COLORADO SPRINGS	GTA	METROPOLITAN STATE COLLEGE	SGA	PUBLIC UTILITIES COMMISSION
GFE	UNIVERSITY OF COLORADO DENVER	GWA	WESTERN STATE COLLEGE	SJS	PHARMACY BOARD
GGB	COLORADO STATE UNIVERSITY	GYA	ADAMS STATE COLLEGE	TAA	REVENUE - ADMINISTRATION
GGJ	CO STATE UNIVERSITY - PUEBLO	GZA	MESA STATE COLLEGE	UHA	DEPT OF HLTH CARE POLICY & FIN
GJA	COLO COMMUNITY COLLEGE SYSTEM	HAA	COLO DEPT OF TRANSPORTATION	VAA	DEPARTMENT OF STATE
GJB	ARAPAHOE COMMUNITY COLLEGE	IHA	DEPARTMENT OF HUMAN SERVICES	WBA	TREASURY - OPERATING
GJC	COMMUNITY COLLEGE OF AURORA	JAA	JUDICIAL		
GJD	COMMUNITY COLLEGE OF DENVER	KAA	DEPT OF LABOR AND EMPLOYMENT		
GJE	FRONT RANGE COMMUNITY COLLEGE	LAA	DEPARTMENT OF LAW		

STATE OF COLORADO

Sally Symanski, CPA
State Auditor

OFFICE OF THE STATE AUDITOR
303.869.2800
FAX 303.869.3060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

December 19, 2008

Required Communications Letter

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 for the year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Professional Standards

Our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by the Office of the State Controller are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve management of its responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

In planning and performing our audit, we considered the State of Colorado's (the State) 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 assurance on the internal control over financial reporting. We also considered 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 internal control over compliance in accordance with U.S. Office of Management and Budget (OMB) *Circular A-133*.

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of the State's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB *Circular A-133*, we examined, on a test basis, evidence about the State's compliance with the types of compliance requirement described in the OMB *Circular A-133* Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the State's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the State's compliance with those requirements.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to management's responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the State are described in the notes to the financial statements contained in the Fiscal Year 2008 Comprehensive Annual Financial Report issued under separate cover. As described in the introduction to the Summary of Significant Accounting Policies, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions,* and GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were 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 by management to develop these estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Appendix B summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Appendix B also summarizes misstatements detected as a result of audit procedures which were corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested and received certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent 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 State'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 check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Independence

We hereby confirm that, as of December 19, 2008, we are independent accountants with respect to the State of Colorado under all relevant professional and regulatory standards.

This information is intended solely for the use of the Legislative Audit Committee and management of the State and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

Appendices

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	46	Ensure that adequate supervisory review procedures are performed in connection with all aspects of the maintenance of Colorado Correctional Industries' inventory system, including maintaining perpetual inventory records, conducting physical inventory counts, and costing inventory items.	N/A	Agree	6/2009	N/A
		Office of the Governor				
2	55	Improve its internal controls over financial reporting by ensuring that exhibits are adequately reviewed by a supervisor prior to submission to the Office of the State Controller and any errors identified are corrected.	N/A	Agree	12/2008	N/A
3	56	Improve controls over expenditures by strengthening its supervisory review process to ensure that duplicate payments are not made and follow up on the duplicate payment identified during the audit.	N/A	Partially 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
4	60	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by (a) implementing audit recommendations related to network security and user access communicated to OIT in 2006 under separate cover, (b) periodically reviewing Top Secret security parameters to ensure compliance with best practices and OIT security policies, (c) ensuring password management controls are in compliance with State Cyber Security Policies, (d) setting Top Secret security parameters to ensure user IDs automatically suspend after 60 days of inactivity, (e) establishing policies and procedures for agency security administrators to follow when creating generic IDs, (f) restricting system administrator-level privileges to those who have a documented business need for such access, (g) ensuring all mainframe security administrators are properly trained and understand their roles and responsibilities, (h) overseeing the activities of agency security administrators to ensure compliance with established information system controls and security policies and procedures, and (I) researching instances identified during this audit where user IDs for terminated employees were used after the date of termination and taking action as appropriate.	N/A	Agree	1/2010	N/A
		Department of Health Care Policy and Financing				
5	65	Ensure that calculation of allowance for doubtful accounts policies and procedures are clearly written and adequately documented and that the year-end allowance balance on COFRS is appropriately adjusted.	N/A	Agree	3/2009	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
53	229	Improve controls over its Medicare Supplementary Medical Insurance Benefit Program (SMIB) to ensure that federal reporting and reimbursements are accurate and properly supported by (a) documenting policies and procedures related to the SMIB program, including reporting and accounting responsibilities, (b) ensuring staff are cross-trained in program and accounting areas and that supervisors perform adequate reviews; (c) performing adequate testing of new systems to ensure they are operating as intended prior to implementation; and (d) working with the Centers for Medicare and Medicaid Services to resolve amounts that were overbilled to the federal government.	93.777, 93.778 (A)(B) HHS	Agree	6/2009	Donna Kellow (303)866-3676
54	233	Ensure that all program processing guidelines for eligibility are met by (a) initiating a Colorado Benefits Management System change request to ensure that the Exceeding Processing Guidelines report accurately reflects all cases exceeding program processing guidelines, (b) monitoring and utilizing CBMS reports to identify long-term-care cases exceeding processing guidelines, and (c) working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness to ensure that new cases and redeterminations for Medicaid and State Children's Health Insurance Program are processed within state and federal guidelines.	93.767, 93.777, 93.778 (E)(M) HHS	a. Partially Agree b. Agree c. Agree	a. Ongoing b. 6/2009 c. 6/2009	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
55	236	Ensure that CBMS issues discussed in this finding are addressed and that Medicaid eligibility is terminated in a timely manner when individuals are no longer eligible for the program by (a) ensuring that county departments of human/social services and Medical Assistance sites address all CBMS alerts in a timely manner and (b) using existing eligibility determination monitoring procedures to identify additional inappropriate Medicaid payments related to timeliness of eligibility determination and following up on problems identified, as appropriate.	93.767, 93.777, 93.778 (E) HHS	Agree	a. Ongoing b. 10/2009	Donna Kellow (303)866-3676
56	240	Ensure that case file documentation for the Medicaid and Children's Basic Health Plan programs is adequate to support all eligibility determinations by complying with established monitoring procedures to ensure that required eligibility information is contained in county case files and that CBMS accurately reflects the documents in the case file.	93.767, 93.777, 93.778 (E)(M) HHS	Agree	Ongoing	Donna Kellow (303)866-3676
57	243	Improve controls over Medicaid and Children's Basic Health Plan program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by (a) requiring county departments of human/social services and Medical Assistance sites to institute effective supervisory review processes over data entry into CBMS and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS at counties and Medical Assistance sites.	93.767, 93.777, 93.778 (E)(M) HHS	Agree	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
58	245	Improve controls over Medicaid payments related to deceased individuals by (a) investigating and implementing automated links or matches on a regular basis between CBMS and other state or federal death record databases that would eliminate the manual processes of reporting and recording deaths of Medicaid beneficiaries that are currently required of caseworkers and facilities and (b) continue seeking reimbursement from providers for erroneous payments for services provided after date of death.	93.777, 93.778 (E) HHS	Agree	Implemented and Ongoing	Donna Kellow (303)866-3676
59	247	Ensure that county departments of human/social services are addressing Income, Eligibility, and Verification System data discrepancies within 45 days of receiving notification, including those related to Department of Labor and Employment data, as required by federal regulations and in accordance with its State Plan filed with the federal government.	93.767, 93.777, 93.778 (E)(M) HHS	Agree	6/2009	Donna Kellow (303)866-3676
60	250	Improve the Medicaid Eligibility Quality Control (MEQC) system by (a) ensuring that county departments of human/social services and Medical Assistance sites respond to findings and that corrective action plans adequately address deficiencies identified, (b) performing follow-up and recovery on any improper payments identified as a result of the MEQC process, and (c) ensuring that pilot program reporting requirements are met.	93.767, 93.777, 93.778 (E) HHS	a. Agree b. Partially Agree c. Partially Agree	a. Implemented and Ongoing b. 5/2009 c. Implemented	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
61	253	Improve user access controls over the Medicaid Management Information System (MMIS) by (a) evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users; (b) establishing a written procedure that HCPF IT security staff follow when MMIS access is requested; (c) ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls; and (d) periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel and Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.	93.777, 93.778 (A)(B)(E) HHS	Agree	6/2009	Donna Kellow (303)866-3676
62	256	Improve controls over subrecipient monitoring for the Medicaid and the State Children's Health Insurance programs by (a) implementing written policies and procedures for conducting and documenting reviews of subrecipients, (b) conducting timely and appropriate follow-up on all audit findings in subrecipient audit reports within six months after receipt of the reports, and (c) requiring all subrecipients with federal expenditures of $500,000 or more within a fiscal year to provide annual audits performed in accordance with *Circular A-133* requirements.	93.767, 93.777, 93.778 (M) HHS	Agree	a. Implemented and Ongoing b. 10/2009 c. 6/2009	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
63	259	Improve internal controls related to cash receipts by (a) developing and implementing written policies and procedures for receiving and depositing checks including stamping the date received on each check, developing a reconciliation process between checks received and amounts deposited with the Treasury, and establishing additional procedures to track checks received; (b) keeping the checks received at the front desk in a locked area; (c) restricting access to the mail room; and (d) depositing all checks in a timely manner, consistent with state requirements.	93.777, 93.778 (J) HHS	a. Agree b. Agree c. Partially Agree d. Agree	a. 3/2009 b. 12/2008 c. 12/2008 d. 3/2009	Donna Kellow (303)866-3676
64	262	Improve controls over updating Medicaid provider licenses in MMIS by (a) ensuring that all Medicaid providers required to have a license have current license information entered into MMIS, (b) continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program, and (c) developing a process for obtaining all current licenses for all out-of-state providers.	93.777, 93.778 (N) HHS	Agree	a. 6/2009 b. 12/2010 c. 6/2009	Donna Kellow (303)866-3676
65	265	Improve its oversight of certifications required for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by (a) maintaining written notification of the Colorado Department of Public Health and Environment recommendations to certify or terminate certifications, to document compliance with the interagency agreement and (b) developing and implementing a certification tracking mechanism to monitor and document recommendations for certifications and terminations of certifications.	93.777, 93.778 (N) HHS	Agree	Implemented	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
66	267	Ensure the CMS-64 *Quarterly Expense Report* and the PSC-272 *Quarterly Federal Cash Transaction Report* are accurate and complete prior to submission to the federal government by (a) protecting all supporting spreadsheets from unauthorized access for these reports, (b) ensuring that formulas that are used to perform calculations are appropriate and accurate, and (c) ensuring an adequate review process is in place to review electronic spreadsheet support along with the final reports prior to submission to the federal government.	93.777, 93.778 (L) HHS	Agree	a. 3/2009 b. 6/2009 c. 6/2009	Donna Kellow (303)866-3676
67	269	Improve controls to ensure compliance with federal debarment and suspension requirements for all contracts and subawards by reviewing the federal Excluded Parties List System, including a clause regarding suspension or debarment in all Department contracts or obtaining a certification regarding suspension and debarment from the contractor.	93.767, 93.777, 93.778 (I) HHS	Agree	6/2009	Donna Kellow (303)866-3676
68	277	Reduce eligibility-determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites. Specifically, the Department should (a) expand efforts to establish a comprehensive program for monitoring the CBHP eligibility-determination process, (b) expand CBHP training and technical assistance provided to eligibility sites to target the key issues identified through the Department's monitoring program, (c) require eligibility sites to improve their quality/supervisory review processes to ensure that workers correctly enter data into the Colorado Benefits Management System (CBMS) and review and approve CBHP eligibility determinations, and (d) investigate to determine the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct the errors.	93.767 (A)(B)(E)(M) HHS	Agree	a. 11/2008 b. Ongoing c. 1/2009 d. 7/2008	Joan Henneberry (303)866-2868

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
69	282	Improve its monitoring of application processing for the Children's Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should (a) develop reports in CBMS and compile statistics on program performance with respect to timely processing of applications; (b) work with the eligibility sites to investigate the underlying factors contributing to processing delays, including the reasons CBHP applications, supporting documentation, or enrollment fees have not been entered or processed in CBMS; (c) further target training and technical assistance to address the underlying problems of late processing; and (d) consider the costs and benefits of expanding the eligibility and enrollment contract on either a permanent or temporary basis to reduce backlogs at the eligibility sites.	93.767 (E)(M) HHS	Agree	a. 12/2008 b. 1/2009 c. 1/2009 d. 7/2009	Joan Henneberry (303)866-2868
70	286	Improve the redetermination process and improve retention for the Children's Basic Health Plan program by (a) routinely calculating program retention rates and analyzing data on program retention; (b) modifying the redetermination application to clarify the requirements for documentation and reporting of changes in circumstances; (c) beginning to send reminders to families regarding the submission of their redetermination applications as soon as possible; and (d) considering the use of periodic surveys, focus groups, or review of existing research to identify barriers to reapplication, as well as other methods to remind families to reapply, such as those used by other State Children's Health Insurance Programs.	93.767 (E) HHS	Agree	a. 7/2008 b. 5/2009 c. 5/2009 d. 10/2009	Joan Henneberry (303)866-2868

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
71	290	Ensure ineligible women and children are properly and timely disenrolled from CBHP. Specifically, the Department should (a) review the 885 individuals identified during our audit who were not disenrolled on time, ensure any ineligible individuals identified through the review have been properly disenrolled, and review and recover payments made for the ineligible individuals; (b) strengthen efforts to ensure that, until the planned changes to Colorado Business Management System (CBMS) and Medicaid Management Information System (MMIS) are fully implemented and working properly, participants are disenrolled from CBHP as soon as their eligibility ends; and (c) prioritize changes to MMIS and CBMS to ensure disenrollments occur timely and accurately in the future.	93.767 (A)(B)(E) HHS	Agree	a. 6/2008 b. 9/2008 c. 5/2008	Joan Henneberry (303)866-2868
72	293	Ensure its procedures for approving applicants for CBHP are consistent with federal regulations by continuing to work with the Centers for Medicare and Medicaid Services to ensure the corrective action plan, including both the temporary and permanent procedures for implementing the Deficit Reduction Act as it affects CBHP, is acceptable.	93.767 (E) HHS	Agree	Ongoing	Joan Henneberry (303)866-2868

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
73	302	Improve the accuracy of claims payments for the State Managed Care Network by (a) continuing to work with Anthem to assess the extent of payment errors, such as those identified in this audit and in the external contractor's review, in the Children's Basic Health Plan (CBHP) claims paid in Fiscal Years 2006 and 2007; (b) using this audit and the review recommended in part a to determine the total dollar amount of claims paid in error and seeking recovery of such payments; (c) implementing an on-site review process going forward to assess the Administrative Services Organization (ASO) contractor's: (1) controls to pay and deny claims in accordance with all applicable requirements, and (2) accuracy and timeliness in processing CBHP claims; (d) establishing a process to follow up with the ASO contractor on any problems identified from the on-site claims review process to ensure corrective action is taken; and (e) amending the ASO contract to include a liquidated damages provision for paying claims filed by providers after the established deadlines and paying claims without having negotiated with non-participating providers.	93.767 (A)(B) HHS	Agree	a. Ongoing b. 1/2009 c. 7/2010 d. Implemented and Ongoing e. 1/2009	Joan Henneberry (303)866-2868
		Department of Higher Education				
		Colorado Historical Society				
6	70	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately approved, travel reimbursements are supported by adequate supporting documentation, travel expenditures are coded correctly on COFRS, and that all other State Fiscal Rules regarding travel are followed, (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess mileage and lodging reimbursements.	N/A	Agree	7/2008	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
		Colorado State University - Pueblo				
74	308	Implement procedures to ensure that there is documented proof that the notifications to students and parents regarding disbursement of federal financial aid required by federal regulations is maintained.	84.032, 84.038 (N) ED	Agree	Implemented	Harvey Wilds (719)549-2952
		University of Northern Colorado				
75	310	Improve procedures to ensure that pertinent data affecting the calculation for the return of Title IV funds is input correctly and the amount to be returned to the lender is computed accurately.	84.032 (N) ED	Agree	6/2009	Paul Squillace (970)351-2406
		Colorado School of Mines				
76	312	Verify that entities are not suspended or debarred or otherwise excluded from contracting for work involving Federal funds and documentation should be maintained to support such verification procedures for covered transactions.	12.14442, 12.700146469, 12.80305, 81.114940, 81.2406098, 81.36101, 81.403684, 81.560540, 81.72949, 10.001 / 10.2004-35102-14802, 10.206 / 10.2006-35504-16618, 11.302 / 11.05-87-04411, 11.609	Agree	7/2008	Jinous Lari (303)273-3262

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			/ 11.70NANB8H8090, 11.609 / 11.7ONANB7H6083, 11.NA030AR4300104, 12.1130070-179180, 12.2006-343, 12.300 / 12.N00014-02-1-0234, 12.300 / 12.N00014-02-1-0665, 12.300 / 12.N00014-05-1-0339, 12.300 / 12.N00014-06-1-0544, 12.431 / 12.07-0241S, 12.431 / 12.202563.028, 12.431 / 12.203198.SU2, 12.431 / 12.DACA42-03-C-0067, 12.431 / 12.PO#1021P-0000022153, 12.431 / 12.W911NF-06-1-0223, 12.431 / 12.W911NF-06-1-0311, 12.431 / 12.W911NF-06-1-0350, 12.431 / 12.W911NF-07-1-0134, 12.431 /			

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			12.W911NF-07-1-025-8 , 12.431 / 12.W911NF-07-1-0478, 12.431 / 12.W912HQ-04-C-0040 , 12.431 / 12.WF911NF-04-1-016 9, 12.800 / 12.0212-001, 12.800 / 12.05-0965S, 12.800 / 12.06-08365, 12.800 / 12.1040, 12.800 / 12.202466-SU6, 12.800 / 12.30940, 12.800 / 12.31265, 12.800 / 12.CSM06.01, 12.800 / 12.CSM-07.01, 12.800 / 12.FA8650-07-C-2741, 12.800 / 12.FA8750-06-1-0001, 12.800 / 12.FA9550-06-1-0548, 12.800 / 12.FA9550-07-0026, 12.800 / 12.non-given, 12.910 / 12.61175, 12.910 / 12.FA9453-07-1-0202, 12.CSM-07.02, 12.CSM-07.03,			

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			12.FA9550-08-1-0007, 12.N00014, 12.N00014-06-1-0207, 12.non-given, 12.P200A060133, 12.PO No. 05-197, 12.PO286959/J.O.126656.0100, 12.Service Order No. 452652, 12.W81XWH-07-C-0061, 12.W912HQ-04-C-0009, 12.W912HQ-06-C-0018, 12.W912HQ-08-0030, 12.W912HQ-08-P0035, 12.W912HQ-08-P-0055, 15.504 / 15.0105PO39363, 15.504 / 15.0106CT39654, 15.504 / 15.0106PO39592, 15.504 / 15.1435-01-04-36637, 15.504 / 15.M08PX20049/001000447, 15.807 / 15.06HQGR0006, 15.808 /			

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			15.07ERAG0010, 15.808 / 15.08WRAG0002, 15.923 / 15.20118 INITIAL 2006, 15.CMK00000003, 15.CMK16060016, 15.non-given, 15.WRF-03-014, 17.004 / 17.non-given, 17.502 / 17.PO 10255091, 20.DTFH61-07-H-00036, 20.DTPH56-07-T-000009, 43.02500-0009, 43.2502.001, 43.CNS-0546712, 43.NAG5-12754, 43.Nasa Grant NNC05GA29G, 43.NNA06CB64G, 43.NNC04AA13A, 43.NNC8-238, 43.NNCO4GA97G, 43.NNG04GC09G, 43.NNG04GL90G, 43.NNG04GN40G, 43.NNG05GL52H, 43.NNJ05HE13G, 43.NNJ05JB88C,			

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			43.NNJ06AH15G, 43.NOF-BOBS-1, 43.non-given, 43.PO#110110, 43.PO2600805, 43.PO4500056929, 43.PO7100034985, 43.PO-R06112, 43.S-00000167, 43.S07-C029-054, 47.041 / 47.618380, 47.041 / 47.BES-0628282, 47.041 / 47.CBET-0731319, 47.041 / 47.CMMI-0700869, 47.041 / 47.DMI-0547649, 47.041 / 47.DUE-0630888, 47.041 / 47.ECCS-0725752, 47.041 / 47.ECCS-0757956, 47.041 / 47.EEC-0529777, 47.041 / 47.ES-I0623808, 47.041 / 47.PO#051-0564, 47.041 /			

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			47.PO#05I-0564, 47.049 / 47.44-G6A63809/PO#80907, 47.049 / 47.ANT-0530340, 47.049 / 47.CHE-0515521, 47.049 / 47.DMR 0606054, 47.049 / 47.DMR-0303510, 47.049 / 47.DMR-0606054, 47.049 / 47.DMS-0539176, 47.049 / 47.DMS-0621118, 47.049 / 47.DMS-0724715, 47.049 / 47.DMS-0724717, 47.049 / 47.PHY-0420357, 47.050 / 47.EAR-0337379, 47.050 / 47.EAR-0609595, 47.050 / 47.EAR-0720257, 47.050 / 47.EAR-0733782, 47.050 /			

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			81.B575251, 81.BSU NO. 130G106009, 81.CSM 08-02, 81.CSM-08.01, 81.DE-AC09-96WE96405, 81.DE-AD91-07WE07036, 81.DE-AF26-06NT03205, 81.DEC1R06, 81.DE-FC07-051D14648, 81.DE-FC26-07NT43054, 81.DE-FC36-04GO14230, 81.DE-FC36-07G017053, 81.DE-FC36-97ID13554, 81.DE-FG02-04ER54775, 81.DE-FG02-04ER63900, 81.DE-FG02-05ER15739, 81.DE-FG02-05ER46242, 81.DE-FG02-06ER15778, 81.DE-FG02-06ER6423			

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77	313	Ensure that its existing policy for documenting approval of cost transfers to federal research &development projects be strictly adhered to prior to recording accounting entries for such cost transfers.	See applicable CFDA Nos. included for Rec. No. 76 (B) DOC, DOD, DOE, DOI, DOL, DOT, ED, EPA, HHS, NASA, NSF, USDA	Agree	1/2009	Jinous Lari (303)273-3262
78	315	Ensure proper policies and procedures are in place to determine that data reported in the National Student Loan Data System Enrollment Timeline matches the students' academic files and if discrepancies are noted, that such discrepancies are reported timely.	84.032 (N) ED	Agree	6/2009	Jinous Lari (303)273-3262
		Community College System				
79	318	Work with Colorado Northwestern Community College (CNCC) and Trinidad State Junior College (TSJC) to enhance procedures to comply with return of Title IV requirements by (a) ensuring all students who are subject to a postwithdrawal disbursement receive notification within the required time frame of 30 days, (b) requiring reviews of return of Title IV calculations, and (c) establishing procedures to ensure that withdrawal dates of students are determined timely and the return is made no later than 45 days after the date of this determination.	84.032, 84.063 (N) ED	*CNCC:* Agree *TSJC:* Agree	*CNCC:* 9/2008 *TSJC:* 3/2009	Lisa Grefrath (303)595-1575

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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
80	319	Work with the Community College of Denver (CCD), Colorado Northwestern Community College (CNCC), and Trinidad State Junior College (TSJC) to implement monitoring procedures over the verification process.	84.032, 84.063 (N) ED	*CCD:* Agree *CNCC:* Agree *TSJC:* Agree	*CCD:* 11/2008 *CNCC:* 10/2008 *TSJC:* 11/2008	Lisa Grefrath (303)595-1575
81	322	Improve its subrecipient monitoring for the Perkins program by implementing policies, procedures, and controls to ensure compliance with Office of Management and Budget (OMB) *Circular A-133*. Specifically, Colorado Community College System should (a) develop a risk-based approach for monitoring subrecipients, including written policies and procedures, in compliance with the OMB *Circular A-133*; (b) perform periodic site visits based upon the risk-based approach to ensure 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; (c) 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; and (d) provide adequate oversight and supervisory review of the Perkins monitoring process.	84.048 (M) ED	Agree	6/2009	Lisa Grefrath (303)595-1575

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		Department of Human Services				
7	74	Ensure that amounts reported on the State's accounting system (COFRS) related to counties' administration of public assistance programs are accurate and complete by (a) documenting clear procedures for performing monthly reconciliations between the County Financial Management System (CFMS) and COFRS; (b) assigning responsibility to a specific employee for the monthly reconciliation process to identify and resolve discrepancies between CFMS and COFRS for amounts payable to and receivable from the counties; and (c) determining the cause of the discrepancies between the balances reported on CFMS and those reported on COFRS for amounts due to or from the counties at June 30, 2008, and making necessary adjustments.	N/A	Agree	6/2009	N/A
8	77	Establish adequate controls over benefit authorization and issuance data for the cash programs by (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System, County Financial Management System, the State's Electronic Benefits 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 not involved in preparing the reconciliations; and (c) making any necessary adjustments in a timely manner to the appropriate systems.	N/A	Agree	6/2010	N/A

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9	79	Ensure that capital construction expenditures are properly recorded during the construction phase and in accordance with generally accepted accounting principles and state regulations.	N/A	Agree	7/2008	N/A
10	81	Improve controls over the year-end preparation of the Exhibit M and the confirmation of funds held by commercial financial institutions by (a) adequately reviewing the returned confirmations and following up with the institution(s) on any information that is incorrect, incomplete, or not confirmed; (b) adequately reviewing the Exhibit M for completeness and accuracy prior to submission; and (c) ensuring that bank accounts are established in accordance with State Fiscal Rules.	N/A	Agree	a. 5/2009 b. 8/2009 c. 5/2009	N/A
11	84	Improve controls over Medicare Part D revenue, receipts, and expenditures at the Fort Logan and Pueblo Mental Health Institutes by (a) periodically reconciling Part D revenue and related accounts receivable balances in the State's accounting system to calculated billings from the pharmacy subsystem, and making adjustments as appropriate and (b) properly recording revenues and expenditures on COFRS.	N/A	Agree	2/2009	N/A

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12	87	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 and required fiscal year-end entries to offset federal program receivable and payable balances; (b) ensuring its supervisory review process over the Exhibit K includes 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, the required fiscal year-end federal grant accounting offset entries, and the importance of accurate information.	N/A	Agree	9/2009	N/A
13	89	Improve controls over payroll by (a) reviewing adjustments to ensure they are calculated correctly, made timely, and supported by appropriate documentation; (b) ensuring that employee information is entered into the Colorado Personnel and Payroll System in a timely manner; and (c) correcting all over and underpayments to employees identified in this audit.	N/A	Agree	a. 2/2009 b. 4/2009 c. 7/2008	N/A
14	92	Improve its internal controls over purchasing cards by (a) completing implementation of the automated violation tracking system's reporting function and utilizing the system's reports to monitor the results of the Department's internal purchasing card audits and actions taken by approving authorities in response to cardholder violations, (b) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and consequences for policy violations, and (c) ensuring purchasing card accounts are closed in a timely manner upon employee termination.	N/A	Agree	1/2009	N/A

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15	95	Strengthen controls over travel expenditures by ensuring consistent compliance with existing State and Department travel policies.	N/A	Agree	4/2009	N/A
16	99	Strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by (a) developing a plan with established project milestones for implementing all User Control Considerations contained in the SAS 70 Report of JP Morgan's EBT transaction processing; (b) working with JP Morgan to ensure EBT system password parameters comply with State Cyber Security Policies and Department requirements; (c) ensuring that only authorized EBT security administrators have the ability to add new users and that EBT users are only added after receipt of an authorized access request form; (d) updating Department procedures to require counties to immediately notify the EBT security administration group of all terminations and transfers; (e) performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate; (f) working with JP Morgan to identify and correct problems with its automated control for suspending inactive user accounts; and (g) working with JP Morgan to segregate the recipient eligibility and EBT card authorization and issuance functions at the 25 counties identified in the report.	N/A	Agree	10/2010	N/A

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82	328	Ensure that applications for Food Stamps and Temporary Assistance for Needy Families/Colorado Works benefits are processed within federal and state guidelines.	10.551, 10.561, 93.558 (E) HHS, USDA	*Food Stamps:* Agree *TANF:* Agree	*Food Stamps*: Implemented *TANF:* Implemented and Ongoing	Richard Taylor (303)866-2732
83	332	Continue to work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System data discrepancies for the Temporary Assistance for Needy Families/Colorado Works program within 45 days as required by federal and state regulations.	93.558 (A)(B)(E)(M) HHS	Agree	4/2009	Richard Taylor (303)866-2732
84	335	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) continuing to use existing monitoring procedures to ensure that required eligibility information is contained in county case files; (b) continuing to provide training to ensure that county departments of human/social services are aware of the types of eligibility information that should be maintained in case files; and (c) continuing to communicate timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.	93.558 (A)(B)(E)(M) HHS	Agree	Implemented and Ongoing	Richard Taylor (303)866-2732

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85	337	Ensure it has adequate management tools to monitor for compliance with federal requirements for the Temporary Assistance for Needy Families (TANF) program by (a) developing a reporting function for extracting and compiling information contained within the Colorado Benefits Management System for Income, Eligibility and Verification System and accounting-related data and (b) reviewing reports monthly to identify discrepancies, monitor for federal compliance, and take appropriate action.	93.558 (L) HHS	*TANF* Agree *Division of Accounting* Agree	*TANF* a. 12/2008 b. 2/2009 *Division of Accounting* a. Not applicable b. 9/2009	Richard Taylor (303)866-2732
86	341	Take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	10.551, 10.561 (A)(B)(E) USDA	Agree	12/2009	Richard Taylor (303)866-2732
87	343	Ensure that Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	10.551, 10.561 (E)(M) USDA	Agree	12/2009	Richard Taylor (303)866-2732
88	345	Work with the county departments of human/social services to (a) ensure that they address Income, Eligibility, and Verification System (IEVS) data discrepancies for the Food Stamps Program within 45 days, as required by federal and state regulations and (b) properly dispose of or clear IEVS "hits" from the Colorado Benefits Management System (CBMS) system when caseworkers have fully investigated the IEVS discrepancies.	10.551, 10.561 (E)(M) USDA	Agree	Implemented and Ongoing	Richard Taylor (303)866-2732

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89	348	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required; (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files; (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process; and (d) instituting a programming change to the LEAP system documenting when a change occurs to Estimated Home Heating Cost by including record of the initial heat costs.	93.568 (A)(B)(E)(M) HHS	Agree	9/2009	Richard Taylor (303)866-2732
90	352	Ensure it is in compliance with federal Disability Determination Services (DDS) reporting requirements by (a) ensuring that staff preparing federal DDS reports are adequately trained, (b) ensuring that adequate supervisory reviews are in place for all aspects of the federal reporting process to identify the kinds of errors we identified in our audit, and (c) improving communication between DDS program and accounting staff to ensure reports adhere to the Social Security Administration requirements.	96.001 (L) SSA	Agree	9/2008	Richard Taylor (303)866-2732

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91	355	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over the Colorado Benefits Management System (CBMS) user access by (a) identifying and documenting CBMS user profiles that, when combined, provide incompatible system privileges; (b) communicating the list of incompatible CBMS user profiles to the appropriate staff; (c) reviewing existing CBMS users and removing all unnecessary incompatible profiles; (d) implementing a process to periodically review and certify the appropriateness of CBMS user access levels; and (e) reviewing those IT staff with update access to CBMS production data to determine if such access is necessary.	10.551, 10.561, 93.558, 93.777, 93.778 (E) HHS, USDA	*HCPF:* Agree *DHS:* Agree	*HCPF:* a. 6/2009 b. 8/2009 c. 12/2009 d. 8/2009 e. 7/2009 *DHS:* a. 6/2009 b. 8/2009 c. 12/2009 d. 8/2009 e. 7/2009	*HCPF:* Donna Kellow (303)866-3676 *DHS:* Richard Taylor (303)866-2732
92	358	Strengthen controls over the Title IV-E Foster Care program by (a) conducting ongoing monitoring to ensure that county case files contain required information and adequately support eligibility determinations and (b) ensuring that county personnel are properly trained on Title IV-E case file documentation requirements and HB 06S-1023 requirements.	93.658 (E) HHS	Agree	Implemented and Ongoing	Richard Taylor (303)866-2732

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93	360	Improve oversight of child placement agencies for the foster care program by (a) establishing risk-based schedules for licensing and monitoring child placement agencies, (b) establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation, and (c) evaluating current licensing and monitoring procedures to identify and eliminate duplication.	93.658 (M) HHS	Partially Agree	3/2009	Richard Taylor (303)866-2732
94	371	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by (a) clarifying to the counties that three months of income documentation are necessary to verify irregular income for CCCAP applicants, (b) ensuring that counties maintain complete documentation to support income and parental fee calculations, (c) developing a standard income and parent fee calculation form to be used by counties and providing training to implement the tool, (d) strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in this report, and (e) implementing a rule requiring counties to verify county residency for CCCAP applicants.	93.575 (A)(B)(E)(M) HHS	Agree	a. 7/2009 b. 7/2009 c. 7/2009 d. 7/2009 e. 4/2009	Leslie Bulicz (303)866-4556

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95	375	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by (a) developing rules governing the acceptable reasons for overrides and documentation required at the counties to support them; (b) requiring that the counties establish supervisory review and approval for all overrides; (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides; (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system; (e) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up; and (f) following up on information provided to the Department from our audit on the high rate of overrides within one county.	93.575 (A)(B)(E)(M) HHS	Agree	a. 6/2009 b. 7/2009 c. 7/2009 d. 8/2010 e. 4/2009 f. 9/2008	Leslie Bulicz (303)866-4556
96	383	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by (a) promulgating rules to clarify that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities, (b) working with counties to improve the counties' internal control systems, (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors, and (d) requiring that counties submit corrective action plans to address problems identified in part “c” and following up on these plans as appropriate.	93.575 (A)(B)(M) HHS	Agree	a. 6/2009 b. 6/2009 c. 7/2009 d. 7/2009	Leslie Bulicz (303)866-4556

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97	385	Ensure that county departments of human/social services do not pay Colorado Child Care Assistance Program providers higher rates than those charged to private-pay customers by (a) working with the counties to develop policies and procedures for periodically checking whether providers are charging counties higher rates than the providers charge private-pay customers and monitoring implementation of these procedures and (b) requiring those counties identified to follow up with the providers at risk of receiving overpayments to determine if recoveries should be made from the providers.	93.575 (A)(B)(M) HHS	Agree	4/2009	Leslie Bulicz (303)866-4556
98	388	Improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews, (b) providing guidance to the counties on how to select samples of providers' attendance sheets for the reviews, and (c) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	93.575 (A)(B)(M) HHS	Agree	a. 7/2009 b. 4/2009 c. 6/2009	Leslie Bulicz (303)866-4556

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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
99	392	Improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary by (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider, (b) requiring Prowers County to immediately renegotiate the current slot contract between Prowers County and its county-owned child care center to ensure that the contracts do not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable, and (c) considering increasing its audit coverage of Prowers County using the Department's Audit Division and current resources until the problems with its county-owned child care center have been resolved.	93.575 (A)(B)(M) HHS	Agree	a. 7/2009 b. 1/2009 c. 7/2009	Leslie Bulicz (303)866-4556
100	394	Improve controls over county slot contracts under the Colorado Child Care Assistance Program by (a) considering revising its method for measuring slot usage to better reflect the reasonableness of the amount of care being provided, (b) establishing methods to ensure that county departments of human/social services can pay providers multiple slot rates until and after the Child Care Automated Tracking System is replaced, and (c) consistently following current Department policy to review and approve county slot contracts to verify that the rates meet federal and state requirements for reasonableness and do not exceed providers' private-pay rates.	93.575 (A)(B)(M) HHS	Agree	a. 7/2009 b. 8/2010 c. 1/2009	Leslie Bulicz (303)866-4556

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
101	399	Improve its oversight of quality initiative spending by county departments of human/social services by (a) instituting a regular review of a sample of quality initiative transactions from all counties to determine if these transactions comply with all applicable requirements; (b) auditing the $2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements; (c) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately; (d) ensuring that guidance given to counties about the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements; and (e) clarifying whether administrative expenses and paying for the expenses of other programs like Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for these expenses.	93.575 (A)(B)(M) HHS	Agree	a. 6/2009 b. 6/2009 c. 4/2009 d. 4/2009 e. 4/2009	Leslie Bulicz (303)866-4556
		Department of Labor and Employment				
17	103	Implement a process to evaluate the accuracy and completeness of the liability to employers for overpayment of Unemployment Insurance taxes.	N/A	Agree	12/2009	N/A
18	104	Implement more formal procedures for preparing, reviewing, and approving significant estimates including a detailed review of the relevant factors and assumptions used and a retrospective review of prior estimates compared to the current year.	N/A	Agree	5/2009	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
19	106	Change the methodology for calculating the fund balance of the Petroleum Storage Tank Fund in accordance with statute and charge the appropriate environmental response surcharge fee.	N/A	Agree	7/2009	N/A
102	405	Establish procedures to ensure compliance and consistency with the Cash Management Improvement Act and federal grant cash management requirements.	17.225 (c) DOL	Agree	3/2009	Shawn Milne (303)318-8101
103	406	Ensure time sheets for salaries and wages charged either directly or indirectly to federal programs are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing certifications by both the employee and supervisor prior to issuing payments.	17.207, 17.225, 17.258, 17.259, 17.260, 17.801, 17.804 (A)(B) DOL	Agree	12/2008	Shawn Milne (303)318-8101
104	408	Improve controls over federal reporting by instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation.	17.207, 17.225, 17.258, 17.259, 17.260, 17.801, 17.804 (L) DOL	Agree	5/2009	Shawn Milne (303)318-8101
		Department of Law				
20	109	Improve controls over the year-end closing process to ensure that required spending authority comparisons and related adjusting entries are made.	N/A	Agree	7/2009	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 Local Affairs				
21	113	Ensure that all appropriate parties approve Personnel Action Requests created for new employees and for employees when their duties change.	N/A	Agree	2/2009	N/A
22	115	Strengthen its internal controls over purchasing and ensure proper segregation of duties by requiring adequate documentation for properly reviewing, approving, and recording expenditures during the year.	N/A	Agree	8/2008	N/A
		Department of Military and Veterans Affairs				
23	119	Continue to improve controls over the preparation of the Exhibit K by (a) ensuring that staff preparing exhibits are adequately trained, annually, on Exhibit K preparation requirements and (b) implementing a secondary review over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.	N/A	Agree	9/2009	N/A
24	120	Improve controls over capital assets by (a) annually performing a reconciliation of the construction in progress account to identify costs for completed construction projects and reclassifying them to their respective capital asset accounts and (b) performing an annual inventory of all software, furniture, and equipment to identify discrepancies and follow up as needed and making adjustments to asset records as determined appropriate.	N/A	Agree	6/2009	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	123	Improve controls over procurement cards by (a) requiring the staff that have been issued procurement cards to complete procurement card training, (b) establishing a review process over purchases made by senior-level employees, (c) ensuring that procurement cards are not issued without proper authorization, and (d) improving the existing review process in place over procurement card purchases to ensure that purchases are reviewed and contain appropriate supporting documentation.	N/A	Agree	2/2009	N/A
26	125	Improve its controls over the implementation of statutory provisions that affect the Department accounting functions to ensure that all necessary steps are taken in a timely manner to fully implement the provisions.	N/A	Agree	1/2009	N/A
		Department of Natural Resources	N/A	Agree	6/2009	N/A
33	152	The Division of Parks and Outdoor Recreation should improve its controls over cabin inventory by instituting Division-wide policies for safeguarding cabin assets that address (a) the frequency of inventory checks, (b) items that should be included in each inventory check, (c) procedures for pursuing recovery for any items lost through theft or damage,(d) use of inventory tags to identify items as the property of the State, and (e) a method for communicating the policy on losses and damages to cabin visitors.				

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	153	Enforce its payroll policies and strengthen its controls over personnel and payroll activities by (a) reinforcing the importance of supervisory review of the accuracy of time sheet data to ensure employee payroll is correct and (b) implement procedures to require supervisory review of any pay rate changes occurring prior to posting of payroll to COFRS or reassign incompatible duties within the Payroll Accountants and Payroll Technician positions to other individuals.	N/A	Partially Agree	1/2009	N/A
35	156	Improve its controls over capital expenditures by (a) reviewing the expenditures related to capital projects and construction in progress in a timely manner to ensure that all completed capital projects are properly capitalized and depreciation taken in the appropriate fiscal year and (b) ensuring that expenditures for capital asset projects are reviewed and recorded appropriately on COFRS in accordance with the State Fiscal Procedures Manual.	N/A	Partially Agree	6/2009	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 Natural Resources				
27	130	Work with the Division of Parks and Outdoor Recreation to establish adequate controls over the receipt and use of Great Outdoors Colorado (GOCO) moneys to ensure the State's financial statements are complete and accurate and to ensure assets are safeguarded. Specifically, the Department and the Division should (a) implement controls over the receipt of all GOCO funds to ensure that all related revenues, expenditures, capital assets, and other affected accounts are accurately and completely reflected in COFRS, the State's financial system; (b) reconcile the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division and make all necessary adjustments to COFRS; (c) perform a reconciliation from Fiscal Year 1993 through Fiscal Year 2008 of the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division; and (d) ensure that the Division's list of capital assets is updated no less than annually and reflects capital purchases made with GOCO funds.	N/A	Agree	a. 6/2008 b. 9/2008 c. 12/2010 d. 12/2010	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
28	131	The Division of Parks and Outdoor Recreation should strengthen its controls over park pass and permit assignment and cash collection processes by (a) ensuring functions related to assigning passes and permits and collecting, recording, depositing, and preparing cash reconciliations and reports are performed by different employees; (b) controlling access to park passes and permits and cash by keeping them locked in a drawer during the day and locked in a safe at night; (c) reviewing all monthly reports and reconciliations submitted by the park and region offices for completeness and accuracy, including supporting documentation, prior to entering information into the State's accounting system; (d) developing written policies and procedures that address proper segregation of duties, cash handling, and reconciliation and reporting requirements; and (e) including requirements related to ensuring proper cash handling practices in job descriptions, performance plans, and evaluations for all employees responsible for cash collections; and taking appropriate disciplinary action when problems are found.	N/A	Agree	5/2009	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
29	134	The Division of Parks and Outdoor Recreation and the Department of Natural Resources (DNR) should improve accountability and provide adequate oversight and monitoring of contract scope, deliverables, and payments. Specifically, the Division and Department should (a) define staff responsibilities for developing, reviewing, approving, or monitoring contract deliverables or payments in job descriptions and performance plans and evaluate performance of these duties during annual performance reviews; (b) provide contract monitoring staff with contract management training and ongoing supervision and guidance, including, but not limited to, proper procedures for defining contract scope of work, providing ongoing monitoring and review of contract work and deliverables, and approving and tracking payments; and (c) complete their investigation of the questions raised in our audit regarding three personal services contracts and take action as appropriate, including requiring repayment of state funds spent for work performed prior to contract execution or outside of the contract scope.	N/A	*Division of Parks*: Agree *DNR*: Agree	*Division of Parks:* a. 5/2009 b. 12/2008 c. 9/2008 *DNR*: 6/2009	N/A
30	136	The Department of Natural Resources and the Division of Parks and Outdoor Recreation should work together to improve controls over procurement cards (ProCards) by (a) ensuring that cardholders adequately document all purchases and that supervisors review and approve, as appropriate, all purchases monthly and (b) providing ProCard refresher training on a periodic basis determined by the Department and the Division to cardholders to ensure understanding of the rules on proper and allowable card use.	N/A	Agree	12/2008	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
31	140	Improve its oversight of the ProCard program by (a) expanding the ProCard audit process to include a review of the areas in which problems were identified during our audit and regularly reviewing all relevant reports available from the State's ProCard vendor to identify violations of card use; (b) requiring that approving supervisory authorities report to the Department's procurement office on instances of errors or employee misuse of ProCards and on disciplinary or other actions taken related to the errors or misuse; (c) developing a system for tracking instances of card abuse by individual cardholders and establishing policies regarding the penalties that cardholders will incur, on the basis of the frequency and severity of the violations; and (d) reviewing information in the tracking system from Part c. and taking appropriate disciplinary action when abuses are found.	N/A	Agree	12/2008	N/A
32	147	The Division of Parks and Outdoor Recreation should ensure compliance with time keeping requirements for seasonal workers by making improvements by (a) reviewing and clarifying, where needed, existing time keeping policies and procedures, including the format in which time will be recorded; (b) disseminating clear policy directives throughout the park system, including the Division's administrative office, and training supervisors and others as appropriate on their responsibilities; and (c) holding supervisors responsible for compliance with policies and procedures through job descriptions, performance planning, and evaluations.	N/A	Agree	5/2009	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
36	158	The Colorado Division of Reclamation, Mining and Safety should strengthen its controls over performance bond account reconciliations by (a) creating and implementing policies and procedures related to the monthly and/or quarterly reconciliation of COFRS accounts to the Division's internal records and (b) implementing procedures to require supervisory review of monthly and/or quarterly reconciliation of its COFRS accounts, including making adjustments as needed.	N/A	Agree	1/2009	N/A
		Department of Personnel & Administration				
37	163	Strengthen controls over payroll by (a) ensuring that an adequate review process is in place to identify and correct payroll adjustment errors and (b) ensuring that all documentation required for the hire of an employee is obtained at the time of hiring.	N/A	Agree	a. 9/2009 b. 1/2009	N/A
38	167	Strengthen its oversight of the Colorado Personnel and Payroll System (CPPS) user access controls by (a) immediately disabling CPPS user IDs belonging to terminated employees, (b) removing unnecessary generic and duplicate CPPS user IDs and implementing security policies specifying when such user IDs are appropriate, (c) working with the Governor's Office of Information Technology to ensure CPPS password parameters comply with State Cyber Security Policies, and (d) implementing existing controls regarding the segregation of personnel and payroll functions in CPPS.	N/A	Agree	3/2009	N/A

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
39	171	Improve controls over accounting for capital assets by (a) improving the review process over capital asset transactions to ensure that all ancillary costs necessary to place assets in use, including freight charges, are capitalized and that any necessary capital assets accounting adjustments are made to the Colorado Automotive Reporting System (CARS) and COFRS and (b) ensuring that data essential to its annual building depreciation reconciliation is safeguarded by prohibiting access to this data by non-essential staff members.	N/A	Agree	a. 7/2009 b. 1/2009	N/A
		Department of Public Health and Environment				
105	411	Contact the United States Department of Agriculture, Food and Nutrition Services, to request that future grant funding award documents reflect the correct program.	10.558 (L) USDA	Partially Agree	9/2008	Scott Toland (303)692-2105
106	414	Ensure that future discrepancies in federal grant information are investigated and addressed and that any required changes are communicated timely to subrecipients.	93.069 (L)(M) HHS	Partially Agree	1/2009	Scott Toland (303)692-2105
107	416	Thoroughly review subrecipient's Office of Management and Budget (OMB) *Circular A-133* audits and clearly document whether any deficiencies pose a risk to the Department's administration of federal grants.	93.069 (M) HHS	Partially Agree	1/2009	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 Public Safety				
40	175	Strengthen controls over travel expenditures by (a) ensuring that travel reimbursements contain a purpose for travel, reimbursements paid are supported by documentation, and all other State Fiscal Rules regarding travel are followed and (b) training staff and supervisors on state travel rules and policies.	N/A	Agree	5/2009	N/A
		Department of Regulatory Agencies				
41	180	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are recorded accurately and appropriately on COFRS, that travel reimbursements are recorded in the proper period, and that all other state policies regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) collecting the $50 in overpayments identified in our audit from employees who were overpaid for travel expenditures.	N/A	Agree	6/2009	N/A
		Department of Revenue				
42	184	Improve controls over the processing of severance tax refunds by (a) reviewing the current system edits to determine if additional edits are necessary, (b) establishing a secondary review process for refunds released from manual review, and (c) reviewing its current established threshold for severance tax refunds for efficiency and accuracy.	N/A	Agree	a. 7/2009 b. 11/2008 c. 7/2009	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
43	188	Improve internal controls over cash receipts, Motor Vehicle payments, and confidential data by (a) establishing a tracking process for the transfer of Motor Vehicle payments and other confidential documents between the Sherman Street Annex and the Pierce Street office which includes requiring multiple employee signoffs at each location and requiring that all bags transferred between locations be locked until they reach their destination; (b) implementing policies limiting the amount of cash that can be maintained in cashier drawers at driver's license offices, requiring a more timely collection of daily Motor Vehicle payments by an armored vehicle, and prohibiting driver's license staff from counting cash receipts at publicly accessible counters; (c) ensuring existing policies regarding physical access controls over secured areas and cash receipt drawers are followed; and (d) adding additional security at the driver's license offices, including locked safes and security cameras in offices where cash receipts are kept.	N/A	a. Disagree b. Agree c. Agree d. Agree	a. Not Applicable b. 1/2009 c. 1/2009 d. When funding becomes available.	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
44	194	Strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by (a) immediately addressing the network and configuration management issues we identified in the audit and provided to the Department under separate cover; (b) developing and implementing a formalized application development and change management process for its mainframe-based applications; (c) performing regression and user acceptance testing on changes to source code prior to moving the code into production; (d) identifying the production libraries containing the source code for the mainframe-based applications and ensuring access to those libraries is limited; (e) requiring management to perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production; and (f) developing and implementing a formalized user access management program, including periodically producing and reviewing a list of current system users and linking the human resources and user access management functions.	N/A	Agree	a. 6/2009 b. 6/2011 c. 6/2011 d. 6/2009 e. 6/2009 f. 12/2009	N/A
45	198	Improve controls to ensure that data is safeguarded by prohibiting access to the data by nonessential staff members.	N/A	Agree	6/2009	N/A
46	200	Strengthen controls over electronic fund transfer (EFT) payments by implementing a secondary review over the EFT reconciliation process, including supporting documentation, to identify and correct any errors in a timely manner.	N/A	Agree	3/2009	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
47	202	Ensure compliance with its policy requiring employees to sign and submit annual Statements of Understanding to the Department's Office of Human Resources by implementing an automated system for tracking signed Statements and continuing to improve its process for notifying supervisors of missing Statements.	N/A	Agree	10/2008	N/A
48	204	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by strengthening its review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.	N/A	Partially Agree	6/2009	N/A
49	206	Improve its internal controls over purchasing cards by ensuring that (a) required forms are obtained and completed prior to card issuance and (b) required supporting documentation is completed and has been properly reviewed and approved.	N/A	Agree	1/2009	N/A
		Office of the State Treasurer				
50	213	Clarify existing policies and procedures over unclaimed securities to address (a) how the best interest of the State is determined when making decisions about whether or not to sell unclaimed securities; (b) how reasonable action to sell a security will be documented, if a decision is made to sell a security; and (c) how often the inventory of unclaimed securities will be reviewed to determine if a security should be sold and how the review will be documented.	N/A	Agree	2/2009	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
108	420	Ensure the Treasurer-State Agreement under the Cash Management Improvement Act (CMIA) accurately reflects programs subject to CMIA annually by ensuring programs in the same CFDA number are combined when evaluating expenditures against the required threshold.	93.283, 93.575 (C) HHS	Agree	9/2008	Charles Scheibe (303)866-5826
		Department of Transportation				
51	223	Ensure the accounting system is properly applying deferred revenue against accounts receivable by reviewing all deferred revenue balances at fiscal year-end and making adjustments as necessary.	N/A	Agree	6/2010	N/A
52	224	Improve fiscal year-end procedures to ensure all grant revenue is properly recorded by providing additional staff training, and adequately supervising and reviewing staff's work.	N/A	Agree	6/2009	N/A
109	424	Track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have $500,000 or more in federal funds as required by OMB *Circular A-133*.	20.205 (M) DOT	Agree	12/2009	Darrell Johnson (303)757-9032

Compliance Requirements

(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

Federal Entities

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
EAC - Election Assistance Commission
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
NEH - National Endowment for the Humanities
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, 2008
Increase (Decrease)

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ 157,933	$ 70,179	$ (5,615)	$ -	$ (93,369)
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	19,210	-	-	-	(19,210)
Health Care Policy and Financing	-	-	-	(633)	(633)
Higher Education	(1,812,117)	2,445,957	(696,413)	9,486,707	5,310,189
Human Services	(112,154)	(46,494)	14,852	-	80,512
Judicial	-	-	-	-	-
Labor and Employment	-	-	-	-	-
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	-
Military Affairs	13,584	-	-	13,584	-
Natural Resources	-	-	-	-	-
Personnel & Administration	299	(322)	(244,606)	244,606	(621)
Public Health and Environment	-	215,647	-	-	215,647
Public Safety	-	(9)	-	-	(9)
Regulatory Agencies	-	(404)	-	-	(404)
Revenue	2,319	-	-	-	(2,319)
State	-	-	-	-	-
Transportation	-	-	-	-	-
Treasury	-	-	-	-	-
Net Increase (Decrease)	$ (1,730,926)	$ 2,684,554	$ (931,782)	$ 9,744,263	$ 5,489,784

Gross Passed Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2008

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ 157,933	$ 70,179	$ 5,615	$ 215,556	$ 93,369
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	19,210	-	-	-	19,210
Health Care Policy and Financing	1,267	-	-	633	633
Higher Education	5,775,799	8,371,568	1,718,413	9,488,202	10,932,435
Human Services	166,194	48,822	14,852	-	107,364
Judicial	-	-	-		-
Labor and Employment	-	-	-	-	-
Law	-	-	-	-	38,044
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	-
Military Affairs	4,166,779.43	-	-	13,584.39	-
Natural Resources	-	-	-	-	-
Personnel & Administration	299	322	252,358	370,358	621
Public Health and Environment	-	215,647	-	-	215,647
Public Safety	-	9	-	-	9
Regulatory Agencies	-	403.65	-	-	1,328.09
Revenue	3,699.00	-	-	460,850.00	3,699.00
State	-	-	-	-	-
Transportation	-	-	-	-	-
Treasury	-	-	-	-	-
	$ 10,291,181	$ 8,706,950	$ 1,991,238	$ 10,549,183	$ 11,412,359

Net Posted Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2008
Increase (Decrease)

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ 64,292	$ -	$ (69,708)	$ (3,107,349)	$ (2,974,860)
Corrections	56,408	-	(63,843)	113,540	2,098,823
Education	3,978,801	1,467	(284,544)	(7,053,561)	(10,687,162)
Governor	1,167,235	869,528	(239,416)	(2,049,673)	(2,329,295)
Health Care Policy and Financing	114,745,618	213,680,703	(82,859,096)	(34,209,609)	17,231,884
Higher Education	(349,429,356)	72,591,751	377,044,270	626,227,067	1,427,368,566
Human Services	4,455,349	208,184	4,448,217	(6,427,924)	(3,782,702)
Judicial	51,666	(19,216)	(33,819)	(914,515)	(169,050)
Labor and Employment	1,974,126	5,248	(2,396,919)	7,422,395	3,667,423
Law	38,488	5,148	(42,710)	76,050	761,975
Legislative	6,627	-	(2,868)	9,495	436,023
Local Affairs	1,121,197	-	(1,378,184)	(2,269,969)	4,341,413
Military Affairs	48,933	-	5,235	13,322	193,401
Natural Resources	18,000,912	2,642,965	13,049,572	4,242,520	3,999,910
Personnel & Administration	138,718	165,000	(352,887)	(8,879,950)	(29,217,391)
Public Health and Environment	1,212,472	4,262,176	(745,476)	(778,191)	2,290,007
Public Safety	31,999	-	(31,683)	(2,945,269)	(1,910,796)
Regulatory Agencies	547,852	537,146	(15,652)	17,921	583,050
Revenue	971,281	950,636	(803,285)	780,805	1,626,653
State	70,244	-	(121,197)	191,441	197,158
Transportation	(664,708,950)	(7,443,076)	(651,903,849)	12,178,010	19,032,726
Treasury	64,610,000	117,499,498	(74,723,150)	19,664,909	(2,168,743)
Net Increase (Decrease)	$ (800,846,088)	$ 405,957,159	$ (421,520,992)	$ 602,301,463	$ 1,430,589,012

Gross Posted Audit Adjustments By Agency
For Fiscal Year Ended June 30, 2008

Agency Name	Asset	Liability	Net Assets	Revenue	Expenditure
Agriculture	$ 3,609,554	$ -	$ 1,672,372	$ 8,994,687	$ 5,339,667
Corrections	193,000	8,906	203,432,661	1,825,502	20,970,076
Education	7,933,452	4,573	284,544	16,365,555	13,590,954
Governor	1,646,067	869,528	3,278,073	4,921,846	5,090,587
Health Care Policy and Financing	142,481,080	213,680,703	82,859,096	582,311,007	544,064,847
Higher Education	3,440,520,192	240,268,890	533,007,168	2,726,996,779	1,739,511,480
Human Services	5,556,485	228,310	5,054,094	131,636,286	63,107,804
Judicial	27,245,795	19,216	33,819	4,736,483	6,937,903
Labor and Employment	13,727,384	23,072	2,396,919	15,820,127	14,557,947
Law	134,774	16,014	42,710	22,330,630	1,056,871
Legislative	12,363	-	2,868	9,495	559,291
Local Affairs	3,877,565	-	1,378,184	7,268,731	6,160,384
Military Affairs	99,215	-	647,241	74,074	574,976
Natural Resources	75,466,352	2,956,193	18,608,839	14,044,349	15,690,529
Personnel & Administration	3,212,017	165,000	800,095,829	72,084,758	46,093,866
Public Health and Environment	2,646,200	4,282,500	745,476	8,665,687	11,405,464
Public Safety	95,365	-	31,683	37,183,093	9,768,361
Regulatory Agencies	580,052	538,042	15,652	3,053,134	4,482,834
Revenue	4,504,943	1,521,570	5,691,126	2,301,845	10,891,590
State	312,638	-	121,197	191,441	197,158
Transportation	833,084,668	10,168,771	2,192,205,002	132,986,236	22,256,445
Treasury	654,394,415	121,217,954	74,723,150	157,533,076	267,999,922
	$ 5,221,333,576	$ 595,969,242	$ 3,926,327,701	$ 3,951,334,820	$ 2,810,308,955

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