

Report No. 2007-06

February 28, 2007



Charles A. Hibner, Director, Audits Division

Bill Bradbury, Secretary of State

Secretary of State Audit Report

State of Oregon

Statewide Single Audit Report

For the Fiscal Year Ended June 30, 2006

State of Oregon
STATEWIDE SINGLE AUDIT REPORT

For the Year Ended June 30, 2006

Office of the Secretary of State
Bill Bradbury
Secretary of State

Jean Straight
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Deputy Secretary of State



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The Honorable Theodore R. Kulongoski
Governor of Oregon

We have conducted a statewide audit in accordance with the Single Audit Act Amendments of 1996, Government Auditing Standards, and U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. This report encompasses the year ended June 30, 2006, and is required for the State to continue receiving federal financial assistance, which, as shown in this report, totals approximately \$5.9 billion.

As required by the Single Audit Act, we issued a report dated December 15, 2006, on the State of Oregon's financial statements. That report was included in the State of Oregon's *Comprehensive Annual Financial Report* for the year ended June 30, 2006.

This report contains the remaining components required by the Single Audit Act:

- *Report on Internal Control over Financial Reporting and on Compliance and Other Matters.* This component contains our report on the State of Oregon's internal control over financial reporting and compliance with laws, regulations, contracts and grant agreements that affect the financial statements. Part of the schedule of findings and questioned costs relates to this report.
- *Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.* This component contains our report on the State of Oregon's compliance with the requirements applicable to each of its major federal programs described in OMB Circular A-133 and internal controls over compliance. Part of the schedule of findings and questioned costs relates to this report. This component also contains our report on the State of Oregon's schedule of expenditures of federal awards for the year ended June 30, 2006.
- *Schedule of Expenditures of Federal Awards.* This schedule is not a required part of the State of Oregon's financial statements, but is required by OMB Circular A-133. The schedule shows State expenditures of federal awards, for the fiscal year ended June 30, 2006, excluding Oregon Health and Science University. The notes, which accompany the schedule, are considered an integral part of the schedule. They provide disclosures regarding the reporting entity, the significant accounting policies used in preparing the schedule, the value of federal awards expended in the form of non-cash assistance, the value of loans outstanding at year end, and the value of pass-through awards received by the State from non-federal entities.

- *Schedule of Findings and Questioned Costs.* This schedule lists 7 current audit findings regarding compliance and internal control related to financial reporting. It also lists 16 current audit findings regarding compliance with the requirements of major federal programs and related internal controls. Further, it lists the status of findings regarding compliance and internal control related to financial reporting and compliance with the requirements of major federal programs and related internal controls, which were included in our report for the fiscal year ended June 30, 2005. In addition, it lists the status of prior year audit findings for the fiscal year ended June 30, 2004, which were not previously corrected.

OMB Circular A-133 requires management to provide a plan of corrective action on the findings and recommendations for the fiscal year ended June 30, 2006. Management's responses and planned corrective actions are included in this schedule.

OREGON AUDITS DIVISION

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Charles A. Hibner, CPA
Director

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The Honorable Theodore R. Kulongoski
Governor of Oregon

**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**

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 Oregon, as of and for the year ended June 30, 2006, which collectively comprise the State of Oregon's basic financial statements and have issued our report thereon dated December 15, 2006. We did not audit the financial statements of the discretely presented component units. We also did not audit the financial statements of the University System or the Veterans' Loan Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units, the University System, and the Veteran's Loan Fund, are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Oregon's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-1 through 06-7.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of

the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 06-1 through 06-5 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Oregon'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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we or other auditors reported to management of the State of Oregon in separate letters.

This report is intended solely for the information and use of the management of the State of Oregon, the governor of the State of Oregon, and the Oregon Legislative Assembly and is not intended to be and should not be used by anyone other than these specified parties.

OREGON AUDITS DIVISION

A handwritten signature in black ink, appearing to read "Bill Bradbury", with a stylized, flowing script.

Bill Bradbury
Secretary of State

December 15, 2006

Office of the Secretary of State
Bill Bradbury
Secretary of State

Jean Straight
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Deputy Secretary of State



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The Honorable Theodore R. Kulongoski
Governor of Oregon

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the State of Oregon with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The State of Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of Oregon's management. Our responsibility is to express an opinion on the State of Oregon's compliance based on our audit. We did not audit the State of Oregon's compliance with the following major federal programs:

- 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
- 84.010 Title I Grants to Local Educational Agencies
- 93.283 Centers for Disease Control and Prevention- Investigations and Technical Assistance
- 93.563 Child Support Enforcement
- 93.566 Refugee and Entrant Assistance – State Administered Programs
- N/A Aging Cluster
- N/A Child Nutrition Cluster
- N/A Student Financial Assistance Programs

Other auditors audited the State of Oregon's compliance with these programs' requirements and their reports thereon have been furnished to us. Our opinion, insofar as it relates to these programs, is based solely on the reports of the other auditors.

The State of Oregon's basic financial statements include the operations of the Oregon Health and Science University, which received approximately \$264 million in federal awards which is not included in the State of Oregon's schedule of expenditures of federal awards for the year ended June 30, 2006. Our audit, described below, did not include the operations of the Oregon Health and Science University because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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 Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of Oregon's compliance with those requirements.

As described in items 06-8, 06-16, and 06-17 in the accompanying schedule of findings and questioned costs, the State of Oregon did not comply with requirements regarding Subrecipient Monitoring that are applicable to its Aging Cluster and did not comply with requirements regarding Eligibility that are applicable to its Adoption Assistance. Compliance with such requirements is necessary, in our opinion and based on the reports of other auditors, for the State of Oregon to comply with requirements applicable to those programs.

In our opinion, based on our audit and the reports of the other auditors, except for the noncompliance described in the preceding paragraph, the State of Oregon complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-9, 06-12 through 06-15, and 06-19 through 06-23.

Internal Control Over Compliance

The management of the State of Oregon 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 Oregon's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Oregon's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-8 through 06-14, 06-16, and 06-18 through 06-21.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal

course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 06-8, 06-12, 06-16, and 06-18 to be material weaknesses.

Schedule of Expenditures of Federal Awards

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 Oregon, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 15, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Oregon's basic financial statements. We did not audit the financial statements of the discretely presented component units. We also did not audit the financial statements of the University System or the Veterans' Loan Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, the University System, and the Veterans' Loan Fund, is based on the reports of the other auditors. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the work of the other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the schedule of expenditures of federal awards of the Oregon Health and Science University. That schedule is audited by other auditors who will issue a separate report on compliance and internal control and on compliance with OMB Circular A-133 over major federal programs. To obtain a copy of this report, please refer to note disclosure 2 of the schedule of expenditures of federal awards.

This report is intended solely for the information and use of the management of the State of Oregon, the governor of the State of Oregon, the Oregon Legislative Assembly, and 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.

OREGON AUDITS DIVISION

A handwritten signature in black ink, appearing to read "Bill Bradbury", with a stylized, cursive script.

Bill Bradbury
Secretary of State

February 8, 2007, except for the
Schedule of Expenditures of
Federal Awards, as to which the
date is December 15, 2006

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Office of National Drug Control Policy							
07.XXX	High Intensity Drug Trafficking Area (HIDTA)						
	Not Available		\$ 866,895	\$ 1,553,955	\$ 2,420,850	\$ 2,420,850	\$ —
	PORP501Z		807,464	—	807,464	807,464	—
07.XXX	Total High Intensity Drug Trafficking Area (HIDTA)		<u>\$ 1,674,359</u>	<u>\$ 1,553,955</u>	<u>\$ 3,228,314</u>	<u>\$ 3,228,314</u>	<u>\$ —</u>
Total Office of National Drug Control Policy			<u>\$1,674,359</u>	<u>\$1,553,955</u>	<u>\$3,228,314</u>	<u>\$3,228,314</u>	<u>\$ —</u>
Department of Agriculture							
10.001	Agricultural Research Basic and Applied Research		\$ 842,185	\$ —	\$ 842,185	\$ 842,185	\$ —
10.025	Plant and Animal Disease, Pest Control, and Animal Care		2,095,632	—	2,095,632	2,043,992	51,640
10.064	Forestry Incentives Program		46,796	—	46,796	46,796	—
10.069	Conservation Reserve Program		26,134	—	26,134	26,134	—
10.156	Federal-State Marketing Improvement Program		8,652	—	8,652	8,652	—
10.163	Market Protection and Promotion		91,158	—	91,158	91,158	—
10.217	Higher Education Challenge Grants		(566)	—	(566)	—	(566)
10.218	Buildings and Facilities Program		(11,170)	—	(11,170)	—	(11,170)
10.303	Integrated Programs		23,579	—	23,579	—	23,579
10.307	Organic Agriculture Research and Extension Initiative		11,000	—	11,000	—	11,000
10.446	Rural Community Development Initiative		36,182	—	36,182	36,182	—
10.455	Community Outreach and Assistance Partnership Program		14,211	—	14,211	14,211	—
10.500	Cooperative Extension Service		3,800,193	—	3,800,193	3,781,067	19,126
10.550	Food Donation		69,691	8,234,054	8,303,745	8,303,745	—
10.557	Special Supplemental Nutrition Program for Women, Infants and Children		54,032,861	13,018,952	67,051,813	67,051,813	—
10.558	Child and Adult Care Food Program		411,654	22,465,405	22,877,059	22,877,059	—
10.560	State Administrative Expenses for Child Nutrition		1,808,829	4,800	1,813,629	1,813,629	—
10.565	Commodity Supplemental Food Program		23,349	927,865	951,214	951,214	—
10.567	Food Distribution Program on Indian Reservations		9,057	104,100	113,157	113,157	—
10.576	Senior Farmers Market Nutrition Program		645,228	—	645,228	645,228	—
10.578	WIC Grants to States (WGS)		149,601	169,458	319,059	319,059	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
10.579	Child Nutrition Discretionary Grants Limited Availability		—	76,183	76,183	76,183	—
10.600	Foreign Market Development Cooperator Program		(2,431)	—	(2,431)	(2,431)	—
10.652	Forestry Research		52,257	—	52,257	52,257	—
10.664	Cooperative Forestry Assistance		4,764,384	698,194	5,462,578	5,462,578	—
10.670	National Forest - Dependent Rural Communities		15,148	—	15,148	15,148	—
10.676	Forest Legacy Program		450	—	450	450	—
10.677	Forest Land Enhancement Program		91,830	—	91,830	91,830	—
10.678	Forest Stewardship Program		45,000	—	45,000	45,000	—
10.680	Forest Health Protection		447,506	—	447,506	447,506	—
10.905	Plant Materials for Conservation		19,200	—	19,200	19,200	—
10.960	Technical Agricultural Assistance		18,837	—	18,837	—	18,837
Total	Department of Agriculture		\$69,586,437	\$45,699,011	\$115,285,448	\$115,173,002	\$112,446
Department of Commerce							
11.302	Economic Development Support for Planning Organizations		\$ 14,677	\$ —	\$ 14,677	\$ 14,677	\$ —
11.303	Economic Development Technical Assistance		167,439	—	167,439	167,439	—
11.405	Anadromous Fish Conservation Act Program		344,926	—	344,926	344,926	—
11.407	Interjurisdictional Fisheries Act of 1986		218,502	—	218,502	218,502	—
11.417	Sea Grant Support		154,384	—	154,384	154,384	—
11.419	Coastal Zone Management Administration Awards		2,350,673	701,555	3,052,228	3,052,228	—
11.420	Coastal Zone Management Estuarine Research Reserves		410,314	—	410,314	410,314	—
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		509,827	—	509,827	509,827	—
11.433	Marine Fisheries Initiative		8,213	—	8,213	8,213	—
11.436	Columbia River Fisheries Development Program		6,288,663	14,928	6,303,591	6,303,591	—
11.437	Pacific Fisheries Data Program		521,492	—	521,492	521,492	—
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program		5,232,984	5,708,575	10,941,559	10,941,559	—
11.439	Marine Mammal Data Program		65,607	—	65,607	65,607	—
11.440	Environmental Sciences, Applications, Data and Education		5,511	—	5,511	5,511	—
11.441	Regional Fishery Management Councils		574,342	—	574,342	574,342	—
11.454	Unallied Management Projects		70,013	—	70,013	70,013	—
11.463	Habitat Conservation		11,820	—	11,820	11,820	—
11.473	Coastal Services Center		43,452	—	43,452	29,530	13,922
11.477	Fisheries Disaster Relief		114,576	—	114,576	114,576	—
11.XXX	Other Department of Commerce Programs						
	AB133F-02-SE-1170		(885)	—	(885)	(885)	—
	AB133F-02-SE-1258		7,525	—	7,525	7,525	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		AB133F-05-SE-4654	31,454	—	31,454	31,454	—
		FP5000/8L2B1P00	32,441	—	32,441	32,441	—
11.XXX	Total Other Department of Commerce Programs		\$ 70,535	\$ —	\$ 70,535	\$ 70,535	\$ —
Total Department of Commerce			\$17,177,950	\$ 6,425,058	\$23,603,008	\$23,589,086	\$13,922
Department of Defense							
12.106	Flood Control Projects		\$ 6,794,942	\$ —	\$ 6,794,942	\$ 6,794,942	\$ —
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services		69,883	—	69,883	69,883	—
12.400	Military Construction, National Guard		3,564,053	—	3,564,053	3,564,053	—
12.401	National Guard Military Operations and Maintenance (O&M) Projects		22,340,290	—	22,340,290	22,340,290	—
12.404	National Guard Civilian Youth Opportunities		2,296,701	—	2,296,701	2,296,701	—
12.431	Basic Scientific Research		16,208	—	16,208	—	16,208
12.550	International Education – U.S. Colleges and Universities		(6)	—	(6)	(6)	—
12.800	Air Force Defense Research Sciences Program		2,000	—	2,000	—	2,000
12.XXX	Other Department of Defense Programs						
		0000000000000000010	4,486,961	—	4,486,961	4,486,961	—
		NWPOP-05-FH-02	(103,003)	—	(103,003)	(103,003)	—
		NWPOP-05-FH-03	(1,191,491)	—	(1,191,491)	(1,191,491)	—
		NWPOP-05-FH-04	(2,312,855)	2,857	(2,309,998)	(2,309,998)	—
		OR6213820917	1,516,577	35,342	1,551,919	1,551,919	—
		PRELIM (was NWPOP-05-FH-02)	103,003	—	103,003	103,003	—
		PRELIM (was NWPOP-05-FH-03)	1,191,491	—	1,191,491	1,191,491	—
		PRELIM (was NWPOP-05-FH-04)	2,312,855	4,065	2,316,920	2,316,920	—
12.XXX	Total Other Department of Defense Programs		\$ 6,003,538	\$ 42,264	\$ 6,045,802	\$ 6,045,802	\$ —
Total Department of Defense			\$41,087,609	\$ 42,264	\$41,129,873	\$41,111,665	\$18,208
Department of Housing and Urban Development							
14.228	Community Development Block Grants/State's Program		\$ 550,185	\$ 11,484,735	\$ 12,034,920	\$ 12,034,920	\$ —
14.231	Emergency Shelter Grants Program		46,467	830,984	877,451	877,451	—
14.235	Supportive Housing Program		41,752	1,951,115	1,992,867	1,992,867	—
14.239	HOME Investment Partnerships Program		8,095,958	4,060,553	12,156,511	12,156,511	—
14.241	Housing Opportunities for Persons with AIDS		801,584	—	801,584	801,584	—
14.250	Rural Housing and Economic Development		—	366,129	366,129	366,129	—
14.511	Community Outreach Partnership Center Program		53,926	—	53,926	—	53,926

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
14.512	Community Development Work-Study Program		35,400	—	35,400	35,400	—
Total Department of Housing and Urban Development			\$ 9,625,272	\$18,693,516	\$28,318,788	\$28,264,862	\$53,926
Department of the Interior							
15.039	Fish, Wildlife, and Parks Programs on Indian Lands		\$ 12,677	\$ —	\$ 12,677	\$ 12,677	\$ —
15.043	Indian Child and Family Education		200,289	—	200,289	200,289	—
15.114	Indian Education - Higher Education Grant Program		203,123	—	203,123	203,123	—
15.214	Non-Sale Disposals of Mineral Material		—	21,348	21,348	21,348	—
15.222	Cooperative Inspection Agreements with States and Tribes		411	—	411	411	—
15.224	Cultural Resource Management		152,077	—	152,077	152,077	—
15.225	Recreation Resource Management		456,385	—	456,385	456,385	—
15.227	Distribution of Receipts to State and Local Governments		—	178,975	178,975	178,975	—
15.228	National Fire Plan - Wildland Urban Interface Community Fire Assistance		1,104,013	743,726	1,847,739	1,847,739	—
15.504	Water Reclamation and Reuse Program		261,974	—	261,974	261,974	—
15.608	Fish and Wildlife Management Assistance		38,045	40,000	78,045	77,726	319
15.614	Coastal Wetlands Planning, Protection and Restoration Act		—	54,428	54,428	54,428	—
15.615	Cooperative Endangered Species Conservation Fund		1,101,326	—	1,101,326	1,101,326	—
15.616	Clean Vessel Act		72,858	309,179	382,037	382,037	—
15.622	Sportfishing and Boating Safety Act		2,490	284,189	286,679	286,410	269
15.625	Wildlife Conservation and Restoration		108,977	214,962	323,939	323,939	—
15.626	Hunter Education and Safety Program		352,380	—	352,380	352,380	—
15.630	Coastal Program		14,998	—	14,998	14,998	—
15.632	Conservation Grants Private Stewardship for Imperiled Species		—	23,534	23,534	23,534	—
15.633	Landowner Incentive		519,076	162,181	681,257	681,257	—
15.634	State Wildlife Grants		782,935	—	782,935	782,935	—
15.805	Assistance to State Water Resources Research Institutes		(9,347)	—	(9,347)	(9,347)	—
15.807	Earthquake Hazards Reduction Program		64,522	—	64,522	64,522	—
15.808	U.S. Geological Survey - Research and Data Acquisition		543,118	—	543,118	543,118	—
15.809	National Spatial Data Infrastructure Cooperative Agreements Program		4,894	—	4,894	4,894	—
15.810	National Cooperative Geologic Mapping Program		208,004	—	208,004	208,004	—
15.904	Historic Preservation Fund Grants-In-Aid		173,055	205,499	378,554	378,554	—
15.916	Outdoor Recreation - Acquisition, Development and Planning		(784,415)	888,941	104,526	104,526	—
15.XXX	Other Department of the Interior Programs						
	142504FG1L1055		27,170	—	27,170	27,170	—
	142505FG1L1150		8,196	—	8,196	8,196	—
	CA64900A009		9,244	—	9,244	—	9,244

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		DTFH7006E00010	475	—	475	475	—
		H9430010001	19,011	—	19,011	19,011	—
		Not Available	4,753	—	4,753	—	4,753
		TASK J9430050015	39,670	—	39,670	39,670	—
		TASK J9430050018	2,907	—	2,907	2,907	—
15.XXX	Total Other Department of the Interior Programs		<u>\$ 111,426</u>	<u>\$ —</u>	<u>\$ 111,426</u>	<u>\$ 97,429</u>	<u>\$ 13,997</u>
Total	Department of the Interior		<u>\$5,695,291</u>	<u>\$3,126,962</u>	<u>\$8,822,253</u>	<u>\$8,807,668</u>	<u>\$14,585</u>
Department of Justice							
16.004	Law Enforcement Assistance Narcotics and Dangerous Drugs Training		\$ 900	\$ —	\$ 900	\$ 900	\$ —
16.200	Community Relations Service		609,846	—	609,846	609,846	—
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)		48,534	—	48,534	48,534	—
16.203	Comprehensive Approaches to Sex Offender Management		45,929	—	45,929	45,929	—
	Discretionary Grant (CASOM)						
16.523	Juvenile Accountability Incentive Block Grants		293,223	1,140,171	1,433,394	1,433,394	—
16.524	Legal Assistance for Victims		347	—	347	347	—
16.525	Grants to Reduce Violent Crimes Against Women on Campus		140,396	—	140,396	140,396	—
16.526	OVW Technical Assistance Initiative		4,657	—	4,657	4,657	—
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States		418,428	314,988	733,416	733,416	—
16.541	Part E - Developing, Testing and Demonstrating Promising New Programs		213,815	—	213,815	—	213,815
16.544	Gang-Free Schools and Communities, Community-Based Gang Intervention		2,635	—	2,635	2,635	—
16.547	Victims of Child Abuse		85,386	—	85,386	85,386	—
16.548	Title V_ Delinquency Prevention Program		3,312	67,359	70,671	70,671	—
16.549	Part E - State Challenge Activities		28,230	31,208	59,438	59,438	—
16.550	State Justice Statistics Program for Statistical Analysis Centers		33,293	—	33,293	33,293	—
16.554	National Criminal History Improvement Program (NCHIP)		384,281	—	384,281	384,281	—
16.560	National Institute of Justice Research, Evaluation, and Development		386,266	—	386,266	386,266	—
	Project Grants						
16.564	Crime Laboratory Improvement - Combined Offender DNA Index System		85,927	—	85,927	85,927	—
	Backlog Reduction						
16.575	Crime Victim Assistance		272,716	4,261,074	4,533,790	4,533,790	—
16.576	Crime Victim Compensation		884,669	—	884,669	884,669	—
16.579	Edward Byrne Memorial Formula Grant Program		1,665,950	2,506,526	4,172,476	4,172,476	—
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance		4,798	686,544	691,342	691,379	(37)
	Discretionary Grants Program						
16.582	Crime Victim Assistance/Discretionary Grants		(22,959)	—	(22,959)	(22,959)	—
16.585	Drug Court Discretionary Grant Program		214,868	—	214,868	212,936	1,932

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants		794,799	5,609,154	6,403,953	6,403,953	—
16.588	Violence Against Women Formula Grants		239,590	1,262,300	1,501,890	1,501,890	—
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program		153,354	—	153,354	125,284	28,070
16.592	Local Law Enforcement Block Grant Program		65,239	—	65,239	65,239	—
16.593	Residential Substance Abuse Treatment for State Prisoners		167,140	233,356	400,496	400,496	—
16.606	State Criminal Alien Assistance Program		2,484,710	—	2,484,710	2,484,710	—
16.607	Bulletproof Vest Partnership Program		18,791	—	18,791	18,791	—
16.710	Public Safety Partnership and Community Policing Grants		240,090	—	240,090	240,090	—
16.712	Police Corps		7,091	280,388	287,479	287,479	—
16.726	Juvenile Mentoring Program		96,997	—	96,997	96,997	—
16.727	Enforcing Underage Drinking Laws Program		362,317	819,038	1,181,355	1,181,355	—
16.XXX	Other Department of Justice Programs						
	2004PMBX0019		5,140	—	5,140	5,140	—
16.XXX	Total Other Department of Justice Programs		\$ 5,140	\$ —	\$ 5,140	\$ 5,140	\$ —
Total Department of Justice			\$ 10,440,705	\$17,212,106	\$ 27,652,811	\$ 27,409,031	\$243,780
Department of Labor							
17.002	Labor Force Statistics		\$ 1,405,964	\$ —	\$ 1,405,964	\$ 1,405,964	\$ —
17.225	Unemployment Insurance		573,350,613	—	573,350,613	573,350,613	—
17.235	Senior Community Service Employment Program		(30,963)	1,252,774	1,221,811	1,221,811	—
17.245	Trade Adjustment Assistance		8,677,382	—	8,677,382	8,677,382	—
17.261	WIA Pilots, Demonstrations, and Research Projects		583,444	356,595	940,039	940,039	—
17.266	Work Incentive Grants		264,128	627,251	891,379	891,379	—
17.267	Incentive Grants - WIA Section 503		141,668	630,446	772,114	772,114	—
17.503	Occupational Safety and Health - State Program		5,603,248	—	5,603,248	5,603,248	—
17.600	Mine Health and Safety Grants		71,562	—	71,562	71,562	—
17.720	Disability Employment Policy Development		3,025	—	3,025	—	3,025
Total Department of Labor			\$590,070,071	\$ 2,867,066	\$592,937,137	\$592,934,112	\$ 3,025
Department of State							
19.401	Educational Exchange - University Lecturers (Professors) and Research Scholars		\$ (55)	\$ —	\$ (55)	\$ (55)	\$ —
19.414	Cultural Exchange (Visual Arts)		9,405	—	9,405	9,405	—
19.418	Educational Exchange, American Studies Institute		272,352	—	272,352	117,349	155,003

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
19.423	Exchange - English Language Specialist/Speaker Program		63,916	—	63,916	63,916	—
19.424	Educational Partnerships Program		23,810	—	23,810	23,810	—
19.XXX	Other Department of State Programs						
	Not Available		4,084	—	4,084	—	4,084
	PC-04-8-064		38	—	38	38	—
	PC-05-8-058		8,849	—	8,849	8,849	—
19.XXX	Total Other Department of State Programs		<u>\$ 12,971</u>	<u>\$ —</u>	<u>\$ 12,971</u>	<u>\$ 8,887</u>	<u>\$ 4,084</u>
Total Department of State			<u>\$ 382,399</u>	<u>\$ —</u>	<u>\$ 382,399</u>	<u>\$ 223,312</u>	<u>\$159,087</u>
Department of Transportation							
20.106	Airport Improvement Program		\$ 4,076,243	\$ 95,017	\$ 4,171,260	\$ 4,171,260	\$ —
20.215	Highway Training and Education		37,820	—	37,820	37,820	—
20.218	National Motor Carrier Safety		2,336,703	—	2,336,703	2,336,703	—
20.219	Recreational Trails Program		65,713	265,913	331,626	331,626	—
20.312	High Speed Ground Transportation - Next Generation High Speed Rail Program		1,295	—	1,295	1,295	—
20.505	Federal Transit - Metropolitan Planning Grants		7,919	580,991	588,910	588,910	—
20.509	Formula Grants for Other Than Urbanized Areas		1,751,556	3,547,477	5,299,033	5,299,033	—
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities		428,978	5,479,422	5,908,400	5,908,400	—
20.514	Public Transportation Research		3,808	—	3,808	3,808	—
20.515	State Planning and Research		135,959	—	135,959	135,959	—
20.516	Job Access - Reverse Commute		35,418	55,011	90,429	90,429	—
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		133,155	388,113	521,268	521,268	—
20.700	Pipeline Safety		206,896	—	206,896	206,896	—
20.703	Interagency Hazardous Materials Public Sector Training & Planning Grants		163,377	49,830	213,207	201,007	12,200
20.XXX	Other Department of Transportation Programs						
	Not Available		344,633	—	344,633	344,633	—
20.XXX	Total Other Department of Transportation Programs		<u>\$ 344,633</u>	<u>\$ —</u>	<u>\$ 344,633</u>	<u>\$ 344,633</u>	<u>\$ —</u>
Total Department of Transportation			<u>\$9,729,473</u>	<u>\$10,461,774</u>	<u>\$20,191,247</u>	<u>\$20,179,047</u>	<u>\$ 12,200</u>
Office of Personnel Management							
27.011	Intergovernmental Personnel Act (IPA) Mobility Program		\$ 370,575	\$ —	\$ 370,575	\$ 370,575	\$ —
Total Office of Personnel Management			<u>\$ 370,575</u>	<u>\$ —</u>	<u>\$ 370,575</u>	<u>\$ 370,575</u>	<u>\$ —</u>

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Equal Opportunity Commission							
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts		\$ 487,622	\$ —	\$ 487,622	\$ 487,622	\$ —
Total Equal Opportunity Employment Commission			\$ 487,622	\$ —	\$ 487,622	\$ 487,622	\$ —
General Services Administration							
39.002	Disposal of Federal Surplus Real Property		\$ —	\$ 39,516	\$ 39,516	\$ 39,516	\$ —
39.003	Donation of Federal Surplus Personal Property		—	424,826	424,826	424,826	—
39.011	Election Reform Payments		1,395,973	—	1,395,973	1,395,973	—
Total General Services Administration			\$1,395,973	\$464,342	\$1,860,315	\$1,860,315	\$ —
National Endowment for the Arts							
45.024	Promotion of the Arts - Grants to Organizations and Individuals		\$ 1,545	\$ —	\$ 1,545	\$ 1,545	\$ —
45.025	Promotion of the Arts - Partnership Agreements		35,462	585,632	621,094	621,094	—
Total National Endowment for the Arts			\$ 37,007	\$585,632	\$ 622,639	\$ 622,639	\$ —
National Endowment for the Humanities							
45.129	Promotion of the Humanities - Federal/State Partnership		\$ 1,000	\$ —	\$ 1,000	\$ —	\$ 1,000
45.149	Promotion of the Humanities - Division of Preservation and Access		1,187	—	1,187	1,187	—
45.161	Promotion of the Humanities - Research		12,315	—	12,315	—	12,315
45.163	Promotion of the Humanities - Professional Development		83,458	—	83,458	83,458	—
45.168	Promotion of the Humanities - We the People		67,365	—	67,365	67,365	—
Total National Endowment for the Humanities			\$ 165,325	\$ —	\$ 165,325	\$ 152,010	\$13,315
Institute of Museum and Library Services							
45.301	Museums for America		\$ 5,045	\$ —	\$ 5,045	\$ 5,045	\$ —
45.310	Grants to States		854,653	746,965	1,601,618	1,601,618	—
45.312	National Leadership Grants		141,005	—	141,005	140,935	70
Total Institute of Museum and Library Services			\$1,000,703	\$746,965	\$1,747,668	\$1,747,598	\$ 70

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
National Science Foundation							
47.049	Mathematical and Physical Sciences		\$ 52,634	\$ —	\$ 52,634	\$ 4,500	\$ 48,134
47.050	Geosciences		31,529	—	31,529	31,529	—
47.070	Computer and Information Science and Engineering		178,933	—	178,933	174,864	4,069
47.074	Biological Sciences		63,159	—	63,159	63,159	—
47.075	Social, Behavioral, and Economic Sciences		31,703	—	31,703	31,703	—
47.076	Education and Human Resources		3,707,175	935,398	4,642,573	4,590,456	52,117
Total National Science Foundation			\$4,065,133	\$935,398	\$5,000,531	\$4,896,211	\$104,320
Small Business Administration							
59.037	Small Business Development Center		\$ 110,303	\$ —	\$ 110,303	\$ —	\$ 110,303
59.XXX	Other Small Business Administration Programs						
	Not Available		993,500	—	993,500	993,500	—
59.XXX	Total Other Small Business Administration Programs		\$ 993,500	\$ —	\$ 993,500	\$ 993,500	\$ —
Total Small Business Administration			\$1,103,803	\$ —	\$1,103,803	\$ 993,500	\$110,303
Department of Veterans Affairs							
64.015	Veterans State Nursing Home Care		\$ 3,110,097	\$ —	\$ 3,110,097	\$ 3,110,097	\$ —
64.125	Vocational and Educational Counseling for Servicemembers and Veterans		60,842	—	60,842	60,842	—
Total	Department of Veterans Affairs		\$3,170,939	\$ —	\$3,170,939	\$3,170,939	\$ —
Environmental Protection Agency							
66.032	State Indoor Radon Grants		\$ 90,371	\$ —	\$ 90,371	\$ 90,371	\$ —
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act		1,112,592	—	1,112,592	1,112,592	—
66.202	Congressionally Mandated Projects		15,216	—	15,216	432	14,784
66.424	Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act		57,189	—	57,189	57,189	—
66.432	State Public Water System Supervision		1,959,869	268,268	2,228,137	2,228,137	—
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act		177,716	—	177,716	177,716	—
66.439	Targeted Watershed Grants		116,832	—	116,832	(939)	117,771
66.454	Water Quality Management Planning		127,813	—	127,813	127,813	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
66.458	Capitalization Grants for Clean Water State Revolving Funds		—	17,503,720	17,503,720	17,503,720	—
66.460	Nonpoint Source Implementation Grants		307,343	1,291,398	1,598,741	1,598,741	—
66.461	Regional Wetland Program Development Grants		78,937	—	78,937	78,937	—
66.463	Water Quality Cooperative Agreements		118,937	—	118,937	118,937	—
66.468	Capitalization Grants for Drinking Water State Revolving Fund		966,827	7,680,496	8,647,323	8,647,323	—
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs		53,146	—	53,146	53,146	—
66.472	Beach Monitoring and Notification Program Implementation Grants		203,459	—	203,459	203,459	—
66.474	Water Protection Grants to the States		102,709	—	102,709	102,709	—
66.479	Wetland Program Grants - State/Tribal Environmental Outcome Wetland Demonstration Program		10,090	—	10,090	10,090	—
66.500	Environmental Protection-Consolidated Research		86,081	—	86,081	86,081	—
66.511	Office of Research and Development Consolidated Research/Training		405,720	475	406,195	406,195	—
66.514	Science to Achieve Results (STAR) Fellowship Program		62,925	—	62,925	62,925	—
66.605	Performance Partnership Grants		9,215,522	19,956	9,235,478	9,235,478	—
66.608	Environmental Information Exchange Network Grant Program and Related Assistance		293,830	—	293,830	293,830	—
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		437,224	—	437,224	437,224	—
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals		563,890	—	563,890	563,890	—
66.708	Pollution Prevention Grants Program		11,708	89,142	100,850	100,850	—
66.716	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach		30,091	—	30,091	30,091	—
66.802	Superfund State, Political Subdivision, and Indian Tribe Site Specific Cooperative Agreements		6,772,745	—	6,772,745	6,772,745	—
66.804	State and Tribal Underground Storage Tanks Program		84,059	—	84,059	84,059	—
66.805	Leaking Underground Storage Tank Trust Fund Program		938,209	—	938,209	938,209	—
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements		315,680	—	315,680	315,680	—
66.817	State and Tribal Response Program Grants		1,196,420	40,000	1,236,420	1,236,420	—
66.818	Brownfields Assessment and Cleanup Cooperative Agreements		176,306	—	176,306	176,306	—
66.951	Environmental Education Grants		7,875	—	7,875	5,006	2,869
Total Environmental Protection Agency			\$26,097,331	\$26,893,455	\$52,990,786	\$52,855,362	\$135,424
Department of Energy							
81.041	State Energy Program		\$ 517,594	\$ —	\$ 517,594	\$ 517,594	\$ —
81.042	Weatherization Assistance for Low-Income Persons		107,917	2,611,891	2,719,808	2,719,808	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
81.049	Office of Science Financial Assistance Program		(70,841)	—	(70,841)	—	(70,841)
81.079	Regional Biomass Energy Programs		69,262	—	69,262	69,262	—
81.087	Renewable Energy Research and Development		12,363	—	12,363	12,363	—
81.104	Office of Environmental Cleanup and Acceleration		704,464	5,600	710,064	710,064	—
81.114	University Reactor Infrastructure and Education Support		6,337	—	6,337	6,337	—
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		341,698	—	341,698	152,664	189,034
81.119	State Energy Program Special Projects		191,395	—	191,395	191,395	—
81.121	Nuclear Energy Research, Development and Demonstration		292,386	—	292,386	—	292,386
81.XXX	Other Department of Energy Programs						
	00001159		33,461	1,383,265	1,416,726	1,416,726	—
	0025020		2,783	—	2,783	2,783	—
	03-64		(59)	—	(59)	(59)	—
	04-49		(3,940)	—	(3,940)	(3,940)	—
	04-73 BPA Project Number 1987-127-00		(501)	—	(501)	(501)	—
	04-86		(3,624)	—	(3,624)	(3,624)	—
	04-89		(3,422)	—	(3,422)	(3,422)	—
	05-107		65,788	—	65,788	65,788	—
	05-109		114,326	—	114,326	114,326	—
	05-114		314,562	—	314,562	314,562	—
	05-54		122,217	—	122,217	122,217	—
	05-84		55,785	—	55,785	55,785	—
	05-85		733	—	733	733	—
	05-92		595,852	12,992	608,844	608,844	—
	05-97		47,436	—	47,436	47,436	—
	06-24		270,683	—	270,683	270,683	—
	06-52		302,965	—	302,965	302,965	—
	06-58		10,369	—	10,369	10,369	—
	06-59		2,288	—	2,288	2,288	—
	06-77		232,525	—	232,525	232,525	—
	06-82		41,481	—	41,481	41,481	—
	06-83		86,435	—	86,435	86,435	—
	1411-04-J006		(28,400)	—	(28,400)	(28,400)	—
	141104J071		1,777	—	1,777	1,777	—
	14110-5-J005		939,619	—	939,619	939,619	—
	1411-05-J055		165,167	—	165,167	165,167	—
	14110-6-J010		1,900,357	—	1,900,357	1,900,357	—
	1411-06-J011		471,888	—	471,888	471,888	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
	144-05-J055		(16,767)	—	(16,767)	(16,767)	—
	14862		94,749	120,370	215,119	215,119	—
	15113		339,498	—	339,498	339,498	—
	17640		12,519	—	12,519	12,519	—
	19342		313,441	44,658	358,099	358,099	—
	19915		83,740	—	83,740	83,740	—
	19930		236,481	—	236,481	236,481	—
	20059		142,004	1,539	143,543	143,543	—
	20129		269,541	—	269,541	269,541	—
	20294		143,810	—	143,810	143,810	—
	20364		161,460	—	161,460	161,460	—
	20425		90,883	—	90,883	90,883	—
	20547		47,992	—	47,992	47,992	—
	20548		36,382	—	36,382	36,382	—
	20989		100,920	—	100,920	100,920	—
	21110		102,965	—	102,965	102,965	—
	21151		446,840	—	446,840	446,840	—
	21206		554,088	—	554,088	554,088	—
	21237		99,353	—	99,353	99,353	—
	21625		181,970	161,009	342,979	342,979	—
	22054		7,223	—	7,223	7,223	—
	22142		263,078	—	263,078	263,078	—
	22610		66,471	—	66,471	66,471	—
	22664		309,268	—	309,268	309,268	—
	23455		110,075	—	110,075	110,075	—
	23521		4,504	—	4,504	4,504	—
	24549		171,959	—	171,959	171,959	—
	24581		702,537	—	702,537	702,537	—
	24582		288,524	—	288,524	288,524	—
	24677		168,054	—	168,054	168,054	—
	24721		200,993	—	200,993	200,993	—
	24751		715,892	198,558	914,450	914,450	—
	24752		45,419	—	45,419	45,419	—
	24975		402,414	1,482	403,896	403,896	—
	25005		203,780	68,255	272,035	272,035	—
	25122		483,476	—	483,476	483,476	—
	25123		3,981	—	3,981	3,981	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
	25124		281	—	281	281	—
	25125		305	—	305	305	—
	25126		1,341	—	1,341	1,341	—
	25169		36,712	—	36,712	36,712	—
	25172		389,187	—	389,187	389,187	—
	25192		20,374	—	20,374	20,374	—
	25338		32,211	—	32,211	32,211	—
	25455		123,446	—	123,446	123,446	—
	25467		274,570	—	274,570	274,570	—
	25507		435,907	—	435,907	435,907	—
	25529		291,729	—	291,729	291,729	—
	25553		178,006	—	178,006	178,006	—
	25638		111,031	—	111,031	111,031	—
	26380		339,080	—	339,080	339,080	—
	26423		21,394	—	21,394	21,394	—
	26527		119,810	—	119,810	119,810	—
	26681		64,933	—	64,933	64,933	—
	26709		35,273	—	35,273	35,273	—
	27222		113,873	—	113,873	113,873	—
	4005		(28,457)	—	(28,457)	(28,457)	—
	402-00		93,397	—	93,397	93,397	—
	4023		165,659	—	165,659	165,659	—
	4028		32,886	—	32,886	32,886	—
	4033		114,206	—	114,206	114,206	—
	405-00		31,833	—	31,833	31,833	—
	4120		(3,093)	—	(3,093)	(3,093)	—
	4121		(313)	—	(313)	(313)	—
	4122		(1,738)	—	(1,738)	(1,738)	—
	4293		15,458	—	15,458	15,458	—
	4345		(7,790)	—	(7,790)	(7,790)	—
	4656		9,766	—	9,766	9,766	—
	5122		(13,922)	—	(13,922)	(13,922)	—
	5205		59,807	—	59,807	59,807	—
	5632		1,252	—	1,252	1,252	—
81.XXX	Total Other Department of Energy Programs		<u>\$ 16,386,482</u>	<u>\$ 1,992,128</u>	<u>\$ 18,378,610</u>	<u>\$ 18,378,610</u>	<u>\$ —</u>
Total Department of Energy			<u>\$18,559,057</u>	<u>\$4,609,619</u>	<u>\$23,168,676</u>	<u>\$22,758,097</u>	<u>\$410,579</u>

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Department of Education							
84.002	Adult Education - State Grant Program		\$ 1,138,201	\$ 4,777,458	\$ 5,915,659	\$ 5,915,659	\$ —
84.010	Title I Grants to Local Educational Agencies		1,479,242	136,816,165	138,295,407	138,295,407	—
84.011	Migrant Education - State Grant Program		1,450,696	12,540,360	13,991,056	13,991,056	—
84.013	Title I Program for Neglected and Delinquent Children		1,536,063	608,950	2,145,013	2,145,013	—
84.016	Undergraduate International Studies and Foreign Language Programs		49,190	—	49,190	49,190	—
84.037	Perkins Loan Cancellations		814,175	—	814,175	814,175	—
84.048	Vocational Education - Basic Grants to States		915,408	13,842,015	14,757,423	14,757,423	—
84.069	Leveraging Educational Assistance Partnership		1,027,200	—	1,027,200	1,027,200	—
84.116	Fund for the Improvement of Postsecondary Education		1,316,335	—	1,316,335	1,297,185	19,150
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		32,365,735	2,397,510	34,763,245	34,763,245	—
84.129	Rehabilitation Long-Term Training		420,403	—	420,403	420,403	—
84.141	Migrant Education - High School Equivalency Program		462,530	—	462,530	462,530	—
84.153	Business and International Education Projects		48,073	—	48,073	48,073	—
84.160	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		137,968	—	137,968	137,968	—
84.165	Magnet Schools Assistance		36,283	—	36,283	—	36,283
84.169	Independent Living - State Grants		190,756	190,371	381,127	381,127	—
84.177	Rehabilitation Services - Independent Living Services for Older Individuals who are Blind		345,058	—	345,058	345,058	—
84.181	Special Education - Grants for Infants and Families with Disabilities		7,532,358	4,368,558	11,900,916	4,611,735	7,289,181
84.184	Safe and Drug-Free Schools and Communities - National Programs		785,669	—	785,669	436,793	348,876
84.185	Byrd Honors Scholarships		443,977	24,820	468,797	468,797	—
84.186	Safe and Drug-Free Schools and Communities - State Grants		135,274	4,280,364	4,415,638	4,416,137	(499)
84.187	Supported Employment Services for Individuals with Severe Disabilities		393,943	—	393,943	393,943	—
84.195	Bilingual Education - Professional Development		287,456	—	287,456	287,456	—
84.196	Education for Homeless Children and Youth		69,953	661,572	731,525	731,525	—
84.213	Even Start - State Educational Agencies		110,061	1,922,209	2,032,270	2,032,270	—
84.215	Fund for the Improvement of Education		283,498	—	283,498	—	283,498
84.224	Assistive Technology		371,385	—	371,385	329,806	41,579
84.229	Language Resource Centers		385,173	—	385,173	385,163	10
84.235	Rehabilitation Services Demonstration and Training Programs		394,517	69,616	464,133	464,133	—
84.243	Tech-Prep Education		77,784	1,352,734	1,430,518	1,430,518	—
84.252	Urban Community Service		(236)	—	(236)	(236)	—
84.257	National Institute for Literacy		32,965	—	32,965	—	32,965
84.265	Rehabilitation Training - State Vocational Rehab Unit In-Service Training		110,861	—	110,861	110,861	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
84.282	Charter Schools		328,264	5,163,579	5,491,843	5,491,843	—
84.287	Twenty-First Century Community Learning Centers		130,280	6,431,623	6,561,903	6,538,528	23,375
84.298	State Grants for Innovative Programs		677,927	2,661,316	3,339,243	3,339,243	—
84.299	Indian Education-Special Programs		429,608	—	429,608	429,608	—
84.318	Education Technology State Grants		98,313	5,829,150	5,927,463	5,927,463	—
84.323	Special Education - State Personnel Development		647,670	231,384	879,054	792,639	86,415
84.324	Research in Special Education		973,904	223,358	1,197,262	1,165,127	32,135
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		3,222,874	66,546	3,289,420	3,097,828	191,592
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		1,338,053	107,970	1,446,023	1,401,603	44,420
84.329	Special Education - Studies and Evaluations		213,285	—	213,285	213,285	—
84.330	Advanced Placement Program		191,569	103,433	295,002	295,002	—
84.331	Grants to States for Incarcerated Youth Offenders		44,804	—	44,804	44,804	—
84.332	Comprehensive School Reform Demonstration		148,004	2,808,186	2,956,190	2,956,190	—
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs		2,071,229	821,036	2,892,265	2,892,265	—
84.335	Child Care Access Means Parents in School		30,590	—	30,590	30,590	—
84.336	Teacher Quality Enhancement Grants		67,900	—	67,900	—	67,900
84.346	Vocational Education-Occupational & Employment Information State Grants		91,402	—	91,402	91,402	—
84.350	Transition to Teaching		219,973	—	219,973	174,512	45,461
84.351	Arts in Education		75,876	—	75,876	—	75,876
84.357	Reading First State Grants		2,699,225	12,857,686	15,556,911	14,285,417	1,271,494
84.358	Rural Education		11,907	542,564	554,471	554,471	—
84.363	School Leadership		13,775	—	13,775	—	13,775
84.365	English Language Acquisition Grants		213,521	5,458,250	5,671,771	5,671,771	—
84.366	Mathematics and Science Partnerships		245,644	1,073,430	1,319,074	1,242,031	77,043
84.367	Improving Teacher Quality State Grants		550,039	30,769,378	31,319,417	31,319,417	—
84.369	Grants for State Assessments and Related Activities		4,064,239	299,045	4,363,284	4,331,658	31,626
84.928	National Writing Project		56,777	—	56,777	—	56,777
84.938	Hurricane Education Recovery		—	171,390	171,390	171,390	—
84.989	Oregon Employment Initiative		23,753	—	23,753	23,753	—
84.XXX	Other Department of Education Programs						
	Not Available		993,500	—	993,500	993,500	—
84.XXX	Total Other Department of Education Programs		\$ 993,500	\$ —	\$ 993,500	\$ 993,500	\$ —
Total Department of Education			\$75,021,859	\$259,472,026	\$334,493,885	\$324,424,953	\$10,068,932

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Elections Assistance Commission							
90.401	Help America Vote Act Requirements Payments		\$ 1,325,725	\$ —	\$ 1,325,725	\$ 1,325,725	\$ —
Total Elections Assistance Commission			<u>\$1,325,725</u>	<u>\$ —</u>	<u>\$1,325,725</u>	<u>\$1,325,725</u>	<u>\$ —</u>
United States Institute of Peace							
91.001	Unsolicited Grant Program		\$ 11,058	\$ —	\$ 11,058	\$ 11,058	\$ —
Total United States Institute of Peace			<u>\$ 11,058</u>	<u>\$ —</u>	<u>\$ 11,058</u>	<u>\$ 11,058</u>	<u>\$ —</u>
Department of Health and Human Services							
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		\$ 139,501	\$ —	\$ 139,501	\$ 139,501	\$ —
93.041	Special Programs for the Aging - Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation		2,397	26,900	29,297	29,297	—
93.042	Special Programs for the Aging - Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals		189,858	—	189,858	189,858	—
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services		(2,653)	228,194	225,541	225,541	—
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects		181,924	—	181,924	181,924	—
93.052	National Family Caregiver Support		(33,300)	2,104,202	2,070,902	2,070,902	—
93.103	Food and Drug Administration - Research		108,404	—	108,404	108,404	—
93.110	Maternal and Child Health Federal Consolidated Programs		585,799	110,311	696,110	684,019	12,091
93.113	Biological Response to Environmental Health Hazards		204,397	—	204,397	129,867	74,530
93.114	Applied Toxicological Research and Testing		(403)	—	(403)	(403)	—
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		449,809	167,357	617,166	617,166	—
93.127	Emergency Medical Services for Children		122,029	—	122,029	122,029	—
93.130	Primary Care Services Resource Coordination and Development		279,411	—	279,411	279,411	—
93.136	Injury Prevention and Control Research and State and Community Based Programs		584,856	400,500	985,356	985,356	—
93.150	Projects for Assistance in Transition from Homelessness (PATH)		17,711	478,210	495,921	495,921	—
93.161	Health Program for Toxic Substances and Disease Registry		(466)	—	(466)	(466)	—
93.184	Disabilities Prevention		66,624	300,184	366,808	366,808	—
93.185	Immunization Research, Demonstration, Public Information and Education - Training and Clinical Skills Improvement Projects		202,303	—	202,303	202,303	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.189	Health Education and Training Centers		8,782	—	8,782	—	8,782
93.197	Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	209,852	209,852	—	209,852	209,852	—
93.204	Surveillance of Hazardous Substance Emergency Events		111,006	3,733	114,739	114,739	—
93.217	Family Planning Services		620,542	1,720,069	2,340,611	2,340,611	—
93.226	Research on Healthcare Costs, Quality and Outcomes		77,010	—	77,010	77,010	—
93.230	Consolidated Knowledge Development and Application (KD&A) Program		35,534	—	35,534	30,929	4,605
93.234	Traumatic Brain Injury State Demonstration Grant Program		27,584	28,531	56,115	56,115	—
93.235	Abstinence Education Program		332,488	321,768	654,256	654,256	—
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		33,815	—	33,815	33,815	—
93.240	State Capacity Building		405,995	—	405,995	405,995	—
93.242	Mental Health Research Grants		49,457	—	49,457	49,457	—
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance		663,800	1,144,633	1,808,433	1,770,364	38,069
93.251	Universal Newborn Hearing Screening		180,101	—	180,101	180,101	—
93.259	Rural Access to Emergency Devices Grant		59,474	—	59,474	59,474	—
93.262	Occupational Safety and Health Program		235,313	1,000	236,313	236,313	—
93.263	Occupational Safety and Health - Training Grants		13,386	1,381	14,767	14,767	—
93.268	Immunization Grants		3,877,574	6,737,371	10,614,945	10,614,945	—
93.273	Alcohol Research Programs		(6,951)	—	(6,951)	—	(6,951)
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance		15,259,774	10,657,051	25,916,825	25,916,825	—
93.393	Cancer Cause and Prevention Research		74	—	74	—	74
93.399	Cancer Control		6	—	6	6	—
93.556	Promoting Safe and Stable Families		5,104,021	635,249	5,739,270	5,739,270	—
93.558	Temporary Assistance for Needy Families		128,792,061	1,874,556	130,666,617	130,666,617	—
93.563	Child Support Enforcement		23,953,459	8,454,358	32,407,817	32,407,817	—
93.566	Refugee and Entrant Assistance - State Administered Programs		3,784,911	—	3,784,911	3,784,911	—
93.568	Low-Income Home Energy Assistance		601,642	24,763,067	25,364,709	25,364,709	—
93.569	Community Services Block Grant		340,014	4,759,468	5,099,482	5,099,482	—
93.570	Community Services Block Grant - Discretionary Awards		122,625	—	122,625	—	122,625
93.571	Community Services Block Grant Formula and Discretionary Awards Community Food and Nutrition Programs		—	43,638	43,638	43,638	—
93.576	Refugee and Entrant Assistance - Discretionary Grants		143,458	254,453	397,911	410,343	(12,432)
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants		1,407,488	—	1,407,488	1,407,488	—
93.586	State Court Improvement Program		231,729	—	231,729	231,729	—
93.587	Promote the Survival and Continuing Vitality of Native American Languages		7,995	—	7,995	—	7,995

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.590	Community-Based Child Abuse Prevention Grants		223,162	482,370	705,532	705,532	—
93.597	Grants to States for Access and Visitation Programs		4,949	118,865	123,814	123,814	—
93.599	Chafee Education and Training Vouchers Program (ETV)		770,002	—	770,002	770,002	—
93.600	Head Start		1,219,068	39,761	1,258,829	1,258,829	—
93.617	Voting Access for Individuals with Disabilities - Grants to States		254,149	32,471	286,620	286,620	—
93.618	Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems		81,907	67,072	148,979	148,979	—
93.623	Basic Center Grant		173,643	—	173,643	173,643	—
93.630	Developmental Disabilities Basic Support and Advocacy Grants		772,323	2,711	775,034	775,034	—
93.631	Developmental Disabilities Projects of National Significance		1,761	4,881	6,642	—	6,642
93.643	Children's Justice Grants to States		87,914	—	87,914	87,914	—
93.645	Child Welfare Services - State Grants		2,236,341	—	2,236,341	2,236,341	—
93.647	Social Services Research and Demonstration		95,094	—	95,094	87,394	7,700
93.648	Child Welfare Services Training Grants		215,719	—	215,719	215,719	—
93.658	Foster Care - Title IV-E		52,365,243	384,650	52,749,893	52,749,893	—
93.659	Adoption Assistance		28,895,301	—	28,895,301	28,895,301	—
93.667	Social Services Block Grant		11,727,150	3,163,955	14,891,105	14,891,105	—
93.669	Child Abuse and Neglect State Grants		307,155	—	307,155	307,155	—
93.670	Child Abuse and Neglect Discretionary Activities		323,653	—	323,653	323,653	—
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes		73,935	1,244,074	1,318,009	1,318,009	—
93.674	Chafee Foster Care Independence Program		2,319,340	—	2,319,340	2,319,340	—
93.767	State Children's Insurance Program		55,991,331	—	55,991,331	55,991,331	—
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities		420,510	—	420,510	420,510	—
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		1,533,102	118,240	1,651,342	1,651,342	—
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders		11,859	—	11,859	—	11,859
93.859	Pharmacology, Physiology, and Biological Chemistry Research		361,765	—	361,765	361,765	—
93.865	Child Health and Human Development Extramural Research		(711)	—	(711)	—	(711)
93.889	National Bioterrorism Hospital Preparedness Program		8,460,637	3,894,367	12,355,004	12,355,004	—
93.917	HIV Care Formula Grants		3,400,547	1,223,618	4,624,165	4,624,165	—
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV & Other Important Health Problems		825,112	99,018	924,130	924,130	—
93.940	HIV Prevention Activities - Health Department Based		1,589,270	1,506,193	3,095,463	3,095,463	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		455,886	38,742	494,628	494,628	—
93.945	Assistance Program for Chronic Disease Prevention and Control		360,143	—	360,143	360,143	—
93.946	Cooperative Agreements to Support State-Based Infant Health Initiative Programs		142,689	—	142,689	142,689	—
93.952	Trauma Care Systems Planning and Development		2,378	—	2,378	2,378	—
93.955	Health and Safety Programs for Construction Work		100,045	—	100,045	—	100,045
93.958	Block Grants for Community Mental Health Services		116,384	4,038,912	4,155,296	4,155,296	—
93.959	Block Grants for Prevention and Treatment of Substance Abuse		2,633,626	15,086,073	17,719,699	17,719,699	—
93.969	Geriatric Education Centers		101,318	—	101,318	—	101,318
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants		1,543,531	—	1,543,531	1,543,531	—
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		567,844	239,467	807,311	807,311	—
93.991	Preventative Health and Health Services Block Grant		564,949	113,771	678,720	678,720	—
93.994	Maternal and Child Health Services Block Grant to the States		2,425,390	2,539,112	4,964,502	4,964,502	—
93.XXX	Other Department of Health and Human Services Programs						
	120941		9,583	—	9,583	—	9,583
	HHSP233200500370A		2,800	—	2,800	2,800	—
93.XXX	Other Department of Health and Human Services Programs		\$ 12,383	\$ —	\$ 12,383	\$ 2,800	\$ 9,583
Total Department of Health and Human Services			\$373,550,017	\$99,654,507	\$473,204,524	\$472,718,700	\$485,824
Corporation For National and Community Service							
94.003	State Commissions		\$ 261,248	\$ —	\$ 261,248	\$ 261,248	\$ —
94.004	Learn and Serve America - School and Community Based Programs		70,722	121,085	191,807	191,807	—
94.005	Learn and Serve America - Higher Education		319,409	39,118	358,527	349,873	8,654
94.006	AmeriCorps		1,233,990	1,131,398	2,365,388	2,365,388	—
94.007	Planning and Program Development Grants		51,758	—	51,758	41,062	10,696
94.009	Training and Technical Assistance		66,138	—	66,138	66,138	—
Total Corporation For National and Community Service			\$ 2,003,265	\$ 1,291,601	\$ 3,294,866	\$ 3,275,516	\$ 19,350
Department of Homeland Security							
97.006	State and Local Homeland Security Exercise Support		\$ 34,632	\$ —	\$ 34,632	\$ 34,632	\$ —
97.008	Urban Areas Security Initiative		—	9,420,946	9,420,946	9,420,946	—
97.012	Boating Safety Financial Assistance		41,577	1,655,460	1,697,037	1,697,037	—
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants		1,001,811	28,412	1,030,223	1,030,223	—
97.018	National Fire Academy Training Assistance		48,054	—	48,054	48,054	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
97.023	Community Assistance Program - State Support Services Element (CAP-SSSE)		89,525	—	89,525	89,525	—
97.029	Flood Mitigation Assistance		—	592,614	592,614	592,614	—
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		197,006	4,614,022	4,811,028	4,811,028	—
97.039	Hazard Mitigation Grant		6,967	73,972	80,939	80,939	—
97.040	Chemical Stockpile Emergency Preparedness Program		4,314,710	8,015,541	12,330,251	12,330,251	—
97.041	National Dam Safety Program		58,354	—	58,354	58,354	—
97.042	Emergency Management Performance Grants		3,518,524	1,031,622	4,550,146	4,550,146	—
97.044	Assistance to Firefighters Grant		8,530	—	8,530	8,530	—
97.046	Fire Management Assistance Grant		2,984,558	449,377	3,433,935	3,433,935	—
97.047	Pre-Disaster Mitigation		48,453	80,934	129,387	129,387	—
97.053	Citizen Corps		20,091	306,639	326,730	326,730	—
97.063	Pre-Disaster Mitigation Disaster Resistant Universities		(204)	94,671	94,467	94,467	—
97.070	Map Modernization Management		109,861	—	109,861	109,861	—
97.071	Metropolitan Medical Response System		—	227,592	227,592	227,592	—
97.073	State Homeland Security Program (SHSP)		6,940,747	19,134,344	26,075,091	26,075,091	—
97.074	Law Enforcement Terrorism Prevention Program (LETPP)		1,098,333	4,248,100	5,346,433	5,346,433	—
97.075	Rail and Transit Security Grant Program		—	204,167	204,167	204,167	—
97.078	Buffer Zone Protection Plan (BZPP)		93,068	339,770	432,838	432,838	—
Total Department of Homeland Security			\$ 20,614,597	\$50,518,183	\$ 71,132,780	\$ 71,132,780	\$ —
United States Agency for International Development							
98.001	USAID Foreign Assistance for Programs Overseas		\$ 29,103	\$ —	\$ 29,103	\$ —	\$ 29,103
Total United States Agency for International Development			\$ 29,103	\$ —	\$ 29,103	\$ —	\$29,103
Food Stamp Cluster							
10.551	Food Stamps		\$ 471,630,017	\$ —	\$ 471,630,017	\$ 471,630,017	\$ —
10.561	State Administrative Matching Grants for Food Stamp Program		42,041,322	—	42,041,322	42,041,322	—
Total Food Stamp Cluster			\$513,671,339	\$ —	\$513,671,339	\$513,671,339	\$ —
Child Nutrition Cluster							
10.553	School Breakfast Program		\$ 456,758	\$ 24,967,945	\$ 25,424,703	\$ 25,424,703	\$ —
10.555	National School Lunch Program		822,368	71,140,612	71,962,980	71,962,980	—
10.556	Special Milk Program for Children		—	233,189	233,189	233,189	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
10.559	Summer Food Service Program for Children		169,936	2,504,585	2,674,521	2,674,521	—
Total Child Nutrition Cluster			\$ 1,449,062	\$ 98,846,331	\$100,295,393	\$100,295,393	\$ —
Emergency Food Assistance Cluster							
10.568	Emergency Food Assistance Program (Administrative Costs)		\$ 91,320	\$ 695,311	\$ 786,631	\$ 786,631	\$ —
10.569	Emergency Food Assistance Program (Food Commodities)		—	3,038,689	3,038,689	3,038,689	—
Total Emergency Food Assistance Cluster			\$ 91,320	\$ 3,734,000	\$ 3,825,320	\$ 3,825,320	\$ —
Schools and Roads Cluster							
10.665	Schools and Roads – Grants to States		\$ 25,734	\$ 147,212,894	\$ 147,238,628	\$ 147,212,894	\$ 25,734
Total Schools and Roads Cluster			\$ 25,734	\$147,212,894	\$147,238,628	\$147,212,894	\$25,734
Public Works and Economic Development Cluster							
11.307	Economic Adjustment Assistance		\$ 133,750	\$ —	\$ 133,750	\$ 133,750	\$ —
Total Public Works and Economic Development Cluster			\$ 133,750	\$ —	\$ 133,750	\$ 133,750	\$ —
Section 8 Project-Based Cluster							
14.182	Lower Income Housing Assistance Program - Section 8 New Construction/Substantial Rehabilitation		\$ 50,699,543	\$ —	\$ 50,699,543	\$ 50,699,543	\$ —
Total Section 8 Project-Based Cluster			\$50,699,543	\$ —	\$ 50,699,543	\$ 50,699,543	\$ —
CDBG - Entitlement and Small Cities Cluster							
14.218	Community Development Block Grants/Entitlement Grants		\$ 94,961	\$ —	\$ 94,961	\$ —	\$ 94,961
Total CDBG - Entitlement and Small Cities Cluster			\$ 94,961	\$ —	\$ 94,961	\$ —	\$94,961
Fish and Wildlife Cluster							
15.605	Sport Fish Restoration		\$ 6,561,475	\$ 1,073,216	\$ 7,634,691	\$ 7,634,691	\$ —
15.611	Wildlife Restoration		5,033,837	39,598	5,073,435	5,073,435	—
Total Fish and Wildlife Cluster			\$11,595,312	\$ 1,112,814	\$ 12,708,126	\$ 12,708,126	\$ —

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Employment Service Cluster							
17.207	Employment Service/Wagner-Peyser Funded Activities		\$ 11,945,988	\$ —	\$ 11,945,988	\$ 11,945,988	\$ —
17.801	Disabled Veterans' Outreach Program (DVOP)		1,348,663	—	1,348,663	1,348,663	—
17.804	Local Veterans' Employment Representative Program		1,245,184	—	1,245,184	1,245,184	—
Total Employment Service Cluster			\$ 14,539,835	\$ —	\$ 14,539,835	\$ 14,539,835	\$ —
WIA Cluster							
17.258	WIA Adult Program		\$ 569,597	\$ 11,488,447	\$ 12,058,044	\$ 12,058,044	\$ —
17.259	WIA Youth Activities		1,243,520	18,823,401	20,066,921	20,066,921	—
17.260	WIA Dislocated Workers		1,881,790	26,688,703	28,570,493	28,570,493	—
Total WIA Cluster			\$ 3,694,907	\$ 57,000,551	\$ 60,695,458	\$ 60,695,458	\$ —
Highway Planning and Construction Cluster							
20.205	Highway Planning and Construction		\$ 323,429,787	\$ 12,970,824	\$ 336,400,611	\$ 336,400,611	\$ —
Total Highway Planning and Construction Cluster			\$323,429,787	\$ 12,970,824	\$336,400,611	\$336,400,611	\$ —
Highway Safety Cluster							
20.600	State and Community Highway Safety		\$ 1,117,543	\$ 1,127,505	\$ 2,245,048	\$ 2,245,048	\$ —
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants		146,877	279,399	426,276	426,276	—
20.602	Occupant Protection		91,770	410,719	502,489	502,489	—
20.603	Federal Highway Safety Data Improvements Incentive Grants		241,008	20,000	261,008	261,008	—
20.604	Safety Incentive Grants for Use of Seatbelts		496,966	263,503	760,469	760,469	—
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons		937,831	212,831	1,150,662	1,150,662	—
Total	Highway Safety Cluster		\$ 3,031,995	\$ 2,313,957	\$ 5,345,952	\$ 5,345,952	\$ —
Special Education Cluster (IDEA)							
84.027	Special Education - Grants to States		\$ 4,327,718	\$ 126,916,166	\$ 131,243,884	\$ 131,130,078	\$ 113,806
84.173	Special Education - Preschool Grants		401,207	3,315,473	3,716,680	3,716,680	—
Total	Special Education Cluster (IDEA)		\$ 4,728,925	\$130,231,639	\$134,960,564	\$134,846,758	\$113,806

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
TRIO Cluster							
84.042	TRIO - Student Support Services		\$ 1,904,696	\$ —	\$ 1,904,696	\$ 1,904,696	\$ —
84.044	TRIO - Talent Search		367,510	—	367,510	367,510	—
84.047	TRIO - Upward Bound		631,030	—	631,030	631,030	—
84.217	TRIO - McNair Post-Baccalaureate Achievement		647,670	—	647,670	647,670	—
Total TRIO Cluster			\$ 3,550,906	\$ —	\$ 3,550,906	\$ 3,550,906	\$ —
Aging Cluster							
93.044	Special Programs for the Aging Title III, Part B - Grants for Supportive Services and Senior Centers		\$ 192,429	\$ 4,260,859	\$ 4,453,288	\$ 4,453,288	\$ —
93.045	Special Programs for the Aging Title III, Part C - Nutrition Services		5,248	5,628,264	5,633,512	5,633,512	—
93.053	Nutrition Services Incentive Program		(12,355)	1,443,298	1,430,943	1,430,943	—
Total Aging Cluster			\$ 185,322	\$11,332,421	\$ 11,517,743	\$ 11,517,743	\$ —
CCDF Cluster							
93.575	Child Care and Development Block Grant		\$ 13,318,616	\$ 4,387,978	\$ 17,706,594	\$ 17,697,130	\$ 9,464
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		35,710,844	—	35,710,844	35,710,844	—
Total CCDF Cluster			\$ 49,029,460	\$ 4,387,978	\$ 53,417,438	\$ 53,407,974	\$9,464
Medicaid Cluster							
93.775	State Medicaid Fraud Control Units		\$ 925,958	\$ —	\$ 925,958	\$ 925,958	\$ —
93.777	State Survey and Certification of Health Care Providers and Suppliers		4,106,823	—	4,106,823	4,106,823	—
93.778	Medical Assistance Program		1,984,831,401	378,080	1,985,209,481	1,985,209,481	—
Total Medicaid Cluster			\$1,989,864,182	\$ 378,080	\$1,990,242,262	\$1,990,242,262	\$ —
Foster Grandparent/Senior Companion Cluster							
94.011	Foster Grandparent Program		\$ 52,554	\$ —	\$ 52,554	\$ 52,554	\$ —
Total Foster Grandparent/Senior Companion Cluster			\$ 52,554	\$ —	\$ 52,554	\$ 52,554	\$ —

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Disability Insurance/SSI Cluster							
96.001	Social Security - Disability Insurance (DI)		\$ 22,025,261	\$ —	\$ 22,025,261	\$ 22,025,261	\$ —
Total Disability Insurance/SSI Cluster			\$ 22,025,261	\$ —	\$ 22,025,261	\$ 22,025,261	\$ —
Student Financial Assistance Programs							
84.007	Federal Supplemental Education Opportunity Grants		\$ 3,802,887	\$ —	\$ 3,802,887	\$ 3,802,887	\$ —
84.032	Federal Family Education Loans		119,561,694	—	119,561,694	119,561,694	—
84.033	Federal Work-Study Program		4,390,720	—	4,390,720	4,390,720	—
84.063	Federal Pell Grant Program		49,985,067	—	49,985,067	49,985,067	—
84.268	Federal Direct Student Loans		214,344,334	—	214,344,334	214,344,334	—
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		3,457	—	3,457	3,457	—
Total Student Financial Assistance Programs			\$392,088,159	\$ —	\$392,088,159	\$392,088,159	\$ —
Research and Development Cluster							
10.001	Agricultural Research - Basic and Applied Research		\$ 1,728,916	\$ —	\$ 1,728,916	\$ 1,733,428	\$ (4,512)
10.025	Plant and Animal Disease, Pest Control, and Animal Care		46,954	—	46,954	46,954	—
10.200	Grants for Agricultural Research, Special Research Grants		3,293,601	787,938	4,081,539	2,766,639	1,314,900
10.202	Cooperative Forestry Research		712,507	—	712,507	702,118	10,389
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act		2,673,996	—	2,673,996	2,673,996	—
10.206	Grants for Agricultural Research - Competitive Research Grants		3,021,876	207,888	3,229,764	2,784,331	445,433
10.207	Animal Health and Disease Research		86,127	—	86,127	86,127	—
10.212	Small Business Innovation Research		4,462	—	4,462	—	4,462
10.219	Biotechnology Risk Assessment Research		220,657	36,962	257,619	257,619	—
10.224	Fund for Rural America - Research, Education, and Extension Activities		(135)	—	(135)	(135)	—
10.225	Community Food Projects		21	—	21	21	—
10.250	Agricultural and Rural Economic Research		80,641	—	80,641	66,631	14,010
10.302	Initiative for Future Agriculture and Food Systems		103,999	165,447	269,446	269,446	—
10.303	Integrated Programs		686,233	166,022	852,255	455,530	396,725
10.304	Homeland Security - Agricultural		200,944	—	200,944	1,609	199,335
10.352	Value-Added Producer Grants		8,356	—	8,356	—	8,356
10.500	Cooperative Extension Service		462,667	27,467	490,134	310,898	179,236
10.551	Food Stamps		(23,884)	23,884	—	—	—
10.558	Child and Adult Care Food Program		2,986	—	2,986	2,986	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
10.604	Technical Assistance for Specialty Crops Program		20,513	—	20,513	—	20,513
10.652	Forestry Research		604,291	—	604,291	547,073	57,218
10.664	Cooperative Forestry Assistance		5,279,456	4,300	5,283,756	5,273,362	10,394
10.665	Schools and Roads - Grants to States		29,399	—	29,399	—	29,399
10.672	Rural Development, Forestry, and Communities		222,922	23,500	246,422	246,422	—
10.680	Forest Health Protection		97,580	—	97,580	97,580	—
10.901	Resource Conservation and Development		70,795	—	70,795	70,795	—
10.902	Soil and Water Conservation		533,410	38,814	572,224	572,224	—
10.905	Plant Materials for Conservation		22,094	—	22,094	—	22,094
10.912	Environmental Quality Incentives Program		65,598	—	65,598	22,540	43,058
10.961	Scientific Cooperation and Research		62,065	34,766	96,831	14	96,817
10.XXX	Other Department of Agriculture Programs						
	03-CR-11060600-647		8,276	—	8,276	8,276	—
	03-CR-11061202-044		16,002	—	16,002	16,002	—
	03-CR-11061820-055		41,092	—	41,092	41,092	—
	04-CR-11061500-029		10,795	—	10,795	10,795	—
10.XXX	Total Other Department of Agriculture Programs		76,165	—	76,165	76,165	—
11.300	Grants for Public Works and Economic Development Facilities		1,018,839	—	1,018,839	1,018,839	—
11.302	Economic Development - Support for Planning Organizations		674	—	674	—	674
11.307	Economic Adjustment Assistance		(19)	—	(19)	(19)	—
11.417	Sea Grant Support		3,033,354	204,902	3,238,256	3,040,312	197,944
11.419	Coastal Zone Management Administration Awards		(7,539)	7,539	—	—	—
11.420	Coastal Zone Management Estuarine Research Reserves		64,874	—	64,874	64,874	—
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		68,868	—	68,868	68,868	—
11.430	Undersea Research		117,715	—	117,715	31,056	86,659
11.431	Climate and Atmospheric Research		326,630	—	326,630	275,398	51,232
11.432	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		1,429,343	—	1,429,343	1,204,613	224,730
11.433	Marine Fisheries Initiative		(7,457)	—	(7,457)	(7,406)	(51)
11.434	Cooperative Fishery Statistics		54,692	—	54,692	54,692	—
11.436	Columbia River Fisheries Development Program		99,417	—	99,417	99,417	—
11.437	Pacific Fisheries Data Program		54,009	—	54,009	54,009	—
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program		131,724	—	131,724	131,212	512
11.439	Marine Mammal Data Program		201,535	—	201,535	115,994	85,541
11.440	Environmental Sciences, Applications, Data, and Education		1,459,068	122,798	1,581,866	1,581,866	—
11.452	Unallied Industry Projects		135,278	294,433	429,711	393,745	35,966
11.455	Cooperative Science and Education Program		1,765,847	—	1,765,847	1,682,865	82,982

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
11.460	Special Oceanic and Atmospheric Projects		275,857	66,342	342,199	298,600	43,599
11.462	Hydrologic Research		67,317	—	67,317	67,317	—
11.463	Habitat Conservation		3,613	—	3,613	3,613	—
11.472	Unallied Science Program		61,626	—	61,626	19,649	41,977
11.473	Coastal Services Center		181,715	—	181,715	98,145	83,570
11.552	Technology Opportunities Program		761	—	761	—	761
11.609	Measurement and Engineering Research and Standards		52,358	—	52,358	52,358	—
11.XXX	Other Department of Commerce Programs						
	AB133R04SE1175		606	—	606	606	—
	GCLMR0011A1		55,058	—	55,058	—	55,058
11.XXX	Total Other Department of Commerce Programs		55,664	—	55,664	606	55,058
12.107	Navigation Projects		137,949	—	137,949	137,949	—
12.114	Collaborative Research and Development		483,944	235,823	719,767	719,767	—
12.300	Basic and Applied Scientific Research		5,239,091	23,808	5,262,899	4,831,170	431,729
12.420	Military Medical Research and Development		2,727,394	—	2,727,394	2,302,843	424,551
12.431	Basic Scientific Research		1,161,544	—	1,161,544	960,015	201,529
12.551	National Security Education - Scholarships		513,951	83,317	597,268	—	597,268
12.630	Basic, Applied, and Advanced Research in Science and Engineering		116,610	14,167	130,777	—	130,777
12.800	Air Force Defense Research Sciences Program		1,416,259	6,127	1,422,386	1,019,243	403,143
12.901	Mathematical Sciences Grants Program		10,851	—	10,851	10,851	—
12.910	Research and Technology Development		3,612,593	932,919	4,545,512	2,559,389	1,986,123
12.XXX	Other Department of Defense Programs						
	205HAM015		2,034	31,582	33,616	—	33,616
	3046374		83,449	—	83,449	—	83,449
	502051-BS		50,686	—	50,686	—	50,686
	DACA87-05-H-0007		172,326	—	172,326	172,326	—
	DACW42-03-C-0036		9,961	—	9,961	9,961	—
	GPACS0016-PSU		168,010	—	168,010	—	168,010
	Not Available		11,188	—	11,188	—	11,188
	W9132T-05-C-0011		79,648	—	79,648	79,648	—
	W9132T-06-C-0010		41,617	—	41,617	41,617	—
12.XXX	Total Other Department of Defense Programs		618,919	31,582	650,501	303,552	346,949
14.866	Demolition and Revitalization of Severely Distressed Public Housing		21,540	—	21,540	—	21,540
15.039	Fish, Wildlife, and Parks Programs on Indian Lands		4,959	—	4,959	—	4,959
15.222	Cooperative Inspection Agreements with States and Tribes		14,889	—	14,889	14,889	—
15.224	Cultural Resource Management		24,598	—	24,598	16,859	7,739
15.225	Recreation Resource Management		1,035,775	—	1,035,775	1,005,199	30,576

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
15.231	Fish, Wildlife and Plant Conservation Resource Management		8,317	—	8,317	2,531	5,786
15.504	Water Reclamation and Reuse Program		44,281	—	44,281	44,281	—
15.506	Water Desalination Research and Development Program		39,317	—	39,317	39,317	—
15.507	Water 2025		105,857	—	105,857	100,764	5,093
15.608	Fish and Wildlife Management Assistance		981,043	19,427	1,000,470	439,936	560,534
15.611	Wildlife Restoration		10,165	—	10,165	165	10,000
15.617	Wildlife Conservation and Appreciation		1,011	—	1,011	1,011	—
15.630	Coastal Program		2,500	—	2,500	2,500	—
15.634	State Wildlife Grants		59,498	32,448	91,946	—	91,946
15.642	Challenge Cost Share		7,846	—	7,846	7,846	—
15.805	Assistance to State Water Resources Research Institutes		111,721	4,183	115,904	115,904	—
15.807	Earthquake Hazards Reduction Program		217,136	—	217,136	179,534	37,602
15.808	U.S. Geological Survey - Research and Data Acquisition		1,840,071	—	1,840,071	1,737,893	102,178
15.809	National Spatial Data Infrastructure Cooperative Agreements Program		1,818	—	1,818	—	1,818
15.810	National Cooperative Geologic Mapping Program		9,809	—	9,809	9,809	—
15.811	Gap Analysis Program		169,578	—	169,578	169,578	—
15.812	Cooperative Research Units Program		633,904	—	633,904	633,904	—
15.904	Historic Preservation Fund Grants-In-Aid		58,535	—	58,535	58,535	—
15.910	National Natural Landmarks Program		20,051	—	20,051	20,051	—
15.912	National Historic Landmark		68,063	—	68,063	—	68,063
15.915	Technical Preservation Services		554,791	—	554,791	554,791	—
15.916	Outdoor Recreation - Acquisition, Development and Planning		456,494	—	456,494	456,494	—
15.921	Rivers, Trails and Conservation Assistance		16,923	—	16,923	—	16,923
15.922	Native American Graves Protection and Repatriation Act		13,178	—	13,178	13,178	—
15.XXX	Other Department of the Interior Programs						
	01WRSA0310		83	—	83	83	—
	02-01		15,418	—	15,418	—	15,418
	05-60		1,035	—	1,035	—	1,035
	11450-2-J504		2,895	—	2,895	2,895	—
	11450-4-J506		1,844	—	1,844	1,844	—
	13420-4-J433		12,079	—	12,079	12,079	—
	1434 CA 05 SA 0018		275	—	275	275	—
	1434-CA-02-SA-0037		121	—	121	121	—
	1443-CA9000-99-003		1,626	—	1,626	1,626	—
	4324		10,400	—	10,400	—	10,400
	4-8348-7021		2,982	—	2,982	2,982	—
	701815M291		14,874	—	14,874	14,874	—
	81450-5-J520		43,214	—	43,214	43,214	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		CADIST04 0058	785	—	785	785	—
		HAP024129	966	—	966	966	—
15.XXX	Total Other Department of the Interior Programs		108,597	—	108,597	81,744	26,853
16.529	Education and Training to End Violence Against and Abuse of Women with Disabilities		188,923	—	188,923	186,378	2,545
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants		2,335	—	2,335	2,335	—
16.579	Edward Byrne Memorial Formula Grant Program		52,188	—	52,188	—	52,188
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		11,195	—	11,195	—	11,195
16.588	Violence Against Women Formula Grants		2,437	—	2,437	—	2,437
16.595	Community Capacity Development Office		3,130	—	3,130	—	3,130
16.609	Community Prosecution and Project Safe Neighborhoods		31,867	—	31,867	31,867	—
17.260	WIA Dislocated Workers		11,405	—	11,405	—	11,405
17.720	Disability Employment Policy Development		23,992	28,260	52,252	52,252	—
17.XXX	Unidentified Department of Labor Program						
		56040-PSU FP-1602	17,685	—	17,685	—	17,685
		S-6010-PSU/FP1126	602	—	602	—	602
		S6030-PSU FP1405	28,688	—	28,688	—	28,688
17.XXX	Total Unidentified Department of Labor Program		46,975	—	46,975	—	46,975
19.401	Educational Exchange - University Lecturers (Professors) and Research Scholars		(20,172)	—	(20,172)	(20,172)	—
19.418	Educational Exchange, American Studies Institute		31,205	—	31,205	31,205	—
19.423	Exchange - English Language Specialist/Speaker Program		164,095	—	164,095	164,095	—
19.424	Educational Partnerships Program		21,096	—	21,096	21,096	—
19.430	International Education Training and Research		37,602	—	37,602	37,602	—
20.108	Aviation Research Grants		205,582	181,317	386,899	378,711	8,188
20.205	Highway Planning and Construction		143,464	31,261	174,725	79,934	94,791
20.215	Highway Training and Education		10,253	2,312	12,565	—	12,565
20.505	Federal Transit - Metropolitan Planning Grants		3,426	—	3,426	—	3,426
20.514	Public Transportation Research		8,172	—	8,172	—	8,172
20.515	State Planning and Research		(397,042)	447,442	50,400	—	50,400
20.701	University Transportation Centers Program		112,032	—	112,032	45,748	66,284
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		6,300	—	6,300	—	6,300
20.XXX	Other Department of Transportation Programs						
		B-29	87,977	—	87,977	—	87,977
		DTCG32-02-C-R00005	8,909	93,513	102,422	102,422	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		DTMA1V06020	37,899	—	37,899	37,899	—
20.XXX	Total Other Department of Transportation Programs		134,785	93,513	228,298	140,321	87,977
43.001	Aerospace Education Services Program		376,507	—	376,507	307,162	69,345
43.002	Technology Transfer		4,180,782	1,622,618	5,803,400	4,987,441	815,959
43.XXX	Other NASA programs						
		04-SC-014	(109,150)	101,786	(7,364)	—	(7,364)
		2005ARMD00004	47,286	—	47,286	—	47,286
		213011-NASA011	42,503	—	42,503	—	42,503
		8023-004	56,063	—	56,063	—	56,063
		NAG3-2741	4,286	—	4,286	4,286	—
		NAG5-12736	130,849	—	130,849	130,849	—
		NAG5-12856	58,039	—	58,039	58,039	—
		NAG5-13044	55,526	—	55,526	55,526	—
		NAG5-13503	18,966	—	18,966	18,966	—
		NCC 2-1381	118,236	—	118,236	118,236	—
		NNA05CS47A	99,357	—	99,357	99,357	—
		NNC05AA29A	136,173	—	136,173	136,173	—
		NNG04GJ41G	69,675	—	69,675	69,675	—
		NNG04GJ84G	227,254	—	227,254	227,254	—
		NNG04GL04G	(41)	—	(41)	(41)	—
		NNG04GM20G	105,021	—	105,021	105,021	—
		NNG05GH96G	14,991	—	14,991	14,991	—
		NNG06GA52G	22,507	—	22,507	22,507	—
		NNG06GB42G	10,203	—	10,203	10,203	—
		NNK06EA01G	5,570	—	5,570	5,570	—
		Not Available	25,068	—	25,068	—	25,068
43.XXX	Total Other NASA programs		1,138,382	101,786	1,240,168	1,076,612	163,556
45.149	Promotion of the Humanities - Division of Preservation and Access		69,799	7,298	77,097	77,097	—
45.160	Promotion of the Humanities - Fellowships and Stipends		71,469	—	71,469	71,469	—
47.041	Engineering Grants		4,818,223	132,193	4,950,416	3,332,055	1,618,361
47.049	Mathematical and Physical Sciences		5,155,673	134,548	5,290,221	5,289,855	366
47.050	Geosciences		15,815,159	983,750	16,798,909	15,628,778	1,170,131
47.070	Computer and Information Science and Engineering		4,405,205	653,683	5,058,888	4,258,218	800,670
47.074	Biological Sciences		9,348,357	572,995	9,921,352	9,277,102	644,250
47.075	Social, Behavioral, and Economic Sciences		1,750,623	151,648	1,902,271	1,818,733	83,538
47.076	Education and Human Resources		2,115,156	1,669,163	3,784,319	3,087,898	696,421
47.078	Polar Programs		1,654,050	—	1,654,050	1,569,276	84,774
47.079	International Science and Engineering (OISE)		33,902	—	33,902	33,902	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
58.001	Securities - Investigation of Complaints and SEC Information		(1,330)	—	(1,330)	(1,330)	—
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act		22,672	17,792	40,464	40,464	—
66.202	Congressionally Mandated Projects		68,322	15,872	84,194	73,306	10,888
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act		190,204	—	190,204	190,204	—
66.460	Nonpoint Source Implementation Grants		32	—	32	—	32
66.461	Regional Wetland Program Development Grants		74,166	19,315	93,481	17,562	75,919
66.463	Water Quality Cooperative Agreements		278	—	278	—	278
66.500	Environmental Protection-Consolidated Research		195,468	109,798	305,266	287,367	17,899
66.509	Science to Achieve Results (STAR) Research Program		349,150	259,232	608,382	578,391	29,991
66.510	Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development		133,315	—	133,315	133,315	—
66.511	Office of Research and Development Consolidated Research/Training		1,758,828	426,322	2,185,150	2,060,272	124,878
66.512	Regional Environmental Monitoring and Assessment Program (REMAP) Research Projects		3,217	—	3,217	3,217	—
66.513	Greater Research Opportunities Fellowship Program		16,965	—	16,965	16,965	—
66.514	Science to Achieve Results (STAR) Fellowship Program		11,741	—	11,741	11,741	—
66.516	National Student Design Competition for Sustainability		10,000	—	10,000	10,000	—
66.607	Training and Fellowships for the Environmental Protection Agency		7,805	—	7,805	7,805	—
66.610	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator		9,170	—	9,170	9,170	—
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		8,228	—	8,228	8,228	—
66.714	Pesticide Environmental Stewardship Regional Grants		9,293	—	9,293	7,810	1,483
66.716	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach		1,210,047	11,635	1,221,682	1,221,682	—
66.814	Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements		131,917	755	132,672	132,672	—
66.951	Environmental Education Grants		27,806	20,130	47,936	47,936	—
66.XXX	Other Environmental Protection Agency Programs						
	4D-6214-NAEX		23,221	—	23,221	23,221	—
	Not Available		2,614	—	2,614	—	2,614
66.XXX	Total Other Environmental Protection Agency Programs		25,835	—	25,835	23,221	2,614
81.036	Inventions and Innovations		89,669	—	89,669	—	89,669
81.049	Office of Science Financial Assistance Program		8,832,301	749,602	9,581,903	8,671,089	910,814
81.064	Office of Scientific and Technical Information		102,178	—	102,178	—	102,178
81.086	Conservation Research and Development		476,194	—	476,194	338,086	138,108

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
81.087	Renewable Energy Research and Development		441,817	32,321	474,138	68,976	405,162
81.089	Fossil Energy Research and Development		8,540	—	8,540	—	8,540
81.104	Office of Environmental Cleanup and Acceleration		34,316	—	34,316	—	34,316
81.113	Defense Nuclear Nonproliferation Research		58,762	—	58,762	58,762	—
81.114	University Reactor Infrastructure and Education Support		742,438	720,252	1,462,690	1,462,690	—
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		6,314	—	6,314	—	6,314
81.121	Nuclear Energy Research, Development and Demonstration		585,111	—	585,111	197,627	387,484
81.XXX	Other Department of Energy Programs						
	00026625		30,452	—	30,452	30,452	—
	057656-00		28,000	—	28,000	—	28,000
	B539302		40,084	—	40,084	—	40,084
	B556673		6,141	—	6,141	—	6,141
	Not Available		67,164	—	67,164	—	67,164
81.XXX	Total Other Department of Energy Programs		171,841	—	171,841	30,452	141,389
84.017	International Research and Studies		117,072	—	117,072	117,072	—
84.019	Overseas - Faculty Research Abroad		1,977	—	1,977	1,977	—
84.021	Overseas - Group Projects Abroad		45,936	—	45,936	45,936	—
84.031	Higher Education - Institution Aid		125,527	—	125,527	—	125,527
84.042	TRIO - Student Support Services		600	—	600	600	—
84.083	Women's Educational Equity Act Program		6,572	—	6,572	—	6,572
84.116	Fund for the Improvement of Postsecondary Education		450,405	59,046	509,451	470,866	38,585
84.133	National Institute on Disability and Rehabilitation Research		2,473,141	322,213	2,795,354	2,383,938	411,416
84.149	Migrant Education - College Assistance Migrant Program		358,292	—	358,292	358,292	—
84.160	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		(46,040)	46,040	—	—	—
84.184	Safe and Drug-Free Schools and Communities - National Programs		23,119	—	23,119	—	23,119
84.206	Javits Gifted and Talented Students Education Grant Program		18	—	18	—	18
84.215	Fund for the Improvement of Education		65,679	—	65,679	—	65,679
84.229	Language Resource Centers		14,540	—	14,540	1,879	12,661
84.293	Foreign Language Assistance		70,959	—	70,959	—	70,959
84.305	Education Research, Development and Dissemination		431,245	540,620	971,865	908,648	63,217
84.309	National Institute on Postsecondary Education, Libraries, and Lifelong Learning		879,051	—	879,051	—	879,051
84.323	Special Education - State Personnel Development		10,631	—	10,631	—	10,631
84.324	Research in Special Education		3,825,162	1,076,954	4,902,116	4,456,302	445,814
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		536,085	—	536,085	536,085	—

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		1,822,084	1,683,020	3,505,104	3,475,602	29,502
84.327	Special Education - Technology and Media Services for Individuals with Disabilities		311,157	38,523	349,680	349,680	—
84.336	Teacher Quality Enhancement Grants		188,649	146,474	335,123	335,123	—
84.349	Early Childhood Educator Professional Development		150,251	12,273	162,524	162,524	—
84.350	Transition to Teaching		487,634	—	487,634	487,634	—
84.366	Mathematics and Science Partnerships		128,487	—	128,487	—	128,487
84.367	Improving Teacher Quality State Grants		445,823	108,361	554,184	554,184	—
84.368	Grants for Enhanced Assessment Instruments		175,664	—	175,664	—	175,664
84.373	Special Education - Technical Assistance on State Data Collection		3,350	—	3,350	3,350	—
89.003	National Historical Publications and Records Grants		43,837	—	43,837	43,837	—
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals		22,077	—	22,077	—	22,077
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services		5,536	—	5,536	—	5,536
93.048	Special Programs for the Aging-Title IV & Title II-Discretionary Projects		4,978	—	4,978	—	4,978
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		99,480	—	99,480	—	99,480
93.113	Biological Response to Environmental Health Hazards		1,765,498	—	1,765,498	1,668,175	97,323
93.114	Applied Toxicological Research and Testing		404,871	—	404,871	404,871	—
93.121	Oral Diseases and Disorders Research		652,121	—	652,121	630,617	21,504
93.136	Injury Prevention and Control Research and State and Community Based Programs		282,263	—	282,263	262,798	19,465
93.137	Community Programs to Improve Minority Health Grant Program		4,685	—	4,685	4,685	—
93.172	Human Genome Research		2,390,722	334,818	2,725,540	2,507,793	217,747
93.173	Research Related to Deafness and Communication Disorders		2,591,710	—	2,591,710	2,471,696	120,014
93.213	Research and Training in Complementary and Alternative Medicine		1,316,276	—	1,316,276	1,186,551	129,725
93.226	Research on Healthcare Costs, Quality and Outcomes		158,265	—	158,265	26,558	131,707
93.230	Consolidated Knowledge Development and Application (KD&A) Program		111,140	—	111,140	—	111,140
93.239	Policy Research and Evaluation Grants		45,245	—	45,245	—	45,245
93.242	Mental Health Research Grants		1,004,084	21,225	1,025,309	1,001,196	24,113
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance		509,022	—	509,022	—	509,022
93.262	Occupational Safety and Health Program		185,129	66,123	251,252	251,252	—
93.263	Occupational Safety and Health - Training Grants		60,052	—	60,052	60,052	—
93.273	Alcohol Research Programs		605,242	—	605,242	542,325	62,917

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.279	Drug Abuse and Addiction Research Programs		2,714,920	1,749,180	4,464,100	4,369,675	94,425
93.281	Mental Health Research Career/Scientist Development Awards		210,141	—	210,141	210,141	—
93.282	Mental Health National Research Service Awards for Research Training		205,453	—	205,453	205,453	—
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance		29,791	—	29,791	—	29,791
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health		132,668	79,069	211,737	211,737	—
93.333	Clinical Research		68,779	44,367	113,146	—	113,146
93.361	Nursing Research		109,018	—	109,018	13,508	95,510
93.389	National Center for Research Resources		3,061,815	—	3,061,815	2,918,668	143,147
93.393	Cancer Cause and Prevention Research		568,703	—	568,703	559,199	9,504
93.395	Cancer Treatment Research		170,995	—	170,995	45,997	124,998
93.397	Cancer Centers Support		7,110	—	7,110	7,110	—
93.399	Cancer Control		2,007,624	—	2,007,624	2,007,843	(219)
93.551	Abandoned Infants		62,714	—	62,714	62,714	—
93.575	Child Care and Development Block Grant		97,088	34,840	131,928	—	131,928
93.576	Refugee and Entrant Assistance - Discretionary Grants		274,676	—	274,676	—	274,676
93.600	Head Start		349,166	—	349,166	349,166	—
93.631	Developmental Disabilities Projects of National Significance		111,754	43,108	154,862	125,894	28,968
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service		547,837	—	547,837	547,837	—
93.647	Social Services Research and Demonstration		108,399	113,279	221,678	221,678	—
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		504,982	—	504,982	497,943	7,039
93.837	Heart and Vascular Diseases Research		1,009,821	—	1,009,821	693,589	316,232
93.838	Lung Diseases Research		344,572	28,562	373,134	362,138	10,996
93.846	Arthritis, Musculoskeletal and Skin Diseases Research		1,031,353	18,840	1,050,193	1,050,193	—
93.847	Diabetes, Endocrinology and Metabolism Research		787,196	—	787,196	763,734	23,462
93.848	Digestive Diseases and Nutrition Research		595,277	—	595,277	595,277	—
93.849	Kidney Diseases, Urology and Hematology Research		30,000	—	30,000	—	30,000
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders		1,501,968	—	1,501,968	1,047,215	454,753
93.855	Allergy, Immunology and Transplantation Research		356,002	—	356,002	356,002	—
93.856	Microbiology and Infectious Diseases Research		2,787,303	259,231	3,046,534	2,883,536	162,998
93.859	Pharmacology, Physiology, and Biological Chemistry Research		7,554,260	31,808	7,586,068	7,273,312	312,756
93.865	Child Health and Human Development Extramural Research		2,000,323	—	2,000,323	2,001,073	(750)
93.866	Aging Research		1,257,568	106,726	1,364,294	1,335,832	28,462
93.867	Vision Research		344,114	88,447	432,561	367,339	65,222

The accompanying notes are an integral part of this schedule.

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.879	Medical Library Assistance		8,468	—	8,468	8,468	—
93.889	National Bioterrorism Hospital Preparedness Program		39,397	—	39,397	—	39,397
93.891	Alcohol Research Center Grants		44,628	—	44,628	—	44,628
93.894	Resource and Manpower Development in the Environmental Health Services		1,790,211	12,113	1,802,324	1,781,826	20,498
93.933	Demonstration Projects for Indian Health		19,669	—	19,669	—	19,669
93.945	Assistance Program for Chronic Disease Prevention and Control		184,918	—	184,918	—	184,918
93.946	Cooperative Agreements to Support State-Based Infant Health Initiative Programs		126,487	—	126,487	126,487	—
93.955	Health and Safety Programs for Construction Work		51,531	—	51,531	—	51,531
93.969	Geriatric Education Centers		95,505	—	95,505	—	95,505
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		8,708	—	8,708	8,708	—
93.989	International Research and Research Training		158,537	—	158,537	52,146	106,391
93.XXX	Other Department of Health and Human Services Programs						
	35126-5S-729		9,641	—	9,641	—	9,641
	Not Available		17,068	—	17,068	—	17,068
	SC-05-02054 001-03		31,434	—	31,434	—	31,434
93.XXX	Total Other Department of Health and Human Services Programs		<u>58,143</u>	<u>—</u>	<u>58,143</u>	<u>—</u>	<u>58,143</u>
98.001	USAID Foreign Assistance for Programs Overseas		1,175,926	899,660	2,075,586	1,908,269	167,317
98.002	Cooperative Development Program (CDP)		451,710	686,958	1,138,668	—	1,138,668
98.005	Institutional Capacity Building (ICB)		21,743	—	21,743	—	21,743
98.XXX	Other USAID Programs						
	Not Available		2,100	—	2,100	2,100	—
98.XXX	Total Other USAID Programs		<u>2,100</u>	<u>—</u>	<u>2,100</u>	<u>2,100</u>	<u>—</u>
Total Research and Development Cluster			<u>\$ 181,849,861</u>	<u>\$ 21,445,494</u>	<u>\$ 203,295,355</u>	<u>\$ 176,325,043</u>	<u>\$26,970,312</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$4,850,310,833</u>	<u>\$1,042,220,423</u>	<u>\$5,892,531,256</u>	<u>\$5,853,308,580</u>	<u>\$39,222,676</u>

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2006

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State of Oregon and is presented using the bases of accounting of the originating funds. These include both the modified accrual and accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Reporting Entity

The financial statements of the State of Oregon include all fund types for all agencies, boards, commissions, authorities, courts, and colleges and universities that are legally part of the State's primary government and its component units. The Oregon Health and Science University (OHSU) is a legally separate component unit. For the year ended June 30, 2006, OHSU has issued separate financial statements and has obtained a separate single audit as outlined in Subpart E.500 of OMB Circular A-133. Therefore, the accompanying schedule does not include the federal grant activity of OHSU. A copy of these reports can be obtained from OHSU, 2525 SW First Avenue, Suite 201, Portland, Oregon 97201.

Note 3. Programs Involving Non-Cash Assistance

Federal expenditures reported in the schedule include the following non-cash assistance programs. All values are the fair market value at the time of receipt.

CFDA		Type of Assistance	Value
Number	Title		
10.550	Food Donation	Commodities	\$ 8,303,744
10.565	Commodity Supplemental Food Program	Commodities	346,498
10.567	Food Distribution Program on Indian Reservations	Commodities	58,373
10.569	Emergency Food Assistance Program	Commodities	3,038,689
39.003	Donation of Federal Surplus Personal Property	Donated surplus property	424,826
93.268	Immunization Grants	Vaccines	6,256,169
	Total		<u>\$ 18,428,299</u>

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Note 4. Loans and Loan Guarantees

Loans outstanding and new loans made during the year ended June 30, 2006 are as follows:

CFDA Number	Title	Outstanding Balance as of June 30, 2006	New Loans Made During the Year Ended June 30, 2006
11.307	Economic Adjustment Assistance	\$ 6,658,212	\$ 2,189,590
14.239	HOME Investment Partnerships Program	4,739,231	372,609
66.458	Capitalization Grants for Clean Water State Revolving Funds	32,871,815	17,503,720
84.038	Federal Perkins Loan Program-Federal Capital Contributions	69,676,197	16,229,068
	Total	<u>\$ 113,945,455</u>	<u>\$ 36,294,987</u>

Note 5. Unemployment Insurance

State unemployment tax revenues and the government contributions in lieu of State taxes are deposited to the Unemployment Trust Fund in the U.S. Treasury. These funds may only be used to pay benefits under the federally approved State unemployment law. Of the \$573,350,613 reported as expenditures for the Unemployment Insurance program (CFDA 17.225), \$492,099,600 represented expenditures of State funds held in the Unemployment Trust Fund.

Note 6. Pass-Through Awards

The State of Oregon received the following amounts as a subrecipient of non-federal entities:

CFDA Number	Organization	Amount	ID Number
10.001	University of Connecticut	30,818	PSA 3316 / FRS #521163
10.001	University of Minnesota	2,441	H4136190101
10.001	Washington State University	1,755	G001304
10.025	California Department of Food and Agriculture	89,098	01607090000000
10.200	Ben Gurion University	6,390	88874
10.200	Montana State University	8,133	G102-05-W0057
10.200	Montana State University	8,568	GC103-04-Z3600
10.200	Montana State University	8,905	GC104-04-Z3600
10.200	Montana State University	9,979	G101-05-W0057
10.200	Northeastern University	22,276	576710P523490
10.200	South Dakota State University	6,700	SDSU 483933
10.200	South Dakota State University	48,614	483833
10.200	University of California	2,658	017278-01
10.200	University of California	4,000	05-022etx
10.200	University of California	5,000	05-019etx
10.200	University of California	6,000	05-025etx
10.200	University of California	15,000	05-011etx
10.200	University of California	16,662	SA7065
10.200	University of California	26,646	SA6887
10.200	University of California, Davis	17,000	05-010etx
10.200	University of California, Davis	140,600	06-009etx

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

CFDA Number	Organization	Amount	ID Number
10.200	University of Idaho	1,504	BAK300 OSU/P0014400
10.200	University of Idaho	159,538	BJKD96-OSU (PO P0013584)
10.200	University of Washington	790	748672
10.200	University of Washington	2,881	913641
10.200	University of Washington	6,251	567944
10.200	University of Washington	8,279	143005
10.200	University of Washington	12,634	143160
10.200	University of Washington	14,757	913911
10.200	University of Washington	18,365	567762
10.200	Utah State University	7,363	04-1535035
10.200	Utah State University	13,465	C025890
10.200	Utah State University	24,888	051687007
10.200	Utah State University	31,083	051687010
10.200	Utah State University	69,790	04-1535006
10.200	Virginia State University Polytechnic Institute	49,212	CR-19201-428218
10.200	Washington State University	240	G001344
10.200	Washington State University	346	103152_G001706
10.200	Washington State University	422	11672_G001505_0
10.200	Washington State University	575	102861_G001659
10.200	Washington State University	988	G001316
10.200	Washington State University	1,674	G001366
10.200	Washington State University	2,086	101748_G001550_0
10.200	Washington State University	2,846	104947_G001846
10.200	Washington State University	2,997	103152_G001715
10.200	Washington State University	3,597	104947_G001848
10.200	Washington State University	3,686	103152_G001714
10.200	Washington State University	3,833	G001365
10.200	Washington State University	3,942	101736_G001580_0
10.200	Washington State University	4,635	101748_G001536_0
10.200	Washington State University	5,285	101736_G001584_0
10.200	Washington State University	5,617	104947_G001847
10.200	Washington State University	6,102	101736_G001581_0
10.200	Washington State University	6,748	101736_G001583_0
10.200	Washington State University	8,429	103215_G001693
10.200	Washington State University	8,823	G001396
10.200	Washington State University	11,290	103215_G001692
10.200	Washington State University	11,300	103215_G001691
10.200	Washington State University	12,952	103215_G001690
10.200	Washington State University	16,451	101736_G001586_0
10.200	Washington State University	16,822	103242_G001728
10.200	Washington State University	16,888	103152_G001708
10.200	Washington State University	17,189	101766_G001567_0
10.200	Washington State University	17,503	101766_G001573_0
10.200	Washington State University	18,490	101736_G001579_0
10.200	Washington State University	19,803	101766_G001570_0
10.200	Washington State University	22,652	101736_G001585_0
10.200	Washington State University	28,597	103152_G001707

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

CFDA			
<u>Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
10.200	Washington State University	39,077	103152_G001711
10.200	Washington State University	50,195	101766_G001571_0
10.202	California State University Polytechnic Foundation	6,885	06-006-46494
10.206	Auburn University	17,843	ACES/AYDP-YD-18-06
10.206	Auburn University	39,454	ACES/AYDP-YD-15-04/05
10.206	Auburn University	50,040	ACES/AYDP-YD-15-06
10.206	Michigan Technology University	91,015	040636Z / PO P0061771
10.206	Montana State University	326	GC177-02-Z2329
10.206	University of California	1,459	K016618-13
10.206	University of California, Berkeley	20,973	SA4110
10.206	University of California, Davis	17,829	K011524-01
10.206	University of Minnesota	34,556	Q6736000101
10.206	University of Minnesota	84,670	Q3976070201
10.212	Plant Polyphenols, LLC	1,218	RA No. 3
10.212	Plant Polyphenols, LLC	4,551	T4944
10.303	Cornell University	7,442	43038-7701
10.303	Kansas State University	22,019	S05019
10.303	University of California	2,869	K009607-OR5
10.303	University of California	5,000	K009607-OR6
10.303	University of California	8,073	K009607-OR4
10.303	University of California	21,983	K009607-OR
10.303	University of California, Berkeley	37,229	SA4198 / 969704
10.303	University of California, Davis	1,520	00RA2416-OR2
10.303	University of California, Davis	3,906	K009607-OR2
10.303	University of California, Davis	8,485	00RA2416-OR
10.303	University of California, Davis	46,759	K009607-OR3
10.303	University of California, Davis	79,188	K-002316-01
10.303	University of Florida	7,254	SC-010376-1-2
10.303	University of Idaho	12,839	BLK745OSU/PO P0010038
10.303	University of Idaho	14,050	BJK748OSU
10.303	University of Idaho	59,512	BJKE27-OSU
10.303	University of Nevada - Reno	108,115	PO 12GC0000061
10.303	University of Wisconsin-Madison	102	P572235
10.303	Washington State University	12,606	G001202
10.303	Washington State University	32,873	G001129
10.303	Washington State University	37,589	G001081
10.304	Cornell University	4,740	42681-7483
10.304	Purdue University	59,519	598-0379-1
10.304	University of California, Davis	31,280	K007797-21
10.304	University of California, Davis	59,425	K007797-11
10.456	The Food Alliance	13,750	05IE08310237
10.500	University of Idaho	6,717	BJKC96-OSU
10.500	University of Wyoming	3,474	UTSTUNV6130: 6128STATE
10.500	University of Wyoming	4,500	UTSTUNV46453
10.500	University of Wyoming	15,309	UTSTUNV46454OR:UTSTUNV4 6456OR
10.500	Utah State University	3,000	C029755

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

CFDA Number	Organization	Amount	ID Number
10.500	Utah State University	10,071	C029352
10.500	Utah State University	23,368	C030356
10.500	Utah State University	27,113	C029569
10.500	Utah State University	76,559	C031633
10.500	Utah State University	3,000	C027251
10.500	Washington State University	2,371	101669-G001519 /WSU-WE-TAA-SAL
10.500	Washington State University	11,843	G001178
10.500	Washington State University	18,770	11838-G001812
10.604	Northwest Horticultural Council	32,636	TASC 03010
10.652	Consortium for Research on Renewable Industrial Materials	48,583	202
10.652	National Fish and Wildlife Foundation	51,189	2005-006-008
10.652	West Virginia University Research Corporation	13,089	01-539-OSU
10.664	Grand Ronde Model Watershed	(973)	NFS 03-DG-11060000-233
10.664	Natureserve	1,649	OR-005-FY06
10.665	Clackamas County, Oregon	11,290	1936002286000
10.665	Grant County, Oregon	2,723	1936002295
10.665	Jackson County, Oregon	4,654	1936002298000
10.665	Jackson County Board of Commissioners	33,654	SD0056
10.665	Umatilla County, Oregon	24,946	1936001993000
10.905	Oregon Garden Foundation	22,852	Not Available
10.912	University of California	10,995	K034013-13
10.912	Wy'East Resource Conserv. & Development Council	19,205	Not Available
10.960	Council of State Governments	18,837	Not Available
10.961	Michigan State University	11,952	61-3122
11.302	ECONorthwest	75	294501
11.417	Pacific Shellfish Institute	1,323	Not Available
11.417	Pacific States Marine Fisheries Commission	609	Not Available
11.417	Pacific States Marine Fisheries Commission	2,113	05-46
11.417	Pacific States Marine Fisheries Commission	21,395	04-35
11.417	Pacific States Marine Fisheries Commission	27,024	06-38
11.417	Pacific States Marine Fisheries Commission	32,366	06-35
11.417	Pacific States Marine Fisheries Commission	87,294	05-45
11.430	Caribbean Marine Research Center	12,174	CMRC-03-NRMH-04-04A
11.430	University of Alaska	21,202	PO FP406695 / UAF 04-0115
11.430	University of Alaska	28,564	PO FP06882 / UAF 05-0131
11.430	University of Mississippi	32,487	05-07-005
11.431	University of South Carolina	36,675	06-1212 / PO 51929
11.432	University of Alaska	164,301	PO FP502772 / UAF 05-0067
11.432	University of Hawaii	51,433	PO Z707965
11.432	University of Miami	13,838	668953 / P745916
11.433	University of North Carolina	4,856	SAB/GOM-2005-04-05
11.439	North Pacific Marine Science Foundation	20,529	NA05NMF4391068-51
11.439	North Pacific Marine Science Foundation	25,815	NA05NMF4391068-52
11.452	Alaska Department of Fish and Game	35,966	COOP-05-116
11.455	North Pacific Marine Science Foundation	79,963	NA16FX2629-43

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

CFDA			
<u>Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
11.455	University of New Hampshire	11,471	05-026
11.460	University of Michigan	43,599	F011740
11.472	North Pacific Research Board	8,696	518
11.472	North Pacific Research Board	45,277	R0301
11.473	Oregon Health and Science University	66,375	GCLMR00-OSU
11.473	Pacific States Marine Fisheries Commission	16,530	05-94
11.552	Lane Council of Governments	761	Not Available
12.300	Arete Associates	61,695	S-44002.01.4700
12.300	Cornell University	22,142	45393-7649
12.300	North Carolina State University	40,452	2005-1749-01
12.300	Science Applications International Corporation	96,467	4400112958
12.300	University of Delaware	20,539	753 / B430150
12.300	University of Rhode Island	63,509	032002/535495
12.300	University of Washington	19,571	141303
12.300	Woods Hole Oceanographic Institution	82,613	A100408
12.420	HemCon, Inc.	408,874	Not Available
12.420	Providence Health System of Oregon	31,510	OMLC-02-10
12.420	Providence Health System of Oregon	113,667	OMLC-03-02
12.431	Academy of Applied Science	2,599	SUBGRANT 05-34
12.431	Academy of Applied Science	16,208	Not Available
12.431	Georgia Institute of Technology	179,652	E-18-677-G3
12.431	Sagotech Corporation	34,305	OSU_ Kestral_13Jun05
12.551	Academy for Educational Development	524,895	NSEP-3045-UO-CHN
12.630	Access Technologies, Inc.	64,997	2005-358
12.630	Nature Conservancy	51,652	ORFO-12-13-04-01
12.800	CH2M Hill, Inc.	151,869	PO 908853
12.800	Covalent Associates	789	OSU-0503-001
12.800	ITN Energy Systems, Inc.	20,948	PO # 05I-0394
12.800	Orincon Corporation	964	S11901
12.800	SRS Technologies	23,029	Not Available
12.800	Stanford University	13,398	PY-1440
12.800	University of California, Berkeley	49,259	SA4457-32432PG AMEND.2
12.800	University of Illinois, Urbana-Champaign	87,308	A5992 / 2005-3462-1-00
12.800	Voxel Corporation	74,047	Not Available
12.800	Washington State University	18,765	G001383
12.910	Aquarius, Inc.	9,895	Not Available
12.910	Boeing	47,026	PCO KQ5992
12.910	Marine Biological Laboratory	97,084	27314
12.910	Northrop Grumman	50,000	PO 8200074658
12.910	SRI International	21,871	55-000656-TO-02
12.910	SRI International	41,287	55-000656-TO-03
12.910	SRI International	51,800	55-000656-TO-04
12.910	SRI International	188,018	55-000656
12.910	SRI International	339,980	55-000656-TO-01
12.910	Stanford University	126,556	13431230-30750-A
12.910	University of California	263,404	SA4997-10929
12.910	University of California, Berkeley	112,257	SA4475-32446 AMEND.2

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

CFDA Number	Organization	Amount	ID Number
12.910	University of California, Los Angeles	212,303	0145 G FB481
14.218	City of Portland/HUD	94,961	35599
14.511	ECONorthwest	56,133	Not Available
14.866	Housing Authority of Portland	21,540	Not Available
15.039	Columbia River Inter-Tribal Fish Commission	(6)	CO3-33 / PO C0303330
15.224	Montana State University	(434)	GC261-04-21138
15.224	Montana State University	1,678	G187-05-Z1138
15.224	Montana State University	1,714	G256-05-W0094
15.225	Umpqua Basin Watershed Council	27,805	Not Available
15.507	Deschutes River Conservancy	749	Not Available
15.608	California Department of Fish and Game	10,876	P0310728
15.608	Ducks Unlimited	24,696	US-UT-28-2
15.608	Montana State University	11,144	G132-05-Z3735
15.608	Montana State University	25,278	GC290-04-Z3735
15.608	Montana State University	48,143	GC291-04-Z3735
15.608	Montana State University	50,321	G269-05-W0373
15.608	North Carolina Natural Heritage Program	11,860	AT05006
15.608	Pacific States Marine Fisheries Commission	1,036	06-09
15.608	Pacific States Marine Fisheries Commission	5,627	06-63
15.608	Pacific States Marine Fisheries Commission	13,435	05-80
15.608	Pacific States Marine Fisheries Commission	14,645	05-39
15.608	South Dakota Game Fish and Parks	3,689	Not Available
15.608	Texas A&M Research Foundation	14,199	S050085
15.608	Texas A&M Research Foundation	346,201	S020058
15.611	Ducks Unlimited	6,141	US-WA-122-1
15.622	Pacific States Marine Fisheries Commission	2,066	3629
15.634	Alaska Department of Fish and Game	99,715	COOP 05-006
15.807	Southern California Earthquake Center	22,281	PO 076548 #2
15.807	University of Southern California	35,194	PO 075036
15.808	Continental Shelf Associates, Inc.	104,167	CSA JOB# 1898
15.809	University of Colorado	1,818	154-1940
15.912	National Park Service	106,553	J9W88040004 MOD.2
15.921	Nature Conservancy in Oregon	2,714	Not Available
15.921	University of Wyoming	1,567	DOINPS44017
16.529	Oregon Health and Science University	2,545	GCDRC0109A D
16.541	George Washington University	442,588	97-S22 MOD. 14
16.579	Catholic Charities	282	Not Available
16.579	City of Hillsboro Oregon	8,001	Not Available
16.579	Contact Inc. Youth Arts and Cultural Development	4,587	Not Available
16.579	Juvenile Rights Project, Inc.	26,047	Not Available
16.579	Multnomah County	13,500	46-4133
16.579	Parrott Creek Child and Family Services	23,502	Not Available
16.579	Umatilla County Oregon	905	Not Available
16.580	Options Counseling Services of Oregon	16,079	Not Available
16.585	Lane County, Oregon	10,000	PO 0000217919
16.589	Linn County, Oregon	28,070	1009
16.595	Rockwood Weed and Seed	3,130	Not Available

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

CFDA			
<u>Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
17.260	Worksystems, Inc.	11,405	86
17.720	Worksystems, Inc.	3,025	Not Available
19.418	Institute of International Education	157,892	Not Available
19.430	NAFSA: Association of International Educators	4,440	Not Available
20.108	Research Integrations, Inc.	17,726	0404-01
20.205	Castle Rock Consultants, Inc.	(162)	Not Available
20.205	Georgia Institute of Technology	25,324	E-20-G12-S1
20.205	METRO	19,810	Not Available
20.205	Multnomah County, Oregon	33,104	4600004689
20.215	Battelle Science and Technology International	3,413	14110
20.215	Kittleson and Associates, Inc.	6,184	Not Available
20.215	Kittleson and Associates, Inc.	2,968	HR 17-34
20.515	National Academy of Sciences	106,912	HR 25-20(01)
20.701	University of Washington	(20)	922910 MOD 10
20.701	University of Washington	3	922910 MOD #10
20.701	University of Washington	2,867	821528 AMEND 1
20.701	University of Washington	16,897	821528
20.701	University of Washington	32,049	821528 MOD 1
20.701	University of Washington	44,310	896371
43.001	Central Washington University	14,573	PO 0000011970
43.001	Oregon NASA Space Grant Consortium	7,680	Not Available
43.001	University of Washington	22,873	478805
43.002	Battelle Memorial Institute	142,388	12416
43.002	Droplet Measurement Technologies, Inc.	25,225	PO 1765
43.002	Jet Propulsion Lab/CA Institute of Technology	2,589	1268713
43.002	Jet Propulsion Lab/CA Institute of Technology	25,000	1269525
43.002	Jet Propulsion Lab/CA Institute of Technology	35,569	1249878
43.002	Jet Propulsion Lab/CA Institute of Technology	148,188	1206714
43.002	Jet Propulsion Lab/CA Institute of Technology	257,925	1206715
43.002	Monterey Bay Aquarium Research Institute	13,902	PO 0511281
43.002	Robust Decisions Inc.	2,470	2004-11
43.002	The Woods Hole Research Center	11,179	Not Available
43.002	Umpqua Research Company	45,131	AG181-2
43.002	University of California, Santa Barbara	22,261	KK4134
45.129	Oregon Council for the Humanities	1,000	06-03-03
45.161	Huntington Library, Art Collections & Botanical Gar.	10,000	PA-50593-04
47.041	Earthquake Engineering Research Institute	4,265	60-62
47.041	Network for Earthquake Engineering Simulation	1,105,432	OMSA-2004, v3.1
47.041	University of California	6,977	PO 10255777
47.041	University of California, San Diego	407,153	PO 102480065
47.041	University of Hawaii	3,306	Not Available
47.041	University of Oklahoma	72,824	2004-06
47.041	Washington State University	5,000	G000843
47.041	Washington State University	58,730	G001668
47.049	Crystal Clear Technologies	12,000	Not Available
47.050	Arizona State University	37,718	04-474
47.050	Bermuda Biological Station for Research, Inc.	93,404	BBSR-100-5255-x-032215-x

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47.050	Central Washington University	8,250	7465
47.050	Columbia University	29,357	001
47.050	Florida State University	8,680	R00345
47.050	Incorporated Research Institution for Seismology	5,210	381-04
47.050	Incorporated Research Institution for Seismology	86,817	478
47.050	Incorporated Research Institution for Seismology	104,198	483
47.050	Joint Oceanographic Institutions	3,655	JSA 5-06
47.050	Joint Oceanographic Institutions	5,000	JSAU 511
47.050	Joint Oceanographic Institutions	7,018	JSA 6-01
47.050	Joint Oceanographic Institutions	17,980	TO T306A11
47.050	Joint Oceanographic Institutions	22,448	TO T305B11
47.050	Joint Oceanographic Institutions	28,000	JSAF 6-05
47.050	Joint Oceanographic Institutions	41,922	TO T312A11
47.050	Joint Oceanographic Institutions	45,731	TO T304A11
47.050	Joint Oceanographic Institutions	68,377	TO T311B11
47.050	Joint Oceanographic Institutions	77,201	TO T311A11
47.050	Monterey Bay Aquarium Research Institute	23,742	PO 0510337
47.050	Ohio State University	42,161	RF #739204/PO #848490
47.050	Oregon Coast Community College	8,116	2003-03
47.050	Research Foundation of the State University of N.Y.	28,967	1050516-3-37470
47.050	Texas A&M Research Foundation	841	F001353, F001449, F001510
47.050	Texas A&M Research Foundation	1,955	451141-00001
47.050	Texas A&M Research Foundation	2,056	F001558, 1664, 1732
47.050	Texas A&M Research Foundation	2,312	F001555, 1663, 1731
47.050	University of California	34,524	PO 10248896
47.050	University of California, San Diego	114,556	PO 10247181
47.050	University of Southern California	48,688	106556 CO#01
47.050	University of Washington	18,689	184190
47.050	University of Washington	112,663	938093
47.050	Washington State University	6,551	100746_G001635
47.050	Woods Hole Oceanographic Institute	89,516	A100334
47.050	Woods Hole Oceanographic Institution	1,863	A100391
47.070	Computing Research Association	27,991	Not Available
47.070	Opendap	45,228	2005-06
47.070	Oregon Health and Science University	274,911	GCLMR5008A
47.070	Research Foundation of the City University of N.Y.	1,632	40583-00-01A
47.070	University of California	14,084	PO 10257563
47.070	University of California, Santa Barbara	2,374	KK6106
47.070	University of California, San Diego	66,492	PO 10242093
47.070	University of California, San Diego	84,333	PO 10152761
47.070	University of Hawaii	40,543	PO Z707262/Z747954
47.070	University of Illinois, Urbana-Champaign	19,121	2003-02248-2/A8122
47.070	University of Wisconsin	50,651	A840976
47.070	University of Wisconsin, Milwaukee	180,462	648F373
47.074	Arizona State University	35,252	PO SC 19103M00386 / 03-054
47.074	California State University Monterey Bay Foundation	1,653	022504-A / PO 7500000820
47.074	Idaho State University	1,333	05-181A

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47.074	Indiana University	15,398	PO# 10502-0054
47.074	Louisiana State University	9,711	PO R140649
47.074	Michigan State University	209,707	612135OREGONSU
47.074	Montana State University	24,243	GC205-03-Z2903
47.074	North Dakota State University	59,628	4971-03
47.074	Northern Illinois University	19,367	PO#500032379
47.074	Rutgers, The State University of New Jersey	177,738	PO S116810 / 1464
47.074	University of California, Berkeley	14,673	SA3538-22347PG / PO 537485
47.074	University of California, Santa Barbara	153,558	KK5115
47.074	University of Miami	14,303	667380
47.074	University of New Mexico	23,231	3-22831-7810
47.074	University of Tennessee	(512)	525-001.01
47.074	University of Tennessee	78,090	OR878-001.04
47.075	Louisiana State University	7,591	PO R915526
47.075	National Academy of Sciences	(326)	Not Available
47.075	National Bureau of Economic Research	14,448	27-3383-00-0-79-636-7700
47.075	University of Colorado at Boulder	17,313	Not Available
47.075	University of Illinois, Urbana-Champaign	15,506	2003-02081-02
47.076	Georgia State University	20,159	ELT48-17 AMEND.1
47.076	Hampshire College	4,082	MOD. #4
47.076	Mathematical Association of America	17,476	Not Available
47.076	Montana State University	(133)	GC263-04-Z2484
47.076	Montana State University	531,137	GC048-02-Z2484
47.076	National Aerospace Manufacturing	31,958	AWARD # 0503414
47.076	Northwest Regional Educational Laboratory	8,661	Not Available
47.076	Northwest Regional Educational Laboratory	12,303	Not Available
47.076	Oregon Public Broadcasting	7,472	3316
47.076	Portland Community College	99,200	Not Available
47.076	University of Colorado	24,903	PO 0000046802
47.078	Earth and Space Research	8,985	PO 03-56 01-75
47.078	HT Harvey and Associates	44,808	1016-06-04
47.078	Ohio State University	38,528	GRT8213500/600000263
47.078	Raytheon Polar Services Co.	29,176	PO 4500182751
47.078	Yale University	3,988	Y-05-0029
59.037	Lane Community College	11,506	AGREEMENT #??
59.037	Lane Community College	30,250	05-146 & 5-603001-Z-0039-22
59.037	Lane Community College	30,250	AGREEMENT #5-60301-0039
59.037	Small Business Development Center	38,297	Not Available
66.202	Oregon Health and Science University	11,380	GESEN0023
66.202	Pacific States Marine Fisheries commission	(492)	04-14
66.202	SW Clean Air Agency	14,784	2003-001
66.439	Lower Columbia River Estuary	117,771	00000000000013
66.460	Middle Fork Irrigation District	(1,297)	Not Available
66.461	Lane Council of Governments	31,155	Not Available
66.461	Metro	11,477	Not Available
66.461	State of Delaware	40,000	PO 08070800364
66.463	Pacific States Marine Fisheries Commission	8,531	02-19

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66.500	University of California, Los Angeles	18,882	1181 G DB434 05
66.511	Colorado State University	131,792	G-5817-1
66.951	Willamette Resources and Educational Network	6,044	Not Available
81.036	Technology Matrix Corporation	(873)	Not Available
81.036	Timberwolf Corporation	64,068	DE-FC26-03NT41879
81.036	Timberwolf Corporation	65,331	DE-FG02-03ER83858
81.049	Argonne National Laboratory	64,345	3F-00301
81.049	Ceres, Inc.	98,447	DE-FG02-05ER64111
81.049	Grande Ronde Model Watershed	6,124	Not Available
81.049	Lawrence Livermore National Laboratory	21,056	B555258
81.049	Massachusetts Institute of Technology	15,986	Not Available
81.049	National Renewable Energy Laboratory	126,566	XAT-4-33624-11
81.049	Oregon Health and Science University	25,037	GCLMR0011A1
81.049	Oregon Health and Science University	35,210	GEBSN0027A1
81.049	Pacific Northwest National Laboratory	987	19361
81.049	Pacific Northwest National Laboratory	10,522	19228
81.049	Pacific Northwest National Laboratory	11,242	406640-A-N4 / 15325
81.049	Pacific Northwest National Laboratory	28,636	17051
81.049	Pacific Northwest National Laboratory	34,232	22902
81.049	Peregrine Power, LLC	50,000	2005-10
81.049	Sandia National Laboratories	15,000	PO 29097
81.049	University of California, Davis	6,737	W/GEC 03-022
81.049	University of California, Davis	24,867	W/GEC 03-013
81.049	University of California, Davis	29,125	W/GEC 03-018
81.049	University of California, Davis	63,187	W/GEC 04-009
81.049	University of California, Davis	63,347	W/GEC 03-009
81.049	University of Washington	17,500	943540
81.064	University of Utah, LLNL	96,995	2205056 AMEND. 12
81.086	Confederated Tribes of Umatilla	12,028	418-04 / 418-05
81.086	Rensselaer Polytechnic Institute	10,000	A30449
81.086	University of California	158,989	B531998 MOD. 5
81.087	Consortium for Plant Biotech Research	3,540	GO12026-157
81.087	Consortium for Plant Biotech Research	7,458	GO12026-164
81.087	Consortium for Plant Biotech Research	8,687	GO12026-203A
81.087	DOE-Renewable Energy Research and Development	47,777	ADJ-2-30630-17 MOD. 9
81.087	MRI National Renewable Energy Laboratory	2,066	XAD-9-18668-15 MOD. 8
81.087	MRI National Renewable Energy Laboratory	158,263	ZXL-5-44205-11 MOD. 3
81.087	MRI National Renewable Energy Laboratory	165,107	XAT-4-33624-08 MOD. 5
81.087	University of Florida	15,429	PO 002AEG/UF-EIES-0203001-ORE
81.089	Montana State University	4,278	G135-06-W0831
81.089	UT-Battelle, LLC	932	4000023558
81.104	Bechtel Hanford, Inc	82,856	0000X-SC-G0518
81.117	Confederated Tribes of Warm Springs	5,395	Not Available
81.117	Midwest Research Institute	85,363	TAA-2-31490-01
81.117	National Renewable Energy Laboratory	103,821	TOA KLDJ-5-55052-00
81.121	Idaho National Laboratory	2,659	5F-00361
81.121	Idaho National Laboratory	82,750	00044868-00001

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81.121	Idaho National Laboratory	193,188	00044868-00003
81.121	Idaho National Laboratory	211,432	00044868-00002
81.121	Purdue University	119,257	641-0356-7-5
84.027	Republic of Palau	23,750	05-009
84.031	Vermont Institute	97,129	P342A030033
84.031	Vermont Institutes, Montpelier	30,955	P342A030033
84.083	Immigrant and Refugee Community Organization	6,572	Not Available
84.116	Bonner Foundation	13,996	Not Available
84.116	Community-Campus Partnerships for Health	18,312	Not Available
84.116	Georgia State University	3,680	FLAF1
84.116	Miami University	5,074	C02481_G00962 / P116J040039
84.116	Tufts University	3,089	ED1070 AMEND. 1
84.116	University of California, Irvine	52	2003-1322
84.116	University of Colorado	18,591	000034542
84.116	University of Wisconsin, Madison	10,858	458F076 MOD. 2
84.133	Oregon Health and Science University	12,359	GCDRC0139A J
84.133	Oregon Health and Science University	13,543	GCDRC0139A I
84.133	Oregon Health and Science University	159,432	GSONO0145A C
84.133	University of Kansas	226,147	FY2004-000
84.165	Portland Public Schools	36,283	54145
84.181	Lane Education Service District	(393,020)	2302-1
84.181	Lane Education Service District	7,470,167	Not Available
84.184	Big Brothers Big Sisters of Metropolitan Portland	23,119	Not Available
84.184	Lane Education Service District	114,109	Not Available
84.184	Salem-Keizer Public Schools	128,316	PS 4651
84.206	University of Connecticut	(1,544)	4905
84.215	David Douglas School District	136,777	SUBGRANT NO. 1
84.215	High Desert Education Service District	43,132	214
84.215	Portland Public Schools	98,481	Not Available
84.215	Positive Action Inc.	75,000	Not Available
84.215	Springfield School District	6,250	11520
84.224	Access Technologies Inc.	41,579	Not Available
84.257	The National Writing Project Corporation	54,000	#16/92-OR01
84.287	David Douglas School District	17,850	Not Available
84.293	Wyoming Department of Education	4,666	Not Available
84.305	Pacific Institute for Research	30,525	Not Available
84.309	Harvard University	152,369	Not Available
84.309	Harvard University	726,682	AMENDMENT #1
84.323	California Institute on Human Services	47,600	407
84.323	California Institute on Human Services	7,000	11803
84.323	Louisiana Department of Education	43,868	Not Available
84.323	Nevada Department of Education	14,746	243481 AMEND. 2
84.323	State of Louisiana, Department of Education	40,000	618782
84.324	Corvallis School District 509J	15,133	Not Available
84.324	Lane County School District	7,922	Not Available
84.324	Oregon Health and Science University	3,007	GCDRC0079A
84.324	Oregon Research Institute	181,997	MODIFICATION 2

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84.324	Portland Public Schools	51,656	1051-02/G 50976 #3
84.324	San Diego City Schools	34,560	Not Available
84.324	San Diego County Office of Education	9,245	Not Available
84.324	Springfield School District	46,491	Not Available
84.324	University of Colorado	72,190	Not Available
84.324	University of Kentucky Research Foundation	87,705	466320-03-234
84.324	University of Wisconsin, Madison	12,000	121H111 MOD. 2
84.325	American Institutes for Research	19,929	02173.003
84.325	California State University, Northridge	174,660	40033361
84.326	Alaska Department of Education	37,500	551709 - 561566
84.326	American Institutes for Research	20,000	GV3-01-01881 MOD. 4
84.326	Direction Services, Inc.	20,824	H326D030001
84.326	Direction Services, Inc.	6,662	H326D030001
84.326	University of South Florida	2,045	Not Available
84.336	Southern Oregon Education Service District	67,600	Not Available
84.350	The National Writing Project Corporation	42,013	Not Available
84.351	Portland Public Schools	75,876	52721
84.357	American Samoa Government	223,973	55199
84.357	American Samoa Government	230,502	44608
84.357	RMC Research Corporation	1,147,850	Not Available
84.363	University of Alaska	24,008	UAF 03-0080 MOD. 2
84.366	High Desert Education Service District	120,918	2004-08
84.366	Willamette Educational School District	70,082	Not Available
84.368	West Virginia – Department of Education	209,100	EDD232869
84.928	The National Writing Project Corporation	108,000	92-OR03 AMEND #17
93.042	American Institutes for Research	35,393	SC-02-1825-03 MOD. 2
93.043	Rogue Valley Council of Governments	4,241	Not Available
93.104	Mid-County Center for Living	45,454	Not Available
93.104	Multnomah Education Service District	54,027	DOI 47-2/05-06
93.110	Longview Wellness Center	9,500	Not Available
93.113	Oregon Law Center	36,133	Not Available
93.113	University of Pennsylvania	62,777	5-42364-A
93.113	University of Pennsylvania	113,226	5-42364-B MOD. 2
93.121	Digital Clarity Consultants	25,000	Not Available
93.136	Oregon Health and Science University	19,465	J528
93.143	Oregon Health and Science University	(6)	8409441C
93.173	Oregon Health and Science University	39,881	GSOTOL0062A
93.173	University of Iowa	58,843	4000517142
93.189	Oregon Health and Science University	8,782	GALHE0008A B
93.213	Oregon Health and Sciences University	115,206	GNEURO276A A
93.224	Oregon Community Health Information Network	10,470	Not Available
93.226	Oregon Health and Science University	61,615	GORPN0007A-A2
93.226	Oregon Health and Science University	29,214	GORPN0007A-A1
93.230	Clark County Washington/Ctr for Mental Health Svc	28,417	2005-MH-23 #1
93.230	Clark County Washington/Ctr for Mental Health Svc	58,375	2006-MH-18
93.230	Legacy Emanuel Hospital and Health Center	9,806	AMENDMENT #4
93.230	Multnomah County	16,521	4600005131

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93.230	Washington County, Oregon	12,413	CA03-1152/CA04-1053/CA05-0915
93.239	University of Missouri	63,341	CG005179-1/C0000008922
93.242	University of Pittsburgh	26,080	108118-1
93.243	African American Health Coalition	98,461	Not Available
93.243	Children's Relief Nursery	28,980	Not Available
93.243	Clark County, Washington	133,255	2006-MH-18
93.243	Clark County Washington/Ctr for Mental Health Svc	26,494	2005-MH-23 #2
93.243	Jackson County, Oregon	19,552	1008
93.243	Josephine County, Oregon	135,460	Not Available
93.243	Legacy Emanuel Hospital and Health Center	85,697	Not Available
93.243	Mental Health Association of Oregon	18,517	Not Available
93.273	Behavioral Health Research Center of the Southwest	13,875	1005
93.273	Brown University	20,926	1334-27346, P966336 MOD. 3
93.273	Pacific Institute for Research and Evaluation	25,494	710828 MOD #6
93.283	Multnomah County, Oregon	29,791	4600003894
93.333	Duke University	43,700	118685
93.361	Oregon Health and Science University	10,477	GSONO0167A-A3
93.361	Oregon Health and Science University	27,311	GSONO0136A B
93.361	Oregon Health and Science University	74,106	GSONO0136A C AMEND. 1
93.361	University of Illinois, Chicago	9,812	2005-01168-07-00
93.389	Oregon Health and Science University	86,173	8409901
93.393	Deschutes Research, Inc.	500	Not Available
93.395	Henry Ford Health System	93,833	R01 CA100851
93.395	University of California	(749)	S0116021
93.395	University of California	129,952	S0179368
93.395	University of Maryland	5,600	CG0332 AMEND. 3
93.399	Oregon Health and Science University	(219)	GPHPM0077A-A1
93.399	Washington State University	3,904	101143_G001701
93.570	National Youth Sports Program	564	NYSPF 06:036
93.570	National Youth Sports Program	66,575	NYSPF 05:1106
93.570	NCAA	55,486	Not Available
93.575	Crook County, Oregon	65,447	Not Available
93.575	Multnomah County, Oregon	5,475	460005203
93.575	Oregon Assoc. for the Education of Young Children	3,989	Not Available
93.575	Oregon Child Care Resource and Referral Net	8,255	03-05RR04
93.575	Oregon Child Care Resource and Referral Net	53,853	Not Available
93.576	Immigrant and Refugee Community Organization	262,244	Not Available
93.587	Smith River Rancheria Indian Tribe	8,000	002
93.631	The Arc of the United States	35,610	Not Available
93.647	Lane County, Oregon	7,700	PO 223240
93.779	Independent Living Research Utilization	5,539	1099-05-C1Y3-CS
93.837	Boston University	157,089	BU Acct. 6797-5
93.837	Medical College of Ohio	(6,031)	N2004-18
93.837	Medical College of Ohio	33	N2003-24
93.837	Medical College of Ohio	273,373	N2005-105
93.837	Oregon Health and Science University	8,717	GEMME0037B

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93.838	Oregon Health and Science University	(6,578)	GMMED0018C
93.838	Oregon Health and Science University	14,780	GMMED0047A
93.838	Pacific Northwest National Lab	1,684	14621
93.847	University of New Mexico	31,646	3R191/31914
93.849	Allvivo Vascular, Inc.	30,000	Not Available
93.853	Duke University	87,407	303-8412/133428
93.853	Economic Development Admin. – Mid-Columbia Dist.	14,155	Not Available
93.853	Legacy Emanuel Hospital and Health Center	17,976	Not Available
93.853	Oregon Health and Science University	70,099	GNEUR0201
93.853	Stanford University	121,173	PR-0744
93.853	University of Virginia	191,401	GC11247-123264
93.856	MitoScience, LLC	11,661	10032
93.856	SIGA Pharmaceuticals, Inc.	16,241	2004-12
93.856	University of Nebraska	1,742	24-6239-0096-002
93.856	University of Washington	2,354	217608
93.856	University of Washington	10,419	175700
93.856	University of Washington	23,649	149688
93.856	University of Washington	62,748	939277
93.859	American Museum of Natural History	3,086	5-2004
93.859	MitoScience, LLC	19,739	Not Available
93.859	University of Colorado Health Sciences Center	19,969	FY06.001.001 AMEND. 2
93.859	University of Florida	13,734	Not Available
93.859	University of Michigan	77,476	F014733
93.859	University of Texas	44,180	05-010
93.859	University of Texas	51,663	06-014/PO UOSPC-0000000013
93.859	Wake Forest University	26,111	58105
93.865	Northwest Media, Inc.	1,943	3 R43 HD42903-01S1-1
93.865	Oregon Health and Science University	(128)	GCDRC0106A
93.865	Oregon Health and Science University	7,615	GFAMP0021A B AMEND. 1
93.865	Pennsylvania State University	9,616	2252-UO-DHHS-8075 AMEND. 4
93.866	Oregon Health and Science University	11,888	GNEUR0248A A
93.866	University of California, Santa Cruz	11,154	SC040237
93.867	Baylor College of Medicine	44,014	Not Available
93.889	Oregon Association of Hospitals and Health Systems	39,574	Not Available
93.891	Oregon Health and Science University	(195)	8410186 AMEND 3
93.891	Oregon Health and Science University	44,822	8410186 AMEND 4
93.894	University of Medicine and Dentistry of New Jersey	21,361	1 R25 RR018490
93.933	Confederated Tribes of Warm Springs	11,714	Not Available
93.945	African American Health Coalition	184,918	Not Available
93.955	The Center to Protect Workers' Rights	39,300	1030-28-A2
93.955	The Center to Protect Workers' Rights	180,017	1030-12 AMEND. 1
93.969	Oregon Health and Science University	101,318	GSONO0091A A
93.969	Oregon Health and Science University	117,219	GSONO0091A B
93.989	Smithsonian Institute	112,020	04-SUBC-440-0000032544
93.989	University of Miami	883	6-6148P PO#M799410
94.005	Oregon Campus Compact	8,654	Not Available
94.007	Western Washington University	10,696	54547-D

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98.001	Academy for Educational Development	38,303	2970-013-OSU-03
98.001	Academy for Educational Development	156,775	2970-013-OSU-02
98.001	Universidad de Guanajuato and SOU Amistad Program	29,103	HNE-A-00-97-00059-00
98.002	American Council on Education	718,740	Not Available
98.005	Michigan State University	17,803	61-3121
11.XXX	Oregon Health and Science University	55,058	GCLMR0011A1
12.XXX	Hughes Research Lab	50,686	502051-BS
12.XXX	Massachusetts Institute of Technology	83,449	3046374
12.XXX	MaxViz, Inc.	33,616	205HAM015
12.XXX	Oregon Health and Science University	168,010	GPACS0016-PSU
12.XXX	Thermogear, Inc.	12,961	Not Available
15.XXX	Lewis and Clark Bicentennial, Oregon	35,780	00000000000014
15.XXX	Pacific States Marine Fisheries Commission	3,531	05-60
15.XXX	Pacific States Marine Fisheries Commission	10,490	4324
15.XXX	Pacific States Marine Fisheries Commission	15,418	02-01
15.XXX	Tualatin River Watershed Council	4,753	Not Available
17.XXX	AGUIRRE	17,685	56040-PSU FP-1602
19.XXX	University of Pittsburgh	4,084	Not Available
20.XXX	National Academy of Sciences	87,977	B-29
43.XXX	Miami University	25,068	Not Available
43.XXX	The Titan Corporation, Inc.	(7,364)	04-SC-014
43.XXX	The Titan Corporation, Inc.	47,286	2005ARMD00004
43.XXX	Universities Space Research Association	56,063	8023-004
43.XXX	University of Puget Sound	42,503	213011-NASA011
66.XXX	Quantec, LLC	2,614	Not Available
81.XXX	Joseph Oat Corporation	28,000	057656-00
81.XXX	Spokane Tribe of Indians	59,904	Not Available
81.XXX	University of California	6,141	B556673
81.XXX	University of California	40,084	B539302
81.XXX	Wy' East RC & D	25,897	Not Available
93.XXX	American Institutes for Research	31,434	SC-05-02054 001-03
93.XXX	D.B. Consulting Group	17,068	Not Available
93.XXX	ORC Macro	9,641	35126-5S-729
93.XXX	University of Washington	9,583	120941
		<u>\$38,663,762</u>	

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Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? ☒ yes ☐ no

Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ☒ yes ☐ no

Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)? ☒ yes ☐ no

Type of auditor's report issued on compliance for major programs: Qualified – Adoption Assistance and Aging Cluster

Unqualified – All Other Major Programs

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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
12.106	Flood Control Projects
20.205	Highway Planning and Construction
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities
66.458	Capitalization Grants for Clean Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
93.283	Centers for Disease Control and Prevention- Investigations and Technical Assistance
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.566	Refugee and Entrant Assistance – State Administered Programs
93.568	Low Income Home Energy Assistance Program
93.659	Adoption Assistance
93.767	State Children’s Insurance Program
N/A	Child Nutrition Cluster
N/A	Section 8 Project Based Cluster
N/A	Workforce Investment Act (WIA) Cluster
N/A	Aging Cluster
N/A	Medicaid Cluster
N/A	Student Financial Assistance Programs

Dollar threshold used to distinguish
between type A and type B programs: \$17,966,919

Auditee qualified as low-risk auditee? ☐ yes ☒ no

Section II – Financial Statement Findings

06-1

Oregon Department of Human Services

Inaccurate Revenue Accruals

(Material Weakness)

During the 2006 fiscal year, the department accounted for some non-federal expenditures in the federal appropriation fund of the state's accounting system. These transactions were not excluded when the department calculated its federal revenue accrual adjustment at fiscal year end. As a result, the department overstated federal revenue by approximately \$110 million at June 30, 2006.

In addition, although the department made progress toward accruing revenue in accordance with the modified accrual basis of accounting, it continued to recognize some revenues, such as drug rebates, on a cash basis. These revenues represented at least \$4.39 million that should have been recognized in fiscal year 2006.

Finally, the department appropriately estimated and accrued revenue for provider taxes but had not documented its methodology for calculating the estimate. Without an established methodology, revenue accruals may not be estimated in a consistent manner from year to year.

We recommend department management stop recording non-federal transactions as federal funds. We also recommend the department establish procedures to ensure all revenue is accrued properly at fiscal year end, and document the methodology for calculating the provider tax accrual.

AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: Due to an error some non-federal expenditures were included in the federal revenue accrual adjustment at fiscal year end. Action was taken to correct the error and to prevent future occurrences. Revenue is accrued when it is both measurable and available in governmental funds and earned and measurable in proprietary funds and fiduciary funds. We use several criteria in determining amounts for accrued revenue. These include: 1) Prior period experience, 2) known or expected activities, 3) revenue receipted for ninety days after June 30, and 4) actual revenues when amounts are known. Occasionally estimates must be used because our IT systems do not capture information required to determine actual accruals.

Corrective Action: Action has been taken to correct the error in recording non-federal expenditure in the federal revenue accrual adjustment at year-end. Further procedures are being developed to ensure all revenue is accrued properly at fiscal year end. Actual amounts will be used in preference to an estimate. Accrual methodologies for provider tax revenue will be documented.

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06-2

Oregon Department of Human Services
Lack of Documentation
(Material Weakness)

The Oregon Accounting Manual (OAM) requires all recorded transactions to be supported by copies of source documents and other supporting information sufficient to provide clear evidence of the authenticity of the transaction, the purpose or reason, and that revenue and expenditure transactions actually occurred.¹

During testing of the Other Revenue, Distribution to Individuals, and Salaries and Wages accounts, we noted that transactions are not always supported by appropriate source documents, nor were sufficient details provided to determine the purpose or authenticity of the transaction. Specifically, we noted the following:

- Of a sample of 47 Other Revenue transactions, we found that nine were unsupported. The department did not retain copies of the checks, detailed remittance advice information, cover letters that accompany the checks, or other documentation supporting the transaction. Although an individual began retaining documentation for the revenues in the last month or two of the year, a total of \$315,011 was unsupported, based on our testing.
- We tested 90 transactions in the Distribution to Individuals account. During our testing, we found that one payment for \$925 did not have any support, and another payment for \$120 did not have sufficient documentation to determine how the payment was calculated.
- State policy requires certain payroll forms to be retained in personnel files.² For example, Personnel Action Forms are to be retained for three years when there is a salary change. Of the 35 employee files we tested, we found that 25 did not contain Personnel Action Forms. Of the 25, 13 were for step increases and 12 were for cost of living increases. In addition, we found four files were missing time lock reports, and three were missing leave request reports.

We recommend department management ensure adequate supporting documentation is maintained for all recorded transactions.

AGENCY'S RESPONSE:

We agree with this recommendation except as it relates to the finding on Personal Action forms in the employee's personnel file. Our discussion coordinates with each bullet.

¹ OAM 10.15.00.PO .107 and .108

² DAS HRSD 10.011.01

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Other Revenue Transactions

Discussion: Lack of Documentation on Other Revenue Transactions (Drug Rebate) - We agree with this recommendation. Historically, supporting documentation for Drug Rebate revenue was maintained within the Division of Medicaid Assistance Program (DMAP). During a staff transition in DMAP, the documentation was retained by the contract Pharmacy Manager (First Health) within their organization. DMAP is again copying the documentation; however as a result, there was a period of time during the fiscal year that documentation was available only with the Pharmacy Manager (First Health). Unsupported transactions cited during the audit were during the transition period.

Corrective Action: No further corrective action is needed. However, due to the large volume of this documentation, DMAP is exploring an imaging solution as well as determining if documentation retained by First Health is sufficient.

Distributions to Individuals Transactions

Discussion: We agree with this recommendation. During the audit period, procedures required Financial Services staff to verify the payment request contained correct accounting codes and was appropriately authorized. Supporting documentation was to be maintained in the initiating office.

Corrective Action: Procedures have been changed to require supporting documentation be attached to the payment request submitted to Financial Services. The procedures instruct staff to withhold payment processing or return the request if documentation is missing or not attached.

Documentation of Payroll Forms

Discussion: We partially agree with this recommendation. Cost of living and regular step increases are changed automatically on the computer system. For step increases, the Department of Administrative Services runs salary Eligibility Dates automatically when an employee is eligible for an annual increase. The paper trail is obsolete because there is a computerized record of the transaction. Cost of Living Increases are also done by the automatic computerized process and eliminates the need for paper documents. Manually printing and filing 10,000 records each time a mass update is done would cause a tremendous workload and administrative cost to the state and is not needed due to the electronic records. We do agree that time lock and leave request reports should be maintained in the supervisory files located in the person's unit or area of employment within DHS.

Corrective Action: DHS will be meeting with DAS to discuss the revision of State policies, or request an exception to the requirement of a paper trail in each personnel file when there is a more cost effective alternative using computerized records of the transaction. In addition, DHS will review current resources and training available to managers to ensure time locking and leave request documentation requirements are explained.

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06-3

Oregon Department of Human Services
Weakness in Cash Controls
(Material Weakness)

The Oregon Accounting Manual states that departments should regularly perform reconciliations of cash recorded in department records to amounts reported on treasury statements.³ Those reconciliations should be performed by persons not otherwise responsible for handling or recording cash, and should be independently reviewed by management.

During the year the department worked toward improving controls over reconciliations. Although improvements were noted, we found that 11 percent of the reconciliations we audited were not performed timely and 22 percent were not reviewed within a reasonable time period. The department took as long as 11 months to perform some reconciliations. Out of the 13 suspense accounts from which we selected reconciliations, one account had not been reconciled during the fiscal year. One reconciling item was inappropriately included during the reconciliation process, resulting in an audit adjustment of \$21.7 million.

In addition, ending balances from all suspense accounts should be accounted for in the state's accounting system at June 30, fiscal year end. The department did not include balances for all suspense accounts in the accounting system at June 30. The treasury balance for the accounts as of June 30 was \$1,724,482.

We recommend department management continue taking steps to ensure all cash account reconciliations are performed regularly and timely. We recommend management perform timely reviews of the reconciliations and ensure reconciling items are appropriate. Further, we recommend department management ensure that all suspense account balances are included in the cash balance at June 30.

AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: We appreciate that the auditors recognized the progress we have made in getting current with reconciliations this fiscal year. The Department's reconciliations are complex with 33 different treasury accounts. The Department is still working on reconciliation issues from when the Department was merged from seven accounting entities into one. Most accounts must be balanced between Treasury, the Statewide Accounting System (SFMA) and Department legacy systems.

Corrective Action: The reconciliation staff has attended reconciliation training provided by the State Controller's Division. This fiscal year, the reconciliation unit was reorganized to include additional staff. The Department has also developed performance measures that will address timeliness of reconciliation activities.

³ OAM 10.20.00.PR .103-104

06-4

Oregon Department of Human Services
Lack of Knowledge, Skills and Abilities
(Material Weakness)

Management's responsibility for controls includes ensuring key staff have the requisite knowledge and skills to perform their duties. Department management should ensure that accounting personnel responsible for recording transactions, making adjustments, and performing year-end closing entries possess the requisite accounting knowledge, skills, and abilities to perform their duties in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting and Financial Reporting Standards.

During the course of our audit, we encountered several instances in which decisions were made and actions taken that inferred a lack of knowledge, skills or abilities with regard to Generally Accepted Accounting Principles (GAAP) and Governmental Accounting and Financial Reporting Standards. For example:

- The department did not include some suspense cash account balances in the accounting system at June 30, as required by accounting standards.
- When adjusting expenditures to the proper period during year end adjustments, the department adjusted cash without regard to accounting standards.
- The department included non-federal activity when determining federal revenue accruals. In addition, the department did not present revenue balances in accordance with governmental reporting standards, by adjusting for accruals for all revenue accounts at year end.
- The department made adjustments to correct fiscal year 2003 general ledger accounts. Instead of recording a prior period adjustment, the department adjusted revenue and expenditure accounts in fiscal year 2006.
- The department made various entries during fiscal year 2006 related to activity from fiscal year 2005. The entries should have had no effect on expenditures or transfers for fiscal year 2006. During the audit, we asked the department to research as we believed the entries misstated fiscal year 2006 expenditures and transfers. The department researched the issue and determined that there was no misstatement. We then researched and provided the department with our results and a proposed audit adjustment for \$46 million to correct 2006 expenditures and transfers.
- The department recorded capital assets related to an enterprise fund in the general fund.

We recommend department management ensure personnel have the requisite knowledge, skills, and abilities to accurately perform their assigned duties.

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AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: We agree in the cited instances that errors occurred. The Department has implemented a continuous education program that is mandatory for all accounting staff. We feel that staff have the skills and abilities to accurately perform their duties, however, the Department is very complex and many of these were one-time non-recurring transactions. Given the size of the Department and the scope of the work it is reasonable to assume that errors may occur.

Corrective Action: The Department has hired Kaufman Global to assist with baseline assessment and benchmarking of our current financial organization. This information will assist us in determining the adequacy of our staffing levels in comparison with similar and best-practiced financial environments. Additionally, Kaufman Global will be assisting the financial organization in institutionalizing process improvement methodologies. Our goal is to refine our processes to become more efficient and effective and ensure that we have adequate staff that has the requisite knowledge, skills and abilities to perform their duties.

06-5

Oregon Department of Revenue

Timeliness of Cash and Other Reconciliations

(Material Weakness)

During state fiscal year 2006, the Department of Revenue (department) received, processed and deposited over \$6 billion in revenues from various tax programs. To facilitate more efficient accounting, the department has set up specific cash accounts for most tax programs. Much of the cash received is processed through the Revenue Suspense Account before being transferred to the General Fund or other funds as appropriate.

According to the Oregon Accounting Manual (OAM), state agencies should regularly reconcile cash balances in the State Financial Management Application (SFMA) to the balances maintained by the Oregon State Treasury (Treasury). Cash reconciliations are an important internal control that provides assurance that account balances are accurate and agree to the actual assets in the custody of the state. Similarly, when agencies use subsidiary accounting systems in addition to SFMA, the OAM requires that the agencies reconcile the subsidiary system to SFMA to ensure all financial data is recorded in SFMA. During the audit, we found that at the end of September 2006, the department had not reconciled the Revenue Suspense account to Treasury balances since January 2006. Additionally, we found that 67 of 127 cash reconciliations reviewed (53 percent) were not prepared timely. Also, the subsidiary accounting system, ITA, was not reconciled to SFMA at any time during state fiscal year 2006, and reconciliations for only seven of the twelve months were completed by mid-October 2006. As a result of the untimely reconciliations, we noted one instance where the department collected approximately \$25 million in December 2005, but did not transfer those funds to the state's general fund until June 2006, creating the possibility of funding shortfalls for other programs.

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We recommend department management ensure that the necessary reconciliations are prepared and reviewed in a timely manner to provide assurance that cash balances and financial records are complete and accurate and to ensure that funds collected are provided to other state programs in a timely manner.

AGENCY'S RESPONSE:

The department management agrees with the audit recommendations. We understand the importance and urgency of timely and accurate reconciliations for all 28 accounts. To this end, the department has dedicated additional resources, developed tracking reports and streamlined work flow processes. We are also automating additional processes and implementing third party reviews.

The department reconciled all of Fiscal Year 2006 before the Statewide Audit was completed. By April 1, 2007, the department will be current with Fiscal Year 2007 reconciliations for all systems including Treasury, SFMA, and the Integrated Tax Accounting System (the department's subsidiary accounting system).

06-6

Oregon Department of State Lands

Unclaimed Property System Not Reconciled to SFMA

Under Oregon's Unclaimed Property Act, the Department of State Lands (department) holds in trust abandoned funds such as bank accounts, lost securities, uncashed checks and estates of people who die without wills and without known heirs. These assets are reported in the Common School Fund and the interest earned on these assets is distributed to schools. The department uses the Unclaimed Property System (UPS) to record the receipt and disbursement of unclaimed property. The UPS is a subsidiary system of the Statewide Financial Management Application (SFMA) and provides the underlying detailed information for the department's financial records.

In 2001, the Oregon Audits Division issued a report (report number 2001-56) that found the department had not performed reconciliations between balances in the UPS and SFMA for many years. As a result, the net amount of trust property assets in the department's financial accounting records was approximately \$8 million less than the amount in the UPS in 2001. Fiscal year 2005 auditors followed up on this issue and reported that a variance of approximately \$6.3 million still existed between the UPS and SFMA.

During the current year audit, we noted the department still has not reconciled the balances between SFMA and UPS. The net amount of trust property assets recorded in SFMA was approximately \$3.3 million more than the amount reported by the department in the UPS. Department personnel stated the UPS data has gone through four conversions and, as a result, data reports did not always accurately report the transactions that occurred.

Best practices recommend monthly reconciliations between accounting records and underlying detail records. Agency personnel stated they are currently in the process of reconciling the balances between the two systems. Not performing regular reconciliations could prevent the

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department from identifying and correcting errors or omissions and ultimately reduce the reliability of the department's financial information.

We recommend department management research and correct errors within UPS so the underlying detailed data fully support the financial accounting information reported by the department. Once this recommendation is implemented, we recommend the department proceed by performing regular reconciliations between UPS and SFMA to identify and correct errors in a timely manner.

AGENCY'S RESPONSE:

DSL agrees that the Unclaimed Property System (UPS) and the Statewide Financial Management Application (SFMA) records are out of balance and must be reconciled.

The work that has been done toward reconciling the historical records is reflected in the reduced variance amount. The agency continues to work with the UPS vendor to identify and correct conversion issues that have created variances in large areas of the data population. The agency is in the process of reconciling receipts and payments in detail for the prior years where detail information is still available through the SFMA system.

DSL anticipates completion of the overall system reconciliation by August 1, 2007, and implementation of a regular reconciliation process for current and future records by June 30, 2007.

06-7

Oregon Department of Transportation
Infrastructure Accounting

The department has had a reportable condition surrounding the department's infrastructure accounts since fiscal year 2004. During that time, and especially in the last year, the department has taken corrective action on several issues; however, there are still some areas needing attention.

The department does not have a methodology that is in compliance with governmental accounting standards specifically to:

- remove the cost of replaced roadway surfaces and associated accumulated depreciation for all types of projects capitalized (e.g., resurfacing)
- update the useful life of the state highway system

The department appropriately capitalizes the costs of all project types that extend the life of the highway system or increase the serviceability. However, the department only removes the cost of the replaced roadway surface and its associated accumulated depreciation for project types classified as Reconstruction. The department does not have a methodology in place to remove the value of the replaced roadway surface for other project types (e.g. resurfacing).

Governmental accounting standards guidance state if a project increases the serviceability or

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extends the original useful life of the road, the project should be capitalized and the cost of the replaced roadway surface and its associated accumulated depreciation should be removed.

Governmental accounting standards state the average useful lives of assets may change as assets are capitalized or taken out of service. Currently, the department has not determined how to extend the useful life of the highway system as a result of all types of construction that occur that extend the useful life of the roads. We noted at the current rate, the state's highway system could be fully depreciated by 2014. When the department first reported the highway system in fiscal year 2002, they estimated the system was 42 percent depreciated and only had a remaining useful life of approximately 12 years. In fiscal year 2006, the state accounting system showed the cost of the highway system to be \$10.7 billion and the related accumulated depreciation to be \$6.9 billion. As a result, the accounting records currently report the department's highway system as 64 percent depreciated. Governmental accounting standards state the depreciation rate should be recalculated if the composition of the assets or the estimate of average useful lives changes significantly. Governmental accounting standards guidance state the estimated useful lives assigned to capital assets should be reconsidered if the assets are significant. Assets still in use should not be reported as fully depreciated.

We recommend the department develop a methodology to remove the cost and associated mileage of the replaced roadway surface and its associated accumulated depreciation for all project types.

We recommend the department develop a methodology to update the useful life of the highway system as a result of ongoing road construction.

We recommend the department re-evaluate the appropriateness of the depreciation percentage originally recorded for infrastructure in 2002 and determine if a prior period adjustment is appropriate.

We recommend the department develop a methodology to monitor the depreciation rate of the highway system to ensure it does not become fully depreciated and more appropriately reflects the value of the asset.

AGENCY'S RESPONSE:

1. *The department plans to evaluate all project types to determine those which involve roadway resurfacing work that should have the original cost and accumulated depreciation removed. The methodology will be documented. The cost and accumulated depreciation associated with resurfacing projects will be adjusted.*
2. *The department plans to document a methodology for updating the highway infrastructure useful life annually and for monitoring the reasonableness of the net book value.*
3. *The department plans to evaluate the historical cost recorded in fiscal year 2002 and review other states' depreciation methodology and resulting net book value.*

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4. *The department plans to review and compare other state's depreciation percentage change from the year of implementation through fiscal year 2006, evaluate and adjust total lane miles to match the mileage reported in the Integrated Transportation Information System (ITIS), recalculate depreciation for 2002 through 2006 to include all project types that extend the life of the state highway system or increase the serviceability, and document the methodology for monitoring the depreciation rate annually in order to ensure the change each year is reasonable.*

Section III – Federal Awards Findings and Questioned Costs

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

06-8

Oregon Department of Human Services

Aging Cluster

On-site Subrecipient Reviews Not Performed

(Material Weakness)

The Oregon Department of Human Services (department) was obligated by the Older Americans Act State Plan on Aging to perform on-site monitoring visits on a periodic basis. However, no on-site subrecipient monitoring visits were performed for the year ended June 30, 2006.

Under the subrecipient monitoring requirements in OMB Circular A-133 Compliance Supplement, pass-through entities are required to monitor subrecipient activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements.

The department could not provide reasonable assurance that the subrecipients administer federal awards in compliance with federal requirements, due to the lack of completion of the on-site monitoring visits for the audit period. The department passed through \$11,332,420 to subrecipients for the year ended June 30, 2006.

We recommend the department continue to allocate more resources to fulfill its responsibility to monitor subrecipients. The department implemented significant portions of the infrastructure necessary to perform on-site subrecipient monitoring visits, and we recommend the remaining pieces be completed. The department should consider taking a risk-based approach in scheduling monitoring of subrecipients, and should consider monitoring some subrecipients annually.

AGENCY'S RESPONSE:

The department agrees with the finding.

1. *The department is establishing program standards for Older American Act Programs, including:*
 - a. *Nutrition standards (Title III C) – completed*
 - b. *Legal service standards (Title III B) – completed*
 - c. *Family caregiver support program standards (Title III E) – completed*
 - d. *Information and assistance (Title III B) – tentative completion date of December 2006. Not yet completed. The projected completion date is being extended to May 2007.*
2. *The department is developing monitoring tools for key Older Americans Act programs, including:*

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- a. *Nutritional – completion date of February 2006. Completion date postponed to December 31, 2006. A draft tool has been developed and is being tested.*
 - b. *Legal Services standards – completed.*
 - c. *Family caregiver support program – completed.*
 - d. *Information and assistance – tentative completion date of March 2007. Not yet completed. The projected completion date is being postponed to July 2007.*
3. *Establish both risk based and routine monitoring schedule.*
- a. *Establish criteria for assessing risk in AAA operations – completion date of April 2006. Not yet completed. Revised estimated completion date of February 28, 2007. Several key factors have been identified and defined, including:*
 - 1) *Findings from sub-recipients' annual single audit and*
 - 2) *Completion and accuracy of sub-recipients' final audited financial expenditure reports.*
 - b. *Complete initial risk assessment and schedule monitoring – completion date of June 2006. Not yet completed. Revised estimated completion date of March 30, 2007. A partial review of data from sub-recipients using the 2 factors listed above is in the process of being completed.*
 - c. *Establish schedule for routine monitoring of OAA programs to occur in three-year cycles – completion date of June 2006. An initial schedule for 6 six months of monitoring (legal services and testing of nutrition services tool) has been set through December 2006. The full 3 year schedule will be completed by February 28, 2007.*

06-9

Oregon Department of Justice

Child Support Enforcement, CFDA 93.563

Lack of Subrecipient Monitoring

The Department of Justice (DOJ) took over management of the program from the Department of Human Services (DHS) in July 2003. DHS had not done subrecipient monitoring because they were of the opinion that the subrecipients were vendors and therefore not subject to the subrecipient monitoring compliance requirements. DOJ questioned this and formed a study group to make a determination. In early 2004, DOJ concluded that the District Attorneys (DAs) were subrecipients. DOJ has created the infrastructure to perform subrecipient monitoring. DOJ has performed monitoring of allowable costs; however no other monitoring has been done.

Under the subrecipient monitoring requirements in OMB Circular A-133 Compliance Supplement, pass-through entities are required to monitor subrecipient activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements.

DOJ cannot provide reasonable assurance that the subrecipients administer federal awards in compliance with federal requirements based on the lack of complete subrecipient monitoring since it assumed responsibility for the program through the end of the audit period, June 30, 2006. The finding constitutes material noncompliance with the provisions of laws, regulation, contracts, or grant agreements related to the major federal program.

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Insufficient resources appear to be allocated to monitoring of subrecipients.

We recommend the department allocate sufficient resources to augment the resources expended in developing the monitoring policies and procedures in order to fulfill its responsibility to monitor subrecipients. The department should also consider using a risk-based approach in scheduling monitoring of subrecipients.

AGENCY'S RESPONSE:

We agree with the recommendation. As discussed with the auditor, DOJ has developed a comprehensive subrecipient monitoring process that was implemented in October 2006. The new process includes an annual review of each subrecipient, and a rotating five year cycle for on-site visits at each CSP county, beginning in January 2007. The first review of each subrecipient will include a review of the last three years of data. DOJ will consider incorporating a risk-based approach to scheduling and performing on-site reviews.

06-10

Oregon Department of Human Services

Medicaid Cluster

Allowable Costs

The department was in dispute with the Centers for Medicare and Medicaid Services over Medicaid Upper Payment Limit (UPL) claims for fiscal years 2002 and 2003. The Office of Inspector General (OIG) issued its final report in February 2005, which included a response from the department. The department's response contained an estimate of the expected UPL for 2004 and 2005.

Once the dispute was resolved, the department processed its claim for the last UPL payment for the years 2004 and 2005. The department distributed to nursing facilities \$48,598,015, of which \$29,703,106 was federal funds. The department's support for this claim was the estimate it had previously provided to the OIG, not calculations of actual UPL payment as required by federal regulations. As a result, the department was unable to provide documentation to support that it had actually incurred the expenditures.

We recommend department management ensure adequate supporting documentation is maintained to support amounts claimed.

AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: The department's negotiations with CMS for the Medicaid Upper Payment Limit (MUPL) included closing our claims with the 2004 and 2005 federal fiscal years. The amounts claimed were discussed and based on numbers reported in the OIG's final report.

Corrective Action: No further action is necessary, as the department no longer claims any MUPL for nursing facilities.

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06-11

Oregon Department of Human Services

State Children's Health Insurance Program (SCHIP) CFDA 93.767

Allowable Activities

As part of testing allowable activities, we judgmentally selected 12 transactions that had been directly entered into the department's accounting system instead of through interface and cost allocation processes. The transactions included vaccine expenses, fee-for-service cost settlements, managed care wraparound payments and a variety of other miscellaneous charges. Our sample represented almost 42 percent of the dollar population for these transactions.

For transactions related to vaccine expenses, we noted errors in the spreadsheet used to support the accounting transactions. These errors resulted in questioned costs of \$147. We also reviewed an accounting transaction to correct the federal matching rate for transactions between October 1, 2005, and January 10, 2006. The department's support for this entry was a printout of a query of the state's accounting datamart. The department did not document the limits of the query, and neither we nor the department were able to duplicate the results of the query. As a result, the department was unable to support \$884 charged to the SCHIP federal program. In addition, a travel claim for \$183 was charged to this federal program but was not related to SCHIP.

The Oregon Accounting Manual states that all transactions should be properly calculated. When queries are used as support for accounting transactions, they should be fully documented and the logic supporting the query should be explained.⁴

We recommend department management ensure that transactions are properly calculated, documented, and an allowable activity.

AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: The Department corrected the erroneous transactions and is exploring methods used to document queries in order to ensure that they can be replicated.

Corrective Action Plan: Financial Services staff has been trained on proper documentation methods. Staff has been instructed to document limits used in queries to ensure that they can be replicated.

⁴ 45 OAM 10.15.00.PO

06-12

Oregon Office of Private Health Partnerships

State Children's Health Insurance Program (SCHIP) CFDA 93.767

Eligibility and Allowable Activities (Material Weakness)

Questioned Costs \$6,285

The Office of Private Health Partnerships (department) administers the Family Health Insurance Assistance Program (FHIAP). Through FHIAP, eligible uninsured Oregonians can receive premium subsidies for the purchase of private health insurance. State Children's Insurance Program (SCHIP) funds are used to pay for insurance premium subsidies and costs associated with administering FHIAP.

Federal requirements state that eligibility for SCHIP is to be determined every 12 months; available resources can not exceed \$10,000 and income can not exceed 185 percent of the federal poverty level. In our review of 40 case files, we identified errors in eligibility determinations and subsidy payment calculations. Specifically, we found:

- Income reported on an application was not used by the eligibility worker to calculate eligibility. The amount reported on the application was significantly higher than the amount calculated by the eligibility worker. Based on information from the applicant's case file and discussion with department management, the client was ineligible to receive benefits. Total questioned costs are \$808.
- The department determined an applicant to be eligible even though they had resources in excess of \$10,000 as they had an Individual Retirement Account (IRA). According to Oregon's state plan, IRAs are considered a liquid asset. However, the department's operational protocol does not specifically list IRAs as part of investments and savings. The protocol excludes qualified retirement funds but an IRA does not meet the Internal Revenue Service's definition of a qualified retirement plan. Total questioned costs are \$1,583.
- Subsidy payments were made to cover health insurance for an ineligible person. The family receiving the subsidy requested that a member be removed from coverage because the member was receiving insurance benefits under another program. The department changed its records to indicate the person was not approved, but the department continued to subsidize the monthly insurance premium for the entire family. Total questioned costs are \$1,364.
- Subsidy payments were made to a family that was dual enrolled in FHIAP and the Oregon Health Plan (OHP). OHP is a benefit package, primarily using Medicaid and SCHIP funds. According to state rules, dual enrollment in both FHIAP and OHP is not permitted. The applicant was first enrolled in FHIAP and was appropriately determined to be eligible. During eligibility redetermination the department discovered the dual enrollment. Questioned costs for this sample item total \$2,224.
- An applicant's subsidy reimbursement payment was incorrectly calculated as the result of an input error, resulting in questioned costs of \$306.
- In one instance, a SCHIP subsidy payment was incorrectly recorded as Medicaid expenditures in the accounting system. Currently, department records indicate the

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person was eligible for SCHIP. The department did not document an explanation of what occurred as to why the payment was recorded as Medicaid instead of as SCHIP expenditures.

In total we identified \$6,285 in questioned costs. When projected to the population, questioned costs exceed \$10,000.

We recommend department management implement a quality control or monitoring process over eligibility processes and subsidy payment calculations. We also recommend the department ensure all changes made are clearly documented. Finally, we recommend the department work with the federal government to resolve and correct the errors identified.

AGENCY'S RESPONSE:

We concur with your general findings and agree with your overall recommendation that the agency implement a quality control process over eligibility determination and subsidy payment calculations. An adjustment to the agency's federal funds request will be made to adjust for a federal overpayment of \$2,478 in our next billing to DHS for federal matching funds on February 2007 expenditures.

As part of our response, we would like to take the opportunity to address each of the errors identified above.

- ***Income reported on the application was not used by the eligibility worker to calculate eligibility.***

The agency agrees with this finding. Since the time that the error was made in determining eligibility on this file, the agency has implemented a formal employee training program for new employees, has conducted ongoing training at eligibility staff meetings, and has published a new Procedure Manual that incorporates procedures for each eligibility process, including income calculation. We feel that this training and written documentation for workers should address this concern.

- ***The department determined an applicant to be eligible even though they had resources in excess of \$10,000 as they had an Individual Retirement Account (IRA)***

The agency disagrees with this finding for three reasons.

- 1. The agency believes that eligibility was determined correctly. Eligibility is determined based on period of uninsurance, income, assets, and other criteria. Assets are determined per FHIAP's Oregon Administrative Rule (at the time of application) based on availability on the last day of the month prior to the month the application is signed. In the case in question, the application was signed on April 28, 2005. Bank assets were reviewed for March 29, 2005 (the last day of the month period to the application being signed) and the balance was \$5552. The \$10,000 deposit in question was made on April 11, 2005, after the eligibility determination period.*
- 2. The IRA referenced in this finding was liquidated prior to the client making application to FHIAP. The April 2005 deposit was not related to the IRA.*
- 3. Finally, FHIAP is governed by three primary documents in determining compliance with the federal requirements relevant to our program: the "Oregon 1115 Waiver", "Special*

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Terms & Conditions”, and the “Operational Protocol for Oregon Health Plan 2 Medicaid Demonstration”. The SCHIP State Plan, according to the DHS Title XIX Coordinator, does not govern FHIAP.

In addition, program staff reference Oregon Statutes (ORS 735.700 through ORS 735.714) and Oregon Administrative Rules (OARs 442-005-0000 through 442-005-0350) to assure process and procedure compliance.

Although the issue is not relevant in this specific case, FHIAP would always exclude Individual Retirement Accounts (IRA) based on the Operation Protocol, as well as FHIAP Administrative Rule.

- ***Subsidy payments were made to cover health insurance for an ineligible person***
The agency agrees with this finding. The subsidy reimbursement process in the employer-sponsored insurance market in general is complex. Premium deductions are a function of the employer’s payroll system. In this specific case, Member Accounts Services received a request to terminate a deceased family member and did so in the enrollment system. When the subsidy verification was received, however, the payroll deduction had not yet been modified to reflect the change. The MAS representative inadvertently missed the enrollment change and reimbursed for the full subsidy amount.

FHIAP Member Accounts Services (MAS) is strengthening the program’s quality review process with changes scheduled for implementation by the end of February 2007. In addition, the agency will research the possibility of implementing additional automated controls to further reduce the potential for human error.

- ***Subsidy payments were made to a family that was dual enrolled in FHIAP and the Oregon Health Plan.***
While the agency agrees with this finding, it disagrees with the auditor’s findings that the questioned costs for this sample item (\$2,224) are FHIAP’s responsibility. FHIAP staff followed appropriate protocol to assure that the dual enrollment was not a result of any actions that we took. Further, eligibility staff followed appropriate procedures by notifying the member of the dual enrollment and informing them of the requirement to disenroll from one program.

FHIAP has had quality controls in place for several years to reduce the risk of dual enrollment in these two programs.

1. *OHP records are checked twice before an applicant is enrolled. The Eligibility unit checks for OHP enrollment at the time of eligibility determination, and MAS checks again before the approved applicant is officially enrolled and eligible to receive subsidy.*
 - a. *If, during eligibility determination, a member is identified as having OHP, but they meet all other eligibility criteria, they are approved for FHIAP and sent an “End OHP” form to disenroll from OHP if they want to receive a subsidy.*

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- b. If, during the enrollment process, MAS identifies a member with OHP, the applicant is not enrolled in FHIAP (and therefore not eligible to receive subsidy) and is sent a letter and "End OHP" form notifying them that they must choose which program they want to be in. The applicant is not enrolled until MAS staff can verify that the member has disenrolled from OHP.*
- 2. FHIAP and OHP have worked cooperatively to create a monthly "match report" to catch dual enrollees who might otherwise slip through the cracks. Originally, FHIAP was responsible for this report. Because we have access to OHP online records, the incidence of dual enrollment has been greatly reduced. About a year ago responsibility for running the match report was transferred to OHP. OHP sends FHIAP a weekly list of possible dual-enrolled applicants so that FHIAP can verify enrollment status. If a member is confirmed to be a dual-enrollee, FHIAP notifies OHP. The OHP representative, in turn, closes the member's OHP enrollment and notifies the enrollee of this action. Unless they are OHP Plus-eligible, they are not given an option of which program they want to be in.*

Whichever program enrolls the applicant first is the agency of record, unless otherwise notified by the client. The secondary agency has responsibility for notification to the client and any overpayments related to dual enrollment.

Quality control over program dual enrollment has been strengthened through these processes. FHIAP has had a solid process in place for the last two years when the agency added the double-check at FHIAP enrollment. Within the last year, OHP has begun actively working the match report; OHP-initiated dual enrollments have now been reduced as well.

- ***An applicant's subsidy reimbursement payment was incorrectly calculated as a result of an input error.***

The agency agrees with this finding. FHIAP Member Accounts Services (MAS) is strengthening the program's quality review process with changes scheduled for implementation no later than the end of February 2007. In addition, the agency will research the possibility of implementing additional automated controls to further reduce the potential for human error.

- ***A SCHIP subsidy payment was incorrectly recorded as Medicaid expenditures in the accounting system.***

The agency agrees with this finding. The agency is working with our IT contractor to implement a change log for the database that will log all changes made to the database. The change log will include the date and time of change; the field changed; the data before and after the change; and the ID of the person making the change. We hope to have this automated log programmed and implemented by April 2007. In the meantime, we will continue to research this particular issue to see if there was an error in our funding script, or if data in the database was changed that caused the error. In addition, fiscal staff started random audits of payments on a weekly basis to verify funding codes are correct, beginning in February 2007.

06-13

Oregon Department of Human Services

Temporary Assistance for Needy Families (TANF), CFDA 93.558

Earmarking

Federal requirements state that agencies must submit a complete and accurate financial report, which accurately reflects information in the financial records. For the Temporary Assistance for Needy Families (TANF) program, agencies are allowed to spend up to, but not more than, 15 percent of program expenditures on administrative costs.⁵

While preparing the quarterly federal financial reports, the department monitors and makes adjustments to TANF expenditures to ensure federal and state expenditures do not exceed the 15 percent administrative cost requirement. At the end of the third federal quarter, however, the department had already exceeded the limit with 16.9 percent in administrative costs. At the end of the fourth federal quarter, the department's financial records indicated that actual administrative costs were at 18.6 percent. The department reported that it met the 15 percent earmarking limitation for the federal fiscal year ended September 30, 2006 based upon an adjustment that was not made in the financial records until January 11, 2007. Therefore, when the department filed its September 30, 2006 federal report, recorded actual administrative costs were \$4,452,022 more than the amount on the federal report.

We recommend department management closely monitor, throughout the year, administrative costs to ensure compliance with earmarking requirements. In addition, we recommend adjustments necessary to support the report are made in the financial records at the time the report is submitted to the federal government in order to fully comply with reporting requirements.

AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: Federal regulations limit administrative costs for TANF to 15% of costs. They also require revisions to any fiscal year's data to be completed prior to the end of the next quarter. DHS did make necessary adjustments to the TANF report within the federal reporting requirements. The adjustment to TANF expenditures for the quarter ended September 30, 2006 had an effective date of December 31, 2006 and was made before the accounting month closed. Therefore, the adjustment was reflected in the appropriate reporting quarter.

Corrective Action: The Department will continue to closely monitor administrative costs and ensure adjustments are made in compliance with the federal reporting requirements.

⁵ 45 CFR 263.13, 265.7

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06-14

Oregon Department of Human Services

Temporary Assistance for Needy Families (TANF), CFDA 93.558

Allowable Costs

Questioned Costs \$1,322,652

Federal requirements state that the department may use TANF funds for expenditures that are not in violation of the Office of Management and Budget (OMB) Circular A-87.⁶ The OMB Circular A-87 states that allowable costs must meet the following general criteria: (1) be necessary and reasonable for proper and efficient performance and administration of Federal awards, and (2) be adequately documented.⁷

During our testing of 20 balance transfers that moved expenditures into and out of the TANF program, we found one that was not supported as an allowable TANF cost totaling \$1,322,652. The transaction moved costs allocated to a non-federal grant in the general fund to the TANF program as federal expenditures. The department was unable to provide sufficient documentation to show that these costs should be allocated to the TANF program.

We recommend department management ensure that funding transactions are allowable for federal programs and documented in accordance with OMB Circular A-87.

AGENCY'S RESPONSE:

We disagree that the questioned costs were unallowable, but agree that transactions need to be fully documented.

Discussion: The transaction questioned relates to transfer of administrative costs to the TANF grant. These types of expenditures are allowable costs under OMB Circular A-87. The total administrative costs charged to the TANF grant for federal fiscal year 2005, did not exceed the 15% allowed by federal rule. We agree documentation to support the transaction was not sufficient.

Corrective Action: The Department regularly monitors funding transactions to ensure they are allowable for federal programs. Financial Services staff has been trained on proper documentation methodologies and program and budget approval is required prior to making adjusting entries to federal grants.

⁶ 45 CFR 263.11

⁷ OMB Circular A-87 attachment A – General Principles for determining allowable costs

06-15

Oregon Department of Human Services

Temporary Assistance for Needy Families (TANF), CFDA 93.558

Eligibility

Questioned Costs \$14

To be eligible for Temporary Assistance for Needy Families (TANF) Child Welfare Emergency Assistance, all applicants must have an emergent need as determined by the State. The department's Integrated Information System (IIS) is used to make TANF Child Welfare Emergency Assistance payments; it also interfaces with the department's accounting system, which is used to determine the Federal government's reimbursement for eligible children.

Of the 10 cases we reviewed, one case was miscoded in IIS as TANF eligible when the child did not meet all of the eligibility requirements. The department received federal reimbursement for this transaction in the amount of \$14. When projected to the population, the questioned costs exceeded \$10,000.

We recommend department management correct the identified error in the system. We further recommend that management take steps to ensure eligibility is correctly coded in the system so that federal funds are not charged for ineligible clients.

AGENCY'S RESPONSE:

We agree with this recommendation.

Discussion: This child was determined TANF eligible effective 8/30/04, eligibility should have been closed when the TANF-eligible service was closed effective 1/15/05. Once the error was discovered, the child's eligibility was closed retroactive to 1/15/05.

Corrective Action: DHS has developed a monthly exception report of TANF-eligible children with no TANF-eligible service open. Federal Revenue Specialists review the report and make appropriate adjustments for non-eligible services each month.

06-16

Oregon Department of Human Services

Adoption Assistance, CFDA 93.659

Eligibility (Material Weakness)

Questioned Costs \$212,692

Eligibility for federal adoption assistance (Title IV-E) is originally determined when a child enters substitute care. Coding entered into the department's Integrated Information System (IIS) directs the expenditure to the appropriate funding source for payment. The department's Adoption Recruitment Management System (ARMS) records information such as the child's biological record.

A performance audit conducted by the Audits Division identified 24 adoptions finalized between July 1, 2003, and June 30, 2005, that were incorrectly coded in IIS system as Title IV-

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E eligible, but were ineligible according to the case files maintained by the department. The performance audit team informed department management of the errors in January 2006. During our current fiscal year audit, we reviewed the 24 cases and confirmed that they were improperly coded and should not be funded with federal funds.

The total amount billed to the federal government for the 24 cases from the first payment through June 30, 2006 was \$212,692. As of December 31, 2006, the department had not corrected the coding errors and was still billing the federal government for the ineligible cases.

We recommend department management correct the above 24 cases and work with the federal government to resolve the financial ramifications of these errors. In addition, we recommend the department review coding entries in IIS to verify the correct code is entered and ensure the department is not inappropriately billing the Federal government for ineligible clients.

AGENCY'S RESPONSE:

We agree with this recommendation for 23 of the 24 cases.

Discussion: DHS agrees with this finding for 23 of the 24 identified cases and these cases have been corrected. We do not agree that the remaining one case listed was an error. This case was coded accurately as SSI eligible until the adoption was finalized and was then coded Title IV-E eligible for Adoption Assistance. This is the correct sequence of eligibility in this situation.

Corrective Action: In January 2006, the Adoptions Unit instituted a review system where every Adoption Assistance case opened experiences a second check for IV-E eligibility, and to confirm the appropriate coding was used for both IIS (payment system) and ARMS (information system)

06-17
Oregon Department of Human Services
Adoption Assistance, CFDA 93.659
Eligibility
Questioned Costs \$14,355

In order to receive federal adoption assistance (Title IV-E), children must meet the eligibility requirements of the Social Security Act⁸. In part, eligibility is based upon the family's monthly earned income for the month the child entered substitute care.

Out of a sample of 40 Title IV-E transactions, we found one case that was inappropriately determined eligible. Eligibility was based on half of the family's monthly income and was not reassessed when the complete income information was added to the client's file. At the time the determination was made, there was evidence in the department's Client Maintenance System that the amount reported by the family was not complete and that actual income exceeded the eligibility "need standard" threshold.

⁸ Section 473 (2)(a)

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The department has received federal reimbursement for this case since February 2003. The total questioned costs from then through December 2006 is \$14,355.

We recommend department management correct this case in the system so that the appropriate funding source is used for assistance payments and return any disallowed costs to the federal government. We further recommend the department use all available information when determining eligibility and follow the eligibility guidelines established by the federal government.

AGENCY'S RESPONSE:

We disagree with this finding.

Discussion: DHS accepts parent self-declaration of the actual month's income that the case was open to determine Title IV-E eligibility. Title IV-E eligibility is not based on estimated income that may be for another program. In this instance, the documentation referenced was an estimation of income appropriately used to determine eligibility for the Food Stamp program. According to our policy and procedures the appropriate information was used to determine Title IV-E eligibility.

Corrective Action: None

06-18

Oregon Department of Human Services

Adoption Assistance, CFDA 93.659

Eligibility (Material Weakness)

Questioned Costs \$2,765

Eligibility for federal adoption assistance is based on a variety of factors that are present at the time the child enters substitute care. These factors are documented with an eligibility determination worksheet and appropriate support. Examples of support that should be included are: documentary evidence of judicial language on court orders, countable family or child income and benefits, family or child resources, and determination of any special needs that should be considered in caring for the child. According to the department's retention schedule, these documents and records should be maintained for 25 years after the case is closed.

We reviewed 40 Title IV-E Adoption Assistance transactions and related case files. Nine case files lacked sufficient documentation for determining eligibility and one lacked sufficient documentation to determine if the monthly subsidy payment was appropriately based on the child's special needs. We are questioning costs in the amount of \$2,765 for these transactions. When projected to the population, the questioned costs exceed \$10,000.

We recommend department management retain all supporting documentation used for making eligibility determinations and for determining the monthly subsidy payment amount, in accordance with its retention schedule.

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AGENCY'S RESPONSE:

We agree with this recommendation.

Corrective Action: DHS will review the cases identified and will make any necessary corrections to eligibility coding and federal reimbursement. In addition, DHS will review documentation procedures to ensure that all supporting documentation used for making eligibility determinations, and for determining the monthly subsidy payment amount, are retained in the AA case file.

U.S. DEPARTMENT OF LABOR

06-19

Oregon Department of Community Colleges and Workforce Development
Workforce Investment Act Cluster
Questioned Costs \$171

In reviewing a sample of 14 direct expenditures, not including department payroll expenses, we found one instance in which an employee was provided with five days of meal and lodging per diems while the actual travel was for only four days. The employee was actually paid twice for the same day on travel status. OMB Circular A-133 requires that federal funds only be used for allowable activities. The overpayments resulted in questioned costs of \$171. When projected to the total direct expenditures by the department, excluding payroll, the projected questioned costs were greater than \$10,000.

We recommend the department take the necessary steps to recover the questioned travel reimbursements. We also recommend the department ensure that all expenditures are adequately reviewed.

AGENCY'S RESPONSE:

We agree with the finding. We will initiate steps to collect the overpayment amount from the individual and reimburse the WIA grant funds. Also, we have hired a new accounts payable accountant and have established additional internal control procedures that should act as additional safeguards to ensure that travel expense reimbursement amounts are correct.

06-20

Oregon Department of Community Colleges and Workforce Development
Workforce Investment Act Cluster
Unsupported Cost Allocation Plan

In administering multiple federal and state programs, the department regularly purchases goods to benefit multiple programs, such as paper, office supplies and printers. The OMB Circular A-133 Compliance Supplement states that it is allowable to use federal funds for a portion of those purchases, as long as a reasonable basis is used to allocate costs. During our audit, we identified three of 14 transactions using federal funds that were allocated among different federal and state programs. However, the department had not documented its basis for allocating the costs and the department was not able to recalculate or verify the accuracy of the rates actually used for

allocating the costs. Subsequent to our audit period, the department implemented a written cost allocation plan.

We recommend the department ensure it maintains adequate documentation to support its methodology and calculations for allocating costs and expenditures among different federal and state programs.

AGENCY'S RESPONSE:

We agree with the finding. We have begun to document both the methodology and calculation procedures for determining the percentage rates used in allocating certain service and supplies expenditures. This methodology will include procedures for periodic recalculation of the rates.

06-21

Oregon Department of Community Colleges and Workforce Development

Workforce Investment Act Cluster

Cash Management

For the Workforce Investment Act, federal funds are provided on a reimbursement basis after the expenditures are made. The same basis is used whether the department spends the money directly, or if the subrecipients of the program make the expenditures on behalf of the program. During our testing, we reviewed 22 requests for reimbursement by subrecipients. In two of the requests we noted mathematical and/or formula errors in the forms submitted by the subrecipients that resulted in reimbursement requests exceeding expenditures by \$151,705 and \$50,000. The errors were not detected by the department during its review of the subrecipient documentation. As a result, the department requested more in federal funds than was necessary and appropriate.

We recommend the department thoroughly review the requests for federal funds and ensure that requests for federal funds are adequately supported, and the requests agree to expenditures already made.

AGENCY'S RESPONSE:

We agree with the finding. Department Policy Number 589-10.4 titled, "Cash Management & Cash draw Procedures" addresses this issue and requires the Local Workforce Investment Area fiscal agents and state sub recipients to draw down cash funds in an amount to meet current immediate cash needs in order to minimize the time elapsing between receipt of WIA funds and disbursement in order to maintain a minimum cash balance. Proper cash management procedures for minimizing cash on hand are normally tested on an annual basis as part of both the Circular A-133 audit and the department's monitoring visit.

The department's new automated draw system allows for overall analytical review including amounts and frequency of cash draws. We will review and follow-up on any unusual trends as well as selecting a sample of cash draws to compare against actual expenditures incurred prior to our monitoring visits.

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U.S. ENVIRONMENTAL PROTECTION AGENCY

06-22

Oregon Department of Environmental Quality

Capitalization Grants for Clean Water State Revolving Funds, CFDA 66.458

Untimely Loan Payments

The Clean Water State Revolving Fund (CWSRF) Loan Program provides loans to public agencies for the planning, design and construction of various water pollution control activities. Federal regulations require that annual repayment of principal and interest for these loans begin not later than one year after the projects are completed. We reviewed documentation for 17 projects for which initial loan principal and interest payments should have been received by July 2006. Of the 17 projects reviewed, six of the project's initial principal payments were received later than one year after project completion. For three of these six projects, the recipient did submit an interest only payment within one year of the project completion.

We recommend department management ensure payments of loan principal and interest for CWSRF loans begin not later than one year after project completion.

AGENCY'S RESPONSE:

Federal regulation (see CFR 35.3120(a)(1)(ii)) requires that repayments of principal and interest on CWSRF loans must begin not later than one year after project completion. The audit has revealed instances where we did not comply with this requirement, and we must agree with this finding. Whereas, in some cases, a repayment of interest was received, both principal and interest were not collected within one year of project completion.

There are two parts of this issue to discuss: 1) substantiation of the completion date (known in our program as the Initiation of Operations date), and 2) follow-up to ensure timely payment. Generally our loan program will receive an official notification from the borrower that a project is substantially complete, in the form of a letter signed by an official of the borrower, and that date is considered to be the Initiation of Operations date, unless deemed unreasonable by the DEQ regional project officer responsible for that project. In some cases, particularly when we have loaned money for a borrower to complete a facilities planning project, we have not received such documentation of a completion date, and in some cases we do not have documentation on file to support the Initiation of Operations date we have used. It is our responsibility to ensure that each project have a reasonable completion date, supported by documentation from the borrower (or borrower's consulting engineer), and it is our intent to accomplish that.

The second component (ensuring timely payment) is tied to the completion date and DEQ must be diligent in recording and monitoring those dates to ensure repayment begins (and ends) in accordance with the federal requirement.

As a corrective action, a tracking system should be established that will easily allow the Headquarters employee to document milestones during the life of a project, including loan date, project start date, project completion and date of first loan repayment. Use of such a system,

which could be as simple as an Excel spreadsheet, will aid in making sure of our compliance with the federal “one year” requirement.

06-23

Oregon Department of Environmental Quality

Capitalization Grants for Clean Water State Revolving Funds, CFDA 66.458

Lack of Public Notice Documentation

Federal regulations indicate that environmental reviews should include notice to the public of proposed projects, the opportunity to comment on project alternatives, and the opportunity to examine environmental review documents. Clean Water State Revolving Fund (CWSRF) project applicants are usually required to prepare an environmental review before a loan can be issued. The extent of the environmental review depends on the nature of the project, and is not always required. If an environmental review is required, the loan applicant must notify the public of the project. We found the department does not have adequate documentation of public notice and review opportunities. Of the six projects reviewed that required subrecipients to provide public notice, five projects did not contain adequate documentation.

In addition, CWSRF loan applicants must also prepare a series of exhibits with the applications, including a project-planning document, which may consist of a full wastewater facilities plan, feasibility study or predesign report. The operating agreement between the department and the Environmental Protection Agency require that project documents be kept in a project file maintained by the department. We reviewed 11 new 2006 loans for evidence of a project-planning document and found one instance in which the department was unable to locate the necessary documentation.

We recommend department management ensure required environmental review procedures, including notice to the public of proposed projects, are followed. Additionally, management should ensure that all necessary documentation is retained in project files for the duration of the loan process.

AGENCY’S RESPONSE:

DEQ agrees with this finding.

Our lack of documentation of the program’s public involvement was noted by EPA Region 10 during that agency’s most recent program review. We have reviewed our procedures for both noticing the public of these projects and the documentation of those efforts and have developed an internal checklist that will ensure this documentation is completed and filed appropriately in the future.

Additionally to ensure that all required exhibits associated with each project are maintained within the project files, a second checklist was developed that identifies the current content of project files.

These checklists, supporting both the documenting of our public involvement and our project file structure, were initiated in mid-February 2007.

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Section IV – Schedule of Prior Financial Statement Findings for the Years Ended June 30, 2005 and 2004

This section includes the current status reported by the department of all financial audit findings from fiscal year ended June 30, 2005. It also includes the current status reported by the department of all financial audit findings from fiscal year ended June 30, 2004 that were uncorrected at June 30, 2005.

Finding 05-1: Budget Law Violations (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) management should use sound budgeting and accounting practices when managing cash flow emergencies and comply with rather than circumvent budgetary controls.

Status: Corrective action was taken.

Finding 05-2: Internal Control Weaknesses – Control Environment (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) executive management should continue to take the necessary steps to implement and enforce proper internal controls and project the appropriate tone toward controls in the department. The department should also involve all levels of management to achieve the necessary improvements.

Status: Corrective action was taken.
See current year finding 06-4.

Finding 05-3: Incomplete, Inaccurate Cash Reconciliations (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) management should ensure all cash account reconciliations are assigned and performed regularly. Management should conduct a timely review of reconciliations to ensure they are performed accurately and contain adequate supporting documentation.

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Status:	Partial corrective action was taken. We have assigned two additional staff to assist with the reconciliation backlog. We continue to have issues getting reconciliation reports out of our legacy interface system. We are continuing to work at standardizing our reconciliation formats and reconciliation staff have attended a reconciliation training provided by DAS SCD. <i>See current year finding 06-3.</i>
Finding 05-4:	Lack of Proper Revenue Accruals (Material Weakness)
Recommendation:	The Oregon Department of Human Services (department) management should establish controls to ensure revenue is recorded in the proper period. In addition, management should ensure personnel receive the appropriate training and guidance to accurately perform the duties assigned to them.
Status:	Partial corrective action was taken. As part of the Operations Review Team recommendations the Working Capital Committee is gathering information on revenue accruals and recommending methodologies to improve our cash flow management. <i>See current year finding 06-1.</i>
Finding 05-5:	Weak Controls Over Cash Receipting
Recommendation:	The Oregon Department of Human Services (department) management should follow the policies and procedures outlined in the Oregon Accounting Manual for receipting cash.
Status:	Corrective action was taken.
Finding 05-6:	Unclaimed Property System Does Not Reconcile to SFMA
Recommendation:	The Oregon Department of State Lands (department) management should research and correct errors within UPS and SFMA so the underlying detailed data fully supports the financial accounting information reported by the department. Once this recommendation is implemented, the department management should proceed by performing regular reconciliations between UPS and SFMA to identify and correct errors in a timely manner.
Status:	Partial corrective action was taken. The Department has worked with the software provider and identified eight major issues resulting from conversions that require creation of program utilities that will function to clean up multiple

State of Oregon
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data errors. The development of the utilities is in progress. The programmer has implemented one report that provides data pertinent to the project and will be central in future reconciliations. Additional reports are being identified and developed as the project moves forward. The Unclaimed Property program manager and key employees are conducting manual reconciliations beginning with fiscal year 2006 and working back by fiscal year. The completion date has been adjusted to December 31, 2006.
See current year finding 06-6.

Finding 05-7: Inadequate Control Over Personal Member Information

Recommendation: The Oregon Public Employees Retirement System (department) should:

- Discontinue the use of production data for test and development purposes and document in formal policy.
- Create test data to use in test and development regions.
- Actively identify and remove all confidential medical information that has been posted to the archival imaging system.
- Review and modify archival procedures to ensure that confidential medical information is not made available to persons not needing access.

Status: Partial corrective action was taken.

Recommendations 1 and 2:

Since these finding were reported, the agency has done extensive analysis to determine the extent to which the use of production data can be eliminated during the testing and development phases of the RIMS Conversion Project (RCP). This project is a major, multi-year agency effort to convert the existing pension administration system (Retirement Information Management System “RIMS”) and supporting offline systems to a new pension administration system (Oregon Retirement Information Online Network “ORION”). The project utilizes a phased-in approach so that functionality is transferred from RIMS to ORION incrementally and additional functionality is added through a content management system and workflow engine throughout the duration of the project. As such, agency staff are required to use multiple systems which share data and functionality throughout the conversion project.

The linking of these systems and the coordination of the interfaces between them is a critical component during the RCP. The complexities of the retirement plan and the diversity of the member population require that all potential member scenarios be included in the development and testing of the new system in order to reduce

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risk and improve system quality at the time each new phase is implemented. To implement fully the Secretary of State's recommendation would require the elimination of actual data in the development and test regions of all affected systems and to use a limited set of fictitious data for development and testing. One potential consequence of this approach is not being able to test system modules adequately due to an insufficient population of 'real life' data scenarios. Agency experience has shown that – out of a population of over 300,000 active, inactive and retired members – varying and unique data interactions can produce unexpected and adverse results if not identified and tested early in the system development lifecycle. The agency has determined that significantly limiting the number of test scenarios may add unwarranted risk to agency systems.

An alternative approach is to 'scramble' the existing data in such a way as to remove personally identifying information. For example, fictitious social security number can be used along with fake names and addresses while keeping the rest of the data intact. When this scrambling routine is applied to the entire database, the result is a set of data that maintains the characteristics of the original data which are needed for appropriate testing but that is not personally identifiable to any particular individuals.

In order to accomplish the desired result, PERS would need to develop computer programs and algorithms to scramble and maintain personal information in the affected systems. This would allow the agency to preserve the confidentiality of the data as well as maintain the attributes and characteristics of the production data so that proper development and testing can occur. However, this approach requires a large project in itself. The agency has determined that to implement this plan across all systems would require an initial investment of approximately \$850,000 (about 8,000 person hours of work effort) to create the scrambled data environments in RIMS. A similar scrambling routine for ORION would cost an additional \$125,000. The ongoing costs to maintain these environments, and the integration between them, would cost approximately \$500,000 over a three-year period (the expected remaining lifetime of RIMS).

Practically speaking, this approach would, in fact, slow the RCP down considerably and put the project at risk in terms of timelines, budget and quality. The agency has determined that since the expected lifetime of RIMS is approximately three years, the value of proceeding with this approach is not economically justifiable.

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The agency is exploring an alternative approach to fulfill the objective of the Secretary of State's recommendations. PERS is developing a plan to create the desired fictitious data environments in the development and business functional testing (BFT) areas of the new system (ORION). However, the User Acceptance Testing (UAT) regions and RIMS would still contain actual data. This approach would significantly lessen the agency's exposure to potential fraud and identity theft by eliminating access to actual data by external developers on the new system. Business users, who would otherwise have access to the same data in the production environment, are the primary users of the UAT and RIMS environments and would pose no additional threat to information security. Also, since ORION is the system of the future, the fictitious data environment would be in place for future maintenance and enhancement activities during and after RCP.

In addition, the agency has strengthened, and is continuing to enhance, its policies and procedures concerning access to and use of actual data in ALL environments. The agency has recently implemented a data classification policy that requires staff and contractors to treat data and information in accordance with the data's level of security. Furthermore, all contractors are required to read and sign a Confidentiality Agreement outlining the appropriate use of data while they are at PERS.

The Information Services division is also implementing specific procedures that agency developers must follow when working with production systems and data. Programming staff will have limited access to production data and will require case-by-case management authorization to perform emergency support functions in the production environment.

Summary – Since RIMS is being decommissioned, the agency believes it does not make good business sense to incur the costs of creating the fictitious data environments for RIMS at this time. However, since ORION is the system of the future, the agency will create the appropriate data scrambling procedures in an upcoming maintenance release. The agency will also create additional control points and time boxes to monitor access to actual data on the RIMS system by developers and testers. These procedures are currently being developed and will be fully completed and implemented by November 2006.

The agency thinks that this blended approach to addressing this issue is the most effective and efficient alternative.

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Recommendations 3 and 4:

Documents are coded in the archival system to grant access to medical information only on an as-needed basis. This approach enables the agency to achieve the efficiencies that electronic document processing allows and also ensures that member privacy is maintained. Access to documents that contain sensitive medical information is granted only to staff requiring such access to perform their duties.

Finding 04-3: Cash Reconciliations (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) management should ensure suspense account reconciliations are regularly and accurately performed. In addition, they should ensure that those reconciliations are reviewed and adjusting entries made to correct errors identified during reconciliation.

Status: Partial corrective action was taken.
We have assigned two additional staff to assist with the reconciliation backlog. We continue to have issues getting reconciliation reports out of our legacy interface system. We are continuing to work at standardizing our reconciliation formats and reconciliation staff have attended a reconciliation training provided by DAS SCD.
See also finding 05-3.

Finding 04-4: Segregation of Duties

Recommendation: The Oregon Department of Human Services (department) should develop and implement policies and procedures to provide for segregation of duties over cash receipts, ensure adequate documentation of cash receipts is created, and ensure that cash is reconciled to that documentation.

Status: Corrective action was taken.

Finding 04-5: Reconciling Items Not Cleared Timely

Recommendation: The Public Employees Retirement System (department) management should prioritize the correction of the RIMS clearing account reconciling items.

Status: Partial corrective action was taken.
One of the three clearing accounts included in the finding, the retirement clearing account, represents the majority of the unreconciled balance reported (approximately \$230 million of \$249

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million (92 percent)) as of June 30, 2006. Additionally, most of the reconciling items in this account were created between 2002 and 2004.

Two significant legal opinions involving retirement transactions from April 2000 to date were issued by the Oregon Supreme Court in 2005. These cases were Strunk v. PERS and City of Eugene v. PERS. As a result of these opinions and associated legal actions, the department must adjust all retirement calculations completed from April 2000 to January 2006. As part of that process, the transactions that generated the reconciling items in the retirement clearing account will be recalculated and the associated reconciling items will be eliminated.

Finding 04-12: Internal Controls Over Accounts Receivable

Recommendation: The Oregon Department of Forestry (department) should

1. Develop and implement clear, written, top management supported internal procedures governing accounts receivable that include:
 - a. Management review of invoice preparation to better identify and correct errors timely.
 - b. Follow up procedures when revenue is not received timely or when adjustments are needed to invoices.
 - c. Ensure outstanding receivables are reviewed for uncollectibility and are written off, if applicable.
2. Provide training for personnel for the timely collection of past due amounts.

Status: Partial corrective action was taken.
The actions taken included: drafted directives (internal policies) that pertain to accounting for revenues, receivables, and collections.

The actions in process include: updating the administrative manual (internal procedures) on revenue, receivables and collections; and implementing new directives (internal policies).

Finding 04-13: Next Day Deposit Testing

Recommendation: Oregon Department of Forestry (department) management should ensure all department offices are in compliance with the state statute and any exemption filed.

Status: Corrective action was taken.

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Finding 04-14: Inappropriate Use of State Funds

Recommendation: The Oregon Department of Forestry (department) should ensure state funds are spent for appropriate uses by:

1. Aligning the department relocation policy with the dollar amounts allowed in state policy.
2. Documenting how employees' moving expenses paid by the department are normal and reasonable.
3. Considering voluntary employee contributions for retirement parties, decorations, and gifts.

Status: Corrective action was taken.

Finding 04-15: Improve Infrastructure Valuation

Recommendation: The Oregon Department of Transportation (department) should document a detailed methodology for both bridges and highways and maintain original data and spreadsheets used to derive costs of highways and bridges. The detailed methodology should identify the data fields, the specific computer systems they were obtained from, how they were calculated, and any limitations applied.

The department Financial Services and Highway Finance Office should work together to reevaluate and document which project codes should be capitalized and which should be expensed. In addition, the department should account for the highway system in accordance with GASB.

Also the department should review the projects identified as "complete" to ensure construction has actually been completed before the project is capitalized and ensure the associated historical cost for capitalized reconstruction projects is appropriately removed.

The department should develop a workgroup to reevaluate the accumulated depreciation value now that actual data is being gathered to ensure the accumulated depreciation amount recorded in the accounting records is reasonable and develop a methodology for reassessing the useful life in future years.

Status: Partial corrective action was taken.
Corrective action has been completed on the first three recommendations. In response to the fourth recommendation, representatives from DAS State Controller's division and the department met to discuss the estimated useful life of the State Highway System. Based on the discussion and surveys with other

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state transportation departments, the committee found no compelling reason to change the estimated useful life of the State Highway System. The current composite estimated useful life is well within engineering standards for highways in all of Oregon and the rest of the United States. The department will continue to use the pavement surface as the basis for determining the estimated useful life. The department reviewed the useful life of the state highway system at a high level for reasonableness. The department is still evaluating the methodology for reassessing the useful life to ensure current year activity is being recorded completely and accurately and also to ensure the rate of depreciation on the state highway system is reasonable in future years.

See current year finding 06-7.

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Section V – Schedule of Prior Federal Awards Findings and Questioned Costs for the Years Ended June 30, 2005 and 2004

This section includes the current status reported by the department of all federal audit findings from fiscal year ended June 30, 2005. It also includes the current status reported by the department of all federal audit findings from fiscal year ended June 30, 2004 that were uncorrected at June 30, 2005.

Finding 05-8: **Refugee and Entrant Assistance – State Administered Programs, CFDA 93.566**
Procurement, Suspension, and Debarment (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) should include a step in their contracting practices to ensure contracting parties are not listed on the suspended or debarment list.

Status: Corrective action was taken.

Finding 05-9: **Refugee and Entrant Assistance – State Administered Programs, CFDA 93.566**
Cash Management

Recommendation: The Oregon Department of Human Services (department) should reconcile expenditures and draws on a monthly basis to ensure future draws do not exceed expenditures.

Status: Corrective action was taken.

Finding 05-10: **Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283**
Procurement, Suspension, Debarment (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) should include a step in their contracting practices to ensure contracting parties are not listed on the suspended or debarment list.

Status: Corrective action was taken.

Finding 05-11: **Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283**
Inadequate Supporting Documentation for Payroll Costs (Material Weakness)
Questioned Costs Total \$5,702,704

Recommendation: The Oregon Department of Human Services (department) should continue to fully implement the process to ensure that certifications

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are generated and signed by employees in a timely manner. The department should ensure that all employees' time sheets or lock in reports are maintained by the appropriate supervisor or devise a process for the system to provide this information when requested.

Status: Corrective action was taken.

Finding 05-12: **Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283**
Subrecipient Monitoring

Recommendation: The Oregon Department of Human Services (department) should allocate more resources to fulfill its responsibility to monitor subrecipients. The department should consider taking a risk-based approach in scheduling monitoring of subrecipients.

Status: Corrective action was taken.

Finding 05-13: **Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283**
Reports Not Filed Timely

Recommendation: The Oregon Department of Human Services (department) should liquidate its obligations within an amount of time that will allow the department to timely file financial status reports.

Status: Corrective action was taken.

Finding 05-14: **Aging Cluster**
On-site Subrecipient Reviews Not Performed
(Material Weakness)

Recommendation: The Oregon Department of Human Services (department) should allocate more resources to fulfill its responsibility to monitor subrecipients. The department should consider taking a risk-based approach in scheduling monitoring of subrecipients, and should consider monitoring some subrecipients annually.

Status: Partial corrective action was taken.
Program standards have been finalized and/or updated and the Monitoring tools have been adopted. A schedule of the first year of sub-recipient monitoring has been established and will begin in August 2006. Full implementation of the corrective action is anticipated by January 31, 2007.
See current year finding 06-8.

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Finding 05-15: Medicaid Cluster
Cash Management

Recommendation: The Oregon Department of Human Services (department) management should follow the CMIA agreement and minimize the time between the drawing down of Federal funds and the disbursement of such funds for Federal program purposes.

Status: Corrective action was taken.

Finding 05-16: Low Income Home Energy Assistance Program, CFDA 93.568
Non-compliance with Subrecipient Monitoring Provisions

Recommendation: The Oregon Housing and Community Services Department (department) should comply with its LIHEAP plan and devote sufficient resources to fulfill its subrecipient monitoring responsibilities.

Status: Partial corrective action was taken.
OHCS hired a fiscal monitor who later resigned. The responsibilities of the position are currently being filled by a part-time temporary employee. The Department is evaluating the classification of the position prior to recruitment.

In addition, the Program Monitor continues to conduct on-site monitoring visits. As of August 31, 2006 OHCS has performed on-site monitoring at 9 of the remaining 18 subrecipients. On-site visits for 7 other subrecipients have been scheduled for September through November 2006. OHCS is in the process of scheduling an on-site visit for the 2 remaining subrecipients.

OHCS recognizes the importance of timely monitoring of all subrecipients, however, we believe a risk-based approach would be a more effective methodology for subrecipient monitoring as opposed to required annual visits. OHCS has revised its MGA for the current biennium to remove the requirement for annual on-site visits in order to analyze the most efficient and effective approach for subrecipients monitoring.

As part of its 2005-07 Strategic Plan, OHCS is reviewing, reassessing, and redeveloping its current grant administration process for subrecipients of anti-poverty programs. The department anticipates completing the entire process by June 30, 2007. In the meantime, OHCS staff will continue to monitor all subrecipients in a timely manner to ensure compliance with fiscal and program requirements.

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Finding 05-17: Food Stamp Cluster Eligibility

Recommendation: The Oregon Department of Human Services (department) should emphasize the importance of adherence to the department's policies regarding eligibility determination.

Status: Corrective action was taken.

Finding 05-18: Highway Planning and Construction Program, CFDA 20.205 Inadequate Documentation of Subrecipient Monitoring

Recommendation: The Oregon Department of Transportation (department) should maintain sufficient documentation of its subrecipient monitoring activities for the Federal Highway Planning and Construction Program. The documentation should be complete and accessible to department management and auditors.

Status: Corrective action was taken.

Finding 05-19: Subrecipient Monitoring

Recommendation: The Oregon Department of Education (department) should:

- Review the subrecipient audit reports in a timely manner.
- Identify and document when material differences exist between the state's SEFA and the subrecipients' audit reports and determine the cause for the differences by communicating with the subrecipient and other state agencies as to the reasons for the discrepancies.
- Notify the subrecipients upon completion of the review of their audit reports and include any issues or concerns identified.

Status: Corrective action was taken.

Findings 04-17: Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283 Subrecipient Monitoring (Material Weakness)

Recommendation: The Oregon Department of Human Services (department) allocate more resources to fulfill its responsibility to monitor subrecipients. The department should consider taking a risk-based approach in scheduling monitoring of subrecipients. In particular, the department should consider monitoring some subrecipients annually.

Status: Corrective action was taken.

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Finding 04-19:	Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283 Reports Not Filed Timely
Recommendation:	The Oregon Department of Human Services (department) should liquidate its obligations within an amount of time that will allow the department to timely file financial status reports.
Status:	Correction action was taken.
Finding 04-20:	Temporary Assistance for Needy Families (TANF), CFDA 93.558 and Medicaid Cluster Cash Management
Recommendation:	The Oregon Department of Human Services (department) management should develop and implement procedures or methods for documenting its daily draw process to ensure that supporting records are readily available, fully documented, and verifiable for compliance purposes.
Status:	Corrective action was taken.
Finding 04-21:	Medicaid Cluster Calculation of Interest Obligation for Cash Management
Recommended:	The Oregon Department of Human Services (department) management should develop and implement policies and procedures to ensure compliance with documentation requirements for cash management of federal programs. The department's records should be readily available and verifiable for compliance purposes.
Status:	Corrective action was taken.
Finding 04-22:	Medicaid Cluster Medicaid Reporting
Recommendation:	The Oregon Department of Human Services (department) management should implement procedures to appropriately report Medicaid expenditures and to ensure that CMS-64 quarterly reports are submitted to the Federal agency within 30 days of the end of each quarter as required by federal regulations.
Status:	Partial corrective action was taken. DHS formed a work team to map the current federal reporting process (CMS-64, 37, 21, 21B). We made some staff changes and are developing standardized queries to make the production of the CMS reports more efficient, effective, and timely. The team focus

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was to first ensure the quality of the information and then improve the timeliness. After July 2006, the timeliness and quality of the reports have improved.

Findings 04-24: **Temporary Assistance for Needy Families (TANF), CFDA 93.558**
State Maintenance of Effort (MOE) Requirements
Inaccurate Financial Reporting for Federal Fiscal Year 2003

Recommendation: The Oregon Department of Human Services (department) management should ensure compliance with state MOE requirements and ensure federal financial reports are fully supported by its financial system. We also recommend the department ensure that the approximate \$2.7 million shortfall, not adjusted in April 2004, is resolved using state originated funds.

Status: Corrective action was taken.

Finding 04-25: **Temporary Assistance for Needy Families (TANF), CFDA 93.558**
State Maintenance of Effort (MOE) Requirements
Inaccurate Financial Reporting for Federal Fiscal Year 2004

Recommendation: The Oregon Department of Human Services (department) management should ensure compliance with state MOE requirements and ensure federal financial reports are fully supported by its financial system. We also recommend that the department ensure that the MOE shortfall of approximately \$15.6 million is resolved using state originated funds.

Status: Corrective action was taken.

Finding 04-31: **Statewide Central Service Cost Allocation Plan**
Costs Not Assigned Consistently to Agencies

Recommendation: The Oregon Department of Administrative Services (department) should revise the biennial allocation process to conform to the cost allocation plan and determine the amounts billed at the agency level in order for all agencies to be treated on a consistent basis.

Status: Corrective action was taken.

**SUMMARIES OF SIGNIFICANT AUDIT REPORTS ISSUED BY THE
OREGON SECRETARY OF STATE AUDITS DIVISION**

REPORT TITLE AND NUMBER	Department of Human Services: Medicaid In-Home Care Payments Review; Report #2006-15
REPORT DATE	May 22, 2006
RESULTS IN BRIEF	<p>Although we did not find extensive problems, our review indicated that in some instances in-home care providers did not provide the services for which they were paid. Specifically, we found 31 providers who did not meet the department's availability expectations or had outside employment so extensive it was unlikely they could have provided the in-home care for which they were paid; 10 providers who continued to receive payments after clients transferred to another care setting; and 1 provider who received duplicate payments.</p> <p>In addition, we found 18 clients who were given too many care hours for self-management tasks. When we reviewed a sample of vouchers, which were essentially the only evidence for in-home care service hours billed and paid, we also found 45 clients whose voucher dates or signatures were questionable.</p> <p>Finally, while reviewing records associated with a sample of clients' service plans, we found 68 clients whose records had no narrative to explain increases in hours or the consideration of natural supports. We were not able to determine from field office records what portion of the \$476,245 paid to the 31 providers with extensive outside employment was for services not actually rendered. However, we found that the combined dollar impact of the cases when providers received payments after their clients transferred to another care setting, the provider who received duplicate payments, and the in-home care hours that were incorrectly calculated was \$104,348.</p>
REPORT TITLE AND NUMBER	Oregon Department of Aviation: Expenditure Audit Fiscal Year 2006; Report #2006-18
REPORT DATE	August 21, 2006
RESULTS IN BRIEF	<p>We found the department's internal controls over payroll and small purchase order transaction (SPOTS)</p>

expenditures to be in place and functioning as intended. The department had resolved 10 of 11 previously issued findings. The department, however, did not follow state records retention rules and violated state contracting laws in relation to at least \$1,166,027 in contract payments during fiscal year 2005. Consequently, we question whether the department received goods and services at a fair and reasonable price.

REPORT TITLE AND NUMBER	Oregon Department of Administrative Services: Computing and Networking Infrastructure Consolidation (CNIC) Risk Assessment; Report #2006-33
REPORT DATE	September 5, 2006
RESULTS IN BRIEF	<p>The Department of Administrative Services is responsible for providing centralized services to state agencies. In July 2004, the governor accepted the department's proposal to consolidate 12 of the state's major data processing centers. The majority of funding for the resulting Computing and Networking Infrastructure Consolidation (CNIC) project was authorized by the 2005 legislature. The total anticipated cost of the project was approximately \$63.6 million. The purpose of this audit was to provide an interim evaluation of the department's CNIC project. Our primary audit objectives were to determine whether the department planned and managed the CNIC project to ensure its overall success.</p> <p>During our review we identified several significant weaknesses in the department's project planning and management processes that adversely affected the integrity and viability of the CNIC project. One item was the following:</p> <ul style="list-style-type: none">• Accounting and compliance issues may result in loss of federal support and/or misstatements in the financial records.

ABOUT THE SECRETARY OF STATE AUDITS DIVISION

The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

Directory of Key Officials

Director	Charles A. Hibner, CPA
Deputy Director	William K. Garber, MPA, CGFM
Deputy Director	Mary E. Wenger, CPA

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The courtesies and cooperation extended by officials and employees of the [Agency] during the course of this audit were commendable and sincerely appreciated.

