
Secretary of State

State of Oregon

STATEWIDE SINGLE AUDIT REPORT

For the Year Ended June 30, 2005



Audits Division

Secretary of State

State of Oregon

STATEWIDE SINGLE AUDIT REPORT

For the Year Ended June 30, 2005



Audits Division



Auditing for a Better Oregon

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, 2005 and is required for the State to continue receiving federal financial assistance which, as shown in this report, totals approximately \$6.1 billion.

As required by the Single Audit Act, we issued a report dated December 20, 2005, 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, 2005.

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, 2005.
- *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 ending June 30, 2005, 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 12 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, 2004. In addition, it lists the status of prior year audit findings for the fiscal year ended June 30, 2003, 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, 2005. Management's responses and planned corrective actions are included in this schedule.

OREGON AUDITS DIVISION

A handwritten signature in black ink, appearing to read "Charles A. Hibner". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Charles A. Hibner, CPA
Director

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Auditing for a Better Oregon

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, 2005, which collectively comprise the State of Oregon's basic financial statements and have issued our report thereon dated December 20, 2005. 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 05-1 through 05-7.

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 05-1 through 05-4 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". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Bill Bradbury
Secretary of State

December 20, 2005



Auditing for a Better Oregon

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, 2005. 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:

- 10.558 Child and Adult Care Food Program
- 12.401 National Guard Military Operations and Maintenance Projects
- 93.283 Centers for Disease Control and Prevention- Investigations and Technical Assistance
- 93.566 Refugee and Entrant Assistance – State Administered Programs
- N/A Aging Cluster
- N/A Research and Development Cluster

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 \$257 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, 2005. 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 on the State of Oregon's compliance with those requirements.

As described in items 05-9 and 05-11 through 05-14 in the accompanying schedule of findings and questioned costs, the State of Oregon did not comply with requirements regarding Cash Management that are applicable to its Refugee and Entrant Assistance State Administered program, did not comply with requirements regarding Allowable Costs/Cost Principles, Subrecipient Monitoring, and Reporting that are applicable to its Centers for Disease Control and Prevention-Investigations and Technical Assistance program, and did not comply with requirements regarding Subrecipient Monitoring that are applicable to its Aging Cluster. Compliance with such requirements is necessary, in our opinion, 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, 2005. 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 05-15 through 05-19.

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 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 05-8, 05-10, 05-11, 05-14, and 05-15.

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 05-8, 05-10, 05-11, and 05-14 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, 2005, and have issued our report thereon dated December 20, 2005. 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 expenditure 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



Bill Bradbury
Secretary of State

February 6, 2006, except for the
Schedule of Expenditures of
Federal Awards, as to which the
date is December 20, 2005

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

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)		\$ 1,733,761	\$ 1,435,116	\$ 3,168,877	\$ 3,168,877	\$ —
07.XXX	Total High Intensity Drug Trafficking Area (HIDTA)		\$ 1,733,761	\$ 1,435,116	\$ 3,168,877	\$ 3,168,877	\$ —
Total Office of National Drug Control Policy			\$1,733,761	\$1,435,116	\$3,168,877	\$3,168,877	\$ —
Department of Agriculture							
10.001	Agricultural Research, Basic and Applied Research		\$ 961,093	\$ 9,901	\$ 970,994	\$ 970,994	\$ —
10.025	Plant and Animal Disease, Pest Control, and Animal Care		1,519,354	—	1,519,354	1,519,354	—
10.064	Forestry Incentives Program		773,553	13,000	786,553	786,553	—
10.069	Conservation Reserve Program		62,845	—	62,845	62,845	—
10.156	Federal—State Marketing Improvement Program		68,755	—	68,755	68,755	—
10.163	Market Protection and Promotion		88,975	—	88,975	88,975	—
10.217	Higher Education Challenge Grants		(1,545)	—	(1,545)	—	(1,545)
10.303	Integrated Programs		36,234	—	36,234	17,013	19,221
10.353	National Rural Development Partnership		29,352	—	29,352	29,352	—
10.446	Rural Community Development Initiative		18,280	—	18,280	18,280	—
10.500	Cooperative Extension Service		5,272,327	—	5,272,327	5,272,327	—
10.550	Food Donation		1,407	8,685,089	8,686,496	8,686,496	—
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		52,293,285	12,850,240	65,143,525	65,143,525	—
10.558	Child and Adult Care Food Program		303,081	22,254,933	22,558,014	22,448,527	109,487
10.560	State Administrative Expenses for Child Nutrition		1,777,095	—	1,777,095	1,777,095	—
10.565	Commodity Supplemental Food Program		—	751,386	751,386	751,386	—
10.567	Food Distribution Program on Indian Reservations		—	133,052	133,052	133,052	—
10.574	Team Nutrition Grants		35,718	—	35,718	35,718	—
10.576	Senior Farmers Market Nutrition Program		839,354	—	839,354	839,354	—
10.578	WIC Grants to States (WGS)		27,652	309	27,961	27,961	—
10.600	Foreign Market Development Cooperator Program		366,744	—	366,744	366,744	—
10.652	Forestry Research		56,130	—	56,130	56,126	4
10.664	Cooperative Forestry Assistance		4,956,709	741,037	5,697,746	5,697,746	—
10.670	National Forest Dependent Rural Communities		42,547	25,000	67,547	67,547	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
10.672	Rural Development, Forestry, and Communities		83,348	—	83,348	83,348	—
10.677	Forest Land Enhancement Program		3,856	—	3,856	3,856	—
10.680	Forest Health Protection		40,136	—	40,136	40,136	—
10.904	Watershed Protection and Flood Prevention		20,000	—	20,000	20,000	—
10.905	Plant Materials for Conservation		11,276	—	11,276	11,276	—
10.912	Environmental Quality Incentives Program		72	—	72	72	—
10.960	Technical Agricultural Assistance		178,561	—	178,561	—	178,561
10.961	Scientific Cooperation and Research		79,129	—	79,129	79,129	—
10.XXX	Other Department of Agriculture Programs						
	Not Available		995	—	995	995	—
10.XXX	Total Other Department of Agriculture Programs		<u>\$ 995</u>	<u>\$ —</u>	<u>\$ 995</u>	<u>\$ 995</u>	<u>\$ —</u>
Total Department of Agriculture			<u>\$69,946,318</u>	<u>\$45,463,947</u>	<u>\$115,410,265</u>	<u>\$115,104,537</u>	<u>\$305,728</u>
Department of Commerce							
11.302	Economic Development Support for Planning Organizations		\$ 50,323	\$ —	\$ 50,323	\$ 50,323	\$ —
11.303	Economic Development Technical Assistance		50,187	—	50,187	50,187	—
11.405	Anadromous Fish Conservation Act Program		371,724	—	371,724	371,724	—
11.407	Interjurisdictional Fisheries Act of 1986		187,133	—	187,133	187,133	—
11.417	Sea Grant Support		261,040	—	261,040	261,040	—
11.419	Coastal Zone Management Administration Awards		1,875,363	890,842	2,766,205	2,674,326	91,879
11.420	Coastal Zone Management Estuarine Research Reserves		787,197	—	787,197	787,197	—
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		437,753	—	437,753	437,753	—
11.436	Columbia River Fisheries Development Program		6,148,612	9,682	6,158,294	6,158,294	—
11.437	Pacific Fisheries Data Program		422,221	—	422,221	387,214	35,007
11.438	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program		4,313,647	4,361,773	8,675,420	8,675,420	—
11.439	Marine Mammal Data Program		49,289	—	49,289	49,289	—
11.440	Environmental Sciences, Applications, Data, and Education		30,710	—	30,710	—	30,710
11.441	Regional Fishery Management Councils		404,280	—	404,280	404,280	—
11.454	Unallied Management Projects		141,180	—	141,180	141,180	—
11.463	Habitat Conservation		183,033	—	183,033	183,033	—
11.473	Coastal Services Center		45,869	—	45,869	43,304	2,565
11.477	Fisheries Disaster Relief		314,910	—	314,910	314,910	—
11.XXX	Other Department of Business and Commerce Programs						
	AB133F-05-SE-4654		5,977	—	5,977	5,977	—
	FP5000/8L2B1P00		97,213	—	97,213	97,213	—
	NA03NMF4380287		(50)	—	(50)	(50)	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		AB133F—02—SE—1258	4,681	—	4,681	4,681	—
		AB133F—02—SE—1170	4,844	—	4,844	4,844	—
		40—AB—NF—112134	399	—	399	399	—
		AB133F—03—SE—1261	10,963	—	10,963	10,963	—
11.XXX	Total Other Department of Commerce Programs		<u>\$ 124,027</u>	<u>\$ —</u>	<u>\$ 124,027</u>	<u>\$ 124,027</u>	<u>\$ —</u>
Total Department of Commerce			<u>\$16,198,498</u>	<u>\$5,262,297</u>	<u>\$21,460,795</u>	<u>\$21,300,634</u>	<u>\$160,161</u>
Department of Defense							
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services		\$ 114,460	\$ —	\$ 114,460	\$ 114,460	\$ —
12.400	Military Construction, National Guard		6,006,787	—	6,006,787	6,006,787	—
12.401	National Guard Military Operations and Maintenance (O&M) Projects		22,177,678	—	22,177,678	22,177,678	—
12.404	National Guard Civilian Youth Opportunities		2,209,492	—	2,209,492	2,209,492	—
12.431	Basic Scientific Research		24,009	—	24,009	—	24,009
12.550	International Education U.S. Colleges and Universities		20,188	—	20,188	20,188	—
12.800	Air Force Defense Research Sciences Program		71,732	—	71,732	—	71,732
12.XXX	Other Department of Defense Programs						
		W66QKZ13530287	(87)	—	(87)	(87)	—
		W66QKZ32870271	64,393	—	64,393	64,393	—
		W66QKZ23516218	(303)	—	(303)	(303)	—
		W66QKZ23304328 FY05	7,446	—	7,446	7,446	—
		W66QKZ23304328	19,599	—	19,599	19,599	—
		DAHA—35-2—11	25,137	—	25,137	25,137	—
		W66QKZ23152774	(3,805)	—	(3,805)	(3,805)	—
		W66QKZ23112665	287	—	287	287	—
		W66QKZ23041764	(1,094)	—	(1,094)	(1,094)	—
		W66QKZ33566510	1,863,035	4,774	1,867,809	1,867,809	—
		W66QKIZ40157690	191,235	—	191,235	191,235	—
		TASK ORDER FW	51,385	—	51,385	51,385	—
		TASK ORDER FW	43,036	—	43,036	43,036	—
		OR6213820917	1,473,757	97,976	1,571,733	1,571,733	—
		DAHA—35—3—2—334	4,525,893	—	4,525,893	4,525,893	—
		W66QKZ50741222	136,000	—	136,000	136,000	—
		Contract Number	(989)	—	(989)	(989)	—
		05—86	1,327	—	1,327	1,327	—
		04—92 PSMFC Jon No.	32,625	—	32,625	32,625	—
		FFY 05	4,251,723	—	4,251,723	4,251,723	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
12.XXX	Total Other Department of Defense Programs		\$ 12,680,600	\$ 102,750	\$ 12,783,350	\$ 12,783,350	\$ —
Total Department of Defense			\$43,304,946	\$ 102,750	\$43,407,696	\$43,311,955	\$95,741
Department of Housing and Urban Development							
14.228	Community Development Block Grants/State's Program		\$ 700,303	\$ 18,183,636	\$ 18,883,939	\$ 18,829,999	\$ 53,940
14.231	Emergency Shelter Grants Program		892	909,340	910,232	910,232	—
14.235	Supportive Housing Program		24,755	1,716,926	1,741,681	1,741,681	—
14.239	HOME Investment Partnerships Program		7,445,020	3,347,403	10,792,423	10,792,423	—
14.241	Housing Opportunities for Persons with AIDS		734,233	—	734,233	734,233	—
14.511	Community Outreach Partnership Center Program		2,070	—	2,070	—	2,070
14.512	Community Development Work—Study Program		101,000	—	101,000	101,000	—
Total Department of Housing and Urban Development			\$ 9,008,273	\$24,157,305	\$33,165,578	\$33,109,568	\$56,010
Department of the Interior							
15.039	Fish, Wildlife, and Parks Programs on Indian Lands		\$ 18,133	\$ —	\$ 18,133	\$ 18,133	\$ —
15.043	Indian Child and Family Education		206,206	—	206,206	206,206	—
15.114	Indian Education, Higher Education Grant Program		180,565	—	180,565	180,565	—
15.214	Non—Sale Disposals of Mineral Material		8	16,109	16,117	16,117	—
15.224	Cultural Resource Management		37,228	—	37,228	37,228	—
15.225	Recreation Resource Management		485,095	—	485,095	485,095	—
15.227	Distribution of Receipts to State and Local Governments		11	155,104	155,115	155,115	—
15.228	National Fire Plan - Wildland Urban Interface Community Fire Assistance		1,881,347	833,342	2,714,689	2,714,689	—
15.504	Water Reclamation and Reuse Program		332,573	8,880	341,453	341,453	—
15.608	Fish and Wildlife Management Assistance		126,281	—	126,281	126,281	—
15.614	Coastal Wetlands Planning, Protection and Restoration Act		—	441,852	441,852	441,852	—
15.615	Cooperative Endangered Species Conservation Fund		314,753	48,916	363,669	363,669	—
15.616	Clean Vessel Act		182,960	254,267	437,227	314,914	122,314
15.618	Administrative Grants for Federal Aid in Sport Fish and Wildlife		12,250	—	12,250	—	12,250
15.622	Sportfishing and Boating Safety Act		334,298	313,579	647,877	325,135	322,742
15.625	Wildlife Conservation and Restoration		228,603	237,217	465,820	465,820	—
15.626	Hunter Education and Safety Program		610,509	—	610,509	610,509	—
15.633	Landowner Incentive		449,527	114,630	564,157	564,157	—
15.634	State Wildlife Grants		1,051,633	—	1,051,633	1,051,633	—
15.805	Assistance to State Water Resources Research Institutes		75,683	—	75,683	75,683	—
15.807	Earthquake Hazards Reduction Program		40,545	—	40,545	40,545	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
15.808	U.S. Geological Survey, Research and Data Acquisition		391,668	—	391,668	391,668	—
15.809	National Spatial Data Infrastructure Cooperative Agreements Program		10,107	—	10,107	10,107	—
15.810	National Cooperative Geologic Mapping Program		196,636	—	196,636	196,636	—
15.904	Historic Preservation Fund Grants—In—Aid		510,067	83,502	593,569	593,569	—
15.916	Outdoor Recreation, Acquisition, Development and Planning		2,381,040	821,237	3,202,277	3,202,277	—
15.929	Save America's Treasures		87,576	—	87,576	—	87,576
15.XXX	Other Department of the Interior Programs						
	90710 L 1512		51,029	—	51,029	51,029	—
	15ATT		20,000	—	20,000	—	20,000
	1448—13570—01—M094		642	—	642	642	—
	1448—13420—04—J425		971	—	971	971	—
	1448—13420—03—J304		24,000	—	24,000	24,000	—
	1448—13420—02—J233		1,307	—	1,307	1,307	—
	1448—13420—02—J212		4,000	—	4,000	4,000	—
	1425—03—FG—1L—1010		70,028	—	70,028	70,028	—
	H9430010001		547	—	547	547	—
15.XXX	Total Other Department of the Interior Programs		<u>\$ 172,524</u>	<u>\$ —</u>	<u>\$ 172,524</u>	<u>\$ 152,524</u>	<u>\$ 20,000</u>
Total Department of the Interior			<u>\$10,317,826</u>	<u>\$3,328,635</u>	<u>\$13,646,461</u>	<u>\$13,081,580</u>	<u>\$564,882</u>
Department of Justice							
16.004	Law Enforcement Assistance, Narcotics and Dangerous Drugs Training	\$	64,433	\$ —	\$ 64,433	\$ 64,433	\$ —
16.200	Community Relations Service		170,045	—	170,045	170,045	—
16.202	Offender Reentry Program		60,669	777,008	837,677	837,677	—
16.203	Sex Offender Management Discretionary Grant		25,801	—	25,801	25,801	—
16.523	Juvenile Accountability Incentive Block Grants		382,196	2,256,469	2,638,665	2,638,665	—
16.524	Legal Assistance for Victims		5,175	—	5,175	5,175	—
16.525	Grants to Reduce Violent Crimes Against Women on Campus		112,697	—	112,697	112,697	—
16.540	Juvenile Justice and Delinquency Prevention, Allocation to States		374,697	585,288	959,985	926,857	33,128
16.541	Developing, Testing and Demonstrating Promising New Programs		209,534	—	209,534	—	209,534
16.544	Gang-Free Schools and Communities, Community-Based Gang Intervention		111,307	—	111,307	111,307	—
16.548	Title V. Delinquency Prevention Program		8,310	—	8,310	8,310	—
16.549	Part E. State Challenge Activities		33,552	22,867	56,419	56,419	—
16.550	State Justice Statistics Program for Statistical Analysis Centers		49,811	—	49,811	49,811	—
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants		699,963	—	699,963	699,963	—
16.575	Crime Victim Assistance		319,212	4,307,198	4,626,410	4,626,410	—
16.576	Crime Victim Compensation		643,753	—	643,753	643,753	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
16.579	Byrne Formula Grant Program		1,812,965	4,149,453	5,962,418	5,725,642	236,776
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		19,522	48,146	67,668	54,670	12,998
16.582	Crime Victim Assistance/Discretionary Grants		220,694	—	220,694	220,694	—
16.585	Drug Court Discretionary Grant Program		454,315	—	454,315	446,299	8,016
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants		6,726,958	4,149,157	10,876,115	10,876,115	—
16.588	Violence Against Women Formula Grants		305,651	1,617,008	1,922,659	1,922,659	—
16.589	Rural Domestic Violence & Child Victimization Enforcement Grant Program	(5,461)	—	173,129	167,668	167,668	—
16.592	Local Law Enforcement Block Grants Program		111,064	454,954	566,018	566,018	—
16.593	Residential Substance Abuse Treatment for State Prisoners		218,141	103,338	321,479	321,479	—
16.607	Bulletproof Vest Partnership Program		10,881	—	10,881	10,881	—
16.710	Public Safety Partnership and Community Policing Grants		598,580	—	598,580	598,580	—
16.712	Police Corps		10,201	1,292,672	1,302,873	1,302,873	—
16.726	Juvenile Mentoring Program		32,386	—	32,386	32,386	—
16.727	Enforcing Underage Drinking Laws Program		112,392	147,166	259,558	259,558	—
Total Department of Justice			\$ 13,899,444	\$ 20,083,853	\$ 33,983,297	\$ 33,482,845	\$ 500,452
Department of Labor							
17.002	Labor Force Statistics		\$ 1,444,251	\$ —	\$ 1,444,251	\$ 1,444,251	\$ —
17.225	Unemployment Insurance		631,617,133	—	631,617,133	631,617,133	—
17.235	Senior Community Service Employment Program		11,012	1,193,448	1,204,460	1,204,460	—
17.245	Trade Adjustment Assistance_Workers		7,321,244	—	7,321,244	7,321,244	—
17.257	WIA Simulator Grant		2,000	298,000	300,000	300,000	—
17.261	Employment and Training Administration Pilots, Demonstrations, and Research Projects		1,122,726	220,374	1,343,100	1,343,100	—
17.266	Work Incentives Grant		23,386	323,550	346,936	346,936	—
17.267	WIA Incentive Grants-Section 503 Grants to States		39,107	148,684	187,791	187,791	—
17.503	Occupational Safety and Health_State Program		5,828,411	—	5,828,411	5,828,411	—
17.720	Disability Employment Policy Development		9,189	—	9,189	—	9,189
Total Department of Labor			\$ 647,418,459	\$ 2,184,056	\$ 649,602,515	\$ 649,593,326	\$ 9,189
Department of State							
19.401	Educational Exchange, University Lecturers (Professors) and Research Scholars		\$ 21,475	\$ —	\$ 21,475	\$ 21,475	\$ —
19.418	Educational Exchange-Fulbright American Studies Institutes		295	—	295	295	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
19.424	Educational Partnerships Program		77,207	—	77,207	77,207	—
19.XXX	Other Department of State Programs		79,181	—	79,181	—	79,181
		Not Available	8,842	—	8,842	8,842	—
		PC-04-8-064	8,842	—	8,842	8,842	—
19.XXX	Total Other Department of State Programs		<u>\$ 88,023</u>	<u>\$ —</u>	<u>\$ 88,023</u>	<u>\$ 8,842</u>	<u>\$ 79,181</u>
Total Department of State			<u>\$ 187,000</u>	<u>\$ —</u>	<u>\$ 187,000</u>	<u>\$ 107,819</u>	<u>\$ 79,181</u>
Department of Transportation							
20.106	Airport Improvement Program		\$ 1,631,934	\$ 1,261,707	\$ 2,893,641	\$ 2,893,641	\$ —
20.215	Highway Training and Education		47,018	—	47,018	47,018	—
20.218	National Motor Carrier Safety		2,499,920	—	2,499,920	2,499,920	—
20.219	Recreational Trails Program		318,559	905,661	1,224,220	1,224,220	—
20.301	Railroad Safety		1,837	74,754	76,591	76,591	—
20.312	High Speed Ground Transportation, Next Generation High Speed Rail Program		—	149,941	149,941	149,941	—
20.505	Federal Transit, Metropolitan Planning Grants		—	483,611	483,611	483,611	—
20.509	Formula Grants for Other Than Urbanized Areas		669,758	4,529,049	5,198,807	5,198,807	—
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities		613,553	11,832,578	12,446,131	12,446,131	—
20.515	State Planning and Research		211,430	—	211,430	139,110	72,320
20.516	Job Access Reverse Commute		—	41,442	41,442	41,442	—
20.700	Pipeline Safety		153,703	—	153,703	153,703	—
20.701	University Transportation Centers Program		47,800	—	47,800	—	47,800
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>\$ 6,540,145</u>	<u>\$19,278,743</u>	<u>\$25,818,888</u>	<u>\$25,698,768</u>	<u>\$120,120</u>
Department of the Treasury							
21.XXX	State Fiscal Relief Payment		65,895,538	—	65,895,538	65,895,538	—
21.XXX	Total State Fiscal Relief Payment		<u>\$ 65,895,538</u>	<u>\$ —</u>	<u>\$ 65,895,538</u>	<u>\$ 65,895,538</u>	<u>\$ —</u>
Total Department of the Treasury			<u>\$65,895,538</u>	<u>\$ —</u>	<u>\$65,895,538</u>	<u>\$65,895,538</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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Office of Personnel Management							
27.011	Intergovernmental Personnel Act (IPA) Mobility Program		\$ 397,000	\$ —	\$ 397,000	\$ 397,000	\$ —
Total Office of Personnel Management			\$ 397,000	\$ —	\$ 397,000	\$ 397,000	\$ —
Equal Opportunity Commission							
30.002	Employment Discrimination, State and Local Fair Employment Practices Agency Contracts		\$ 561,411	\$ —	\$ 561,411	\$ 561,411	\$ —
Total Equal Opportunity Employment Commission			\$ 561,411	\$ —	\$ 561,411	\$ 561,411	\$ —
General Services Administration							
39.002	Disposal of Federal Surplus Real Property		\$ 12	\$ 46,674	\$ 46,686	\$ 46,686	\$ —
39.003	Donation of Federal Surplus Personal Property		56,707	1,799,969	1,856,676	1,856,676	—
39.011	Election Reform Payments		5,452,327	—	5,452,327	5,452,327	—
Total General Services Administration			\$5,509,046	\$1,846,643	\$7,355,689	\$7,355,689	\$ —
National Aeronautics and Space Administration							
43.001	Aerospace Education Services Program		\$ 46,216	\$ —	\$ 46,216	\$ 46,216	\$ —
Total National Aeronautics and Space Administration			\$ 46,216	\$ —	\$ 46,216	\$ 46,216	\$ —
National Foundation On the Arts and the Humanities							
45.024	Promotion of the Arts, Grants to Organizations and Individuals		\$ 38,955	\$ —	\$ 38,955	\$38,955	\$ —
45.025	Promotion of the Arts, Partnership Agreements		64,965	675,074	740,039	740,039	—
45.129	Promotion of the Humanities, Federal/State Partnership		4,500	—	4,500	4,500	—
45.149	Promotion of the Humanities, Division of Preservation and Access		4,963	—	4,963	4,963	—
45.161	Promotion of the Humanities, Research		10,000	—	10,000	—	10,000
45.163	Promotion of the Humanities, _Professional Development		92,169	—	92,169	89,369	2,800
45.168	Promotion of the Humanities, We the People		28,764	—	28,764	28,764	—
45.301	Museum for America Grants		215,099	—	215,099	53,241	161,858
45.303	Conservation Project Support		50,000	—	50,000	50,000	—
45.310	State Library Program		930,459	786,750	1,717,209	1,662,338	54,871

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
45.312	National Leadership Grants		108,827	—	108,827	99,498	9,329
Total National Foundation On the Arts and the Humanities			<u>\$1,548,701</u>	<u>\$1,461,824</u>	<u>\$3,010,525</u>	<u>\$2,771,667</u>	<u>\$238,858</u>
National Science Foundation							
47.041	Engineering Grants		\$77,707	\$ —	\$ 77,707	\$ 56,881	\$ 20,826
47.049	Mathematical and Physical Sciences		3,500	—	3,500	3,500	—
47.050	Geosciences		800	—	800	800	—
47.070	Computer and Information Science and Engineering		205,813	—	205,813	132,785	73,028
47.074	Biological Sciences		32,291	—	32,291	32,291	—
47.075	Social, Behavioral, and Economic Sciences		73,442	—	73,442	73,442	—
47.076	Education and Human Resources		3,493,039	155,568	3,648,607	3,618,483	30,124
47.078	Polar Programs		6,810	—	6,810	6,810	—
Total National Science Foundation			<u>\$3,893,402</u>	<u>\$ 155,568</u>	<u>\$4,048,970</u>	<u>\$3,924,992</u>	<u>\$123,978</u>
Small Business Administration							
59.037	Small Business Development Center		\$ 96,585	\$ —	\$ 96,585	\$ —	\$ 96,585
Total Small Business Administration			<u>\$ 96,585</u>	<u>\$ —</u>	<u>\$ 96,585</u>	<u>\$ —</u>	<u>\$ 96,585</u>
Department of Veterans Affairs							
64.015	Veterans State Nursing Home Care		\$ 2,618,678	\$ —	\$ 2,618,678	\$ 2,618,678	\$ —
64.125	Vocational and Educational Counseling for Servicemembers and Veterans		54,489	—	54,489	54,489	—
Total Department of Veterans Affairs			<u>\$2,673,167</u>	<u>\$ —</u>	<u>\$2,673,167</u>	<u>\$2,673,167</u>	<u>\$ —</u>
Environmental Protection Agency							
66.032	State Indoor Radon Grants		\$ 122,151	\$ —	\$ 122,151	\$ 122,151	\$ —
66.034	Surveys Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act		979,233	—	979,233	979,233	—
66.432	State Public Water System Supervision		797,485	272,764	1,070,249	1,070,249	—
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act		74,653	—	74,653	74,653	—
66.439	Targeted Watershed Grants		324	—	324	324	—
66.454	Water Quality Management Planning		146,369	—	146,369	146,369	—
66.458	Capitalization Grants for Clean Water State Revolving Funds		405,972	15,642,964	16,048,936	16,048,936	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
66.460	Nonpoint Source Implementation Grants		793,519	1,480,034	2,273,553	2,273,553	—
66.461	Regional Wetland Program Development Grants		7,824	—	7,824	7,824	—
66.463	Water Quality Cooperative Agreements		241,239	16,860	258,099	258,099	—
66.468	Capitalization Grants for Drinking Water State Revolving Fund		2,123,987	11,769,795	13,893,782	13,893,782	—
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs		217,579	—	217,579	217,579	—
66.472	Beach Monitoring and Notification Program Implementation Grants		272,183	—	272,183	272,183	—
66.474	Water Protection Grants to the States		39,858	—	39,858	39,858	—
66.500	Environmental Protection-Consolidated Research		1,324,430	11,395	1,335,825	1,304,997	30,828
66.511	Office of Research and Development Consolidated Research/Training		216,890	—	216,890	216,890	—
66.514	Science to Achieve Results (STAR) Fellowship Program		26,399	—	26,399	26,399	—
66.605	Performance Partnership Grants		6,216,412	55,570	6,271,982	6,222,711	49,271
66.606	Surveys, Studies, Investigations and Special Purpose Grants		41,051	—	41,051	—	41,051
66.607	Training and Fellowships for the Environmental Protection Agency		33,507	—	33,507	33,507	—
66.608	Environmental Information Exchange Network Grant Program and Related Assistance		307,717	18,690	326,407	326,407	—
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		567,183	—	567,183	567,183	—
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals		526,172	—	526,172	526,172	—
66.708	Pollution Prevention Grants Program		103,469	82,128	185,597	185,597	—
66.709	Multi-Media Capacity Building Grants for States and Tribes		97,537	12,032	109,569	109,569	—
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		14,777,176	—	14,777,176	14,777,176	—
66.804	State and Tribal Underground Storage Tanks Program		196,750	—	196,750	196,750	—
66.805	Leaking Underground Storage Tank Trust Fund Program		1,029,890	—	1,029,890	1,029,890	—
66.807	Superfund Innovative Technology Evaluation Program		555,401	—	555,401	555,401	—
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements		389,331	—	389,331	389,331	—
66.811	Brownfield Pilots Cooperative Agreements		38,832	—	38,832	38,832	—
66.817	State and Tribal Response Program Grants		1,430,518	—	1,430,518	1,430,518	—
66.818	Brownfields Assessment and Cleanup Cooperative Agreements		118,132	—	118,132	118,132	—
66.951	Environmental Education Grants		4,969	—	4,969	1,278	3,691
Total Environmental Protection Agency			\$34,224,142	\$29,362,232	\$63,586,374	\$63,461,533	\$124,841
Department of Energy							
81.041	State Energy Program		\$ 725,500	\$ —	\$ 725,500	\$ 725,500	\$ —
81.042	Weatherization Assistance for Low-Income Persons		169,381	2,894,716	3,064,097	3,064,097	—

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, 2005 (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		86,827	—	86,827	—	86,827
81.079	Regional Biomass Energy Programs		39,762	—	39,762	39,762	—
81.087	Renewable Energy Research and Development		101,966	—	101,966	101,966	—
81.092	Environmental Restoration		687,104	—	687,104	687,104	—
81.104	Office of Environmental Cleanup and Acceleration		1,475	—	1,475	1,475	—
81.105	National Industrial Competitiveness through Energy, Environment, and Economics		13,958	—	13,958	13,958	—
81.114	University Reactor Infrastructure and Education Support		13,228	—	13,228	13,228	—
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		551,611	—	551,611	334,981	216,630
81.119	State Energy Program Special Projects		274,267	—	274,267	274,267	—
81.XXX	Other Department of Energy Programs						
	5840		200,505	—	200,505	200,505	—
	4786		33,421	—	33,421	33,421	—
	4656		51,410	—	51,410	51,410	—
	4933		92,291	—	92,291	92,291	—
	5101		99,130	—	99,130	99,130	—
	5122		367,637	—	367,637	367,637	—
	5205		147,496	—	147,496	147,496	—
	5632		175,597	120,341	295,938	295,938	—
	5896		89,857	—	89,857	89,857	—
	Contract Number		121,961	—	121,961	121,961	—
	No Agreement Number -		(130)	—	(130)	(130)	—
	ODFW 001-3167C		(801)	—	(801)	(801)	—
	Prelim - Contract		292,817	—	292,817	292,817	—
	4345		112,239	—	112,239	112,239	—
	5261		40,292	—	40,292	40,292	—
	14862		183,298	161,701	344,999	344,999	—
	20129		618,951	—	618,951	618,951	—
	1411-04-J006		1,076,118	—	1,076,118	1,076,118	—
	14110-5-J005		1,959,786	—	1,959,786	1,959,786	—
	141103J006		271	—	271	271	—
	141103J050		121	—	121	121	—
	05-84		3,797	—	3,797	3,797	—
	144-05-J055		183,773	—	183,773	183,773	—
	05-54		238,393	—	238,393	238,393	—
	4888		99,420	—	99,420	99,420	—
	17640		68,283	—	68,283	68,283	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		4340	84,118	—	84,118	84,118	—
		19915	153,830	—	153,830	153,830	—
		19930	150,883	—	150,883	150,883	—
		20059	394,495	4,607	399,102	399,102	—
		141104J071	498,541	—	498,541	498,541	—
		04-57	5,393	—	5,393	5,393	—
		00001159	33,313	772,609	805,922	805,922	—
		03-62	(6)	—	(6)	(6)	—
		03-64	59	—	59	59	—
		03-75	69	—	69	69	—
		03-96	1,666	—	1,666	1,666	—
		13349	(2,243)	—	(2,243)	(2,243)	—
		04-56	41,110	—	41,110	41,110	—
		19342	719,817	208,146	927,963	927,963	—
		04-72 BPA Project	48,862	—	48,862	48,862	—
		04-73 BPA Project	103,534	—	103,534	103,534	—
		04-85	438,331	—	438,331	438,331	—
		04-86	26,768	—	26,768	26,768	—
		04-89	614,486	12,949	627,435	627,435	—
		05-114	215,763	—	215,763	215,763	—
		04-49	104,773	—	104,773	104,773	—
		4028	183,902	—	183,902	183,902	—
		4122	166,095	—	166,095	166,095	—
		4121	122,549	5,244	127,793	127,793	—
		4120	233,643	—	233,643	233,643	—
		4119	500,534	—	500,534	500,534	—
		4101	334,600	—	334,600	334,600	—
		4093	(368)	—	(368)	(368)	—
		405-00	24,151	—	24,151	24,151	—
		15113	302,697	—	302,697	302,697	—
		4293	24,221	—	24,221	24,221	—
		20294	368,553	—	368,553	368,553	—
		4033	174,541	—	174,541	174,541	—
		4023	672,099	—	672,099	672,099	—
		402-00	119,154	—	119,154	119,154	—
		4005	263,657	65,729	329,386	329,386	—
		21151	418,775	—	418,775	418,775	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		20548	100,374	—	100,374	100,374	—
		4338	210,976	—	210,976	210,976	—
		20425	200,255	—	200,255	200,255	—
		20547	97,272	—	97,272	97,272	—
		21110	250,597	—	250,597	250,597	—
		20989	251,366	—	251,366	251,366	—
		20364	259,628	—	259,628	259,628	—
		21206	314,601	—	314,601	314,601	—
		21237	135,389	—	135,389	135,389	—
		21625	83,923	—	83,923	83,923	—
		22054	21,615	—	21,615	21,615	—
		22142	96,091	—	96,091	96,091	—
		22610	26,937	—	26,937	26,937	—
		22664	66,085	—	66,085	66,085	—
		4001	103,046	—	103,046	103,046	—
81.XXX	Total Other Department of Energy Programs		\$ 16,016,453	\$ 1,351,326	\$ 17,367,779	\$ 17,367,779	\$ —
Total Department of Energy			\$18,681,532	\$ 4,246,042	\$22,927,574	\$22,624,117	\$303,457
Department of Education							
84.002	Adult Education, State Grant Program		\$ 996,143	\$ 6,045,767	\$ 7,041,910	\$ 7,041,910	\$ —
84.010	Title I Grants to Local Educational Agencies		773,430	121,783,958	122,557,388	122,557,388	—
84.011	Migrant Education, State Grant Program		586,500	12,801,091	13,387,591	13,387,591	—
84.013	Title I Program for Neglected and Delinquent Children		843,757	810,716	1,654,473	1,654,473	—
84.016	Undergraduate International Studies and Foreign Language Programs		78,819	—	78,819	78,819	—
84.031	Higher Education Institution Aid		6,289	—	6,289	6,289	—
84.032	Federal Family Education Loans		69,232,694	—	69,232,694	69,232,694	—
84.037	Perkins Loan Cancellations		830,470	—	830,470	830,470	—
84.048	Vocational Education, Basic Grants to States		2,023,448	14,341,324	16,364,772	16,351,642	13,130
84.069	Leveraging Educational Assistance Partnership		1,051,930	—	1,051,930	1,051,930	—
84.116	Fund for the Improvement of Postsecondary Education		1,600,612	—	1,600,612	1,585,404	15,208
84.126	Rehabilitation Services, Vocational Rehabilitation Grants to States		30,529,004	2,325,644	32,854,648	32,854,648	—
84.129	Rehabilitation Long-Term Training		437,952	—	437,952	437,952	—
84.141	Migrant Education, High School Equivalency Program		470,439	—	470,439	470,439	—
84.153	Business and International Education Projects		55,455	—	55,455	55,455	—
84.160	Training Interpreters for Individuals who are Deaf and Individuals Who Are Deaf-Blind		151,192	—	151,192	151,192	—
84.161	Rehabilitation Services, Client Assistance Program		6,742	113,871	120,613	120,613	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
84.169	Independent Living, State Grants		134,993	103,609	238,602	238,602	—
84.177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind		355,622	—	355,622	355,622	—
84.181	Special Education-Grants for Infants and Families with Disabilities		7,140,633	5,862,244	13,002,877	6,091,534	6,911,343
84.184	Safe and Drug-Free Schools and Communities, National Programs		808,116	—	808,116	443,312	364,804
84.185	Byrd Honors Scholarships		442,250	—	442,250	442,250	—
84.186	Safe and Drug-Free Schools and Communities-State Grants		409,851	3,958,480	4,368,331	4,366,714	1,617
84.187	Supported Employment Services for Individuals with Severe Disabilities		419,414	—	419,414	419,414	—
84.195	Bilingual Education Professional Development		409,910	3,731	413,641	413,641	—
84.196	Education for Homeless Children and Youth		94,873	514,272	609,145	609,145	—
84.200	Graduate Assistance in Areas of National Need		65,944	—	65,944	65,944	—
84.213	Even Start-State Educational Agencies		79,104	1,635,506	1,714,610	1,714,610	—
84.215	Fund for the Improvement of Education		176,805	(5,139)	171,666	4,989	166,677
84.224	Assistive Technology		74,639	225,455	300,094	260,536	39,558
84.229	Language Resource Centers		377,952	—	377,952	370,962	6,990
84.235	Rehabilitation Services Demonstration and Training Programs		346,544	152,706	499,250	499,250	—
84.243	Tech-Prep Education		35,129	1,281,705	1,316,834	1,316,834	—
84.252	Urban Community Service		236	—	236	236	—
84.265	Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training		104,031	—	104,031	104,031	—
84.276	Goals 2000-State and Local Education Systemic Improvement Grants		(91)	—	(91)	(91)	—
84.278	School to Work Opportunities		(722)	—	(722)	(722)	—
84.281	Eisenhower Professional Development State Grants		(59)	—	(59)	(59)	—
84.282	Charter Schools		276,857	4,792,404	5,069,261	5,069,261	—
84.287	Twenty-First Century Community Learning Centers		154,108	5,175,293	5,329,401	5,312,428	16,973
84.298	State Grants for Innovative Programs		502,145	3,200,435	3,702,580	3,702,580	—
84.299	Indian Education-Special Programs		642,028	—	642,028	642,028	—
84.318	Education Technology State Grants		114,584	6,233,580	6,348,164	6,348,164	—
84.323	Special Education—State Personnel Development		978,777	96,898	1,075,675	858,313	217,362
84.324	Research in Special Education		809,700	78,059	887,759	823,089	64,670
84.325	Special Education, Personnel Preparation to Improve Services and Results for Children with Disabilities		3,126,546	55,489	3,182,035	3,009,870	172,165
84.326	Special Education, Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		1,581,319	189,095	1,770,414	1,720,209	50,205
84.330	Advanced Placement Program		164,496	67,293	231,789	231,244	545
84.331	Grants to States for Incarcerated Youth Offenders		36,812	—	36,812	36,812	—
84.332	Comprehensive School Reform Demonstration		133,658	2,881,199	3,014,857	3,014,857	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs		1,941,692	847,216	2,788,908	2,788,908	—
84.335	Child Care Access Means Parents in School		94,429	—	94,429	94,429	—
84.336	Teacher Quality Enhancement Grants		43,387	—	43,387	6,755	36,632
84.342	Preparing Tomorrow's Teachers to Use Technology		9,224	—	9,224	5,337	3,887
84.346	Vocational Education, Occupational and Employment Information State Grants		139,542	—	139,542	139,542	—
84.349	Early Childhood Educator Professional Development		33,587	—	33,587	33,587	—
84.350	Transition to Teaching		370,154	—	370,154	324,484	45,670
84.351	Arts in Education		70,215	—	70,215	—	70,215
84.352	School Renovation Grants		(9,333)	492,374	483,041	483,041	—
84.357	Reading First State Grants		4,166,267	8,122,422	12,288,689	9,437,924	2,850,765
84.358	Rural Education		23,120	507,220	530,340	530,340	—
84.363	School Leadership		60,266	—	60,266	—	60,266
84.365	English Language Acquisition Grants		151,856	4,305,001	4,456,857	4,456,857	—
84.366	Mathematics and Science Partnerships		35,858	597,391	633,249	627,914	5,335
84.367	Improving Teacher Quality State Grants		758,816	25,875,636	26,634,452	26,594,742	39,710
84.369	Grants for State Assessments and Related Activities		3,153,497	—	3,153,497	3,153,497	—
84.928	National Writing Project		98,638	—	98,638	—	98,638
84.989	Oregon Employment Initiative		254,229	—	254,229	254,229	—
Total Department of Education			\$141,066,524	\$235,471,945	\$376,538,469	\$365,286,104	\$11,252,365
United States Institute of Peace							
91.001	Unsolicited Grant Program		\$ 11,858	\$ —	\$ 11,858	\$ 11,858	\$ —
Total United States Institute of Peace			\$ 11,858	\$ —	\$ 11,858	\$ 11,858	\$ —
Department of Health and Human Services							
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		\$ 106,716	\$ —	\$ 106,716	\$ 106,716	\$ —
93.041	Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation		(7,985)	103,008	95,023	95,023	—
93.042	Special Programs for the Aging Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals		173,715	—	173,715	173,715	—
93.043	Special Programs for the Aging Title III, Part D. Disease Prevention and Health Promotion Services		(17)	330,243	330,226	330,226	—
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects		108,906	—	108,906	108,906	—
93.052	National Family Caregiver Support		(85,122)	2,898,476	2,813,354	2,813,354	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.103	Food and Drug Administration Research		190,789	—	190,789	190,789	—
93.110	Maternal and Child Health Federal Consolidated Programs		597,858	55,338	653,196	643,027	10,169
93.113	Biological Response to Environmental Health Hazards		318,917	—	318,917	252,328	66,589
93.114	Applied Toxicological Research and Testing		403	—	403	403	—
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		421,336	161,648	582,984	582,984	—
93.127	Emergency Medical Services for Children		105,677	1,500	107,177	107,177	—
93.130	Primary Care Services Resource Coordination and Development		242,884	—	242,884	242,884	—
93.136	Injury Prevention and Control Research and State and Community Based Programs		727,773	276,500	1,004,273	1,004,273	—
93.143	NIEHS Superfund Hazardous Substances - Basic Research and Education		6,952	—	6,952	—	6,952
93.150	Projects for Assistance in Transition from Homelessness (PATH)		15,732	429,960	445,692	445,692	—
93.161	Health Program for Toxic Substances and Disease Registry		13,677	999	14,676	14,676	—
93.184	Disabilities Prevention		(139,392)	429,613	290,221	290,221	—
93.185	Immunization Research, Demonstration, Public Information and Education - Training and Clinical Skills Improvement Projects		57,138	—	57,138	57,138	—
93.189	Health Education and Training Centers		15,301	—	15,301	—	15,301
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children		192,488	—	192,488	192,488	—
93.204	Surveillance of Hazardous Substance Emergency Events		85,555	3,255	88,810	88,810	—
93.213	Research and Training in Complementary and Alternative Medicine		42,845	—	42,845	42,845	—
93.217	Family Planning Services		782,093	2,035,956	2,818,049	2,818,049	—
93.226	Research on Healthcare Costs, Quality and Outcomes		(106,238)	—	(106,238)	(106,238)	—
93.230	Consolidated Knowledge Development and Application (KD&A) Program		98,449	—	98,449	53,037	45,412
93.234	Traumatic Brain Injury State Demonstration Grant Program		72,416	—	72,416	72,416	—
93.235	Abstinence Education Program		(28,777)	424,045	395,268	395,268	—
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		8,487	—	8,487	8,487	—
93.240	State Capacity Building		287,286	—	287,286	287,286	—
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		679,197	788,320	1,467,517	1,417,591	49,926
93.251	Universal Newborn Hearing Screening		230,376	—	230,376	230,376	—
93.256	State Planning Grants Health Care Access for the Uninsured		315,594	—	315,594	315,594	—
93.259	Rural Access to Emergency Devices Grant		101,380	—	101,380	101,380	—
93.262	Occupational Safety and Health Program		476,102	24,861	500,963	468,968	31,995
93.263	Occupational Safety and Health Training Grants		70,699	5,917	76,616	76,616	—
93.268	Immunization Grants		2,856,435	5,573,064	8,429,499	8,429,499	—
93.273	Alcohol Research Programs		224,221	—	224,221	—	224,221

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance		13,447,751	10,901,886	24,349,637	24,321,591	28,046
93.399	Cancer Control		21,933	—	21,933	21,933	—
93.556	Promoting Safe and Stable Families		72,635	1,301,325	1,373,960	1,373,960	—
93.558	Temporary Assistance for Needy Families		183,454,151	1,783,664	185,237,815	185,237,815	—
93.563	Child Support Enforcement		21,419,045	7,958,619	29,377,664	29,377,664	—
93.566	Refugee and Entrant Assistance State Administered Programs		4,351,005	—	4,351,005	4,351,005	—
93.568	Low-Income Home Energy Assistance		480,721	24,610,936	25,091,657	25,091,657	—
93.569	Community Services Block Grant		470,608	5,180,116	5,650,724	5,650,724	—
93.570	Community Services Block Grant Discretionary Awards		66,663	—	66,663	—	66,663
93.571	Community Services Block Grant Formula and Discretionary Awards Community Food and Nutrition Programs		69,232	42,943	112,175	47,682	64,493
93.576	Refugee and Entrant Assistance Discretionary Grants		297,157	139,398	436,555	384,607	51,948
93.584	Refugee and Entrant Assistance Targeted Assistance Grants		1,272,726	—	1,272,726	1,272,726	—
93.586	State Court Improvement Program		163,327	—	163,327	163,327	—
93.590	Community-Based Child Abuse Prevention Grants		1,754	86,306	88,060	88,060	—
93.597	Grants to States for Access and Visitation Programs		—	69,415	69,415	69,415	—
93.599	Chafee Education and Training Vouchers Program (ETV)		865,702	—	865,702	865,702	—
93.600	Head Start		1,332,468	—	1,332,468	1,332,468	—
93.603	Adoption Incentive Payments		224,000	—	224,000	224,000	—
93.617	Voting Access for Individuals with Disabilities Grants to States		40,904	78,867	119,771	119,771	—
93.618	Voting Access for Individuals with Disabilities Grants for Protection and Advocacy Systems		51,726	11,500	63,226	63,226	—
93.623	Basic Center Grant		106,282	—	106,282	106,282	—
93.630	Developmental Disabilities Basic Support and Advocacy Grants		825,894	—	825,894	746,618	79,276
93.631	Developmental Disabilities Projects of National Significance		46,307	—	46,307	(1,807)	48,114
93.643	Children's Justice Grants to States		275,289	—	275,289	275,289	—
93.645	Child Welfare Services State Grants		2,771,349	—	2,771,349	2,771,349	—
93.647	Social Services Research and Demonstration		112,302	34,008	146,310	146,310	—
93.648	Child Welfare Services Training Grants		809,092	—	809,092	165,442	643,650
93.658	Foster Care Title IV-E		50,587,980	376,894	50,964,874	49,035,465	1,929,409
93.659	Adoption Assistance		27,693,142	—	27,693,142	27,693,142	—
93.667	Social Services Block Grant		33,827,909	5,715,779	39,543,688	39,543,688	—
93.669	Child Abuse and Neglect State Grants		331,880	—	331,880	331,880	—
93.670	Child Abuse and Neglect Discretionary Activities		278,809	—	278,809	278,809	—
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes		145,057	1,119,339	1,264,396	1,264,396	—
93.674	Chafee Foster Care Independence Program		2,361,216	—	2,361,216	2,361,216	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.767	State Children's Insurance Program		37,587,038	554,917	38,141,955	38,141,955	—
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities		371,001	—	371,001	371,001	—
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		924,932	102,490	1,027,422	1,027,422	—
93.859	Pharmacology, Physiology, and Biological Chemistry Research		1,575	—	1,575	1,575	—
93.862	Genetics and Developmental Biology Research and Research Training		327,678	—	327,678	327,678	—
93.889	National Bioterrorism Hospital Preparedness Program		816,559	897,595	1,714,154	1,714,154	—
93.894	Resource and Manpower Development in the Environmental Health Services		310,846	—	310,846	310,846	—
93.906	Rural Health Medical Education Demonstration Projects		(8,003)	—	(8,003)	(8,003)	—
93.912	Rural Health Care Services Outreach and Rural Health Network Development Program		150,380	—	150,380	150,380	—
93.917	HIV Care Formula Grants		4,086,909	1,311,278	5,398,187	5,398,187	—
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems		691,857	97,785	789,642	789,642	—
93.940	HIV Prevention Activities - Health Department Based		1,386,713	1,609,520	2,996,233	2,996,233	—
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		111,113	78,817	189,930	189,930	—
93.945	Assistance Program for Chronic Disease Prevention and Control		346,156	—	346,156	346,156	—
93.952	Trauma Care Systems Planning and Development		4,905	—	4,905	4,905	—
93.955	Health and Safety Programs for Construction Work		97,248	—	97,248	—	97,248
93.957	Occupational Health and Safety Surveillance		1,593	—	1,593	1,593	—
93.958	Block Grants for Community Mental Health Services		175,326	4,164,181	4,339,507	4,339,507	—
93.959	Block Grants for Prevention and Treatment of Substance Abuse		(1,693,255)	15,344,145	13,650,890	13,650,890	—
93.969	Geriatric Education Centers		98,804	—	98,804	—	98,804
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants		710,913	—	710,913	710,913	—
93.988	Cooperative Agreements for State-Based Diabetes Control Programs And Evaluation of Surveillance Systems		699,333	206,592	905,925	905,925	—
93.991	Preventative Health and Health Services Block Grant		777,856	124,628	902,484	902,484	—
93.994	Maternal and Child Health Services Block Grant to the States		1,475,631	2,165,764	3,641,395	3,641,395	—
Total Department of Health and Human Services			\$406,988,990	\$99,611,410	\$506,600,400	\$503,042,184	\$3,558,216
Corporation For National and Community Service							
94.003	State Commissions		\$ 458,139	\$ —	\$ 458,139	\$ 241,094	\$ 217,045
94.004	Learn and Serve America—School and Community Based Programs		112,821	158,361	271,182	271,182	—
94.005	Learn and Serve America—Higher Education		295,953	36,004	331,957	318,375	13,582

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
94.006	AmeriCorps		1,030,230	792,410	1,822,640	1,798,604	24,036
94.007	Planning and Program Development Grants		21,133	—	21,133	17,115	4,018
94.009	Training and Technical Assistance		104,843	—	104,843	104,843	—
94.013	Volunteers in Service to America		471	—	471	471	—
Total Corporation For National and Community Service			\$ 2,023,590	\$ 986,775	\$ 3,010,365	\$ 2,751,684	\$258,681
Department of Homeland Security							
97.008	Urban Areas Security Initiative		\$ —	\$ 1,685,385	\$ 1,685,385	\$ 1,685,385	\$ —
97.012	Boating Safety Financial Assistance		70,090	1,138,497	1,208,587	1,208,587	—
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants		1,939,366	242,390	2,181,756	2,181,756	—
97.018	National Fire Academy Training Assistance		53,466	—	53,466	53,466	—
97.020	Hazardous Materials Training Program		193,819	37,505	231,324	231,324	—
97.023	Community Assistance Program—State Support Services Element (CAP-SSSE)		177,526	—	177,526	177,526	—
97.029	Flood Mitigation Assistance		—	174,610	174,610	174,610	—
97.036	Public Assistance Grants		663,355	3,273,325	3,936,680	3,936,680	—
97.039	Hazard Mitigation Grant		12,000	489,988	501,988	494,708	7,280
97.040	Chemical Stockpile Emergency Preparedness Program		2,777,486	9,542,767	12,320,253	12,320,253	—
97.041	National Dam Safety Program		123,396	—	123,396	123,396	—
97.042	Emergency Management Performance Grants		819,711	1,985,665	2,805,376	2,805,376	—
97.046	Fire Management Assistance Grant		3,340,377	—	3,340,377	3,340,377	—
97.047	Pre-Disaster Mitigation		35,521	—	35,521	—	35,521
97.053	Citizen Corps		15,836	369,363	385,199	385,199	—
97.063	Pre-Disaster Mitigation Disaster Resistant Universities		55,124	—	55,124	—	55,124
97.073	State Homeland Security Program (SHSP)		4,119,619	21,443,205	25,562,824	25,562,824	—
97.074	Law Enforcement Terrorism Prevention Program (LETPP)		944,953	3,285,429	4,230,382	4,230,382	—
Total Department of Homeland Security			\$15,341,645	\$43,668,129	\$59,009,774	\$58,911,849	\$ 97,925
United States Agency for International Development							
98.001	USAID Foreign Assistance for Programs Overseas		\$ 41,256	\$ —	\$ 41,256	\$ —	\$ 41,256
Total United States Agency for International Development			\$ 41,256	\$ —	\$ 41,256	\$ —	\$ 41,256
Food Stamp Cluster							
10.551	Food Stamps		\$452,080,674	\$ —	\$452,080,674	\$451,952,156	\$128,518

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
10.561	State Administrative Matching Grants for Food Stamp Program		41,829,486	—	41,829,486	41,829,486	—
Total Food Stamp Cluster			\$493,910,160	\$ —	\$493,910,160	\$493,781,642	\$128,518
Child Nutrition Cluster							
10.553	School Breakfast Program		\$ 423,862	\$ 23,804,099	\$ 24,227,961	\$ 24,227,961	\$ —
10.555	National School Lunch Program		763,226	67,405,638	68,168,864	68,168,864	—
10.556	Special Milk Program for Children		—	182,016	182,016	182,016	—
10.559	Summer Food Service Program for Children		147,774	1,370,231	1,518,005	1,492,958	25,047
Total Child Nutrition Cluster			\$ 1,334,862	\$ 92,761,984	\$ 94,096,846	\$ 94,071,799	\$ 25,047
Emergency Food Assistance Cluster							
10.568	Emergency Food Assistance Program (Administrative Costs)		\$ 55,559	\$ 743,421	\$ 798,980	\$ 798,980	\$ —
10.569	Emergency Food Assistance Program (Food Commodities)		—	5,812,990	5,812,990	5,812,990	—
Total Emergency Food Assistance Cluster			\$ 55,559	\$ 6,556,411	\$ 6,611,970	\$ 6,611,970	\$ —
Schools and Roads Cluster							
10.665	Schools and Roads—Grants to States		\$ 836,020	\$ 143,469,674	\$ 144,305,694	\$ 143,469,693	\$ 836,001
Total Schools and Roads Cluster			\$ 836,020	\$143,469,674	\$144,305,694	\$143,469,693	\$836,001
Public Works and Economic Development Cluster							
11.307	Economic Adjustment Assistance		\$ 27,864	\$ —	\$ 27,864	\$ 27,864	\$ —
Total Public Works and Economic Development Cluster			\$ 27,864	\$ —	\$ 27,864	\$ 27,864	\$ —
Section 8 Project-Based Cluster							
14.182	Lower Income Housing Assistance Program - Section 8 New Construction/Substantial Rehabilitation		\$ 50,637,367	\$ —	\$ 50,637,367	\$ 50,637,367	\$ —
Total Section 8 Project-Based Cluster			\$ 50,637,367	\$ —	\$ 50,637,367	\$ 50,637,367	\$ —

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
CDBG — Entitlement and Small Cities Cluster							
14.218	Community Development Block Grants/Entitlement Grants		\$ 100,802	\$ —	\$ 100,802	\$ —	\$ 100,802
Total CDBG — Entitlement and Small Cities Cluster			\$ 100,802	\$ —	\$ 100,802	\$ —	\$100,802
Fish and Wildlife Cluster							
15.605	Sport Fish Restoration		\$ 6,858,039	\$ 1,727,337	\$ 8,585,376	\$ 8,585,376	\$ —
15.611	Wildlife Restoration		4,277,021	44,818	4,321,839	4,321,839	—
Total Fish and Wildlife Cluster			\$ 11,135,060	\$ 1,772,155	\$ 12,907,215	\$ 12,907,215	\$ —
Employment Service Cluster							
17.207	Employment Service		\$ 11,421,815	\$ 118,000	\$ 11,539,815	\$ 11,539,815	\$ —
17.801	Disabled Veterans' Outreach Program (DVOP)		1,248,381	—	1,248,381	1,248,381	—
17.804	Local Veterans' Employment Representative Program		1,317,046	—	1,317,046	1,317,046	—
Total Employment Service Cluster			\$ 13,987,242	\$ 118,000	\$ 14,105,242	\$ 14,105,242	\$ —
WIA Cluster							
17.258	WIA Adult Program		\$ 2,818,496	\$ 7,904,706	\$ 10,723,202	\$ 10,723,202	\$ —
17.259	WIA Youth Activities		—	16,521,577	16,521,577	16,521,577	—
17.260	WIA Dislocated Workers		748,233	22,853,134	23,601,367	23,601,367	—
Total WIA Cluster			\$ 3,566,729	\$47,279,417	\$ 50,846,146	\$ 50,846,146	\$ —
Highway Planning and Construction Cluster							
20.205	Highway Planning and Construction		\$ 345,526,541	\$ 12,961,720	\$ 358,488,261	\$ 357,644,009	\$ 844,252
Total Highway Planning and Construction Cluster			\$345,526,541	\$12,961,720	\$358,488,261	\$357,644,009	\$844,252
Highway Safety Cluster							
20.600	State and Community Highway Safety		\$ 1,132,681	\$ 753,730	\$ 1,886,411	\$ 1,886,411	\$ —
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants		406,238	613,112	1,019,350	1,019,350	—
20.602	Occupant Protection		92,101	222,784	314,885	314,885	—
20.603	Federal Highway Safety Data Improvements Incentive Grants		33,623	—	33,623	33,623	—
20.604	Safety Incentive Grants for Use of Seatbelts		451,130	206,955	658,085	658,085	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons		1,059,452	301,720	1,361,172	1,361,172	—
Total Highway Safety Cluster			\$ 3,175,225	\$ 2,098,301	\$ 5,273,526	\$ 5,273,526	\$ —
Special Education Cluster (IDEA)							
84.027	Special Education—Grants to States		\$ 4,894,525	\$ 91,220,761	\$ 96,115,286	\$ 95,700,625	\$ 414,661
84.173	Special Education—Preschool Grants		249,172	3,591,741	3,840,913	3,840,913	—
Total Special Education Cluster (IDEA)			\$ 5,143,697	\$94,812,502	\$ 99,956,199	\$ 99,541,538	\$414,661
Student Financial Assistance Programs							
84.007	Federal Supplemental Education Opportunity Grants		\$ 3,903,189	\$ —	\$ 3,903,189	\$ 3,903,189	\$ —
84.032	Federal Family Education Loans		117,821,582	—	117,821,582	117,821,582	—
84.033	Federal Work-Study Program		4,509,149	—	4,509,149	4,509,149	—
84.038	Federal Perkins Loan Program—Federal Capital Contributions		270,869	—	270,869	270,869	—
84.063	Federal Pell Grant Program		53,926,831	—	53,926,831	53,926,831	—
84.268	Federal Direct Student Loans		209,975,853	—	209,975,853	209,975,853	—
Total Student Financial Assistance Programs			\$390,407,473	\$ —	\$390,407,473	\$390,407,473	\$ —
TRIO Cluster							
84.042	TRIO—Student Support Services		\$ 1,892,964	\$ —	\$ 1,892,964	\$ 1,892,964	\$ —
84.044	TRIO—Talent Search		295,925	—	295,925	295,925	—
84.047	TRIO—Upward Bound		717,091	—	717,091	717,091	—
84.217	TRIO—McNair Post-Baccalaureate Achievement		664,728	—	664,728	664,728	—
Total TRIO Cluster			\$ 3,570,708	\$ —	\$ 3,570,708	\$ 3,570,708	\$ —
Aging Cluster							
93.044	Special Programs for the Aging Title III, Part B. Grants for Supportive Services and Senior Centers		\$ 12,082	\$ 5,178,756	\$ 5,190,838	\$ 5,190,838	\$ —
93.045	Special Programs for the Aging Title III, Part C. Nutrition Services		(338,184)	5,975,392	5,637,208	5,637,208	—
93.053	Nutrition Services Incentive Program		125,752	1,433,935	1,559,687	1,559,687	—
Total Aging Cluster			\$ (200,350)	\$12,588,083	\$ 12,387,733	\$ 12,387,733	\$ —

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
Child Care and Development Fund (CCDF) Cluster							
93.575	Child Care and Development Block Grant		\$ 15,383,557	\$ 8,625,370	\$ 24,008,927	\$ 23,369,398	\$ 639,529
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		41,947,220	312,395	42,259,615	42,221,857	37,758
Total Child Care and Development Fund (CCDF) Cluster			\$ 57,330,777	\$8,937,765	\$ 66,268,542	\$ 65,591,255	\$677,287
Medicaid Cluster							
93.775	State Medicaid Fraud Control Units		\$ 904,630	\$ —	\$ 904,630	\$ 904,630	\$ —
93.777	State Survey and Certification of Health Care Providers and Suppliers		5,373,537	—	5,373,537	5,373,537	—
93.778	Medical Assistance Program		2,001,260,586	1,430,941	2,002,691,527	2,002,691,527	—
Total Medicaid Cluster			\$2,007,538,753	\$1,430,941	\$2,008,969,694	\$2,008,969,694	\$ —
Foster Grandparent/Senior Companion Cluster							
94.011	Foster Grandparent Program		\$ 284,725	\$ —	\$ 284,725	\$ 284,725	\$ —
Total Foster Grandparent/Senior Companion Cluster			\$ 284,725	\$ —	\$ 284,725	\$ 284,725	\$ —
Disability Insurance/SSI Cluster							
96.001	Social Security Disability Insurance (DI)		\$ 20,504,076	\$ —	\$ 20,504,076	\$ 20,504,076	\$ —
Total Disability Insurance/SSI Cluster			\$ 20,504,076	\$ —	\$ 20,504,076	\$ 20,504,076	\$ —
Research and Development Cluster							
10.001	Agricultural Research—Basic and Applied Research		\$ 1,753,471	\$ —	\$ 1,753,471	\$ 1,576,204	\$ 177,267
10.025	Plant and Animal Disease, Pest Control, and Animal Care		56,137	—	56,137	56,137	—
10.200	Grants for Agricultural Research, Special Research Grants		2,939,487	847,161	3,786,648	2,908,106	878,542
10.202	Cooperative Forestry Research		892,082	—	892,082	892,082	—
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act		2,729,836	9,843	2,739,679	2,739,679	—
10.206	Grants for Agricultural Research—Competitive Research Grants		1,821,782	14,294	1,836,076	1,649,915	186,161
10.207	Animal Health and Disease Research		56,912	—	56,912	56,912	—
10.212	Small Business Innovation Research		12,703	—	12,703	—	12,703
10.215	Sustainable Agriculture Research and Education		7,076	—	7,076	—	7,076
10.219	Biotechnology Risk Assessment Research		261,069	19,677	280,746	280,746	—
10.224	Fund for Rural America—Research, Education, and Extension Activities		119,964	14,161	134,125	134,125	—
10.225	Community Food Projects		33,907	—	33,907	33,907	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
10.250	Agricultural and Rural Economic Research		55,399	—	55,399	41,065	14,334
10.302	Initiative for Future Agriculture and Food Systems		912,801	236,630	1,149,431	519,765	629,666
10.303	Integrated Programs		365,684	86,524	452,208	298,087	154,121
10.304	Homeland Security–Agricultural		142,915	—	142,915	—	142,915
10.350	Technical Assistance to Cooperatives		475	—	475	475	—
10.450	Crop Insurance		15	—	15	15	—
10.500	Cooperative Extension Service		588,290	5,814	594,104	356,466	237,638
10.551	Food Stamps		1,498,564	25,358	1,523,922	—	1,523,922
10.558	Child and Adult Care Food Program		2,444	—	2,444	2,444	—
10.604	Technical Assistance for Specialty Crops Program		52,514	—	52,514	—	52,514
10.652	Forestry Research		907,135	1,178	908,313	839,264	69,049
10.664	Cooperative Forestry Assistance		4,690,728	28,347	4,719,075	4,689,451	29,624
10.665	Schools and Roads–Grants to States		140,964	—	140,964	—	140,964
10.672	Rural Development, Forestry, and Communities		10,686	—	10,686	10,686	—
10.901	Resource Conservation and Development		71,446	—	71,446	71,446	—
10.902	Soil and Water Conservation		350,048	—	350,048	350,048	—
10.905	Plant Materials for Conservation		21,539	—	21,539	—	21,539
10.912	Environmental Quality Incentives Program		36,508	—	36,508	36,508	—
10.961	Scientific Cooperation and Research		91,151	23,913	115,064	11,584	103,480
10.XXX	Other Department of Agriculture Programs						
		03-CR-11061820-055	214,993	—	214,993	214,993	—
		43-04GG-4-0159	2,585	—	2,585	2,585	—
		04-CR-11061500-029	3,458	—	3,458	3,458	—
		03-CR-11061202-044	17,730	—	17,730	17,730	—
		03-CR-11060600-647	23,255	—	23,255	23,255	—
		0453-3-6005	5,000	—	5,000	5,000	—
10.XXX	Total Other Department of Agriculture Programs		<u>267,021</u>	<u>—</u>	<u>267,021</u>	<u>267,021</u>	<u>—</u>
11.300	Grants for Public Works and Economic Development Facilities		474,444	—	474,444	474,444	—
11.302	Economic Development–Support for Planning Organizations		16,984	—	16,984	—	16,984
11.307	Economic Adjustment Assistance		100,019	—	100,019	100,019	—
11.417	Sea Grant Support		2,621,258	244,282	2,865,540	2,679,034	186,506
11.419	Coastal Zone Management Administration Awards		120,665	22,901	143,566	—	143,566
11.420	Coastal Zone Management Estuarine Research Reserves		57,732	—	57,732	58,334	(602)
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		57,262	—	57,262	51,515	5,747
11.430	Undersea Research		103,433	—	103,433	11,248	92,185
11.431	Climate and Atmospheric Research		177,626	—	177,626	177,626	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
11.432	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		1,277,013	7,660	1,284,673	1,093,761	190,912
11.433	Marine Fisheries Initiative		80,962	—	80,962	76,055	4,907
11.434	Cooperative Fishery Statistics		11,630	—	11,630	11,630	—
11.436	Columbia River Fisheries Development Program		115,121	—	115,121	115,121	—
11.437	Pacific Fisheries Data Program		869	—	869	—	869
11.438	Pacific Coast Salmon Recovery—Pacific Salmon Treaty Program		489,793	—	489,793	75,115	414,678
11.439	Marine Mammal Data Program		100,524	—	100,524	100,524	—
11.440	Environmental Sciences, Applications, Data, and Education		621,172	—	621,172	621,172	—
11.452	Unallied Industry Projects		298,104	—	298,104	253,622	44,482
11.455	Cooperative Science and Education Program		1,689,084	—	1,689,084	1,628,318	60,766
11.460	Special Oceanic and Atmospheric Projects		162,917	34,500	197,417	147,296	50,121
11.462	Hydrologic Research		54,866	—	54,866	54,866	—
11.472	Unallied Science Program		117,920	—	117,920	26,660	91,260
11.473	Coastal Services Center		65,868	—	65,868	32,192	33,676
11.478	Center for Sponsored Coastal Ocean Research—Coastal Ocean Program		1,700	—	1,700	—	1,700
11.552	Technology Opportunities Program		20,080	—	20,080	—	20,080
11.609	Measurement and Engineering Research and Standards		(23,192)	—	(23,192)	(23,192)	—
11.612	Advanced Technology Program		5,576	—	5,576	—	5,576
11.XXX	Other Department of Commerce Programs						
	AB133R04SE1175		14,050	—	14,050	14,050	—
11.XXX	Total Other Department of Commerce Programs		14,050	—	14,050	14,050	—
12.107	Navigation Projects		134,370	—	134,370	134,370	—
12.110	Planning Assistance to States		39	—	39	39	—
12.114	Collaborative Research and Development		809,940	286,726	1,096,666	1,096,666	—
12.300	Basic and Applied Scientific Research		4,756,303	108,407	4,864,710	4,483,072	381,638
12.401	National Guard Military Operations and Maintenance (O&M) Projects		4,388	—	4,388	—	4,388
12.420	Military Medical Research and Development		1,348,563	—	1,348,563	978,049	370,514
12.431	Basic Scientific Research		1,180,943	47,141	1,228,084	969,734	258,350
12.630	Basic, Applied, and Advanced Research in Science and Engineering		34,934	—	34,934	—	34,934
12.800	Air Force Defense Research Sciences Program		627,148	—	627,148	72,390	554,758
12.901	Mathematical Sciences Grants Program		8,426	—	8,426	8,426	—
12.910	Research and Technology Development		2,963,314	827,614	3,790,928	3,146,030	644,898
12.XXX	Other Department of Defense Programs						
	DACA87-05-H-0007		9,673	—	9,673	9,673	—
	3046374		17,907	—	17,907	—	17,907
	DACW42-03-C-0036		10,675	—	10,675	10,675	—
	GPACS0016-PSU		61,853	—	61,853	—	61,853

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		Not Available	22,107	—	22,107	—	22,107
		W9132T-05-C-0011	21,713	—	21,713	21,713	—
		DASW01-03-2-0002	119,153	—	119,153	119,153	—
12.XXX	Total Other Department of Defense Programs		263,081	—	263,081	161,214	101,867
14.866	Demolition and Revitalization of Severely Distressed Public Housing		28,529	—	28,529	—	28,529
15.039	Fish, Wildlife, and Parks Programs on Indian Lands		8,699	—	8,699	—	8,699
15.222	Cooperative Inspection Agreements with States and Tribes		978	—	978	978	—
15.224	Cultural Resource Management		27,389	—	27,389	16,748	10,641
15.225	Recreation Resource Management		720,558	—	720,558	720,558	—
15.506	Water Desalination Research and Development Program		58,329	—	58,329	58,329	—
15.507	Water 2025		18,759	—	18,759	18,759	—
15.605	Sport Fish Restoration		66,548	—	66,548	—	66,548
15.608	Fish and Wildlife Management Assistance		863,595	—	863,595	257,733	605,862
15.611	Wildlife Restoration		11,216	—	11,216	—	11,216
15.615	Cooperative Endangered Species Conservation Fund		55,775	—	55,775	—	55,775
15.618	Administrative Grants for Federal Aid in Sport Fish and Wildlife		15,609	—	15,609	—	15,609
15.634	State Wildlife Grants		140,011	64,257	204,268	—	204,268
15.805	Assistance to State Water Resources Research Institutes		59,611	—	59,611	59,611	—
15.807	Earthquake Hazards Reduction Program		351,882	—	351,882	299,337	52,545
15.808	U.S. Geological Survey—Research and Data Acquisition		1,947,713	—	1,947,713	1,862,313	85,400
15.809	National Spatial Data Infrastructure Cooperative Agreements Program		16,895	6,687	23,582	23,582	—
15.810	National Cooperative Geologic Mapping Program		1,486	—	1,486	1,486	—
15.811	Gap Analysis Program		364,347	—	364,347	364,347	—
15.812	Cooperative Research Units Program		503,222	—	503,222	503,222	—
15.904	Historic Preservation Fund Grants-In-Aid		40,065	—	40,065	40,065	—
15.910	National Natural Landmarks Program		27,673	—	27,673	27,673	—
15.912	National Historic Landmark		85,480	—	85,480	—	85,480
15.915	Technical Preservation Services		475,434	—	475,434	475,434	—
15.916	Outdoor Recreation—Acquisition, Development and Planning		391,116	—	391,116	391,116	—
15.922	Native American Graves Protection and Repatriation Act		44,162	—	44,162	44,162	—
15.XXX	Other Department of the Interior Programs						
		CADIST04 0058	4,215	—	4,215	4,215	—
		05-60	22,145	—	22,145	—	22,145
		13420-4-J433	5,554	—	5,554	5,554	—
		11450-4-J506	19,846	—	19,846	19,846	—
		11450-2-J504	1,296	—	1,296	1,296	—
		02-01	9,121	—	9,121	—	9,121

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
		HAP024129	3,055	—	3,055	3,055	—
		P1580010818	6	—	6	6	—
15.XXX	Total Other Department of the Interior Programs		<u>65,238</u>	<u>—</u>	<u>65,238</u>	<u>33,972</u>	<u>31,266</u>
16.529	Education and Training to End Violence Against and Abuse of Women with Disabilities		132,611	—	132,611	132,611	—
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States		5,713	—	5,713	—	5,713
16.541	Developing, Testing and Demonstrating Promising New Programs		42,659	—	42,659	—	42,659
16.542	Part D—Research, Evaluation, Technical Assistance and Training		15,159	—	15,159	—	15,159
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants		31,563	—	31,563	31,563	—
16.575	Crime Victim Assistance		8,140	—	8,140	—	8,140
16.579	Byrne Formula Grant Program		147,722	—	147,722	—	147,722
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		4,884	—	4,884	—	4,884
16.582	Crime Victim Assistance/Discretionary Grants		2,813	—	2,813	—	2,813
16.588	Violence Against Women Formula Grants		1,738	—	1,738	—	1,738
16.595	Community Capacity Development Office		10,560	—	10,560	—	10,560
16.609	Community Prosecution and Project Safe Neighborhoods		38,576	—	38,576	38,576	—
16.727	Enforcing Underage Drinking Laws Program		23,931	—	23,931	—	23,931
17.720	Disability Employment Policy Development		67,606	30,096	97,702	97,702	—
17.XXX	Unidentified Department of Labor Program						
		S6030-PSU FP1405	19,850	—	19,850	—	19,850
		S-6010-PSU/FP1126	12,495	—	12,495	—	12,495
17.XXX	Total Unidentified Department of Labor Program		<u>32,345</u>	<u>—</u>	<u>32,345</u>	<u>—</u>	<u>32,345</u>
19.401	Educational Exchange—University Lecturers (Professors) and Research Scholars		66,068	—	66,068	66,068	—
19.409	Arts Exchanges on International Issues		8,976	—	8,976	8,976	—
19.423	Exchange—English Language Specialist/Speaker Program		183,671	—	183,671	183,671	—
19.424	Educational Partnerships Program		50,655	—	50,655	50,655	—
20.108	Aviation Research Grants		61,985	—	61,985	4,924	57,061
20.205	Highway Planning and Construction		1,926,273	14,539	1,940,812	122,163	1,818,649
20.215	Highway Training and Education		76,376	4,554	80,930	—	80,930
20.219	Recreational Trails Program		(19,042)	—	(19,042)	—	(19,042)
20.505	Federal Transit—Metropolitan Planning Grants		13,316	—	13,316	—	13,316
20.514	Transit Planning and Research		15,725	—	15,725	—	15,725
20.515	State Planning and Research		940,027	529,176	1,469,203	—	1,469,203
20.600	State and Community Highway Safety		163,001	—	163,001	—	163,001
20.603	Federal Highway Safety Data Improvements Incentive Grants		20,679	—	20,679	—	20,679

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
20.701	University Transportation Centers Program		129,962	—	129,962	—	129,962
20.XXX	Other Department of Transportation Programs						
		DTCG32-02-C-R00005	103,406	91,606	195,012	195,012	—
		B-29	22,856	—	22,856	—	22,856
		0000306706WC	19,273	—	19,273	—	19,273
20.XXX	Total Other Department of Transportation Programs		<u>145,535</u>	<u>91,606</u>	<u>237,141</u>	<u>195,012</u>	<u>42,129</u>
43.001	Aerospace Education Services Program		1,066,590	2,205,293	3,271,883	3,218,045	53,838
43.002	Technology Transfer		3,713,655	24,741	3,738,396	3,078,366	660,030
43.XXX	Other NASA programs						
		NAG3-2741	52,747	—	52,747	52,747	—
		NAG5-11309	5,898	—	5,898	5,898	—
		NAG5-12856	26,850	—	26,850	26,850	—
		04-SC-014	34,174	—	34,174	—	34,174
		NAG5-13044	46,288	—	46,288	46,288	—
		NAG5-13503	53,519	—	53,519	53,519	—
		NCC 2-1381	133,036	—	133,036	133,036	—
		NNC05AA29A	95,886	—	95,886	95,886	—
		NNG04GJ41G	38,897	—	38,897	38,897	—
		NNG04GJ84G	66,309	52,814	119,123	119,123	—
		NNG04GL04G	7,091	—	7,091	7,091	—
		NNG04GM20G	128,129	—	128,129	128,129	—
		Not Available	63,402	—	63,402	—	63,402
		NAG5-12736	152,111	—	152,111	152,111	—
		8023-004	8,079	—	8,079	—	8,079
		#PSU 03-1	9,311	—	9,311	—	9,311
		#PSU 02-02	(101)	—	(101)	—	(101)
		213011-NASA011	28,373	—	28,373	—	28,373
43.XXX	Total Other NASA programs		<u>949,999</u>	<u>52,814</u>	<u>1,002,813</u>	<u>859,575</u>	<u>143,238</u>
45.149	Promotion of the Humanities—Division of Preservation and Access		35,127	80,463	115,590	115,590	—
45.301	Museum for America Grants		45,008	—	45,008	45,008	—
45.310	State Library Program		445	—	445	—	445
47.041	Engineering Grants		3,003,833	72,750	3,076,583	2,240,337	836,246
47.049	Mathematical and Physical Sciences		4,755,660	49,977	4,805,637	4,805,637	—
47.050	Geosciences		16,887,822	733,548	17,621,370	16,940,307	681,063
47.070	Computer and Information Science and Engineering		4,107,192	693,365	4,800,557	4,215,703	584,854
47.074	Biological Sciences		9,491,537	765,699	10,257,236	9,082,332	1,174,904
47.075	Social, Behavioral, and Economic Sciences		1,467,417	53,316	1,520,733	1,422,522	98,211

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
47.076	Education and Human Resources		2,790,112	583,172	3,373,284	2,669,530	703,754
47.078	Polar Programs		1,324,505	—	1,324,505	1,210,512	113,993
58.001	Securities—Investigation of Complaints and SEC Information		14,602	—	14,602	14,602	—
64.018	Sharing Specialized Medical Resources		18,458	—	18,458	18,458	—
66.034	Surveys Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act		33,254	18,247	51,501	51,501	—
66.460	Nonpoint Source Implementation Grants		217,144	—	217,144	—	217,144
66.461	Regional Wetland Program Development Grants		95,870	17,585	113,455	54,237	59,218
66.463	Water Quality Cooperative Agreements		57,123	—	57,123	—	57,123
66.500	Environmental Protection-Consolidated Research		2,057,859	568,105	2,625,964	2,264,464	361,500
66.509	Science to Achieve Results (STAR) Research Program		213,734	168,285	382,019	382,019	—
66.510	Surveys, Studies, Investigations and Special Purpose Grants Within the Office of Research and Development		325	—	325	325	—
66.511	Office of Research and Development Consolidated Research/Training		181,366	—	181,366	181,366	—
66.516	National Student Design Competition for Sustainability		17,582	—	17,582	17,582	—
66.606	Surveys, Studies, Investigations and Special Purpose Grants		137,016	—	137,016	26,559	110,456
66.607	Training and Fellowships for the Environmental Protection Agency		227,374	—	227,374	227,374	—
66.608	Environmental Information Exchange Network Grant Program and Related Assistance		9,396	—	9,396	9,396	—
66.610	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator		40,830	—	40,830	40,830	—
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		6,614	—	6,614	6,614	—
66.714	Pesticide Environmental Stewardship Regional Grants		30,168	—	30,168	29,384	784
66.716	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach		7,643	—	7,643	7,643	—
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		9	—	9	—	9
66.814	Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements		119,081	919	120,000	120,000	—
66.951	Environmental Education Grants		22,832	—	22,832	22,832	—
66.XXX	Other Environmental Protection Agency Programs						
	4D-6214-NAEX		560	—	560	560	—
	041-05		9,198	—	9,198	—	9,198
66.XXX	Total Other Environmental Protection Agency Programs		9,758	—	9,758	560	9,198
81.036	Inventions and Innovations		129,323	—	129,323	—	129,323
81.049	Office of Science Financial Assistance Program		7,046,858	602,081	7,648,939	6,809,799	839,140
81.064	Office of Scientific and Technical Information		93,967	—	93,967	—	93,967
81.086	Conservation Research and Development		666,718	—	666,718	485,043	181,675

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, 2005 (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		449,909	18,445	468,354	105,476	362,878
81.089	Fossil Energy Research and Development		77,988	—	77,988	—	77,988
81.104	Office of Environmental Cleanup and Acceleration		56,617	—	56,617	—	56,617
81.114	University Reactor Infrastructure and Education Support		749,979	613,557	1,363,536	1,363,536	—
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		5,281	—	5,281	—	5,281
81.121	Nuclear Energy Research, Development and Demonstration		513,724	—	513,724	370,737	142,987
81.XXX	Other Department of Energy Programs						
		00017283	23,183	—	23,183	23,183	—
		PL00108922SJ	1,442	—	1,442	—	1,442
		0018520	13,943	—	13,943	13,943	—
		84599-001-04- 4V	28,140	—	28,140	—	28,140
		B539302	228,143	—	228,143	—	228,143
		Not Available	74,280	—	74,280	—	74,280
81.XXX	Total Other Department of Energy Programs		369,131	—	369,131	37,126	332,005
84.002	Adult Education—State Grant Program		440,865	—	440,865	—	440,865
84.019	Overseas Faculty Research Abroad		61,348	—	61,348	61,348	—
84.027	Special Education—Grants to States		139,855	—	139,855	—	139,855
84.051	Vocational Education—National Programs		41,742	—	41,742	—	41,742
84.116	Fund for the Improvement of Postsecondary Education		236,443	45,316	281,759	217,563	64,196
84.133	National Institute on Disability and Rehabilitation Research		2,056,375	288,015	2,344,390	2,080,793	263,597
84.149	Migrant Education—College Assistance Migrant Program		193,246	—	193,246	193,246	—
84.173	Special Education—Preschool Grants		161,904	—	161,904	—	161,904
84.180	Technology Applications for Individuals with Disabilities		(1,831)	—	(1,831)	(1,831)	—
84.181	Special Education—Grants for Infants and Families with Disabilities		49,952	—	49,952	—	49,952
84.184	Safe and Drug-Free Schools and Communities—National Programs		12,674	—	12,674	—	12,674
84.206	Javits Gifted and Talented Students Education Grant Program		13,439	—	13,439	—	13,439
84.214	Even Start—Migrant Education		54,799	—	54,799	—	54,799
84.243	Tech-Prep Education		936	—	936	—	936
84.305	Education Research, Development and Dissemination		285,240	115,444	400,684	383,456	17,228
84.309	National Institute on Postsecondary Education, Libraries, and Lifelong Learning		1,142,166	—	1,142,166	—	1,142,166
84.323	Special Education - State Personnel Development		(202)	—	(202)	—	(202)
84.324	Research in Special Education		3,653,513	680,828	4,334,341	3,893,185	441,156
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities		538,465	—	538,465	538,465	—
84.326	Special Education—Technical Assistance and Dissemination to Improve		1,710,946	1,538,271	3,249,217	3,206,541	42,676

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
84.327	Services and Results for Children with Disabilities Special Education—Technology and Media Services for Individuals with Disabilities		242,109	—	242,109	242,109	—
84.336	Teacher Quality Enhancement Grants		384,831	143,395	528,226	528,226	—
84.342	Preparing Tomorrow's Teachers to Use Technology		98,368	—	98,368	—	98,368
84.349	Early Childhood Educator Professional Development		468,119	38,151	506,270	484,833	21,437
84.350	Transition to Teaching		95,340	—	95,340	95,340	—
84.366	Mathematics and Science Partnerships		201,331	—	201,331	—	201,331
84.367	Improving Teacher Quality State Grants		(357)	18,681	18,324	18,324	—
84.368	Grants for Enhanced Assessment Instruments		35,294	—	35,294	—	35,294
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long-Term Care Ombudsman Services for Older Individuals		55,066	—	55,066	—	55,066
93.043	Special Programs for the Aging—Title III, Part D. Disease Prevention and Health Promotion Services		4,198	—	4,198	—	4,198
93.048	Special Programs for the Aging—Title IV and Title II. Discretionary Projects		5,069	—	5,069	—	5,069
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		119,074	—	119,074	—	119,074
93.113	Biological Response to Environmental Health Hazards		1,501,056	—	1,501,056	1,430,226	70,830
93.114	Applied Toxicological Research and Testing		216,082	—	216,082	216,082	—
93.121	Oral Diseases and Disorders Research		169,001	—	169,001	169,001	—
93.136	Injury Prevention and Control Research and State and Community-Based Programs		279,443	—	279,443	259,754	19,689
93.143	NIEHS Superfund Hazardous Substances—Basic Research and Education		251,737	—	251,737	—	251,737
93.172	Human Genome Research		2,067,334	251,800	2,319,134	2,319,134	—
93.173	Research Related to Deafness and Communication Disorders		2,087,240	—	2,087,240	2,020,884	66,356
93.206	Human Health Studies—Applied Research and Development		4	—	4	—	4
93.213	Research and Training in Complementary and Alternative Medicine		1,140,696	—	1,140,696	1,119,371	21,325
93.217	Family Planning Services		789	—	789	—	789
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School-Based Health Centers)		13,639	—	13,639	—	13,639
93.226	Research on Healthcare Costs, Quality and Outcomes		124,089	—	124,089	124,089	—
93.230	Consolidated Knowledge Development and Application (KD&A) Program		256,581	—	256,581	—	256,581
93.239	Policy Research and Evaluation Grants		150,620	—	150,620	—	150,620
93.242	Mental Health Research Grants		1,308,424	196,073	1,504,497	1,471,423	33,074
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance		265,325	—	265,325	—	265,325
93.262	Occupational Safety and Health Program		12,701	—	12,701	12,701	—

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.263	Occupational Safety and Health Training Grants		36,911	—	36,911	36,911	—
93.273	Alcohol Research Programs		326,218	—	326,218	216,836	109,382
93.279	Drug Abuse and Addiction Research Programs		2,581,038	1,385,572	3,966,610	3,966,610	—
93.281	Mental Health Research Career/Scientist Development Awards		274,514	—	274,514	274,514	—
93.282	Mental Health National Research Service Awards for Research Training		208,016	—	208,016	208,016	—
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance		94,362	—	94,362	—	94,362
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health		79,219	24,845	104,064	104,064	—
93.333	Clinical Research		95,707	20,856	116,563	—	116,563
93.361	Nursing Research		144,851	—	144,851	59,479	85,372
93.389	National Center for Research Resources		2,802,155	21,600	2,823,755	2,672,832	150,923
93.393	Cancer Cause and Prevention Research		651,243	—	651,243	651,243	—
93.395	Cancer Treatment Research		742,151	—	742,151	233,304	508,847
93.396	Cancer Biology Research		2,673	—	2,673	(327)	3,000
93.399	Cancer Control		1,908,487	—	1,908,487	1,903,681	4,806
93.575	Child Care and Development Block Grant		349,411	39,198	388,609	—	388,609
93.576	Refugee and Entrant Assistance—Discretionary Grants		225,729	—	225,729	—	225,729
93.600	Head Start		521,453	—	521,453	521,453	—
93.631	Developmental Disabilities Projects of National Significance		41,597	—	41,597	41,597	—
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service		381,276	—	381,276	381,276	—
93.643	Children's Justice Grants to States		39,979	—	39,979	—	39,979
93.645	Child Welfare Services—State Grants		196,552	—	196,552	—	196,552
93.647	Social Services Research and Demonstration		20,914	49,653	70,567	70,567	—
93.658	Foster Care—Title IV-E		449,618	—	449,618	—	449,618
93.670	Child Abuse and Neglect Discretionary Activities		50,468	—	50,468	1,629	48,839
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters—Grants to States and Indian Tribes		37,076	—	37,076	—	37,076
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities		(810)	—	(810)	—	(810)
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		533,467	—	533,467	209,942	323,525
93.837	Heart and Vascular Diseases Research		1,384,841	—	1,384,841	791,700	593,141
93.838	Lung Diseases Research		317,543	—	317,543	224,041	93,502
93.846	Arthritis, Musculoskeletal and Skin Diseases Research		947,033	36,285	983,318	983,318	—
93.847	Diabetes, Endocrinology and Metabolism Research		723,416	—	723,416	686,719	36,697

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, 2005 (continued)

Federal CFDA Number	Federal Funding Agencies and Program Titles	Contract Number	Direct Expenditures	Amounts Provided to Subrecipients	Total	Direct Awards	Indirect Awards
93.848	Digestive Diseases and Nutrition Research		520,585	—	520,585	520,585	—
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders		1,400,641	—	1,400,641	1,280,397	120,244
93.856	Microbiology and Infectious Diseases Research		2,623,755	241,337	2,865,092	2,661,726	203,366
93.859	Pharmacology, Physiology, and Biological Chemistry Research		7,755,112	145,527	7,900,639	7,558,990	341,649
93.862	Genetics and Developmental Biology Research and Research Training		13,296	—	13,296	13,296	—
93.865	Child Health and Human Development Extramural Research		3,399,727	25,586	3,425,313	3,362,106	63,207
93.866	Aging Research		644,619	—	644,619	642,352	2,267
93.867	Vision Research		345,387	117,512	462,899	423,142	39,757
93.891	Alcohol Research Center Grants		80,647	—	80,647	—	80,647
93.894	Resource and Manpower Development in the Environmental Health Services		1,901,113	15,000	1,916,113	1,886,808	29,305
93.945	Assistance Program for Chronic Disease Prevention and Control		172,575	—	172,575	—	172,575
93.955	Health and Safety Programs for Construction Work		12,996	—	12,996	—	12,996
93.969	Geriatric Education Centers		82,469	—	82,469	—	82,469
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		1,290	—	1,290	1,290	—
93.989	International Research and Research Training		167,373	—	167,373	73,684	93,689
93.XXX	Other Department of Health and Human Services Programs						
	0000158224		16,889	—	16,889	—	16,889
	263-MQ-410902		12,227	—	12,227	12,227	—
	35126-4S-627		12,359	—	12,359	—	12,359
	6032886/RFS100104		4,735	—	4,735	—	4,735
	Not Available		12,249	—	12,249	—	12,249
	SC-05-02054 001-03		4,779	—	4,779	—	4,779
93.XXX	Total Other Department of Health and Human Services Programs		63,238	—	63,238	12,227	51,011
97.005	State and Local Homeland Security Training Program		23,241	—	23,241	—	23,241
98.001	USAID Foreign Assistance for Programs Overseas		936,903	812,664	1,749,567	1,554,922	194,645
98.002	Cooperative Development Program (CDP)		150,777	—	150,777	—	150,777
Total Research and Development Cluster			\$ 174,719,593	\$ 17,207,017	\$ 191,926,610	\$ 160,649,004	\$ 31,277,605
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$5,101,148,156	\$980,101,240	\$6,081,249,396	\$6,028,957,597	\$52,291,799

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, 2005**

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, 2005, 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 Number	Title	Type of Assistance	Value
10.550	Food Donation	Commodities	\$ 8,834,315
10.565	Commodity Supplemental Food Program	Commodities	235,209
10.567	Food Distribution Program on Indian Reservations	Commodities	74,615
10.569	Emergency Food Assistance Program	Commodities	5,812,990
39.003	Donation of Federal Surplus Personal Property	Donated surplus property	1,856,676
93.268	Immunization Grants	Vaccines	5,257,383
	Total		<u>\$ 22,071,188</u>

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 4. Loans and Loan Guarantees

Loans outstanding and new loans made during the year ended June 30, 2005 are as follows:

CFDA Number	Title	Outstanding Balance as of June 30, 2005	New Loans Made During the Year Ended June 30, 2005
11.307	Economic Adjustment Assistance	\$ 5,128,833	\$ 770,000
14.239	HOME Investment Partnerships Program	3,766,400	1,361,759
66.458	Capitalization Grants for Clean Water State Revolving Funds	55,380,742	15,741,682
84.032	Federal Family Education Loans	-	61,129,361
84.038	Federal Perkins Loan Program-Federal Capital Contributions	70,448,176	16,171,673
	Total	<u>\$ 134,724,151</u>	<u>\$ 95,174,475</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 \$631,617,134 reported as expenditures for the Unemployment Insurance program (CFDA 17.225), \$551,854,922 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 California	1,000	03-001 etx/ 03-00890V
10.001	University of California/Davis	7,643	010953-OR
10.001	University of Connecticut	54,692	PSA 3316 / FRS #521163
10.001	University of Kentucky Research Foundation	8,857	UKRF 4-72179-04-242
10.001	University of Minnesota	19,081	H4136190101
10.001	University of Nebraska	4,500	25-6235-0079-006
10.001	Washington State University	28,965	G001304
10.200	Ben Gurion University	9,992	88874
10.200	Montana State University	1,151	GC103-04-Z3600
10.200	South Dakota State University	65,444	483833
10.200	University of California	1,233	SA6887
10.200	University of California	6,910	SA6595
10.200	University of California	16,860	SA6754
10.200	University of California/Davis	81,700	05-010etx
10.200	University of California/Davis	3,000	04-018etx
10.200	University of California/Davis	8,550	04-16etx
10.200	University of California/Davis	83,600	04-020etx
10.200	University of Idaho	21,752	PO P0011153
10.200	University of Idaho	3,303	PO P0011604 / BJKC04-OSU
10.200	University of Idaho	156,298	BJKD96-OSU (PO P0013584)
10.200	University of Washington	3,876	913641

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
10.200	University of Washington	16,801	913911
10.200	University of Washington	6,976	236977
10.200	University of Washington	643	422638
10.200	University of Washington	18,888	567762
10.200	University of Washington	12,103	567944
10.200	University of Washington	1,478	567974
10.200	University of Washington	4,321	748621
10.200	University of Washington	7,755	748672
10.200	Utah State University	8,393	C019508
10.200	Utah State University	26,466	C025890
10.200	Utah State University	40,701	04-1535006
10.200	Washington State University	535	103152_G001707
10.200	Washington State University	14,571	10315_G001711
10.200	Washington State University	4,608	103242_G001728
10.200	Washington State University	545	G001151
10.200	Washington State University	27,020	G001218
10.200	Washington State University	1,504	G001226
10.200	Washington State University	2,891	G001222
10.200	Washington State University	3,533	G001279
10.200	Washington State University	3,351	G001316
10.200	Washington State University	2,990	G001336
10.200	Washington State University	19,169	G001337
10.200	Washington State University	1,009	G001339
10.200	Washington State University	5,850	G001340
10.200	Washington State University	5,018	G001341
10.200	Washington State University	2,427	G001365
10.200	Washington State University	326	G001366
10.200	Washington State University	6,038	G001367
10.200	Washington State University	2,569	G001368
10.200	Washington State University	1,493	G001344
10.200	Washington State University	507	G001338
10.200	Washington State University	15,581	G001396
10.200	Washington State University	4,563	11672_G001505_0
10.200	Washington State University	7,615	101748_G001536_0
10.200	Washington State University	13,154	101748_G001547_0
10.200	Washington State University	17,914	101748_G001550_0
10.200	Washington State University	27,527	101766_G001567_0
10.200	Washington State University	20,234	101766_G001571_0
10.200	Washington State University	34,318	101766_G001572_0
10.200	Washington State University	4,241	101736_G001579_0
10.200	Washington State University	26,114	101736_G001580_0
10.200	Washington State University	2,348	101736_G001585_0
10.200	Washington State University	18,772	101736_G001586_0
10.200	Washington State University	2,134	101736_G001584_0
10.200	Washington State University	2,461	101766_G001570_0

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
10.200	Washington State University	20,566	101736_G001581_0
10.200	Washington State University	13,168	101736_G001583_0
10.200	Washington State University	27,722	101736_G001582_0
10.200	Washington State University	17,823	103152_G001715
10.200	Washington State University	5,722	103152_G001714
10.206	Auburn University	90,546	ACES/AYDP-YD-15-04/05
10.206	Iowa State University	11,687	PO I3 08226 23
10.206	Montana State University	1,567	GC177-02-Z2329
10.206	University of Minnesota	5,481	Q6736000101
10.206	University of Minnesota	24,081	Q3976070201
10.206	Washington State University	4,641	G001007
10.212	Plant Polyphenols LLC	6,000	RA No. 2
10.212	Plant Polyphenols LLC	2,152	T4944
10.215	Utah State University	13,033	C023084
10.250	Syracuse University	17,232	353-7875-S01
10.302	University of California/Davis	144,862	K-002316-01
10.302	University of Florida	35,477	SC-010376-1-2
10.302	University of Idaho	134,544	BLK745OSU/PO P0010038
10.302	University of Nevada - Reno	130,349	PO 12GC0000061
10.302	University of Wisconsin - Madison	13,820	P572235
10.302	Washington State University	53,583	G001081
10.302	Washington State University	53,514	G001129
10.302	Washington State University	77,084	G001202
10.303	University of Idaho	42,668	BJK748OSU
10.303	Cornell University	1,793	40534-7099
10.303	Cornell University	16,502	43038-7701
10.303	Kansas State University	23,503	S05019
10.303	University of California	958	SA3261 / 1-0000442624
10.303	University of California	25,000	K009607-OR
10.303	University of California Berkeley	4,675	SA4198 / 969709
10.303	University of California/Davis	36,861	00RA2416-OR
10.303	University of California/Davis	5,504	K009607-OR2
10.303	University of California/Davis	404	00RA2416-OR2
10.303	University of California/Davis	30,868	K009607-OR3
10.304	Cornell University	33,600	42681-7483
10.304	Purdue University	9,906	598-0310-01
10.304	Purdue University	14,282	598-0310-02
10.304	Purdue University	14,805	598-0379-1
10.304	University of California/Davis	67,595	K007797-11
10.304	University of California/Davis	14,509	K007797-21
10.500	Michigan State University	4,918	61-4001J
10.500	Michigan State University	378	61-4055G
10.500	National 4-H Council	1,750	Not Available
10.500	University of Idaho	5,601	BJKC96-OSU
10.500	University of Wyoming	10,500	UTSTUNV46453
10.500	Utah State University	22,938	C029352

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For the Year Ended June 30, 2005

<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
10.500	Utah State University	43,952	C030356
10.500	Utah State University	19,189	C029569
10.500	Utah State University	67,617	C031633
10.500	Washington State University	67,409	G001178
10.500	Washington State University	10,785	101669-G001519 /WSU-WE-TAA
10.604	Northwest Horticultural Council	55,007	TASC 03010
10.652	Consortium for Research on Renewable Industrial Materials	17,508	202
10.652	Titan Geospatial	11,498	03-SC-018 Task 001
10.652	West Virginia University Research Corporation	22,992	01-539-OSU
10.664	Eastern Sierra Institute for Collaborative Education	178	Not Available
10.664	Grand Ronde Model Watershed	5,890	NFS 03-DG-11060000-233
10.665	Jackson County Board of Commissioners	39,897	SD0007
10.665	Jackson County Board of Commissioners	111,265	SD0056
10.901	West Central Highlands Resource Conservation	10,447	Not Available
10.905	Oregon Garden Foundation	20,003	Not Available
10.960	Council of State Governments	178,561	Not Available
10.961	Michigan State University	17,765	61-3121
10.961	Michigan State University	79,685	61-3122
11.302	ECONorthwest	19,984	294501
11.417	Pacific Shellfish Institute	8,361	Not Available
11.417	Pacific States Marine Fisheries Commission	13,690	04-37
11.417	Pacific States Marine Fisheries Commission	12,521	05-46
11.417	Pacific States Marine Fisheries Commission	95,605	04-35
11.417	Pacific States Marine Fisheries Commission	43,158	05-45
11.417	University of Hawaii	11,591	PO Z707264
11.419	Washington Emergency Management Division	53,008	E04-001
11.427	University of Washington	8,509	793883
11.430	University of Alaska	21,891	PO FP400751
11.430	University of Alaska	40,321	PO FP406695 / UAF 04-0115
11.430	University of Mississippi	26,655	05-07-005
11.430	University of North Carolina at Wilmington	605	SEGM-2002-12A
11.430	University of North Carolina at Wilmington	1,048	SEGM-2003-09B
11.432	University of Alaska	75,589	PO FP502772 / UAF 05-0067
11.432	University of Hawaii	21,987	PO Z707965
11.432	University of Miami	11,903	668953 / P745916-CO-01
11.437	Pacific States Marine Fisheries Commission	1,434	03-08
11.438	Hood River Soil and Water Conservation District	1,422	Not Available
11.455	North Pacific Marine Science Foundation	47,305	NA16FX2629-37
11.455	North Pacific Marine Science Foundation	20,037	NA16FX2629-43
11.460	University of Michigan	50,121	F011740
11.472	North Pacific Research Board	76,590	R0301
11.473	Oregon Health and Science University	14,063	GCLMR00-OSU
11.478	Louisiana State University	3,388	R126388
11.552	Lane Council of Governments	20,080	Not Available
11.612	Amtek International	5,400	2001-7

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
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<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
12.300	Arete Associates	9,000	S-43638.01.5200
12.300	Cornell University	18,789	45393-7649
12.300	Peregrine Power LLC	17,890	2004-13
12.300	University of Alaska	110,977	PO FP407905 / UAF 04-0126
12.300	University of Delaware	63,955	753 / B430150
12.300	University of Delaware	10,972	740 / 506960
12.300	University of Minnesota	70,074	E5366250201
12.300	University of Rhode Island	128,056	032002/535495
12.300	Woods Hole Oceanographic Institution	23,056	A100408
12.420	Providence Health System of Oregon	7,732	OMLC-02-01
12.420	Providence Health System of Oregon	254,223	OMLC-03-02
12.420	Providence Health System of Oregon	25,483	OMLC-02-10
12.431	Academy of Applied Science	7,197	DAAG55 98 1 0468
12.431	Academy of Applied Science	16,813	Not Available
12.431	Academy of Applied Science	7	SUBGRANT 03-045
12.431	Academy of Applied Science	7	SUBGRANT 03-046
12.431	Academy of Applied Science	2,600	SUBGRANT 04-47
12.431	Academy of Applied Science	2,600	SUNGRANT 04-48
12.431	Georgia Institute of Technology	227,035	E-18-677-G3
12.431	Sam Houston State University	25,911	S02-9382-1
12.630	Access Technologies Inc.	34,771	2005-358
12.800	SRS Technologies	69,081	Not Available
12.800	Cytec Corporation	259,260	GS35F0529J
12.800	ITN Energy Systems, Inc.	20,000	PO# 041-0540
12.800	Orincon Corporation	79,620	S11901
12.800	Stanford University	118,654	PY-1440
12.800	University of California Berkeley	10,901	SA4457-32432PG AMEND 1
12.800	University of Illinois, Urban-Champaign	10,925	A5992 / 2005-3462-1-00
12.800	Washington State University	198,594	G001383
12.910	Boeing	240,000	PCO KQ5992
12.910	California Institute of Technology	26,195	1036234
12.910	CleverSet Inc.	17,917	Not Available
12.910	Northrop Grumman	150,000	PO 8200074658
12.910	SRI International	188,927	55-000656
12.910	Stanford University	25,525	13431230-30750-A
12.910	United Defense	99,580	SCJ000186
12.910	US Department of the Interior	88,679	NBCHC040003
14.218	City of Portland/HUD	21,667	35256
14.218	City of Portland/HUD	79,135	35599
14.866	Housing Authority of Portland	28,529	Not Available
15.039	Columbia River Inter-Tribal Fish Commission	13,979	CO3-33 / PO C0303330
15.224	Montana State University	595	GC172-02-Z1138
15.224	Montana State University	4,999	GC272-03-Z1138
15.224	Montana State University	4,351	GC261-04-21138
15.608	California Dept of Fish and Game	14,646	P0310728
15.608	Montana State University	3,856	G132-05-Z3735

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<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
15.608	Montana State University	36,832	GC283-03-Z3252
15.608	Montana State University	39,138	GC290-04-Z3735
15.608	Montana State University	103,772	GC291-04-Z3735
15.608	Pacific States Marine Fisheries Commission	5,122	03-32
15.608	Pacific States Marine Fisheries Commission	6	05-39
15.608	Texas A&M Research Foundation	291,567	S020058
15.615	Washington Department of Fish and Wildlife	11,000	33030279 / 04-1241
15.618	Pacific States Marine Fisheries Commission	14,700	04-43
15.618	Pacific States Marine Fisheries Commission	15,000	04-82
15.618	Pacific States Marine Fisheries Commission	(2,609)	01-68
15.622	Pacific States Marine Fisheries Commission	434	3629
15.634	Alaska Department of Fish and Game	2,599	COOP 05-006
15.807	Southern California Earthquake Center	15,328	PO 076548 #2
15.807	University of Southern California	16,304	PO 075036
15.808	Continental Shelf Associates, Inc.	72,846	CSA JOB# 1898
15.912	National Park Service	49,401	J9W88040004 MOD.1
15.975	Luckiamute Watershed Council	2,615	Not Available
16.540	Juvenile Rights Project, Inc.	5,713	Not Available
16.541	Florida Atlantic University	82,500	ORE 26
16.542	Florida Atlantic University	41,250	ORE 18
16.579	Catholic Charities	28,593	Not Available
16.579	City of Hillsboro Oregon	1,999	Not Available
16.579	Contact Inc. — Youth Arts and Cultural Development	10,413	Not Available
16.579	Juvenile Rights Project, Inc.	34,161	Not Available
16.579	Multnomah County	9,000	46-4133
16.579	Parrott Creek Child and Family Services	1,498	Not Available
16.579	Umatilla County Oregon	37,062	Not Available
16.580	Lane County Legal Aid Inc.	18,418	Not Available
16.585	County of Clackamas, OR	2,556	OJD Contract 05I0201-03
16.585	Lane County	10,000	PO 0000217919
16.588	Multnomah County	13,681	4600000583
16.595	Rockwood Weed and Seed	10,560	Not Available
17.720	Worksystems Inc.	9,189	Not Available
20.108	Research Integrations, Inc.	10,493	0005-01
20.108	Research Integrations, Inc.	59,638	0404-01
20.205	Castle Rock Consultants, Inc.	25,144	Not Available
20.205	Kittleson and Associates, Inc.	6,000	Not Available
20.205	Montana State University	(104)	GC090-02-Z0533
20.205	Multnomah County	38,540	4600004689
20.215	Battelle Science and Technology International	63,968	14110
20.215	Kittleson and Associates, Inc.	5,478	Not Available
20.505	Metropolitan Service District	1,000	925328
20.505	Kittleson and Associates, Inc.	17,487	Not Available
20.514	National Academy of Sciences	68,000	TRANSIT-38
20.515	National Academy of Sciences	77,421	HR 25-09-(01)
20.515	National Academy of Sciences	310,893	HR 25-20(01)

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<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
20.701	University of Washington	19,000	922927
20.701	University of Washington	22,016	896371
20.701	University of Washington	(166)	922910 MOD #10
20.701	University of Washington	166	821528
20.701	University of Washington	12,000	821528 MOD 1
20.701	San Jose State University Foundation	383	22-1100-2941-2203
20.701	University of Washington	2,396	922927
20.701	University of Washington	6,466	896371
20.701	University of Washington	24,974	821528 MOD 1
20.701	University of Washington	3,522	922910 MOD 10
20.701	University of Washington	11,995	922910 MOD #10
20.701	University of Washington	18,033	821528 AMEND 1
20.701	University of Washington	11,427	821528
20.701	University of Washington	15,713	922910 MOD 10
20.701	University of Wisconsin Milwaukee	7,000	K043445
43.001	Central Washington University	25,681	PO 0000011970
43.001	Oregon NASA Space Grant Consortium	134	Not Available
43.001	University of Washington	23,216	478805
43.002	Battelle Memorial Institute	115,809	12416
43.002	Jet Propulsion Lab/CA Institute of Technology	101,803	1206714
43.002	Jet Propulsion Lab/CA Institute of Technology	197,207	1206715
43.002	Jet Propulsion Lab/CA Institute of Technology	2,511	1217722
43.002	Jet Propulsion Lab/CA Institute of Technology	45,262	1234917
43.002	Jet Propulsion Lab/CA Institute of Technology	31,196	1249878
43.002	Jet Propulsion Lab/CA Institute of Technology	12,762	1268713
43.002	Robust Decisions Inc.	17,939	2004-11
43.002	The Woods Hole Research Center	37,561	Not Available
43.002	Umpqua Research Company	60,071	AG181-2
43.002	University of California Santa Barbara	22,532	KK4134
45.161	Huntington Library, Art Collections, and Botanical Gardens	10,000	PA-50593-04
45.163	Oregon Council for the Humanities	2,800	GRANT #05-03-01
45.312	Greater Western Library Alliance	10,378	Not Available
47.041	Michigan State University	29,776	622141
47.041	Cornell University	1,926	39915-6703
47.041	Droplet Measurement Technologies, Inc.	60,007	322426 NSF2
47.041	Earthquake Engineering Research Institute	3,589	60-62
47.041	Michigan Technology University	17,337	030747Z1 / PO P0057923
47.041	Montana State University	16,082	612141
47.041	University of Oklahoma	92,441	2004-06
47.041	Washington State University	32,750	G000843
47.041	Washington State University	29,021	G001668
47.049	American Physical Society	850	PHY-0108787
47.050	Arizona State University	28,048	04-474
47.050	Bermuda Biological Station for Research Inc	119,947	BBSR-100-5255-x-032215-x
47.050	Florida State University	7,807	F00345

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<u>CFDA</u> <u>Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
47.050	Incorporated Research Institution for Seismology	1,910	478
47.050	Joint Oceanographic Institutions	33,799	TO T301A11
47.050	Joint Oceanographic Institutions	53,574	PO T303A11
47.050	Joint Oceanographic Institutions	34,618	PO T304A11
47.050	Joint Oceanographic Institutions	11,674	TO T305A11
47.050	Joint Oceanographic Institutions	3,291	JSA 5-06
47.050	Joint Oceanographic Institutions	4,992	JSAU502
47.050	Monterey Bay Aquarium Research Institute	9,106	PO-0412846
47.050	Monterey Bay Aquarium Research Institute	3,121	PO 0510337
47.050	Ohio State University	87,207	RF #739204/PO #848490
47.050	Oregon Coast Community College	7,782	2003-03
47.050	Texas A&M Research Foundation	1,398	449591-00001
47.050	Texas A&M Research Foundation	3,532	F1529,1530, 1617, 1624, 1655
47.050	Texas A&M Research Foundation	4,747	F001557, 1665, 1669
47.050	Texas A&M Research Foundation	2,790	F001103,F001149,F001180
47.050	Texas A&M Research Foundation	5,767	F001102/F001148
47.050	Texas A&M Research Foundation	2,303	F001352, F001448
47.050	Texas A&M Research Foundation	1,425	F001353, F001449, F001510
47.050	Texas A&M Research Foundation	17,492	F001756,1830,1875
47.050	Texas A&M Research Foundation	20,885	F001750,1829,1876
47.050	University of California, San Diego	425	PO 10247181
47.050	University of Hawaii	747	PO Z624325
47.050	University of Washington	53,298	938093
47.050	Washington State University	5,369	100746_G001635
47.050	Woods Hole Oceanographic Institute/NSF	11,064	A100334
47.050	Woods Hole Oceanographic Institution	37,137	A100391
47.070	Computing Research Association	19,005	Not Available
47.070	Massachusetts Institute of Technology	6,402	5710001197
47.070	Oregon Health and Science University	81,711	GCLMR5008A
47.070	University of California/San Diego	79,174	PO 10242093
47.070	University of California/San Diego	193,105	PO 10152761
47.070	University of Hawaii	19,215	PO Z707262
47.070	University of Illinois	84,833	818
47.070	University of Illinois, Urbana-Champaign	59,967	2003-02248-2/A8122
47.070	University of Wisconsin Milwaukee	102,028	648F373
47.074	Arizona State University	50,236	PO SC 19103M00386 / 03-054
47.074	California State University Monterey Bay Foundation	8,347	022504-A / PO 7500000820
47.074	Indiana University	18,308	Not Available
47.074	Louisiana State University	19,530	PO R140649
47.074	Michigan State University	259,934	612135OREGONSU
47.074	Montana State University	22,328	GC205-03-Z2903
47.074	North Dakota State University	228,146	4971-03
47.074	Northern Illinois University	16,183	PO#500032379
47.074	Rutgers, The State University of New Jersey	251,296	PO S116810 / 1464
47.074	University of California Berkeley	136,533	SA3538-22347PG / PO 537485
47.074	University of New Mexico	30,916	3-22831-7810

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
47.074	University of Tennessee	47,769	OR878-001.04
47.074	University of Tennessee	11,444	525-001.01
47.075	Louisiana State University	9,365	PO R915526
47.075	National Academy of Sciences	69,621	Not Available
47.075	National Bureau of Economic Research	28,773	27-3383-00-0-79-636-7700
47.075	National Research Council	(105)	Not Available
47.075	University of Colorado	8,000	PO 000020597
47.076	University of Colorado	27,937	Not Available
47.076	Mathematical Association of America	20,431	Not Available
47.076	Montana State University	35,894	GC263-04-Z2484
47.076	Montana State University	512,428	GC048-02-Z2484
47.076	Northeastern Illinois University	2,941	40257 00 01 N
47.076	Portland Community College	45,847	Not Available
47.076	University of Colorado	71,221	000034465
47.076	University of Colorado	1,107	PO 0000046802
47.078	Earth and Space Research	22,048	PO 03-56 01-75
47.078	HT Harvey and Associates	30,788	1016-06-04
47.078	Ohio State University	19,483	RF00972121
47.078	Raytheon Polar Services Co.	2,239	PO 4500182751
47.078	University of Maine	8,045	UM-S471 PO U220712
59.037	Lane Community College	30,250	CA#4-603001-Z-0039-21
59.037	Lane Community College	48,446	Not Available
59.037	Small Business Development Center	5,000	01/01/04 TO 12/31/04
59.037	Small Business Development Center	13,087	Not Available
66.460	Middle Fork Irrigation District	8,943	Not Available
66.461	Lane Council of Governments	26,721	Not Available
66.461	Metro	19,658	Not Available
66.461	Natureserve	3,019	OR-001-FY04
66.463	Oklahoma Water Resources Board	76,460	Not Available
66.463	Pacific States Marine Fisheries Commission	(8,531)	02-19
66.500	Washington University	30,829	WUHT-03-05
66.500	Colorado State University	93,710	G-5817-1
66.500	Geosyntec Consultants	22,927	Not Available
66.500	Science Applications International Corp	14,998	4400085947
66.500	Science Applications International Corp	66,537	4400095596
66.500	University of California, Los Angeles	33,668	1181 G DB434
66.509	University of Wisconsin	35,327	A736536
66.605	SW Clean Air Agency	49,271	2004-001
66.606	SW Clean Air Agency	41,051	2003-001
66.606	Oregon Health and Science University	41,258	GESEN0023
66.606	Pacific States Marine Fisheries Commission	82,253	04-14
66.606	University of New Hampshire	3,468	03-737
66.951	Willamette Resources and Educational Network (WREN)	516	Not Available
81.036	Timberwolf Corporation	31,405	DE-FG02-03ER83858
81.036	Timberwolf Corporation	57,584	DE-FC26-03NT41879

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
81.049	Krell Institute	(787)	Not Available
81.049	Argonne National Laboratory	61,473	3F-00301
81.049	Battelle Pacific Northwest Laboratory	35,000	12273
81.049	Idaho National Environmental and Energy Lab	4,360	00000064-00004
81.049	National Renewable Energy Laboratory/DOE	1,170	XCX-9-29204-05
81.049	National Renewable Energy Laboratory/DOE	91,586	XAT-4-33624-11
81.049	North West Power Planning Council	3,977	RTRR05
81.049	Oregon Health and Science University	61,209	GCLMR0011A1
81.049	Pacific Northwest National Lab	11,449	406640-A-N4 / 15325
81.049	Sandia National Laboratories	15,139	PO 29097
81.049	University of California/Davis	25,572	W/GEC 01-011
81.049	University of California/Davis	12,933	W/GEC 01-019
81.049	University of California/Davis	10,786	W/GEC 01-003
81.049	University of California/Davis	11,057	W/GEC 03-022
81.049	University of California/Davis	136,617	W/GEC 03-009
81.049	University of California/Davis	42,630	W/GEC 03-013
81.049	University of California/Davis	23,518	W/GEC 03-018
81.049	University of California/Davis	85,264	W/GEC 04-009
81.049	University of Washington	12,500	943540
81.049	Western Environmental Consultants, Inc	9,024	99-0259
81.064	University of Utah LLNL	95,062	2205056 AMEND. 10
81.086	Confederated Tribes of Umatilla	27,054	416-03
81.086	Confederated Tribes of Umatilla	1,910	418-04
81.086	Rensselaer Polytechnic Institute	10,000	A30449
81.086	University of California	119,858	B531998 MOD. 3
81.087	Consortium for Plant Biotech Research	12,694	GO12026-157
81.087	Consortium for Plant Biotech Research	31,492	GO12026-164
81.087	DOE-Renewable Energy Research and Development	1,820	NAA-1-30441-03
81.087	DOE-Renewable Energy Research and Development	161,024	ADJ-2-30630-17 MOD. 9
81.087	DOE-Renewable Energy Research and Development	20,018	ACX-4-44415-01 MOD. 1
81.087	DOE-Renewable Energy Research and Development	4,520	XAN-4-13318-07
81.087	DOE-Renewable Energy Research and Development	4,754	XAK-8-17619-05 MOD. 10
81.087	MRI National Renewable Energy Laboratory	97,049	XAT-4-33624-08 MOD. 3
81.087	University of Florida	13,990	PO 002AEG/UF-EIES-0203001
81.087	University of Nebraska	9,332	26-6223-0005-701
81.089	UT-Battelle, LLC	140,089	4000023558
81.104	Bechtel Hanford, Inc	8,077	0000X-SC-G0518
81.117	Midwest Research Institute	216,630	TAA-2-31490-01
81.117	Confederated Tribes of Warm Springs	5,281	Not Available
84.121	Idaho National Laboratory	9,632	5F-00361
84.121	Purdue University	147,232	641-0356-7-5
84.027	American Samoa Government	3,800	50578
84.027	American Samoa Government	14,917	CM-J0577
84.027	American Samoa Government	99,834	CM-44450
84.027	American Samoa Government	94,911	CM-44451
84.027	Republic of Palau	15,219	03-47

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
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<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
84.027	Republic of Palau	71,250	04-003
84.027	Republic of Palau	71,250	05-009
84.051	University of Minnesota	29,169	KS304908743
84.051	University of Minnesota	96,912	KS304911544
84.116	Bonner Foundation	445	Not Available
84.116	Georgia State University	7,197	FLAF1
84.116	Miami University	2,588	C02481_G00962 / P116J040039
84.116	University of California, Irvine	8,449	2003-1322
84.116	Community-Campus Partnerships for Health	5,322	Not Available
84.116	Tufts University	35,719	ED1070 AMEND. 1
84.116	University of Colorado	11,398	000034542
84.116	University of Wisconsin-Madison	7,536	458F076 MOD. 2
84.133	Oregon Health and Science University	43,975	9497201E
84.133	Oregon Health and Science University	4,643	GCDRC0035E
84.133	Oregon Health and Science University	4,633	GCDRC0129A
84.133	Oregon Health and Science University	126,320	GSONO0145A C
84.133	University of Kansas	109,969	FY2004-000
84.181	Lane Education Service District	7,139,808	Not Available
84.181	Lane Education Service District	84,044	2302-1
84.184	Lane Education Service District	263,657	Not Available
84.184	Salem-Keizer Public Schools	108,834	PS 4651
84.184	Big Brothers Big Sisters of Metropolitan Portland	12,674	Not Available
84.206	University of Connecticut	15,000	4905
84.215	David Douglas School District	112,262	SUBGRANT NO. 1
84.215	Portland Public Schools	50,740	Not Available
84.224	Access Technologies Inc.	39,558	Not Available
84.229	Brigham Young University	7,000	Not Available
84.287	David Douglas School District	21,850	Not Available
84.305	Eugene Research Institute	1,790	Not Available
84.305	Pacific Institute for Research	13,541	Not Available
84.309	Harvard University	1,142,166	Not Available
84.323	California Institute on Human Services	122,688	Not Available
84.323	Nebraska Department of Education	9,528	99-9405-248-SIG11-02
84.323	Nevada Department of Education	44,998	243481 AMEND. 1
84.323	State of Louisiana, Department of Education	32,385	592195 - 604259
84.324	Corvallis School District 509J	25,613	Not Available
84.324	Portland Public Schools	52,128	1051-02/G 50976 #3
84.324	Oregon Research Institute	13,566	Not Available
84.324	Lane County School District 4J	10,624	Not Available
84.324	Oregon Health and Science University	47,581	GCDRC0071A
84.324	Oregon Health and Science University	31,752	GCDRC0079A
84.324	Springfield School District #19	60,252	Not Available
84.324	University of Colorado	86,210	1101.10.063D-01 MOD. 1
84.324	University of Colorado	37,209	Not Available
84.324	University of Kansas Center for Research	136,685	FY2000-008 MOD. 6
84.324	University of Kentucky Research Foundation	90,249	466320-03-234

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
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<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
84.324	University of Wisconsin-Madison	22,839	121H240
84.324	University of Wisconsin-Madison	(190)	514G743
84.324	University of Wisconsin-Madison	28,000	121H111
84.325	California State University Northridge	167,593	40033361
84.325	California State University Northridge	35,610	H324A010001
84.326	American Institutes for Research	112,842	GV3-01-01881 MOD. 1
84.326	American Institutes for Research	25,000	GV3-01-01881 MOD. 3
84.326	Hawaii State Department of Education	21,332	MOA 03-03A
84.326	Direction Services, Inc.	19,400	H326D030001
84.326	Direction Services, Inc.	6,421	H326D030001
84.326	University of Colorado	24,976	0902.10.033D-01 MOD. 1
84.326	University of Colorado	2,572	Not Available
84.326	University of South Florida	2,570	Not Available
84.336	Southern OR Educ Svc District	36,632	Not Available
84.342	Vermont Institutes, Montpelier	98,368	P342A030033
84.349	Sonoma State University	30,449	Not Available
84.350	The National Writing Project Corporation	18,683	Not Available
84.350	Umatilla County Oregon	8,454	Not Available
84.351	Portland Public Schools	70,215	52721
84.357	American Samoa Government	204,213	MOA 03-3
84.357	American Samoa Government	230,502	44608
84.357	RMC Research Corporation	924,951	Not Available
84.363	University of Alaska	101,053	UAF 03-0080 MOD. 2
84.366	High Desert Education Service District	88,284	2004-08
84.366	Willamette Educational School District	87,790	Not Available
84.928	The National Writing Project Corporation	43,000	92-OR03 AMEND #16
84.928	The National Writing Project Corporation	24,937	Not Available
84.928	The National Writing Project Corporation	43,000	92-OR01
93.042	American Institutes for Research	49,485	SC-02-1825-03 MOD. 2
93.043	Rogue Valley Council of Governments	5,679	Not Available
93.048	Multnomah County	19,163	4600005235
93.104	Clackamas County Oregon	11,436	Not Available
93.104	Clark County Washington/Ctr for Mental Health Svc	53,931	2004-MH-27
93.104	Mid-County Center for Living	46,885	Not Available
93.110	Longview Wellness Center	19,000	Not Available
93.113	Oregon Health and Science University	7,947	GCROE0055A A
93.113	Oregon Law Center	19,464	Not Available
93.113	University of Pennsylvania	36,629	5-42364-A
93.136	Oregon Health and Science University	19,689	J528
93.143	Oregon Health and Science University	7,572	8409441E
93.143	Oregon Health and Science University	203,310	8409441D
93.143	Oregon Health and Science University	125,982	8409441C
93.173	Oregon Health and Science University	28,166	GSOTOL0062A
93.173	University of Iowa	64,519	4000504475
93.189	Oregon Health and Science University	15,300	GALHE0008A B
93.213	Oregon College of Oriental Medicine	11,994	Not Available

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>CFDA Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
93.213	Oregon Health and Science University	46,885	8402371
93.224	Oregon Community Health Information Network	13,638	Not Available
93.230	Washington County, Oregon	60,044	CH02-0764/CH03-1152/CH 04
93.230	Clark County Washington/Ctr for Mental Health Svc	32,097	2040-MH-27
93.230	Clark County Washington/Ctr for Mental Health Svc	73,609	2005-MH-23 #1
93.230	Legacy Emanuel Hospital and Health Center	37,507	AMENDMENT #4
93.230	Multnomah County	21,378	4600004565
93.230	Multnomah County	65,154	4600005131
93.230	Oregon Health and Science University	24,856	J525A AMENDMENT #1
93.239	University of Missouri	143,185	CG005179-1/C0000008922
93.242	University of California-Berkeley	(1)	SA3344
93.242	University of Pittsburgh	9,945	103876-3
93.242	University of Pittsburgh	30,097	108118-1
93.243	County of Jackson, OR	35,619	OJD Contract 01I0301-05
93.243	Mental Health Association of Oregon	7,008	Not Available
93.243	African American Health Coalition	124,159	Not Available
93.243	Clark County Washington/Ctr for Mental Health Svc	58,184	2005-MH-23 #2
93.243	Legacy Emanuel Hospital and Health Center	83,657	Not Available
93.262	The Center to Protect Workers Rights	282,552	1020-07 AMEND. 9
93.273	Behavioral Health Research Center of the Southwest	224,221	OJD Contract OS0101-05
93.273	Brown University	82,337	P966336
93.273	Pacific Institute for Research	26,143	710828 MOD #4
93.283	Multnomah County	65,171	4600003894
93.333	Duke University	18,210	GCID #100528, SITE 07
93.333	Duke University	42,050	118685
93.361	Oregon Health and Science University	35,971	GSONO0136A B
93.389	Oregon Health and Science University	153,811	8409901
93.393	Washington State University	(13)	G001271
93.395	Henry Ford Health System	176,420	R01 CA100851
93.395	University of California	299,902	S0116021
93.395	University of Maryland	15,864	CG0332 AMEND. 3
93.396	Washington State University	3,000	G001634
93.399	Oregon Health and Science University	902	Not Available
93.570	National Youth Sports Program	66,663	NYSPF 04-1132
93.571	National Youth Sports Program/NCAA	45,786	Not Available
93.571	NCAA	18,707	Not Available
93.575	Multnomah County	8,914	460005203
93.575	Crook County Oregon	136,616	Not Available
93.575	Oregon Child Care Resource and Referral Net	52,864	03-05RR04
93.575	Oregon Child Care Resource and Referral Net	26,963	Not Available
93.576	Immigrant and Refugee Community Organization	51,948	Not Available
93.576	Immigrant and Refugee Community Organization	225,729	Not Available
93.630	Oregon Council on Developmental Disabilities	79,276	111732
93.631	The Arc of the United States	48,114	Not Available
93.779	Independent Living Research Utilization	15,484	1099-05-C1Y3-CS
93.779	RTI	247,098	1-46U-8686

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>CFDA</u> <u>Number</u>	<u>Organization</u>	<u>Amount</u>	<u>ID Number</u>
93.779	University of Maryland	42,488	MODIFICATION#!
93.837	Boston University	338,636	BU Acct. 6797-5
93.837	Medical College of Ohio	(40,350)	N2003-24
93.837	Medical College of Ohio	231,333	N2004-18
93.837	Medical College of Ohio	51,781	N2005-105
93.838	Oregon Health and Science University	70,945	GMMED0018C
93.838	Oregon Health and Science University	14,887	GMMED0047A
93.838	Pacific Northwest National Lab	6,676	14621
93.847	University of New Mexico	28,644	4-10593
93.847	University of New Mexico	8,185	3R191/31914
93.853	Medical College of Wisconsin	858	Not Available
93.856	SIGA Pharmaceuticals Inc	74,589	2004-12
93.856	University of Nebraska	32,258	24-6239-0096-002
93.856	University of Washington	111,750	786822 - 819923
93.859	American Museum of Natural History	15,877	5-2004
93.859	MitoScience LLC	30,261	Not Available
93.859	Stanford University	139,904	PR-0744
93.859	University of Colorado Health Sciences Center	21,669	FY04.001.019 AMEND. 1
93.859	University of Texas	32,817	05-010
93.859	Wake Forest University	26,005	58105
93.865	Oregon Health and Science University	23,767	GFAMP0021A B AMEND. 1
93.865	Oregon Health and Science University	1,467	GCDRC0106A
93.865	Oregon Health and Science University	7,286	GPEDI0115C
93.865	Pennsylvania State University	38,574	2252-UO-DHHS-8075 AMEND
93.866	University of California, Irvine	2,267	DB98-AG14130-PSU
93.867	University of Washington	8,678	830204 MOD. 1
93.891	Oregon Health and Science University	42,887	8410186 AMEND 3
93.891	Oregon Health and Science University	37,760	8410186 AMEND 4
93.894	Mount Desert Island Biological Lab	15,088	Not Available
93.894	University of Medicine and Dentistry of New Jersey	20,631	1 R25 RR018490
93.945	African American Health Coalition	172,575	Not Available
93.955	Center to Protect Worker's Rights	1,500	03-7-FS
93.969	Oregon Health and Science University	98,804	GSONO0091A A
93.969	Oregon Health and Science University	57,993	GSONO0091A B
93.989	Smithsonian Institute	126,215	04-SUBC-440-0000032544
93.989	University of Miami	12,046	M780196
94.005	Oregon Campus Compact	14,328	03LHHOR001
94.005	Oregon Campus Compact	(746)	Not Available
94.007	Western Washington University	4,018	54547-D
98.001	Universidad de Guanajuato and SOU Amistad Program	41,256	HNE-A-00-97-00059-00
98.001	Academy for Educational Development	94,844	2970-013-OSU-01
98.001	Academy for Educational Development	63,383	2970-013-OSU-02
98.001	World Wildlife Fund	8,700	FQ 80
98.002	US Agency for the International Develop	16,367	NBCHP010027-00
98.002	American Council on Education	73,087	Not Available
12.XXX	Massachusetts Institute of Technology	17,907	3046374

State of Oregon
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CFDA Number	Organization	Amount	ID Number
12.XXX	Oregon Health and Science University	61,852	GPACS0016-PSU
12.XXX	Thermogear, Inc.	22,107	Not Available
15.XXX	Pacific States Marine Fisheries Commission	9,121	02-01
15.XXX	Pacific States Marine Fisheries Commission	22,145	05-60
17.XXX	AGUIRRE	(14,491)	S-6010-PSU/FP1126
17.XXX	AGUIRRE	50,000	S6030-PSU FP1405
19.XXX	Northwest Regional Educational Laboratory	534	Not Available
19.XXX	University of Pittsburgh	78,647	Not Available
20.XXX	National Academy of Sciences	22,856	B-29
20.XXX	Oregon Health and Science University	24,554	0000306706WC
43.XXX	Miami University (of Ohio)	63,400	Not Available
43.XXX	TDA Research, Inc.	(101)	#PSU 02-02
43.XXX	TDA Research, Inc.	(18,216)	#PSU 03-1
43.XXX	The Titan Corporation, Inc.	34,174	04-SC-014
43.XXX	Universities Space Research Association	8,079	8023-004
43.XXX	University of Puget Sound	28,373	213011-NASA011
81.XXX	Los Alamos National Laboratory	28,140	84599-001-04- 4V
81.XXX	Pacific States Marine Fisheries Commission	(2,383)	98-037
81.XXX	Spokane Tribe of Indians	(109,891)	Not Available
81.XXX	University of California	228,143	B539302
81.XXX	Wy' East RC & D	38,204	Not Available
93.XXX	American Institutes for Research	4,780	SC-05-02054 001-03
93.XXX	D.B. Consulting Group	3,676	Not Available
93.XXX	National Institute for Occupational Safety and Health	16,889	0000158224
93.XXX	ORC Macro	12,359	35126-4S-627
93.XXX	University of Massachusetts	4,735	6032886/RFS100104
		<u>\$35,417,261</u>	

State of Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

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 – Centers for Disease Control and Prevention-Investigations and Technical Assistance; Refugee and Entrant Assistance State Administration Program; and Aging Cluster

Unqualified – All Other Major Programs

State of Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations & Maintenance Projects
14.228	Community Development Block Grant
17.225	Unemployment Insurance
20.205	Highway Planning and Construction
93.283	Centers for Disease Control and Prevention- Investigations and Technical Assistance
93.566	Refugee and Entrant Assistance State Administration Program
93.568	Low Income Home Energy Assistance Program
97.073	State Homeland Security Program
N/A	Food Stamp Cluster
N/A	Aging Cluster
N/A	Medicaid Cluster
N/A	Disability Insurance/SSI Cluster
N/A	Research & Development Cluster

Dollar threshold used to distinguish
between type A and type B programs: \$18,495,984

Auditee qualified as low-risk auditee? yes no

State of Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Section II – Financial Statement Findings

05-1

Oregon Department of Human Services

Budget Law Violations

(Material Weakness)

During the fiscal year ended June 30, 2005, the department's general fund expenditures exceeded its general fund appropriations by \$86.6 million. Department management reported that budgetary estimates presented to the Legislature did not closely reflect demand for services and actual revenue fell short of projected amounts.

To exceed general fund appropriations, the department circumvented budgetary controls designed to ensure compliance with appropriation levels by creating a temporary grant in the system of record for the express purpose of moving general fund expenditures to other funds and federal funds. The intended result of this action was to increase general fund spending authority in order to keep up with the demand for services.

By taking this action, the department directly violated the purpose of appropriations and expenditure limitations, which represent the legal level of control against which budgetary compliance is measured. The department's actions directly violated Article IX, Section 4 of the Oregon Constitution and Oregon Revised Statute 291.238, which states that no person shall incur, or order or vote to incur, any obligation against the state in excess of, or make or order or vote to make any expenditure not authorized by, an allotment. Violation of this statute is punishable by a fine. As of June 30, 2005, the department had moved \$40.6 million of expenditures back to the General fund; the remaining \$46 million was moved back as a result of actions taken by the October 2005 Emergency Board.

Agencies are required to record expenditure limitations and appropriations in the Oregon Budget Information Tracking System (ORBITS). Limitation and appropriation amounts are subject to review and audit by the Statewide Audit and Budget Reporting (SABR) section. The SABR section enters limitations and appropriations into the Relational Statewide Accounting and Reporting System (R*STARS). The R*STARS controls expenditures against budgets as established in approved appropriation bills. Agencies are responsible for ensuring that budget amounts recorded in ORBITS and R*STARS are accurate. Statewide Accounting and Reporting Services (SARS) extracts appropriation information from R*STARS for budgetary financial reporting. When management circumvented the budgetary controls within R*STARS, they disrupted the monitoring and reporting processes that are dependent upon the accuracy of the information recorded in R*STARS.

The department further violated the Constitutional and statutory budget laws when they increased general fund spending authority for the appropriation year 2003-2005, by borrowing against appropriations set aside for the 2005-2007 biennium. The department reported that as of November 4, 2005, the amount borrowed from 2005-2007 general fund appropriations was \$98,103.

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Although the department intended to repay the amounts borrowed, without the use of sound budgeting and accounting practices, their actions could result in inaccurate budgetary reports regarding program costs and inconsistent reporting from biennium to biennium.

We recommend that department management use sound budgeting and accounting practices when managing cash flow emergencies and comply with rather than circumvent budgetary controls.

AGENCY'S RESPONSE:

The Department agrees with this recommendation.

Discussion:

While the Department agrees with the recommendation, the audit finding blends together several complex issues. During the end of the 2003-2005 biennium, the Department was dealing with significant cash flow issues. A combination of factors contributed to this including delays in receiving Other Fund revenue by up to three months. The Department worked with the Budget and Management Division (BAM) on actions to take at the May 2005 Emergency Board, and also obtained a short-term loan from the State Treasury. During this period, the Department continued to make entitlement payments to clients and providers. The alternative of not making these payments would have been detrimental to the health and safety of our clients.

In May 2005, the Department received additional General Fund appropriation from the legislature to assist with the rest of the biennium. The Department then reported to the October 2005 Emergency Board the overall estimated expenditures for the biennium.

One of the restrictions the Department faces is the inability to spend other fund limitation appropriation until the funds are received. This leads to a cash flow problem because the Department must use general funds for expenditures until other funds are actually received. Fixing this problem may require statute changes or additional general fund authority or some combination of both.

Corrective Action Plan:

In November 2005, the Department requested technical assistance from the State Controller's Division to review its financial processes to identify strengths and weaknesses and to make recommendations for improvement. Five teams (Department of Administrative Services (DAS) Operations Review Team) comprised of Department managers, as well as executives from DAS and other State agencies will focus on the following:

- *Accounts receivables and recovery,*
- *Accounting practices and policies,*
- *Budget processes and procedures,*
- *Internal controls across the department, and*
- *Treasury and banking practices.*

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The Department will be working with State Treasury and DAS to research options to mitigate the ongoing cash flow and budget authority constraints. Some areas of research include: reducing the number of treasury accounts, increasing budget authority to have operating funds in suspense accounts, reducing the amount of upfront cash outlays, and decreasing the number of separate budget appropriations for the Department.

The Department is also strengthening revenue tracking and improving caseload forecasting with the assistance of outside validation by legislative and executive staff. The Department implemented a forecasting review process that involves program staff, Legislative Fiscal Office and BAM staff to create the most accurate forecasts possible with available information.

05-2

Oregon Department of Human Services
Internal Control Weaknesses - Control Environment
(Material Weakness)

Internal control is a process effected by management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Internal control consists of the following five interrelated components:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication Systems Support
- Monitoring

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. Basic to the control environment are organizational structure, assignment of authority and responsibility, and human resources policy. More difficult to quantify are ethics, commitment to competence, and management operating style.

Management of the State is responsible for establishing and maintaining internal control. While opportunities exist for the department to improve all internal control components, the department should focus on improving its control environment.

We noted that department management, which includes individuals responsible for supervising and managing department operations, did not always create an environment that supports or enforces adherence to all state and federal laws and funding requirements.

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Specifically, during fiscal year 2005:

- Department management directed staff to circumvent budgetary controls by creating a grant specifically for the purpose of reducing expenditures in the General fund so the department would not be restricted to budget limitations set by the Oregon Legislature.
- Department management directed staff to spend appropriations legally set aside for the 2005-2007 biennium in order to continue making 2003-2005 payments.
- Department management directed staff to disregard normal draw procedures and draw federal funds for obligations that were not yet paid, in violation of the federal requirement that funds be drawn on a reimbursement basis.
- Department management missed due dates established in Oregon Law for the transfer of funds to the Department of Administrative Services.
- Department management presented information to auditors in a formal letter of response to specific inquiries. Due to insufficient and inconsistent information provided, we were unable to verify management's assertions.
- Department management does not always ensure that personnel responsible for recording transactions, making adjustments, and preparing reconciliations possess adequate accounting knowledge, skills, and abilities required to perform their duties in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting and Financial Reporting Standards.

We have communicated with the department's executive management and internal audit staff regarding the issues related to the control environment. We are encouraged by the sincere interest they have displayed toward effecting change.

We recommend the department's executive management continue to take the necessary steps to implement and enforce proper internal controls and project the appropriate tone toward controls in the department. We also recommend the department involve all levels of management to achieve the necessary improvements.

AGENCY'S RESPONSE:

The Department agrees with this recommendation.

Discussion:

The Department's executive management has undergone multiple changes over the past biennium. As the audit noted, current executive management is taking steps to implement and enforce proper management controls. Management is committed to creating a transparent fiscal process that supports compliance with professional standards. To help fulfill this commitment, management has brought in assistance from external sources, including the DAS Operations Review Team, and an independent expert in budget and financial issues.

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The DAS Operations Review Team includes an internal control group that is focused on evaluating controls in several key areas of the department. The internal control group is reviewing the Department's federal draw process as well as processes for establishing accruals, as well as correcting or adjusting entries. Department management is committed to taking the necessary actions recommended by these review teams.

Corrective Action Plan:

The DAS Operations Review Team will provide recommendations and corrective action plans for the Department. Management will work with these external parties to implement corrective actions.

05-3

Oregon Department of Human Services
Incomplete, Inaccurate Cash Reconciliations
(Material Weakness)

The Oregon Accounting Manual states that departments should regularly perform reconciliations of cash recorded in agency records to amounts reported on Treasury statements. Those reconciliations should be performed by persons not otherwise responsible for handling or recording cash and should be independently reviewed by management. A written record of the reconciliations, including a listing of outstanding checks and in-transit deposits, should be prepared by the reconciliation accountant and retained with the statements.

We reviewed 15 out of 25 active cash accounts held at Oregon State Treasury for the Department of Human Services. We found that management had neither assigned responsibility for all accounts to be reconciled nor had they ensured all assigned accounts were reconciled during the year. We found that eight account reconciliations were not performed timely and management did not review 10 account reconciliations. Several reconciliations were not performed properly and some did not include adequate supporting documentation.

Similar to the prior year's cash reconciliation finding, department management did not adequately emphasize the importance of performing reconciliations for all cash accounts. Management did not ensure the reconciliations were performed properly and that independent review was provided on a timely basis. In addition, management inactivated one account so the balance would not be viewable, thus, preventing the reconciliation staff from identifying the account as active and performing monthly reconciliations of the account.

Reconciling bank statements to amounts recorded in agency accounting records is an essential internal control. Timely and effective reconciliations can help identify errors or other problems that may have occurred, and provide additional assurance that reported cash balances are valid. With incomplete cash reconciliations, management is less able to manage the department's cash flow, which increases the potential for overdrawing accounts, incurring additional bank fees, or requiring creative accounting to pay the department's current

expenses. In addition, management is less able to timely detect and correct potential problems within the cash accounts.

We recommend department management 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.

AGENCY'S RESPONSE:

The Department agrees with this recommendation.

Discussion:

The Department of Human Services Reconciliation Unit has 5 staff responsible for reconciling 35 active treasury accounts and numerous General Ledger and other accounts. The Reconciliation Unit staff are entry-level accountants using outmoded and varied tools for reconciliations.

Corrective Action Plan:

The Department has asked the DAS State Controller's Division to assist us with developing a standard reconciliation template and provide training to our staff on reconciliation methodologies. The Department will be completing a staffing and technology analysis to ensure reconciliations are completed in an efficient and effective manner. The Department is also discussing, with the State Treasury, options to reduce the number of treasury accounts to help simplify the reconciliation process.

05-4

Oregon Department of Human Services

Lack of Proper Revenue Accruals

(Material Weakness)

Revenue must be recognized in governmental funds using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue must be both measurable and available to finance current period expenditures. To meet the "available" criteria, it must be legally usable to finance current period expenditures and be collected in the current period or within 90 days after the fiscal year end. Revenue can be considered "measurable" if: (1) the precise amount is known because the transaction is completed, or (2) the amount can be determined and/or reasonably estimated from other available information.

When testing revenue recorded as "Other Revenue" and "Other Selective Taxes," we found that the department did not always apply the proper accounting principles for recording revenue. Other Revenue of \$15 million was recorded in fiscal year 2005 that should have been recorded in fiscal year 2004, and \$4 million was recorded in fiscal year 2006 that should have been recorded in fiscal year 2005. The net effect to fiscal year 2005 is that the Other Revenue account was overstated by \$11 million. Similarly, Other Selective Taxes of \$7.8 million was recorded in fiscal year 2005 that should have been recorded in fiscal year 2004, and \$29.7 million was recorded in fiscal year 2006 that should have been recorded in fiscal

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year 2005. The net effect to fiscal year 2005 is that the Other Selective Taxes account was understated by \$21.9 million.

The department did not have adequate controls established to provide for the proper recognition of revenue. Further, not all persons responsible for recording revenue may have the necessary knowledge of revenue recognition accounting standards to ensure revenue is recorded to the proper period.

As a result, the department was not always accurately reporting state revenues and federal programs that require matching with state funds may not be in compliance.

We recommend department management establish controls to ensure revenue is recorded in the proper period. In addition, we recommend the department ensure personnel receive the appropriate training and guidance to accurately perform the duties assigned to them.

AGENCY'S RESPONSE:

The Department agrees with this recommendation.

Discussion:

The Department agrees that inter-departmental communication can be improved to ensure that revenue accruals are accurate. The volume of funding sources received by the Department (approximately 340) makes it difficult to measure because the precise amount may not be known or reasonably estimated within the year-end reporting period.

Corrective Action Plan:

The DAS Operations Review team (Internal Control group) is reviewing the accrual process and we are obtaining additional guidance from the DAS Statewide Accounting and Reporting (SARS) on accrual methodologies and training.

05-5

Oregon Department of Human Services
Weak Controls Over Cash Receipting

The Oregon Accounting Manual states that the recording of accounts receivable should be segregated so that accuracy and completeness can be verified through independent checks. The fundamental rules for attaining control over cash receipts include depositing cash receipts daily, separating cash handling from record keeping, and not allowing one person to handle a cash transaction from beginning to end.

In the last three months of fiscal year 2005, the department responded to the prior year's cash finding by requiring two people be present when opening mail that contains checks. The department, however, had not segregated duties between cash handling and record keeping. Personnel who are responsible for opening the mail and preparing a deposit slip were also recording the receipt of cash into the system. In addition, we found that five percent of the receipts tested were not deposited within one business day as required.

Management did not emphasize the importance of safeguarding cash by establishing proper controls within the receipting process. As a result, risk of fraud or misuse of cash was not sufficiently reduced.

We recommend the department management follow the policies and procedures outlined in the Oregon Accounting Manual for receipting cash.

AGENCY'S RESPONSE:

The Department agrees with this recommendation.

Discussion:

The Department of Human Services Receipting Unit has 6 staff that receipt negotiable items into 5 receipting systems. The large volume of negotiable items and varied receipting systems, make it difficult to fully segregate functions. The Department is exploring options to improve this area, including reassessing the number of staff resources necessary to accomplish the full recommended segregation of duties and technology alternatives.

Negotiable items received directly into the Receipting Unit are generally deposited within one business day. Items that require imaging at our Parkway facility are delayed due to transportation between facilities or technological issues/backlog.

Corrective Action Plan:

The DAS Operations Review team is reviewing the receipting process to see if we can achieve efficiencies. A written procedure is being developed that requires documentation accompanying a negotiable item be date stamped, and will be implemented statewide. The Department is exploring options such as remote imaging that will elevate the time lag issue at the Parkway facility.

05-6

Oregon Department of State Lands

Unclaimed Property System Does Not Reconcile 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.

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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 the department's financial accounting records was \$6.3 million more than the amount recorded in the UPS. Department personnel stated the unclaimed property system 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 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 and SFMA so the underlying detailed data fully supports 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:

The department agrees with this finding. Since the 2001 audit, the Department has worked steadily toward identifying the largest components that have created the difference between the SFMA and UPS balance. The Department of State Lands has spent significant staff time working on reconciling these two systems. Staff has spent as much as two years working on this project. While the Department had planned on completing the reconciliation project before now, several critical operational issues arose that had to be addressed immediately. This resulted in slowing the reconciliation project. It is important to note that the two systems have been out of balance through four computer system conversions that took place over several biennia. The magnitude of the number of records and data through multiple different formats involved in the reconciliation is immense.

The program manager and key employees are assigned to complete the reconciliation project by June 30, 2006. As discussed, several components have already been identified that require entries to be adjusted. The UPS software provider has been contacted and will be tasked with developing utilities to automate some of the mass corrections needed in the current system. Further, management has asked the software provider to create a set of system reports that will assist with ongoing reconciliations. The Department will assign the responsibility of monthly reconciliations to an employee who does not have editing access to either system. Management will review all reconciliations for final approval.

05-7

Oregon Public Employees Retirement System

Inadequate Control Over Personal Member Information

PERS did not adequately protect some personal member information (including names, addresses, birth dates, and social security numbers) when it used production data from the live

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pension system in test and development regions. PERS staff, as well as contractors and vendors, had access to confidential data not required to perform their job duties. On at least one occasion, confidential production data was placed on PERS' personal computers that were taken to the contractor's place of business where PERS no longer had control over their security and use. Furthermore, while PERS staff stated that it would be difficult to create test data that would cover all retirement scenarios, PERS did not scrub the production data to remove specific identification of PERS members.

In addition, PERS did not protect some member's medical information. PERS staff, who did not require access to perform their job duties, were given access to view confidential medical information through the archival imaging system. Though aware that access to the confidential information was not limited, PERS was not proactive to identify and remove those confidential records.

A lack of security increases the risk that personal member information could be used for inappropriate or malicious purposes.

We recommend that PERS:

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

AGENCY'S RESPONSE:

PERS generally agrees with the findings indicated. There is one area of clarification in the findings as outlined above. The incident cited above concerning PERS supplying a PC that contained confidential information to a contractor occurred in 2003. Since that occurrence, the agency has instituted an information security program and has implemented several policies including an Acceptable Use of Information Systems Policy and a Data Classification Policy that are aimed at protecting confidential information. PERS requires each employee and contractor to adhere to these policies while using PERS' systems and networks. Furthermore, there have been no other incidents where confidential information has been provided to contractors on PCs.

PERS also generally agrees with the recommendations. Specifically, PERS will address the findings and recommendations as follows.

Recommendation 1: *PERS will create a policy controlling the use of actual data in test environments. The agency believes that prohibiting the use of actual data during the testing phase of complex projects can add additional risk to the agency. The PERS retirement plan*

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and underlying systems are very complex and data interactions are difficult to duplicate in a completely sanitized environment. Nevertheless, PERS management recognizes and fully embraces its responsibility in protecting personal information and will implement formal policies to achieve both data confidentiality and risk mitigation due to incomplete data test beds. Expected resolution date for this recommendation is 6/30/2006.

Recommendation 2: *In conjunction with Recommendation 1, PERS staff will investigate creating a fictitious set of data for initial unit testing of programs. This will minimize the risk associated with having a full set of data in the test regions during **initial** program development and testing. However, during final system testing, and prior to production deployment, some programs may require testing against a full complement of data to minimize the risk associated with not testing thoroughly against all possible data permutations. PERS will explore the feasibility of creating a full set of test data that adequately characterizes the variability in the target data. If staff can do this in a cost effective manner it will. Otherwise, PERS will develop stricter procedures and controls governing the use of actual data during the pre-deployment phase of testing. Expected resolution date 12/31/2006.*

Recommendation 3: *PERS staff have developed a method that now restricts access to medical information in the imaging system. This filter screens out all medical/disability related document types from use by the general agency user population. The agency believes this has eliminated the need to “identify and remove all confidential medical information that has been posted to FYI”. This issue has been resolved.*

Recommendation 4: *The Imaging and Information Management section (IIM) has ceased the imaging of any additional disability/medical related documents until after the implementation of the new imaging system and secure user profiles (2006). This issue has been resolved.*

Section III – Federal Awards Findings and Questioned Costs

DEPARTMENT OF HEALTH AND HUMAN SERVICES

05-8

Oregon Department of Human Services

Refugee and Entrant Assistance – State Administered Programs, CFDA 93.566

Procurement, Suspension, and Debarment

(Material Weakness)

The Oregon Department of Human Services (department) contracts with five agencies during the year for its Refugee and Entrant Assistance Program. These contracts have been established for a number of years. However, there is no procedure in place to verify these agencies are not suspended or debarred before renewing their contracts.

Under A-102 Common Rule or OMB Circular A-110, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or disbarred. Covered transactions included procurement contracts for goods or services equal to or in excess of \$100,000 and all nonprocurement transactions (e.g. subawards to subrecipients).

The department's current contracting practice does not include assurance that contracting parties are not included on the suspended or debarment list. The department does not have procedures in place to ensure that contracts are not entered into with suspended or disbarred parties for covered transactions.

We recommend the department include a step in their contracting practices to ensure contracting parties are not listed on the suspended or debarment list.

AGENCY'S RESPONSE:

The department agrees with this finding.

The department's Office of Contracts and Procurement is developing an internal policy and procedure that will direct its staff to review the federal web site that lists those entities that have been suspended or disbarred.

05-9

Oregon Department of Human Services

Refugee and Entrant Assistance – State Administered Programs, CFDA 93.566

Cash Management

The Oregon Department of Human Services (department) did not meet its cash management requirement for state fiscal year 2005. Cash draws are not allowed in excess of expenditures. The department tracked and reported cash draws on a quarterly basis. Due to subsequent adjustments, draws exceeded expenditures by \$248,000. If the department fails to meet the

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cash requirement, the department is required to report the information to the Department of Administrative Services.

We recommend the department reconcile expenditures and draws on a monthly basis to ensure future draws do not exceed expenditures.

AGENCY'S RESPONSE:

The department agrees with this finding.

Department of Human Services (DHS) will adjust the federal draws for these grants based on information from the Division of Payment Management (DPM).

DHS will take the following steps to prevent this issue from occurring in the future:

- 1. Change the federal draw process to determine amounts to be drawn from current month expenditures rather than using cumulative month expenditures.*
- 2. Reconcile expenditures and draws to ensure draws do not exceed expenditures on a quarterly basis, and make necessary adjustments.*
- 3. Use revenues and expenditures in the calculation when determining draw amounts.*
- 4. Continue to monitor grant processes to assure compliance, efficiency, and effectiveness.*

05-10

**Oregon Department of Human Services
Centers for Disease Control and Prevention-Investigations and Technical Assistance,
CFDA 93.283, Procurement, Suspension, Debarment
(Material Weakness)**

The Oregon Department of Human Services (department) did not meet its Procurement, Suspension, and Debarment requirement for state fiscal year 2005. The department lacks a procedure in their contracting practices to ensure contracted parties are not suspended or debarred before issuing a contract.

Under A-102 Common Rule or OMB Circular A-110, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or disbarred. Covered transactions included procurement contracts for goods or services equal to or in excess of \$100,00 and all nonprocurement transactions (e.g. subawards to subrecipients).

The department's current contracting practice does not include assurance that contracting parties are not included on the suspended or debarment list. This finding constitutes material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to the major federal program.

We recommend the department include a step in their contracting practices to ensure contracting parties are not listed on the suspended or debarment list.

AGENCY'S RESPONSE:

The department agrees with this finding.

The Office of Contracts and Procurement is developing a policy and procedures requiring staff to check the federal website that lists suspended and disbarred parties prior to issuing a contract.

05-11

Oregon Department of Human Services

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

The Oregon Department of Human Services (department) has not fully implemented a process to ensure that payroll certifications are being performed and that personnel activity reports are being approved by a responsible official. Consequently, adequate documentation for direct payroll costs charged to the federal program is not being consistently maintained.

Certifications were not consistently completed during the fiscal year ended June 30, 2005. In addition, 7 of 78 timesheets were not properly authorized by supervisor signatures. Electronic lock-in reports, beginning to be used in lieu of manual timesheets, indicated supervisors had not always approved timesheets and locked it from further modifications.

Under Attachment B, 11(h), of OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, when employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation.

- Reports must reflect an after-the-fact distribution of the actual activity of each employee.
- Reports must be signed by the employee.

In addition, a general requirement under this part is that all salaries and wages must be approved by a responsible official.

Under Attachment B, 11(h), of OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications must be prepared at least semi-annually and must be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Documentation for direct payroll costs charged to the federal program was not fully maintained for the full state fiscal year since the department did not implement this process

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until early 2006 in response to a finding in the prior year. Further, the cost allocation plan is driven by direct payroll costs and, therefore, cannot be reasonably relied upon. Total questioned costs are \$5,702,704 due to lack of consistent supporting documentation for payroll cost. This finding constitutes material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to the major federal program.

During the year, the department implemented a process to ensure that certifications were generated and signed by employees. However, this process was not implemented until late 2004 to early 2005. The department could not make available all requested employee timesheets nor some "lock in" time capture reports since the lock in time capture report was not always retained by all managers.

We recommend the department continue to fully implement the process to ensure that certifications 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.

AGENCY'S RESPONSE:

The department agrees with this finding.

Monthly time/activity certifications are ran for each employee and distributed to the appropriate managers. These certifications are signed by the employees and their respective section managers and filed with program personnel files. This process began with October 2004 payroll, upon the finding of the SOS 2004 audit.

Due to the variety of filing locations, and differences in processes, certifications will be sent back to PSOB Accounting for central filing and follow up of unsigned forms beginning with the October 2005 payroll. In addition, payroll policies and procedures, including payroll record maintenance expectations, were reviewed with the appropriate managers.

05-12

Oregon Department of Human Services

Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283, Subrecipient Monitoring

The Oregon Department of Human Services (department) schedules on-site subrecipient fiscal and program monitoring visits on a three-year rotation. Program monitoring of subrecipients was completed and documented on the schedule for the year ended June 30, 2005. All on-site fiscal subrecipient monitoring visits that were scheduled for FY 2005 were completed and documented for the same period. However, 77% of the subrecipients were not scheduled, informally or formally, to be monitored during the fiscal year 2004-2005. Furthermore, we did not see evidence of a risk based approach used to mitigate not monitoring all subrecipients.

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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 cannot provide reasonable assurance that the subrecipients administer federal awards in compliance with federal requirements for each audit period based on the current scheduled monitoring rotation. The department passed through \$10,901,886 to subrecipients for the year ended June 30, 2005. Questioned costs represent \$7,803,786 of that amount due to a lack of some form of subrecipient monitoring. This finding constitutes material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to the major federal program.

Insufficient resources appear to be allocated to monitoring of subrecipients.

We recommend that the 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.

AGENCY'S RESPONSE:

The department disagrees with this finding.

According to the A-133 Compliance Supplement, neither annual or risk based subrecipient site visits are required to adequately monitor subrecipients. The Compliance Supplement states monitoring activities may take various forms and provides examples of reporting, site visits, and regular contact.

The department adequately monitors subrecipients according to the A-133 Compliance Supplement, Section M., Subrecipient Monitoring by performing the following activities:

- *All subrecipients receiving funds are required to submit an annual A-133 single audit report to the Department of Administrative Services (DAS). As cited in the Oregon Accounting Manual (OAM), these audits are reviewed and assurance is provided by the assigned agency. DHS follows the OAM Federal Compliance policy and procedures.*
- *Quarterly expenditure reports are required and submitted by each subrecipient. The expenditure reports are reviewed and reconciled to ongoing contractual reimbursement payments.*
- *Monthly conference calls are conducted with each of the subrecipients.*
- *Monthly updates of local exercises are submitted by each subrecipient.*
- *Program staff perform tests quarterly to determine availability and response timeliness of each subrecipient. Tests results are shared with the subrecipient's to improve performance.*
- *Program staff monitor timeliness and completeness of subrecipient reporting of specific required information. If gaps in reporting are identified, program staff follow-up with the subrecipients to obtain the required information.*

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- *Site visits are performed on all subrecipients at least every three years. Site visits include both financial and program compliance and performance components. Additional visits are conducted that are based on state or county requests and concerns in addition to the standard three-year rotation.*
- *In addition, an on-site security assessment of the subrecipient's electronic health information systems was conducted through the department using an electronic information security firm. Results were shared and recommendations made to both the department and subrecipients. A subsequent security assessment will be performed to determine the subrecipient's progress towards achieving the electronic information security standard.*
- *A focused review was conducted of each subrecipient's Strategic National Stockpile plan where a thorough assessment was performed and recommendations developed.*
- *Subrecipients submit information to the department that is included in the biannual Progress Reports to CDC. Subrecipient's also completed an online survey and responses were included in the Progress Report as well.*

05-13

**Oregon Department of Human Services
Centers for Disease Control and Prevention-Investigations and Technical Assistance,
CFDA 93.283, Reports Not Filed Timely**

Four of six financial status reports selected for testing were not filed timely. The Oregon Department of Human Services (department) failed to liquidate obligations within 90 days after the end of the budget period, which barred the department from timely filing of its financial status reports.

The cooperative agreements for the program require the submission of financial status reports within 90 days after the end of the budget period and that those reports be based upon the underlying accounting records of the agency.

We recommend the department liquidate its obligations within an amount of time that will allow the department to timely file financial status reports.

AGENCY'S RESPONSE:

The department agrees with this finding.

The department has taken the following actions:

- *Working with program staff to manage grant budget period(s) analysis, close, and final report preparation.*
- *Preparing the analysis for program managers, with follow-up by grant accountants and accounting unit manager.*
- *Recruiting temporary accounting staff to assist in specific grant analysis, report preparation, and follow-up for adjustments from program staff, and final grant period balance and close.*
- *Assigning grants to other staff to assist with the workload, whenever possible.*

In addition, the department will take the corrective action steps listed below:

- *Notify program staff 30 days prior to the grants financial status report due date.*
- *Provide continuing education to program staff about the accounting system, cost allocation, federal reporting changes, allowable adjustments, obligated funds, grant closing, expenditure guidelines, etc.*
- *Follow-up with program staff on adjustments needed before a grant can close.*

05-14

Oregon Department of Human Services

Aging Cluster

On-site Subrecipient Reviews not Performed – Internal Control

(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, 2005.

Under the subrecipient monitoring requirements in OMB Circular A-133 Compliance Supplements, 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 \$12,588,082 to subrecipients for the year ended June 30, 2005. Insufficient resources appear to be allocated to monitoring of subrecipients.

We recommend the 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, and should consider monitoring some subrecipients annually.

AGENCY'S RESPONSE:

The department agrees with this 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.*
2. *The department is developing monitoring tools for key Older Americans Act programs, including:*
 - a. *Nutritional – completion date of February 2006.*

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- b. *Legal Services standards – completion date of April 2006.*
 - c. *Family caregiver support program – completion date of June 2006.*
 - d. *Information and assistance – tentative completion date of March 2007.*
3. *Establish both risk based and routine monitoring schedule.*
- a. *Establish criteria for assessing risk in AAA operations – completion date of April 2006.*
 - b. *Complete initial risk assessment and schedule monitoring – completion date of June 2006.*
 - c. *Establish schedule for routine monitoring of OAA programs to occur in three-year cycles – completion date of June 2006.*

05-15

Oregon Department of Human Services

Medicaid Cluster

Cash Management

Expenditures for Medicaid must be paid for by the State before reimbursement is requested from the Federal government. The State of Oregon has entered into a formal agreement with the U.S. Treasury outlining requirements for drawing down Federal funds. The Cash Management Improvement Act (CMIA) agreement says, “The State shall request funds such that they are deposited in a State account not more than three days prior to the day the State makes a disbursement.”

Department management directed staff to draw down all remaining funds for Medicaid grant number 100000 on June 23, 2005. The amount available and drawn on that date was \$26.9 million. This draw was conducted to provide funding for remaining Pro-Share leveraging following resolution of the department’s disagreement with the Federal Centers for Medicare and Medicaid Services (CMS) over the department’s calculation of the leveraged amount. The department held on to these funds for nearly seven weeks and did not disburse the funds to providers until August 10, 2005, resulting in non-compliance with the Federal-State Cash Management Improvement Act (CMIA).

Management stated that they wanted the funds drawn prior to June 30 and directed staff to disregard the federal cash management requirements and draw funds down prior to incurring expenditures. After the funds were drawn, management stated that they experienced difficulties in distributing the funds.

We recommend that department management 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.

AGENCY’S RESPONSE:

The Department agrees with this recommendation.

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Discussion:

On June 10, 2005 DHS received notice from CMS regarding resolution of the dispute on Medicare Upper Payment Limit (MUPL) for Long Term Care Facilities. The notice instructed Oregon to repay over-leveraged MUPL claims by June 30, 2005. Federal Funds for these transactions were drawn in anticipation that Oregon could complete all business functions relating to these transactions within the federal time allowances. However, a number of unanticipated actions delayed the Department's ability to quickly process all transactions. These activities included: Discussion of the CMS resolution with contractors; re-activation of dormant bank accounts with public health districts; changes in banking regulations; securing legal guidance; and development and execution of contracts necessary to process all transactions. As a result, the transactions were not completed until August 2005.

Corrective Action Plan:

The Department completed all the necessary transactions to close the Medicare Upper Payment Limit activities. No further actions are necessary for this program. In addition, the internal control group of the DAS Operational Review Team is reviewing the federal draw process to ensure Department draws are adequately supported and documented.

05-16

Oregon Housing and Community Services Department
Low Income Home Energy Assistance Program, CFDA 93.568
Non-compliance with Subrecipient Monitoring Provisions

Low Income Home Energy Assistance Program (LIHEAP) grantees are required to administer LIHEAP programs according to plans submitted to the U.S. Health and Human Services Department. According to the Master Grant Agreement incorporated in the 2005 LIHEAP plan, submitted by the State of Oregon, the Oregon Housing and Community Services Department will perform program and fiscal monitoring for each subrecipient at a minimum of once each year.

During the reporting period, we found the department did not perform subrecipient monitoring in accordance with policies outlined in its LIHEAP plan. Specifically, the department performed program monitoring of 13 of 19 subrecipients and performed fiscal monitoring of 9 of 19 subrecipients. The department passed through \$24,610,936 to subrecipients for the year ended June 30, 2005. Insufficient subrecipient monitoring increases the risk that subrecipients are not administering federal awards in compliance with federal requirements. Staff turnover and vacancies appear to have contributed to the department being unable to fulfill its subrecipient monitoring responsibilities.

We recommend the department comply with its LIHEAP plan and devote sufficient resources to fulfill its subrecipient monitoring responsibilities.

AGENCY'S RESPONSE:

OHCS concurs with the finding that it did not comply with the requirements of its Master Grant Agreement (MGA) as it relates to subrecipient monitoring. In accordance to the MGA,

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which is incorporated in the 2005 LIHEAP plan submitted by the state of Oregon, OHCS will perform program and fiscal monitoring for each subrecipient at a minimum of once each year.

As identified by the Secretary of State Audits Division staff, vacancies and staff turnover were the key contributing factors for OHCS not meeting this requirement. Additionally, limitations on travel budgets during the 2003-05 were also a factor. OHCS has now hired a new fiscal monitor who has already begun coordinating with the program monitor within the Community Resources Division to ensure timely monitoring in the most cost effective manner possible.

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. We have discussed this with the Audits Division staff who has acknowledged that this would be a good option for the department to evaluate. 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 sub-recipient 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.

DEPARTMENT OF AGRICULTURE

05-17

Oregon Department of Human Services

Food Stamp Cluster

Eligibility

The department's Family Services Manual, which is based on federal requirements, is the policy manual caseworkers are instructed to follow when determining eligibility for food stamp benefits. The Family Services Manual requires caseworker to verify certain eligibility and benefit calculation factors reported by the claimant on the food stamp application. Among other information, the caseworker must verify the applicant's income. When the filing group does not provide acceptable verification, the application should be denied.

The manual also explains that some people who live together must be considered to be in the same filing group. The filing group is considered as a whole when determining eligibility for benefits. Children under the age of 18 are specifically identified under this requirement.

Out of a sample of 40 food stamp cases, we found that 2 cases were approved for benefits without the proper verifications.

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- In one instance, the client's income was not verified, but benefit payments were made for a four-month period. After this period, the caseworker attempted to verify the income in order to continue the payments. After not receiving the requested documents, the case was appropriately closed. We question costs in the amount of \$578 for benefits paid out over the course of the four months.
- In the second instance, a fifteen-year-old was living in a non-family household and was financially dependent upon the adult caretaker. The teenager was granted benefits without regard to the rest of the filing group. We question costs in the amount of \$908 for the seven months of benefits the claimant received.

We recommend the department emphasize the importance of adherence to the department's policies regarding eligibility determination.

AGENCY'S RESPONSE:

The Department agrees with this recommendation.

Discussion:

We agree with the recommendations that we continue to emphasize the importance to the Department's policies regarding eligibility determination.

Accurate and timely benefit issuance is the core principle of the Food Stamp Program. In the fall of 2003, the Department's emphasis on payment accuracy increased, because of the infrastructure and processes that were put in place to improve the Food Stamp error rate. The Department constantly reinforces this message through training to front-line staff, and new and experienced Food Stamp workers. Each month, branch office managers and reinvestment workers review thousands of Food Stamp cases for payment accuracy. The monthly Skill Challenge is distributed to every office that administers Food Stamp benefits, as another avenue for reviewing program rules. The significant improvement in the Quality Control payment error rate, from over 13% in Federal Fiscal Year 2003, to under 8% in 2004, and then 6% for 2005, demonstrates the Department's focus on the importance of accurate eligibility determination.

Corrective Action Plan: Continue actions as noted above.

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DEPARTMENT OF TRANSPORTATION

05-18

**Oregon Department of Transportation
Highway Planning and Construction Program, CFDA 20.205
Inadequate Documentation of Subrecipient Monitoring**

The Oregon Department of Transportation (department) should document and make available the monitoring activities it performs of its subrecipients who receive funds under the Federal Highway Planning and Construction Program. For the year reviewed, the department was responsible for monitoring 53 subrecipients who received \$12,928,420 in federal monies for this program. Federal guidance for this program states that monitoring should be accomplished through reporting, site visits, regular contact, or other means.

Department staff was not able to provide documentation of their monitoring activities for two of the 20 subrecipients we reviewed. The department did not provide documentation for Jackson County. The department provided the project agreement for the City of Condon, but did not provide monitoring documentation. As a result, we were not able to verify the monitoring activities for these two subrecipients. By not providing documentation that it is performing its subrecipient monitoring, the department is not able to provide assurance that the subrecipients are using the federal monies for authorized purposes.

We recommend the department 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.

AGENCY'S RESPONSE:

The Department concurs with Audit Division's recommendation. The Department plans to improve the existing documentation of subrecipient monitoring activities for the Federal Highway Planning and Construction Program by communicating to Highway Division region offices the requirements for documentation and the timely availability of information to auditors when requested.

DEPARTMENT OF EDUCATION

05-19

**Oregon Department of Education
Subrecipient Monitoring**

The department was assigned to complete the review of single audit reports for 166 subrecipients who received federal funds from the State of Oregon. As the monitoring agency, the department is required to conduct subrecipient reviews in accordance with Office of Management and Budget (OMB) Circular A-133. Specific responsibilities and requirements for subrecipient monitoring are included in the Oregon Accounting Manual (OAM) and include meeting the deadlines, resolving problems identified in the audits, maintaining adequate documentation, and communicating results of reviews with the

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subrecipients. We found that the department was not meeting the deadlines established, was not resolving discrepancies identified, and was not communicating completion of the review to the subrecipient. Also, the list provided by your department, tracking the receipt of subrecipient audit reports and dates of reviews, did not include 12 of the assigned subrecipients.

As discussed with the department in the prior year, one of the requirements of the OAM is that the audit agency should identify differences in amount or omission of grants on the subrecipient's Schedule of Expenditures of Federal Awards (SEFA) audit report by comparing it to the federal funds reported to the Statewide Accounting and Reporting Section (SARS), and determining the cause for material differences. We selected 10 subrecipient audit reports submitted in 2005 for review and found there were 83 out of 186 federal programs with unexplained material differences between the subrecipient audit report and amounts reported to SARS. This equated to approximately \$42.7 million in material differences not investigated out of the \$109 million in federal expenditures that were reported to SARS. According to department personnel, they do not investigate material differences due to the volume of audit reports they are required to review and the lack of personnel available to review them.

The OAM also requires the audit agency to review the audit report within 90 days of receipt and issue a report to the subrecipient upon completion of the review. Of the subrecipients assigned to the department, only three audit reports were reviewed within the required 90 days. Of the 10 subrecipient audit reports we tested, documentation of one review was not provided and none of the subrecipients were notified of the completion of the review.

We recommend the department:

- 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.

AGENCY'S RESPONSE:

We concur with the finding.

A major issue in developing a corrective action plan is identifying resources at the agency to conduct the review of 166 subrecipients' audits, work with local school districts and other agencies to resolve any discrepancies, and issue management decisions within 90 days of the receipt of audits. However, we also recognize our obligation to meet the requirements of OMB Circular A-133 and Oregon Accounting Manual policies on this topic. To that end the department will:

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- *Identify and dedicate resources to complete the work not completed on the 2003-04 audits;*
- *Use those same resources to complete the review of 2004-05 audits by the due date (note: the list of entities for which the department is the cognizant agency was received from the Dept. of Administrative Services earlier this week for audit that were due to us by 12/31/05);*
- *Seek an exception to the 90 day review period based on the volume of audits that must be reviewed by the department. OMB Circular A-133 allows six months, which we believe is a more reasonable period given the workload.*

We expect the 2003-04 audits to be reviewed and resolved by March 31, 2006. We will contact DAS immediately to determine whether an extension to six months can be accomplished. In any event, review and decision-making on the 2004-05 audits will be completed in accordance with DAS guidelines.

Section IV – Schedule of Prior Financial Statement Findings for the Years Ended June 30, 2004 and 2003

This section includes the current status reported by the department of all financial audit findings from fiscal year ended June 30, 2004. It also includes the current status reported by the department of all financial audit findings from fiscal year ended June 30, 2003 that were uncorrected at June 30, 2004.

Finding 04-1: **Ceded Premiums, Losses and Reserves (Material Weakness)**

Status: Corrective action was taken.

Finding 04-2: **Loss Reserve Calculation (Material Weakness)**

Status: Corrective action was taken.

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 made progress on completing reconciliations. Temporary staff was hired to assist in the catch-up process. We are currently working with DAS to review our process and provide training for staff. In addition, more types of reconciliations have been added to the tracking list.
See current year 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: Partial corrective action was taken.
DHS now has two people opening all of the mail. A temporary employee was hired to assist in implementing a lock-box program with the US Bank has been implemented for the Client Pay-in Program. DHS plans to migrate more programs to this program.
See current year finding 05-5.

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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 \$238 million of \$250 million (95 percent)) as of June 30, 2005. 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 date. 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. The department is currently in the planning stages for that effort and anticipates that guidance on numerous policy questions is forthcoming from the PERS Board in the September-October 2005 time frame.

Finding 04-6: Capital Asset Controls Need to be Strengthened

Recommendations: The Department of Corrections (department) should update its policy to agree with the OAM. The department should take physical inventories annually, and reconcile it to both SFMA and AFAMIS to ensure the accuracy of amounts reported in the financial records. The department should capitalize assets when they come into service. Also, the department should review its capitalized asset and construction projects listing to ensure all completed projects have been properly capitalized.

Status: Corrective action was taken.

Finding 04-7: Mail Opening Procedures Need to be Strengthened

Recommendations: The Department of Corrections (department) should use two permanent employees for mail opening. Additionally, checks received should be restrictively endorsed immediately upon receipt.

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Status: Corrective action was taken.

Finding 04-8: **Independent Review Needs to be Strengthened**

Recommendation: The Department of Corrections management should ensure independent reviews are conducted on all payments and other critical accounting processes. These reviews should examine transactions for accuracy and appropriateness.

Status: Corrective action was taken.

Finding 04-9: **Controls Over Financial Accounting**

Recommendation: The Oregon Department of Forestry State Forester should make it a priority to establish a complete system of controls over the financial accounting functions by assigning the authority and responsibility to an individual or unit whose mission it is to align the department's financial activities. Those activities should include establishing and implementing policies and procedures department wide, and reporting and verification mechanisms to ensure policies and procedures are adhered to.

Status: Corrective action was taken.

Finding 04-10: **Internal Controls over Cash Handling**

Recommendation: The Oregon Department of Forestry (department) management should:

1. Further develop, finalize, and implement policies and procedures over cash handling (i.e., check stock, petty cash, and change funds).
2. Update desk manuals on a regular basis and ensure they contain complete information.
3. Ensure checks are secured at all times.
4. Provide adequate segregation over the request, approval and signing of checks.
5. Ensure adequate supporting documentation is provided with each check preparation request.
6. Maintain a complete inventory on controlled items such as A-receipts and deposit slips.

Status: Corrective action was taken.

Finding 04-11: **Internal Controls over the Payroll Process**

Recommendation: The Oregon Department of Forestry (department) should immediately correct:

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1. Life insurance codes to ensure they correspond to the correct age range.
2. Payroll errors to ensure employees do not receive both the PERS contribution and a 6 percent differential.
3. Overpayments and underpayments identified during the audit.

The department should also modify its payroll processes to ensure:

1. Codes for payroll deductions and contributions are correct and updated on a routine basis.
2. Management review and approval of timesheets.
3. Adequate documentation exists to substantiate the expenditure.
4. Adequate segregation of duties over payroll responsibilities.
5. Unit managers review exception reports in a timely manner.

The department should also consider using standardized timesheets in all payroll units to help reduce errors.

Status: Corrective action was taken.

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; informal training is being done on procedures for receivables; and implementing new directives (internal policies).

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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: Partial corrective action was taken.
The actions taken include: implemented regular reviews of deposit information from field as received in Fiscal Services Unit in Salem and follow-up communications as necessary.

The actions in process include: improving monitoring of deposit documentation that is sent to Salem from the field; an audit of cash handing being done by Quality Assurance (internal auditor); and Fiscal Service staff internal control reviews at field offices.

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: Partial corrective action was taken.
The actions taken include: received clarification of state policy; established interim policy direction; and revised internal procedures.

The actions in process include: participating in a State of Oregon committee led by DAS Human Resources Division to identify elements essential in the development of a statewide relocation policy; and implementing revised directives (internal policies) over employee recognition.

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.

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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.

The Department of Transportation has documented thoroughly the detailed methodology used to initially value the highway and bridge infrastructure. That documentation was provided to the Audits Division in 2002 and again in 2003, both in hard copy and electronically. The initial methodology was reviewed and approved. The original spreadsheets used to value the highway and bridge systems are permanently archived by ODOT. Those spreadsheets were also part of the documentation provided to the Audits Division. ODOT Financial Services will update ODOT financial accounting standard 5.8 (Infrastructure Asset Accounting) detailing the methodology ODOT used to derive costs related to infrastructure assets to be removed from the value of highways and bridges. The updated financial accounting standard will be provided to the Audits Division.

ODOT is accounting for infrastructure in compliance with GASB Statement 34. ODOT does not capitalize highway or bridge projects classified as maintenance. ODOT has a standard definition of what constitutes a highway or bridge maintenance project. None of those costs are capitalized.

ODOT does capitalize all costs classified as capital construction regardless of the nature of the construction project. Unfortunately, not all highway or bridge construction projects result in the removal of highway surface. ODOT has a standard definition for construction projects that result in the removal of highway surface. Those projects are classified as re-construction projects. Those are

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the only projects that result in the removal of highway value from the original historical cost.

ODOT established a committee to review the current classification of highway and bridge projects to ensure expenditures are adequately recorded to provide reliable information for infrastructure reporting. The committee is continuing to work on the issue and plans to evaluate roadway resurfacing expenditures (EA type "05" – Reconstruction on Existing Route) to determine which should be capitalized and which should be expensed. The committee will review and make any recommendations to ensure the historical costs of an old infrastructure asset is removed from the accounting records when a completed project (including road resurfacing) extends an infrastructure assets' original useful life or expands its capacity.

The department is classifying costs as work-in-process and accumulates all project costs until all cost centers associated with the project are classified as complete on the accounting system. The error related to the duplication of immaterial highway costs being removed from the system was corrected when discovered.

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 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 will review the useful life of the state highway system in future years to ensure the accumulated depreciation balance and value is reasonable.

Finding 03-1:

**General Accounting and Internal Control Weaknesses
(Material Weakness)**

Recommendation:

The Oregon Department of Human Services (department) should develop and implement policies and procedures to ensure that all accounting transactions are appropriately authorized, justified, documented and reviewed for accuracy and compliance with federal requirements. Department management also should ensure that sufficient resources are allocated to timely address information technology security risks.

Status:

Corrective action was taken.

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Finding 03-2: **Classification of Expenditures**

Recommendation: The Oregon Department of Corrections (department) should develop a more descriptive chart of accounts for its internal accounting system. The chart of accounts should provide clear guidance to accounting staff regarding which accounts should be used to ensure that their balances are recorded into appropriate Statewide Financial Management Application accounts. We also recommend that department management design and implement controls to ensure more effective transaction error prevention and detection.

Status: Corrective action was taken.

Finding 03-4: **Payroll**

Recommendation: The Department of Corrections (department) should fully comply with internal controls over payroll as outlined in the *Oregon Accounting Manual* (OAM). Specifically, department management should ensure that important payroll functions are appropriately separated; gross pay adjustment reports are timely reviewed by managers outside of the payroll unit and are retained as required; reconciliations are performed timely; and authorization forms for voluntary payroll deductions are completed and retained. We also recommend that the department develop and implement formal procedures to ensure payroll data is completely and successfully transferred to internal and external accounting systems. In addition, department management should ensure supporting documentation is available for all payroll transactions and employees sign timesheets as required.

Status: Corrective action was taken.

Finding 03-5: **Segregation of Duties and Logical Access to Accounting Systems**

Recommendation: The Oregon Department of Corrections (department) should develop, document and implement policies and procedures to ensure accounting responsibilities are appropriately segregated. Specifically, management should ensure adequate separation of authorization for the execution of transactions, recording of transactions, custody of assets, and periodic reconciliation of existing assets to recorded amounts. In addition, management should ensure that individuals performing financial system security functions do not have conflicting accounting duties or responsibilities for monitoring and validating logical access, to ensure those functions are independently performed. In addition, the department should review and adjust logical access to its financial

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system on a case-by-case basis to ensure that users' access is based on a demonstrated need to view, add, change or delete data.

Status: Corrective action was taken.

Finding 03-7: **Controls Over Cigarette Tax Program**

Recommendation: The Oregon Department of Revenue (department) should further evaluate and revise its system of controls over the cigarette tax program as previously recommended. The department's controls should ensure, at a minimum, that tax stamps are physically secure; key duties are separated; documentation is completed and retained regarding tax stamp purchases and destruction; staff perform a periodic inventory of the cigarette tax stamps; and bonding requirements meet administrative rule requirements and are periodically validated.

Status: Partial corrective action was taken.
The Tobacco Compliance Unit is responsible for administration of the cigarette tax program. The unit was doubled in size at the beginning of the 03/05 biennium but in early 2005 was cut back to its original size. Corrective actions were taken in response to audit findings but policies and procedures developed when the unit was larger must now be re-evaluated to account for the unit's reduced size. Because segregation of duties in particular is more difficult with fewer staff procedures are being reviewed to ensure appropriate controls are in place.

- The department considered several alternatives on how best to maintain and secure the inventory of cigarette tax stamps and implementation of a solution is imminent.
- Stamp receiving, inventory, destruction, and reconciliation processes have been revised to provide better controls. Periodic review of bonds to ensure compliance with the Oregon Administrative Rules relating to bonding levels is now required. While policies have not yet been formalized, they are being reviewed and should be formalized soon.
- Forms have been revised and supporting documentation is better maintained. Some forms are now pre-numbered, access to files is limited, and a file check out system is in place.

Finding 03-8: **Headquarters Point of Sale (POS) Reconciliation**

Recommendation: The Oregon Department of Fish and Wildlife (department) should strengthen its controls over cash receipts by reconciling cash register

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sales to the licensing system to ensure that all cash receipts have been properly accounted for.

Status: Partial corrective action was taken.
The department has separated the use of two cash registers within the Licensing Division located at the Salem headquarters office. The first register is exclusively used for walk-in customers and cash transactions. This will provide for regular reconciliations between this register and the POS system. The second register will be used for mail orders and faxes being received. The daily revenue of this register is balanced on a daily basis and the Licensing Sales Supervisor is reviewing and approving daily cash reconciliations. Due to the timing of the receipt of monies and the processing and distribution of the actual document, reconciliation between the register and the POS licensing system is extremely difficult. The department has assigned an accountant for whom reconciling the POS licensing system is one of their primary duties. This individual is currently working with our Information Services Division to review the current system and identify necessary improvements and the fiscal impact of reprogramming the current cash register system and/or the POS system to provide increased reconciliation functions. It has been determined that the reprogramming of the existing system would not be cost effective. The department has completed a Request for Proposal for a new point of sale system. The department is currently in the process of evaluating and scoring the vendor proposals. The department anticipates awarding the contract by January 2006.

Finding 03-10: **Controls over Financial Reporting**

Recommendation: The Oregon Department of Forestry should:

- Fully develop, document and implement policies and procedures over financial reporting.
- Establish a delegation of duties at the program and district level.
- Update position descriptions to reflect current staffing.
- Establish and implement risk assessment process to identify, analyze and manage risks.
- Monitor internal controls at the district level.
- Update or develop desk manuals.
- Modify the cash receipting process and establish controls to ensure compliance with the *Oregon Accounting Manual* regarding cash receipting.

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- Fully document evidence of the reconciliation process, including preparer and reviewer initials and the date prepared and reviewed.
- Consider filling the internal audit position or developing compensating controls.

Status: Partial corrective action was taken.
The actions taken include: formalized directives which outline delegation of duties for districts; updated position descriptions; updated desk manuals in the field; and hired an internal auditor effective June 28, 2004.

The actions in process include: documenting the reconciliation process; implementing new directives (internal policies) and administrative procedures; conducting a formal risk assessment; monitoring internal controls in districts through field reviews; writing and implementing directives that pertain to cash depositing in the field; internal auditor is conducting a cash handling audit; and obtaining restrictive endorsement stamp for the central Salem mailroom.

Finding 03-11: **Contracting**

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

- Establish policies and procedures for the preparation and approval of payment documentation, monitoring activities, and overall contract administration responsibilities.
- Provide training to staff assigned with contract administration responsibilities addressing basic principles of state contracting rules and responsibilities of contract administrators.
- Ensure payments are made timely, calculated correctly, have adequate supporting documentation, and are posted to the accounting records correctly.
- Monitor internal controls to ensure compliance with department guidelines and state statute.
- Ensure that state funds are used appropriately.

Status: Corrective action was taken.

Finding 03-12: **Payroll**

Recommendation: The Oregon Department of Forestry (department) should improve controls over payroll including:

- Providing sufficient oversight and adequately segregating payroll responsibilities.

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- Performing a thorough review and approval throughout the payroll process.
- Developing and implementing policies and procedures in compliance with the *Oregon Accounting Manual* and *Oregon Revised Statutes*.
- Taking appropriate action regarding department managers' intentional override of controls.

Status: Corrective action was taken.

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Section V – Schedule of Prior Federal Awards Findings and Questioned Costs for the Years Ended June 30, 2004 and 2003

This section includes the current status reported by the department of all federal audit findings from fiscal year ended June 30, 2004. It also includes the current status reported by the department of all federal audit findings from fiscal year ended June 30, 2003 that were uncorrected at June 30, 2004.

Finding 04-16: **Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283**
Inadequate Supporting Documentation for Payroll Costs
(Material Weakness)
Questioned Costs Total \$8,041,269

Recommendation: The Oregon Department of Human Services (department) should either modify its current information systems so that employee time activity reports may be generated or implement a new system to ensure that employee time activity reports are otherwise available for management’s review and approval. The department should ensure that certifications are generated and signed by employees.

Status: Corrective action was taken.

Auditor Comment:

The auditee reported corrective action was taken. Please refer to finding 05-11 for the status of this finding.

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: Partial corrective action was taken.
Financial Services continues to work with program staff in the development of a process that better identifies at-risk subrecipients. The staff person has responded, over the past 10 months to such situations by scheduling onsite reviews, with written assessments done timely.

We realize the current review process should be expanded and limited duration staffing has been requested in order to enable the

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current staff to perform financial reviews timely. We are reviewing the staffing workloads with the intent to change where possible so that more time can be allocated to staff reviews.

Please refer to finding 05-12.

Finding 04-18: **Centers for Disease Control and Prevention-Investigations and Technical Assistance, CFDA 93.283
Cash Management**

Recommendation: The Oregon Department of Human Services (department) should implement a policy to require subrecipients to submit documentation of anticipated and actual expenditures (with appropriate supporting documentation) prior to disbursing funds to subrecipients.

Status: No action taken. The department disagrees with this finding. No changes in the current process are planned.

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: Partial correction action was taken. Public Health Financial Services continues to have difficulty in meeting reporting deadlines. However, much of this is due to the changes in systems by the department going from an indirect rate plan basis to a cost allocation basis. Corrective action so far has been a much greater emphasis on working with program staff to manage grant budget period(s) closely and final report preparation. Analysis is prepared for program managers, with follow-up by grant accountants and accounting unit manager. Temporary accounting staff have been recruited to assist in specific grant(s) analysis, report preparation, and follow-up for adjustments.

At this time, grant reports, closings, adjustments, etc., are close to being current.

Please refer to finding 05-13.

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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: Partial corrective action was taken.
We developed and tested a process to provide verifiable documentation of the sum of the daily draws for each calendar month of a fiscal year. We make monthly screen prints of the SFMA 66 screen at the end of each calendar month. The difference between one month and the subsequent month equals the expenditures for the calendar month. The totals can be traced to our draw spreadsheet. We can provide detail expenditures for the draws made using a Brio query for a period of time. We will continue to further refine and develop the process.

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: Partial corrective action was taken.
We have the documentation readily available and verifiable that allows for calculations outlined in the Treasury-State agreements to be reviewed and replicated for compliance with the Code of Federal Regulations. We continue to work on a process to more frequently calculate the cash on hand balances and document the explanations for the balances. At the end of each month we plan to tie the cash on hand figures back to the monthly draw worksheets. We do not have an implementation date yet.

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

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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.
We formed a project to work on making the CMS-64 compilation and report process more efficient and effective. One of our goals is to complete the report within the required 30 days from month end close. We expect to develop a plan of action and implementation for successfully achieving the process improvements needed.

Finding 04-23: **Medicaid Cluster**
Lack of Supporting Documentation for Eligibility
Questioned Costs \$108

Recommendation: The Oregon Department of Human Services (department) management should provide assurance that supporting documentation for eligibility re-determinations is retained to allow for independent verification according to federal requirements.

Status: Corrective action was taken.

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: Partial corrective action was taken.
The department is confident that each year state expenditures will meet the MOE requirements. The Federal report is filed for federal fiscal year (FFY) end, reporting those requirements as being met. As with many accounting processes there is a timing difference between when information is received and entries are made. Typically, all adjustments are completed by the December following the FFY end.

The department disagrees that the \$2.7 million of reported MOE for FFY 2003 was expended during FFY 2002. The \$2.7 million was contributed by the State Scholarship commission as TANF MOE and reported to the department in October 2003. As MOE for FFY

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2002 was already met, other MOE expenditures previously reported in FFY 2002 were reclassified from state general fund expenditures to federal expenditures and moved to FFY 2003. This is allowable because more than one year of expenditures can be open at one time and the TANF program allows carryover of funds. The \$2.7 million was not reported as MOE for FFY 2003.

Financial Services, Financial and Policy Analysis (FPA), CAF program staff and the Department of Administrative Services (DAS) are working to improve the MOE recording process. Steps being taken to improve it include:

- Establishing a direct working relationship between accounting staff and other state agencies rather than having FPA as an intermediate step.
- Creating a reporting procedure by CAF program staff and DAS for the agencies that contribute MOE allowable dollars.
- Developing a process where expenditures that qualify as MOE are recorded when made, rather than adjusting after the fact.
- Identifying at the start of the 2005 – 2007 biennium some of the MOE expenditures that can be charged to the TANF grant. Effective July 1, 2005 changes have been made with the interface system to directly record these expenditures to the TANF grant.
- Creating the Child Welfare Tracking Grant, Grant 700000 for the 2005 –2007 biennium to separately track MOE expenditures that still require a manual adjustment. It is the goal of the department to have monthly adjustments made from this grant to record the TANF MOE instead of doing annual adjustments.

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

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ensure that the MOE shortfall of approximately \$15.6 million is resolved using state originated funds.

Status: Partial corrective action was taken.
The department is confident that each year state expenditures will meet the MOE requirements. The Federal report is filed for federal fiscal year (FFY) end, reporting those requirements as being met. As with many accounting processes there is a timing difference between when information is received and entries are made. Typically, all adjustments are completed by the December following the FFY end.

As noted in the department's response to Finding 04-24 above, the department has identified some ways to improve the TANF MOE recording process. The plan and processes will be implemented by July 1, 2006.

Findings 04-26: **Temporary Assistance for Needy Families (TANF), CFDA 93.558**
Questioned Costs \$4,125

Recommendation: The Oregon Department of Human Services (department) management should ensure that supporting documentation is readily available for all TANF expenditures in such a form as to allow for subsequent verification and testing.

Status: Corrective action was taken.

Finding 04-27: **Foster Care – Title IV – E, CFDA 93.658**
Eligibility
Questioned Costs \$1,150

Recommendation: The Oregon Department of Human Services (department) branch personnel should adhere to existing policies that require criminal checks be performed prior to a child being placed in a foster home.

Status: Corrective action was taken.

Finding 04-28: **Statewide Central Service Cost Allocation Plan**
Agencies Assessed for Central Service Charge Not Included in Cost Allocation Plan

Recommendation: The Oregon Department of Administrative Services (department) should communicate with agencies to ensure that federal programs were not charged for this assessment for the current biennium. In the future, the department should consider including the capitol mall

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plaza debt service assessment revenues and expenses in the statewide central service cost allocation plan; if not, the Price List should specifically state that agencies cannot use federal funding to pay the assessment.

Status: Corrective action was taken.

Finding 04-29: **Statewide Central Service Cost Allocation Plan
\$1,000,000 Non-Operating Transfer Reported as an Operating Transfer**

Recommendation: The Oregon Department of Administrative Services' (department) should contact Department of Health and Human Services to determine the required corrective action. Also, when preparing the annual reporting for department programs included in the cost allocation plan, department staff should review transfers out of the programs to ascertain that they have been properly reported in the narrative and in the A-87 reconciliation of net assets.

Status: Corrective action was taken.

Finding 04-30: **Statewide Central Service Cost Allocation Plan
Unallowable Payments for Fines, Penalties, Damages, and Other Settlements**

Recommendation: The Oregon Department of Administrative Services' (department) should determine the amounts paid for civil rights violations, including directly associated costs, for the fiscal years 2002, 2003 and 2004 as the Department of Health and Human Services (DHHS) has not closed the cost allocation plans for those years. The department should then contact DHHS for further clarification as to whether these costs are allowable. If applicable, the department should submit a restated A-87 reconciliation and any federal reimbursements as required for those years.

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: Partial corrective action was taken.

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The department will implement the recommendation when it creates the price list of goods and services for the 2007-09 biennium. When State Services Division (formerly Risk Management) creates their rates for their customers they will ensure that Department of Human Services and Oregon University System will be treated as one agency for the 2007-09 biennium.

Finding 04-32: **Statewide Central Service Cost Allocation Plan
Services Billed Not Based on Usage or Usage Not Supported**

Recommendation: The Oregon Department of Administrative Services (department) should implement procedures to ensure that agencies using services provided by its Computer Services program are billed based on actual use of the service and that adequate documentation is retained to support the amounts billed to those state agencies.

Status: Corrective action was taken.

Finding 04-33: **Improving Teacher Quality State Grants, CFDA 84.367
Maintaining Level of Effort**

Recommendation: The Oregon Department of Education (department) should comply with the federal requirement and monitor Local Education Agencies to ensure that the proper level of effort is maintained.

Status: Corrective action was taken.

Finding 03-14: **Social Services Block Grant, CFDA 93.667
Cash Management**

Recommendation: The Oregon Department of Human Services (department) should ensure that all SSBG draws for Federal reimbursement are traceable to supporting documentation. Supporting information should be readily available, fully documented, and verifiable for compliance purposes.

Status: *Please refer to finding 04-20 for the status of this finding.*

Finding 03-15: **Medicaid Cluster, Expenditure Allowability
Questioned Costs total \$45,560,309 for payments made during
state fiscal year 2003**

Recommendation: The Oregon Department of Human Services (department) should fully comply with 42 CFR 447.272.

Status: Corrective action was taken.

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Finding 03-17: Medicaid Cluster Reporting

Recommendation: The Oregon Department of Human Services (department) should implement procedures to ensure that actual total expenditure amounts are reported on the quarterly CMS-64 reports as required by Federal regulations. In addition, the department should correct and resubmit CMS-64 reports submitted in error.

Status: *Please refer to finding 04-22 for the status of this finding.*

Finding 03-21: Temporary Assistance for Needy Families (TANF), CFDA 93.558 Cash Management

Recommendation: The Oregon Department of Human Services (department) should develop and implement procedures or methods to ensure compliance with documentation requirements for cash draws for TANF expenditures. The department's records should be readily available and verifiable for compliance purposes. We also recommend that the department take action to ensure that the \$3.5 million drawn in excess is resolved with the Federal agency and all requirements of the Treasury-State cash agreement satisfied.

Status: *Please refer to finding 04-20 for the status of this finding.*

Finding 03-23: Workforce Investment Act Cluster Cash Management Authorizations

Recommendation: The Oregon Department of Community Colleges and Workforce Development (department) should improve controls over transaction authorization and supervisory review.

Status: Corrective action was taken.

Finding 03-24: Workforce Investment Act Cluster Earmarking/Reporting

Recommendation: The Oregon Department of Community Colleges and Workforce Development (department) should continue its efforts to correct the accounting system and revise federal reports to accurately reflect program expenditures. We also recommend that the department continue to work with subrecipients to correct errors in reported amounts.

Status: Partial corrective action was taken. The department has hired an Accountant 3 position to assist with the work identified by this audit finding. The department has developed

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a new accounting structure in SFMA which is designed to account for each earmarked reporting requirement of the WIA 1B Federal Grant. This structure is based upon Program Code roll-ups, Program Cost Accounts (PCA's) and Grant and Phase codes which identify federal sub-account numbers. A new accounting structure could not have been set into place until the 2003-2005 biennium closed and the 2005-2007 biennium began. The department is still in the process of identifying and moving transactions within the same funding structure to these earmarked PCA's. In July a copy of this new accounting structure was given to the Secretary of State Audits Division for review.

specific details of our findings and recommendations to improve security in accordance with ORS 192.501 (23), which allows exemption of such information from public disclosure.

The department's program change management controls ensured that system modifications were tested and documented. However, those controls did not ensure program modifications were formally authorized or reviewed. In addition, access to program code was not sufficiently restricted to ensure it could not be altered after it was formally tested. If these weaknesses were exploited, the integrity and validity of the system could be compromised.

The department backed up system programs and files but had not developed disaster recovery and business continuity plans to restore the application in the event of a major disruption.

REPORT TITLE AND NUMBER

Department of Human Services: Oregon Office of Medical Assistance Programs – Independent Accountant’s Report On An Examination for Oregon’s Pharmacy Benefit Administrator’s Processing of Medicaid Prescription Drug Claims and Rebates For The Year Ended June 30, 2004, 2005-16

REPORT DATE

May 26, 2005

RESULTS IN BRIEF

This audit was performed to test two assertions.

- 1) For the period of July 1, 2003 to June 30, 2004, the pharmacy claims submitted to the state for payment of prescription drug expenses and associated services by First Health Services Corporation (FHSC) were priced in accordance with its contract and prescription drug price agreements in effect.
- 2) For the period of July 1, 2003 to June 30, 2004, the Medicaid rebates due from pharmaceutical manufacturers were claimed, collected and allocated by FHSC in accordance with its contract and prescription drug price and rebate agreements in effect.

The audit found the assertions to be fairly stated in all material effects, except for the following conditions:

- 1) The rebate payments for eleven of the tested claims were paid past the due date and interest was not

calculated by the rebate system and went uncollected.

- 2) There were six outstanding rebate claims, that were past the due date, for which no evidence existed that interest was accruing.
- 3) There was no formal set of processes governing aging and follow up of outstanding rebate claims.

REPORT TITLE AND NUMBER **Department of Justice: Child Support Enforcement Automated System (CSEAS) Application Controls Review, 2005-20**

REPORT DATE July 22, 2005

RESULTS IN BRIEF This audit was performed at the request of the Oregon Attorney General. Its purpose was to evaluate the effectiveness of key general and application computer controls for the Department of Justice (department) Child Support Enforcement Automated System (system) computer application. Our specific audit objectives were to determine whether the department had adequate controls governing data integrity, system security, program change management, and system backup and recovery.

We concluded that, while some controls were sufficient, improvements should be made to ensure integrity of system data and overall accountability of child support assets. Specific issues included:

- Although 96 percent of receipts processed correctly, the error rate for complex cases requiring manual intervention averaged over 14 percent.
- System data did not reconcile to Oregon State Treasury and statewide accounting system balances. Approximately \$963,000 of the \$11.9 million on deposit as of April 13, 2005 could not be readily explained regarding its origin or intended disposition.
- Support end dates were not always valid.
- Internal controls did not always ensure dual custody of receipts or segregation of important system functions.
- The department's security framework did not adequately protect the system.

Appendix A

- Change management controls did not adequately ensure that code could not be altered after it was tested and approved.
- The department backed up system programs and files, but had not developed disaster recovery plans to restore the application in the event of a major disruption.

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