
Secretary of State

State of Oregon

**FEDERAL COMPLIANCE REPORT
AND
INTERNAL CONTROL REPORT**

For the Year Ending June 30, 2001



Audits Division

Secretary of State

State of Oregon
FEDERAL COMPLIANCE REPORT
AND
INTERNAL CONTROL REPORT
For the Year Ending June 30, 2001



Audits Division



Auditing for a Better Oregon

The Honorable John Kitzhaber, M.D.
Governor of Oregon
254 State Capitol
Salem, Oregon 97310-4047

We have conducted a statewide audit in accordance with the Single Audit Act Amendments of 1996, *Government Auditing Standards*, and 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, 2001. It is required for the state to continue receiving federal financial assistance which, as shown in this report, totals more than \$4.5 billion.

As required by the Single Audit Act, we issued a report dated December 12, 2001, on the state of Oregon's general-purpose financial statements. That report was included in the state of Oregon's *Comprehensive Annual Financial Report* for the year ended June 30, 2001. This report contains the remaining components required by the Single Audit Act:

- *Report on Compliance and on Internal Control over Financial Reporting.* This component contains our report on the state of Oregon's compliance with laws, regulations, contracts and grants that affect the general-purpose financial statements, and on internal control over financial reporting. Part of the schedule of findings and questioned costs relates to this report.
- *Report on Compliance and on Internal Control in accordance with OMB Circular A-133.* This component contains our report on the state of Oregon's compliance with the types of compliance requirements 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, 2001.
- *Schedule of Expenditures of Federal Awards.* This schedule is not a required part of the state of Oregon's general-purpose 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, 2001, 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 five current audit findings regarding compliance and internal control related to financial reporting. It also lists eight current 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 reports for the fiscal years ending June 30, 2000, and June 30, 1999.

OMB Circular A-133 requires management to provide a plan of corrective action on the findings and recommendations for the fiscal year ending June 30, 2001. Management's responses and planned corrective actions are included in this schedule.

- *Appendix A.* This appendix lists other audit reports issued by the Oregon Audits Division that are related to state of Oregon programs financed by federal awards.

OREGON AUDITS DIVISION

Cathy Pollino
Director

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Auditing for a Better Oregon

The Honorable John Kitzhaber, M.D.
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Salem, Oregon 97310-4047

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the general-purpose financial statements of the state of Oregon, as of and for the year ended June 30, 2001, and have issued our report thereon dated December 12, 2001, except for Note 19, as to which the date is December 19, 2001. 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.

We did not audit the financial statements of the Oregon Health and Science University, which reflect total assets of \$1.35 billion as of June 30, 2001, and total operating revenues of \$834 million for the year then ended. Those financial statements were audited by other auditors whose reports on compliance and on internal control have been furnished to us, and our reports, insofar as they relate to the amounts included for the Oregon Health and Science University, are based on the reports of the other auditors.

Compliance

As part of obtaining reasonable assurance about whether the state of Oregon's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Compliance

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 opinion on the financial statements and not to provide assurance on the

internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the state of Oregon's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-1 through 01-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which were 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, the Oregon Legislative Assembly, Department of Administrative Services Statewide Audit Committee, 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

December 12, 2001



Auditing for a Better Oregon

The Honorable John Kitzhaber, M.D.
Governor of Oregon
254 State Capitol
Salem, Oregon 97310-4047

**INDEPENDENT AUDITOR'S 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, 2001. 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.

The state of Oregon's general-purpose financial statements include the operations of the Oregon Health and Science University, which received approximately \$154 million in federal awards that is not included in the state of Oregon's schedule of expenditures of federal awards for the year ended June 30, 2001. Our audit, described below, did not include the operations of the Oregon Health and Science University, which 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 provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the state of Oregon's compliance with those requirements.

In our opinion, 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, 2001. However, the results of our auditing procedures disclosed 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 01-6 through 01-13.

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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major 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. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the state of Oregon as of and for the year ended June 30, 2001, and have issued our report thereon dated December 12, 2001, except for Note 19, as to which the date is December 19, 2001. We did not audit the financial statements of the Oregon Health and Science University, which statements reflect total assets of \$1.35 billion as of June 30, 2001, and total operating revenues of \$834 million for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oregon Health and Science University in the component units column, is based on the report of the other auditors. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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, Department of Administrative Services Statewide Audit Committee, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

OREGON AUDITS DIVISION

Bill Bradbury
Secretary of State

January 31, 2002, except for the
Schedule of Expenditures of
Federal Awards, as to which
date is December 12, 2001

State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
Department of Agriculture				
10.001	Agricultural Research—Basic and Applied Research	\$ 723,463	\$ —	\$ 723,463
10.025	Plant and Animal Disease, Pest Control, and Animal Care	811,533	—	811,533
10.054	Emergency Conservation Program	3	10,876	10,879
10.064	Forestry Incentives Program	84,329	29,442	113,771
10.069	Conservation Reserve Program	23,508	—	23,508
10.156	Federal—State Marketing Improvement Program	(4,639)	—	(4,639)
10.163	Market Protection and Promotion	38,948	—	38,948
10.200	Grants for Agricultural Research, Special Research Grants	34,364	—	34,364
10.206	Grants for Agricultural Research—Competitive Research Grants	96,349	3,268	99,617
10.215	Sustainable Agriculture Research and Education	20,737	—	20,737
10.217	Higher Education Challenge Grants	58,468	—	58,468
10.218	Buildings and Facilities Program	221	—	221
10.250	Agricultural and Rural Economic Research	106,193	—	106,193
10.303	Integrated Programs	3,515	—	3,515
10.500	Cooperative Extension Service	365,910	200	366,110
10.550	Food Distribution	3,842	7,710,434	7,714,276
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	40,583,752	10,317,335	50,901,087
10.558	Child and Adult Care Food Program	108,950	23,495,919	23,604,869
10.560	State Administrative Expenses for Child Nutrition	2,035,344	—	2,035,344
10.565	Commodity Supplemental Food Program	—	341,795	341,795
10.567	Food Distribution Program on Indian Reservations	30,450	191,506	221,956
10.570	Nutrition Program for the Elderly (Commodities)	—	1,361,401	1,361,401
10.600	Foreign Market Development Cooperator Program	19,715	—	19,715
10.652	Forestry Research	22,427	—	22,427
10.664	Cooperative Forestry Assistance	2,200,563	934,058	3,134,621
10.670	National Forest—Dependent Rural Communities	224,467	—	224,467
10.769	Rural Business Enterprise Grants	24,914	—	24,914
10.855	Distance Learning and Telemedicine Loans and Grants	21,181	—	21,181
10.961	Scientific Cooperation and Research	(198,039)	295,815	97,776
10.962	International Training—Foreign Participant	51,876	—	51,876
Total Department of Agriculture		\$47,492,344	\$44,692,049	\$92,184,393
Department of Business and Commerce				
11.303	Economic Development—Technical Assistance	\$ 153,068	\$ —	\$ 153,068
11.405	Anadromous Fish Conservation Act Program	378,173	—	378,173
11.407	Interjurisdictional Fisheries Act of 1986	99,686	—	99,686

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, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
11.417	Sea Grant Support	994,690	22,251	1,016,941
11.419	Coastal Zone Management Administration Awards	1,679,978	206,750	1,886,728
11.420	Coastal Zone Management Estuarine Research Reserves	245,873	—	245,873
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	286,029	—	286,029
11.432	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	61,967	—	61,967
11.436	Columbia River Fisheries Development Program	6,877,312	33,777	6,911,089
11.437	Pacific Fisheries Data Program	485,886	—	485,886
11.438	Pacific Coast Salmon Recovery—Pacific Salmon Treaty Program	788,901	—	788,901
11.439	Marine Mammal Data Program	151,925	—	151,925
11.441	Regional Fishery Management Councils	222,299	—	222,299
11.477	Fisheries Disaster Relief	738	—	738
11.552	Technology Opportunities	(5,399)	—	(5,399)
11.611	Manufacturing Extension Partnership	103,314	—	103,314
11.X01	Other Department of Commerce Programs—National Oceanic and Atmospheric	632,343	—	632,343
Total Department of Business and Commerce		\$13,156,783	\$262,778	\$13,419,561
Department of Defense				
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	\$ 144,061	\$ —	\$ 144,061
12.300	Basic and Applied Scientific Research	808,432	—	808,432
12.400	Military Construction, National Guard	7,395,780	—	7,395,780
12.401	National Guard Military Operations and Maintenance (O&M) Projects	21,307,798	—	21,307,798
12.431	Basic Scientific Research	7,472	—	7,472
12.550	International Education—U.S. Colleges and Universities	77,004	—	77,004
12.X01	Other Department of Defense Programs	8,739	—	8,739
12.X02	Other Department of Defense Programs (Army Corp. of Engineers)	4,792,850	5,171	4,798,021
12.X05	U.S. Army: Chemical Disposal	1,050,745	20,000	1,070,745
Total Department of Defense		\$35,592,881	\$25,171	\$35,618,052
Department of Housing and Urban Development				
14.194	Intermediary Technical Assistance Grant	\$ —	\$ 4,360	\$ 4,360
14.227	Community Development Block Grants/Special Purpose Grants/Technical Assistance Program	139,270	—	139,270
14.228	Community Development Block Grants/State's Program	1,135,699	12,177,948	13,313,647
14.231	Emergency Shelter Grants Program	14,880	745,623	760,503
14.235	Supportive Housing Program	1,669	60,648	62,317

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, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
14.239	HOME Investment Partnerships Program	5,373,496	1,856,591	7,230,087
14.511	Community Outreach Partnership Center Program	148,001	—	148,001
14.854	Public and Indian Housing Drug Elimination Program	22,176	—	22,176
Total Department of Housing and Urban Development		\$6,835,191	\$14,845,170	\$21,680,361
Department of the Interior				
15.035	Forestry on Indian Lands	\$ 70,827	\$ —	\$ 70,827
15.039	Fish, Wildlife, and Parks Programs on Indian Lands	60,567	—	60,567
15.114	Indian Education—Higher Education Grant Program	123,415	—	123,415
15.214	Non-Sale Disposals of Mineral Material	10	65,065	65,075
15.222	Cooperative Inspection Agreements with States and Tribes	9,241	—	9,241
15.224	Cultural Resource Management	12,409	—	12,409
15.225	Recreation Resource Management	405,308	—	405,308
15.504	Water Reclamation and Reuse Program	878,748	—	878,748
15.50X	Other Department of the Interior Programs—Bureau of Reclamation	106,054	—	106,054
15.608	Fish and Wildlife Management Assistance	337,180	38,810	375,990
15.614	Coastal Wetlands Planning, Protection and Restoration Act	44,512	2,643,753	2,688,265
15.615	Cooperative Endangered Species Conservation Fund	182,806	—	182,806
15.616	Clean Vessel Act	142,757	490,325	633,082
15.617	Wildlife Conservation and Appreciation	13,019	—	13,019
15.618	Administrative Grants for Federal Aid in Sport Fish and Wildlife Restoration	13,371	—	13,371
15.805	Assistance to State Water Resources Research Institutes	40,456	—	40,456
15.807	Earthquake Hazards Reduction Program	230,797	—	230,797
15.808	U.S. Geological Survey—Research and Data Acquisition	908,113	—	908,113
15.809	National Spatial Data Infrastructure Cooperative Agreements Program	15,295	—	15,295
15.875	Economic, Social, and Political Development of the Territories and the Freely Associated States	20,223	—	20,223
15.904	Historic Preservation Fund Grants-In-Aid	26,815	171,838	198,653
15.916	Outdoor Recreation—Acquisition, Development and Planning	52,652	43,538	96,190
15.922	Native American Graves Protection and Repatriation Act	3,410	8,480	11,890
15.X60	Other Department of the Interior Programs—U.S. Fish and Wildlife Service	73,181	—	73,181
Total Department of the Interior		\$3,771,166	\$3,461,809	\$7,232,975

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, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
Department of Justice				
16.004	Law Enforcement Assistance—Narcotics and Dangerous Drugs Training	\$ 100,465	\$ —	\$ 100,465
16.007	State Domestic Preparedness Equipment Support Program	90,113	86,311	176,424
16.307	Combined DNA Index System	270,301	—	270,301
16.523	Juvenile Accountability Incentive Block Grants	608,415	2,783,453	3,391,868
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	538,908	707,425	1,246,333
16.541	Juvenile Justice and Delinquency Prevention—Special Emphasis	224,270	69,439	293,709
16.548	Title V—Delinquency Prevention Program	10,109	631,731	641,840
16.549	Part E—State Challenge Activities	30,317	26,375	56,692
16.550	State Justice Statistics Program for Statistical Analysis Centers	49,981	—	49,981
16.554	National Criminal History Improvement Program (NCHIP)	815,421	—	815,421
16.561	National Institute of Justice Visiting Fellowships	183,204	—	183,204
16.575	Crime Victim Assistance	249,031	5,769,952	6,018,983
16.576	Crime Victim Compensation	582,921	—	582,921
16.579	Byrne Formula Grant Program	335,692	2,414,879	2,750,571
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	28,224	474,400	502,624
16.582	Crime Victim Assistance/Discretionary Grants	202,490	—	202,490
16.585	Drug Court Discretionary Grant Program	187,428	—	187,428
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	7,732,276	1,749,510	9,481,786
16.588	Violence Against Women Formula Grants	94,947	2,073,953	2,168,900
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	25,143	161,128	186,271
16.592	Local Law Enforcement Block Grants Program	68,072	303,055	371,127
16.593	Residential Substance Abuse Treatment for State Prisoners	89,190	259,680	348,870
16.595	Executive Office for Weed and Seed	513,709	321,831	835,540
16.598	State Identification Systems Grant Program	20,190	—	20,190
16.606	State Criminal Alien Assistance Program	6,240,528	—	6,240,528
16.607	Bulletproof Vest Partnership Program	25,689	—	25,689
16.610	Regional Information Sharing Systems	2,327	—	2,327
16.710	Public Safety Partnership and Community Policing Grants	2,124,879	—	2,124,879
16.712	Police Corps	862,867	1,003,332	1,866,199
16.727	Enforcing Underage Drinking Laws Program	100,594	233,903	334,497
Total Department of Justice		\$22,407,701	\$19,070,357	\$41,478,058

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, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
Department of Labor				
17.002	Labor Force Statistics	\$ 953,204	\$ —	\$ 953,204
17.225	Unemployment Insurance	587,352,827	—	587,352,827
17.235	Senior Community Service Employment Program	76,177	1,183,268	1,259,445
17.245	Trade Adjustment Assistance—Workers	5,538,269	—	5,538,269
17.249	Employment Services and Job Training Pilots— Demonstrations and Research	801	397,449	398,250
17.253	Welfare-to-Work Grants to States and Localities	6,223,137	—	6,223,137
17.255	Workforce Investment Act	645,768	40,456,959	41,102,727
17.503	Occupational Safety and Health—State Program	5,130,935	—	5,130,935
17.600	Mine Health and Safety Grants	86,770	—	86,770
17.700	Women's Special Employment Assistance	1,400	—	1,400
17.802	Veterans' Employment Program	405,133	—	405,133
Total Department of Labor		\$606,414,421	\$42,037,676	\$648,452,097
Department of State				
19.400	Educational Exchange—Graduate Students	\$ 29,865	\$—	\$ 29,865
19.401	Educational Exchange—University Lecturers (Professors) and Research Scholars	98,960	—	98,960
19.402	International Visitors Program	70,571	—	70,571
19.404	Professional Development—International Educators/Administrators	1,688	—	1,688
19.405	College and University Partnership Program	116,377	—	116,377
19.406	College and University Affiliations Program	37,370	—	37,370
19.415	Professional Exchanges—Annual Open Grant	1,453	—	1,453
19.416	Exchange—English Teaching Fellows	63,611	—	63,611
19.420	Cooperative Grants	594	—	594
Total Department of State		\$420,489	\$—	\$420,489
Department of Transportation				
20.005	Boating Safety Financial Assistance	\$ 51,049	\$ 1,025,436	\$ 1,076,485
20.106	Airport Improvement Program	1,706,046	—	1,706,046
20.218	National Motor Carrier Safety	1,325,102	390,820	1,715,922
20.219	Recreational Trails Program	162,590	592,730	755,320
20.301	Railroad Safety	—	16,426	16,426
20.312	High Speed Ground Transportation—Next Generation High Speed Rail Program	1,939,922	—	1,939,922
20.505	Federal Transit—Metropolitan Planning Grants	—	365,416	365,416
20.509	Formula Grants for Other Than Urbanized Areas	657,648	4,199,564	4,857,212
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	413,201	3,420,259	3,833,460
20.515	State Planning and Research	41,731	—	41,731
20.606	NHTSA Section 2003(B)	—	137,191	137,191
20.700	Pipeline Safety	146,274	—	146,274

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, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
20.701	University Transportation Centers Program	26,000	—	26,000
20.X02	Other Department of Transportation Programs	111,637	—	111,637
Total Department of Transportation		\$6,581,200	\$10,147,842	\$16,729,042
Office of Personnel Management				
27.011	Intergovernmental Personnel Act (IPA) Mobility Program	\$102,514	\$—	\$102,514
Total Office of Personnel Management		\$102,514	\$—	\$102,514
Equal Opportunity Commission				
30.002	Employment Discrimination—State and Local Fair Employment Practices Agency Contracts	\$306,352	\$—	\$306,352
Total Equal Opportunity Commission		\$306,352	\$—	\$306,352
General Services Administration				
39.002	Disposal of Federal Surplus Real Property	\$ 22	\$ 266,435	\$ 266,457
39.003	Donation of Federal Surplus Personal Property	276,257	815,416	1,091,673
Total General Services Administration		\$276,279	\$1,081,851	\$1,358,130
National Aeronautics and Space Administration				
43.001	Aerospace Education Services Program	\$ 78,505	\$—	\$ 78,505
43.002	Technology Transfer	800,680	—	800,680
Total National Aeronautics and Space Administration		\$879,185	\$—	\$879,185
National Foundation on the Arts and the Humanities				
45.024	Promotion of the Arts—Grants to Organizations and Individuals	\$ 178	\$ —	\$ 178
45.025	Promotion of the Arts—Partnership Agreements	505,135	—	505,135
45.149	Promotion of the Humanities—Division of Preservation and Access	274,368	—	274,368
45.160	Promotion of the Humanities—Fellowships and Stipends	2,167	—	2,167
45.162	Promotion of the Humanities—Education Development and Demonstration	2,500	—	2,500
45.163	Promotion of the Humanities—Seminars and Institutes	72,475	—	72,475
45.301	Institute of Museum and Library Services	103,602	—	103,602
45.310	State Library Program	266,924	1,183,532	1,450,456
Total National Foundation on the Arts and the Humanities		\$1,227,349	\$1,183,532	\$2,410,881
National Science Foundation				
47.041	Engineering Grants	\$ 20,436	\$ —	\$ 20,436

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, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
47.049	Mathematical and Physical Sciences	176,946	—	176,946
47.050	Geosciences	3,562	—	3,562
47.070	Computer and Information Science and Engineering	209,998	—	209,998
47.074	Biological Sciences	59,026	—	59,026
47.075	Social, Behavioral, and Economic Sciences	1,826	—	1,826
47.076	Education and Human Resources	1,110,185	6,506	1,116,691
47.077	Academic Research Infrastructure	39,816	—	39,816
Total National Science Foundation		\$1,621,795	\$6,506	\$1,628,301
Small Business Administration				
59.005	Business Development Assistance to Small Business	\$ 75	\$—	\$ 75
59.037	Small Business Development Center	91,154	—	91,154
Total Small Business Administration		\$91,229	\$—	\$91,229
Department of Veterans' Affairs				
64.005	Grants to States for Construction of State Home Facilities	\$119,558	\$—	\$119,558
64.125	Vocational and Educational Counseling for Servicemembers and Veterans	28,574	—	28,574
64.XX1	Other Veterans Administration Programs	34,512	—	34,512
Total Department of Veterans' Affairs		\$182,644	\$—	\$182,644
Environmental Protection Agency				
66.001	Air Pollution Control Program Support	\$1,939,679	\$ —	\$1,939,679
66.032	State Indoor Radon Grants	10,424	—	10,424
66.419	Water Pollution Control—State and Interstate Program Support	1,738,008	—	1,738,008
66.432	State Public Water System Supervision	1,562,720	213,878	1,776,598
66.433	State Underground Water Source Protection	106,525	—	106,525
66.454	Water Quality Management Planning	166,338	—	166,338
66.456	National Estuary Program	50,664	—	50,664
66.458	Capitalization Grants for State Revolving Funds	759,841	3,910,445	4,670,286
66.460	Nonpoint Source Implementation Grants	1,642,596	549,060	2,191,656
66.461	Wetlands Grants	168,677	67,194	235,871
66.463	Water Quality Cooperative Agreements	274,780	25,000	299,780
66.468	Capitalization Grants for Drinking Water State Revolving Fund	4,208,967	207,645	4,416,612
66.470	Hardship Grants Program for Rural Communities	—	94,797	94,797
66.500	Environmental Protection—Consolidated Research	1,423,560	2,500	1,426,060
66.505	Wastewater Pollution Control—Research, Development, and Demonstration	2,779	58,839	61,618
66.606	Surveys, Studies, Investigations and Special Purpose Grants	935,623	66,141	1,001,764
66.607	Training and Fellowships for the Environmental Protection Agency	14,456	—	14,456

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State of Oregon
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For the Year Ended June 30, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	582,686	13,780	596,466
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	103,757	—	103,757
66.707	TSCA Title IV State Lead Grants—Certification of Lead-Based Paint Professionals	324,205	—	324,205
66.708	Pollution Prevention Grants Program	119,800	33,618	153,418
66.714	Pesticide Environmental Stewardship—Regional Grants	19,750	—	19,750
66.801	Hazardous Waste Management State Program Support	384,060	—	384,060
66.802	Superfund State Site—Specific Cooperative Agreements	1,166,009	—	1,166,009
66.804	State and Tribal Underground Storage Tanks Program	201,262	—	201,262
66.805	Leaking Underground Storage Tank Trust Fund Program	1,126,240	—	1,126,240
66.807	Superfund Innovative Technology Evaluation Program	1,052,360	—	1,052,360
66.808	Solid Waste Management Assistance	5,780	—	5,780
66.809	Superfund State Core Program Cooperative Agreements	943,851	—	943,851
66.810	CEPP Technical Assistance Grants Program	50	—	50
66.951	Environmental Education Grants	101,106	—	101,106
Total Environmental Protection Agency		\$21,136,553	\$5,242,897	\$26,379,450
Nuclear Regulatory Commission				
77.003	Enhance Technology Transfer and Dissemination of Nuclear Energy Process and Safety Information	\$3,633	\$—	\$3,633
77.005	Financial Assistance for NRC Local Public Document Rooms (LPDR's)	76	—	76
Total Nuclear Regulatory Commission		\$3,709	\$—	\$3,709
Department of Energy				
81.041	State Energy Program	\$1,167,166	\$ —	\$1,167,166
81.042	Weatherization Assistance for Low-Income Persons	121,223	1,420,000	1,541,223
81.049	Office of Science Financial Assistance Program	4,875	—	4,875
81.064	Office of Scientific and Technical Information	68,684	—	68,684
81.079	Regional Biomass Energy Programs	41,838	—	41,838
81.087	Renewable Energy Research and Development	286,714	—	286,714
81.092	Environmental Restoration	651,610	—	651,610
81.104	Office of Science and Technology for Environmental Management	2,880	—	2,880
81.105	National Industrial Competitiveness through Energy, Environment, and Economics	36,769	—	36,769

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**State of Oregon
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Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	269,607	468,487	738,094
81.118	Solar Energy Partnership Support and Barrier Elimination	42,938	—	42,938
81.X02	Other Department of Energy Programs (BPA)	280,328	546,367	826,695
81.X04	Other Department of Energy Programs (BPA-Hatcheries)	2,679,013	—	2,679,013
81.X05	Other Department of Energy Programs (BPA-Planning)	900,660	—	900,660
81.X06	Other Department of Energy Programs (BPA-Research)	5,041,977	282,150	5,324,127
81.X07	Other Department of Energy Programs (BPA-Squawfish)	301,180	—	301,180
81.X08	Other Department of Energy Programs (BPA-Habitat)	1,649,481	176,485	1,825,966
81.X17	Other Department of Energy Programs	2,816,430	—	2,816,430
81.X18	Other Department of Energy Programs (BPA-Mitigation)	—	921	921
Total Department of Energy		<u>\$16,363,373</u>	<u>\$2,894,410</u>	<u>\$19,257,783</u>
Federal Emergency Management Agency				
83.009	National Fire Academy Training Assistance	\$ 7,968	\$ —	\$ 7,968
83.010	National Fire Academy Educational Program	7,210	—	7,210
83.011	Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	72,536	—	72,536
83.105	Community Assistance Program—State Support Services Element (CAP-SSSE)	66,682	—	66,682
83.536	Flood Mitigation Assistance	698	1,926,672	1,927,370
83.544	Public Assistance Grants	46,528	1,827,322	1,873,850
83.547	First Responder Counter-Terrorism Training Assistance	274,626	4,556	279,182
83.548	Hazard Mitigation Grant	81,133	328,383	409,516
83.549	Chemical Stockpile Emergency Preparedness Program	2,486,433	6,508,248	8,994,681
83.550	National Dam Safety Program	70,451	—	70,451
83.551	Project Impact—Building Disaster Resistant Communities	32,731	—	32,731
83.552	Emergency Management Performance Grants	663,652	994,886	1,658,538
Total Federal Emergency Management Agency		<u>\$3,810,648</u>	<u>\$11,590,067</u>	<u>\$15,400,715</u>
Department of Education				
84.002	Adult Education—State Grant Program	\$ 588,518	\$ 3,092,785	\$ 3,681,303
84.010	Title I Grants to Local Educational Agencies	1,189,814	71,059,542	72,249,356
84.011	Migrant Education—Basic State Grant Program	350,737	11,880,896	12,231,633

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State of Oregon
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For the Year Ended June 30, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
84.013	Title I Program for Neglected and Delinquent Children	637,705	462,809	1,100,514
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	—	26,372	26,372
84.016	Undergraduate International Studies and Foreign Language Programs	94,461	12,106	106,567
84.021	International: Overseas—Group Projects Abroad	49,182	—	49,182
84.024	Early Education for Children with Disabilities	(393)	—	(393)
84.025	Services for Children with Deaf-Blindness	5,687	1,662	7,349
84.029	Special Education-Personnel Development/Parent Training	509,686	63,950	573,636
84.031	Higher Education—Institution Aid	716,386	—	716,386
84.039	Library Research and Demonstration	124,832	4,380	129,212
84.048	Vocational Education—Basic Grants to States	1,773,485	7,195,546	8,969,031
84.078	Special Education-Postsecondary Educational Program for Persons with Disabilities	353,187	—	353,187
84.116	Fund for the Improvement of Postsecondary Education	1,110,568	2,700	1,113,268
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	24,877,720	1,923,472	26,801,192
84.129	Rehabilitation Long-Term Training	485,822	—	485,822
84.141	Migrant Education—High School Equivalency Program	669,984	—	669,984
84.144	Migrant Education—Coordination Program	698,058	—	698,058
84.153	Business and International Education Projects	7,480	—	7,480
84.154	Public Library Construction and Technology Enhancement	41,192	80,550	121,742
84.160	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind	145,006	—	145,006
84.161	Rehabilitation Services—Client Assistance Program	21,691	93,010	114,701
84.162	Immigrant Education	11,449	1,323,528	1,334,977
84.168	Eisenhower Professional Development—Federal Activities	37,688	—	37,688
84.169	Independent Living—State Grants	323,865	26,932	350,797
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind	319,591	—	319,591
84.181	Special Education—Grants for Infants and Families with Disabilities	4,761,073	3,389,224	8,150,297
84.184	Safe and Drug-Free Schools and Communities—National Programs	279,031	—	279,031
84.185	Byrd Honors Scholarships	433,000	—	433,000
84.186	Safe and Drug-Free Schools and Communities—State Grants	481,697	3,644,481	4,126,178
84.187	Supported Employment Services for Individuals with Severe Disabilities	439,288	—	439,288
84.191	Adult Education—National Leadership Activities	(19)	—	(19)
84.194	Bilingual Education Support Services	71,886	—	71,886

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**State of Oregon
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For the Year Ended June 30, 2001**

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
84.195	Bilingual Education—Professional Development	965,506	58,755	1,024,261
84.196	Education for Homeless Children and Youth	14,881	187,529	202,410
84.200	Graduate Assistance in Areas of National Need	291,734	—	291,734
84.213	Even Start—State Educational Agencies	106,085	965,708	1,071,793
84.215	Fund for the Improvement of Education	65,969	160,766	226,735
84.218	State School Improvement Grants	539,179	—	539,179
84.224	Assistive Technology	61,263	300,606	361,869
84.235	Rehabilitation Services Demonstration and Training—Special Demonstration Programs	132,957	59,497	192,454
84.237	Special Education—Programs for Children with Serious Emotional Disturbance	145	—	145
84.243	Tech-Prep Education	60,800	1,507,439	1,568,239
84.252	Urban Community Service	154,431	35,495	189,926
84.257	National Institute for Literacy	23,701	—	23,701
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training	90,170	—	90,170
84.276	Goals 2000—State and Local Education Systemic Improvement Grants	442,421	4,501,090	4,943,511
84.278	STW State Implementation Grants Extension	237,717	293,951	531,668
84.279	Goals 2000—Assessment Development and Evaluation	183,877	—	183,877
84.281	Eisenhower Professional Development State Grants	573,311	2,761,872	3,335,183
84.282	Charter Schools	318,508	1,086,368	1,404,876
84.283	Comprehensive Regional Assistance Centers	573,448	—	573,448
84.287	Twenty-First Century Community Learning Centers	243,304	—	243,304
84.298	Innovative Education Program Strategies	823,468	3,721,523	4,544,991
84.314	Even Start—Statewide Family Literacy Program	82,484	7,000	89,484
84.318	Technology Literacy Challenge Fund Grants	218,844	3,231,587	3,450,431
84.323	Special Education—State Program Improvement Grants for Children with Disabilities	56,642	—	56,642
84.324	Special Education—Research and Innovation to Improve Services and Results for Children with Disabilities	929,701	97,150	1,026,851
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities	1,892,134	131,902	2,024,036
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	1,658,332	374,102	2,032,434
84.330	Advanced Placement Incentive Program	—	18,669	18,669
84.332	Comprehensive School Reform Demonstration	87,441	1,200,194	1,287,635
84.335	Child Care Access Means Parents in School	34,127	—	34,127
84.336	Teacher Quality Enhancement Grants	1,313,722	370,835	1,684,557
84.338	Reading Excellence	92,715	1,398,787	1,491,502
84.339	Learning Anytime Anywhere Partnerships	301,607	80,354	381,961
84.340	Class Size Reduction	228,340	13,432,941	13,661,281
84.342	Preparing Tomorrow's Teachers to Use Technology	616,277	54,819	671,096
84.346	Occupational and Employment Information State Grants	352,576	—	352,576
84.348	Title I Accountability Grants	—	72,191	72,191

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State of Oregon
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Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
84.928	National Writing Project	16,506	—	16,506
84.989	Oregon Employment Initiative	325,548	—	325,548
84.XX1	Other Department of Education Programs— Miscellaneous Student Financial Pass Through	122,905	—	122,905
Total Department of Education		\$55,842,133	\$140,395,075	\$196,237,208
United States Institute of Peace				
91.001	Unsolicited Grant Program	\$16,891	\$—	\$16,891
Total United States Institute of Peace		\$16,891	\$—	\$16,891
Department of Health and Human Services				
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	\$ 65,423	\$ 74,825	\$ 140,248
93.041	Special Programs for the Aging—Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and Exploitation	2,988	51,654	54,642
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals	321,550	—	321,550
93.043	Special Programs for the Aging—Title III, Part F— Disease Prevention and Health Promotion	—	225,784	225,784
93.046	Special Programs for the Aging—Title III, Part D— In-Home Services for Frail Older Individuals	—	(32,142)	(32,142)
93.048	Special Programs for the Aging—Title IV—Training, Research and Discretionary Projects and Programs	137,439	—	137,439
93.101	Grants for Residential Treatment Programs for Pregnant and Postpartum Women	(5,335)	—	(5,335)
93.103	Food and Drug Administration—Research	112,822	—	112,822
93.110	Maternal and Child Health Federal Consolidated Programs	251,464	2,800	254,264
93.113	Biological Response to Environmental Health Hazards	307,771	—	307,771
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	479,979	177,345	657,324
93.118	Acquired Immunodeficiency Syndrome (AIDS) Activity	1,167,586	1,494,101	2,661,687
93.119	Grants for Technical Assistance Activities Related to The Block Grant for Community Mental Health Services Technical Assistance Centers for Evaluation	(1,582)	—	(1,582)
93.127	Emergency Medical Services for Children	82,117	—	82,117
93.130	Primary Care Services—Resource Coordination and Development—Primary Care Offices	154,065	—	154,065
93.131	Cooperative Agreements for Addiction Treatment Training Centers	835,564	—	835,564
93.136	Injury Prevention and Control Research and State and Community Based Programs	169,413	—	169,413

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**State of Oregon
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Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
93.143	NIEHS Superfund Hazardous Substances—Basic Research and Education	2,285	—	2,285
93.150	Projects for Assistance in Transition from Homelessness (PATH)	(11,562)	340,416	328,854
93.161	Health Program for Toxic Substances and Disease Registry	105,504	—	105,504
93.184	Disabilities Prevention	414,970	—	414,970
93.194	Community Prevention Coalitions (Partnership) Demonstration Grant	242,017	2,561,703	2,803,720
93.196	Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	(36,568)	41,567	4,999
93.197	Childhood Lead Poisoning Prevention Projects— State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	117,548	—	117,548
93.217	Family Planning—Services	406,980	1,457,431	1,864,411
93.228	Indian Health Services—Health Management Development Program	8,042	—	8,042
93.229	Demonstration Cooperative Agreements for Development and Implementation of Criminal Justice Treatment Networks	168,223	700,841	869,064
93.230	Consolidated Knowledge Development and Application (KD&A) Program	245,445	17,225	262,670
93.234	Traumatic Brain Injury—State Demonstration Grant Program	39,526	—	39,526
93.235	Abstinence Education	539,497	—	539,497
93.251	Universal Newborn Hearing Screening	67	—	67
93.262	Occupational Safety and Health Research Grants	511,914	—	511,914
93.268	Immunization Grants	2,119,381	4,342,524	6,461,905
93.279	Drug Abuse Research Programs	4	—	4
93.282	Mental Health National Research Service Awards for Research Training	29,726	—	29,726
93.283	Centers for Disease Control and Prevention— Investigations and Technical Assistance	4,373,801	806,614	5,180,415
93.389	Research Infrastructure	667,873	—	667,873
93.556	Promoting Safe and Stable Families	1,837,077	1,573,573	3,410,650
93.558	Temporary Assistance for Needy Families	175,462,323	3,283,431	178,745,754
93.563	Child Support Enforcement	32,807,823	—	32,807,823
93.566	Refugee and Entrant Assistance—State Administered Programs	4,442,814	—	4,442,814
93.568	Low-Income Home Energy Assistance	463,031	19,746,675	20,209,706
93.569	Community Services Block Grant	223,173	3,490,023	3,713,196
93.570	Community Services Block Grant—Discretionary Awards	51,709	—	51,709
93.571	Community Services Block Grant Discretionary Awards—Community Food and Nutrition	69,044	32,217	101,261
93.576	Refugee and Entrant Assistance—Discretionary Grants	280,060	335,035	615,095

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Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		Total Federal Expenditures
		Direct Expenditures	Provided to Subrecipients	
93.584	Refugee and Entrant Assistance—Targeted Assistance	1,206,106	—	1,206,106
93.585	Empowerment Zones Program	535,563	—	535,563
93.586	State Court Improvement Program	109,259	—	109,259
93.590	Community-Based Family Resource and Support Grants	393,885	34,941	428,826
93.597	Grants to States for Access and Visitation Programs	50,965	—	50,965
93.600	Head Start	2,554,724	166,575	2,721,299
93.603	Adoption Incentive Payments	1,401,434	—	1,401,434
93.623	Runaway and Homeless Youth	227,044	6,000	233,044
93.630	Developmental Disabilities Basic Support and Advocacy Grants	720,128	—	720,128
93.631	Developmental Disabilities Projects of National Significance	103,729	—	103,729
93.632	Developmental Disabilities University Affiliated Programs	90,141	—	90,141
93.643	Children's Justice Grants to States	73,019	—	73,019
93.645	Child Welfare Services—State Grants	4,203,748	—	4,203,748
93.647	Social Services Research and Demonstration	38,758	—	38,758
93.648	Child Welfare Services Training Grants	980,069	—	980,069
93.652	Adoption Opportunities	129,019	—	129,019
93.658	Foster Care—Title IV-E	32,034,807	—	32,034,807
93.659	Adoption Assistance	15,839,678	—	15,839,678
93.667	Social Services Block Grant	19,367,500	5,123,567	24,491,067
93.669	Child Abuse and Neglect State Grants	259,141	—	259,141
93.670	Child Abuse and Neglect Discretionary Activities	153,845	—	153,845
93.671	Family Violence Prevention and Services/ Grants for Battered Women's Shelters—Grants to States and Indian Tribes	10,303	781,349	791,652
93.673	Grants to States for Planning and Development of Dependent Care Programs	121,531	—	121,531
93.674	Independent Living	1,260,473	—	1,260,473
93.767	State Children's Insurance Program	12,437,427	—	12,437,427
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	61,304	—	61,304
93.779	Health Care Financing Research, Demonstrations and Evaluations	211,490	—	211,490
93.824	Basic/Core Area Health Education Centers	24,424	—	24,424
93.862	Genetics and Developmental Biology Research and Research Training	247,149	—	247,149
93.894	Resource and Manpower Development in the Environmental Health Services	253,759	—	253,759
93.917	HIV Care Formula Grants	4,455,978	1,584,334	6,040,312
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	935,149	2,069,898	3,005,047

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State of Oregon
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Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	501,523	—	501,523
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	186,590	87,604	274,194
93.945	Assistance Program for Chronic Disease Prevention and Control	405,240	—	405,240
93.951	Demonstration Grants to States with Respect to Alzheimer's Disease	56,177	—	56,177
93.958	Block Grants for Community Mental Health Services	60,885	3,834,456	3,895,341
93.959	Block Grants for Prevention and Treatment of Substance Abuse	(3,131,654)	15,953,053	12,821,399
93.969	Grants for Geriatric Education Centers	231,311	—	231,311
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants	1,065,423	1,972	1,067,395
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	461,979	234,665	696,644
93.991	Preventive Health and Health Services Block Grants	885,679	558,754	1,444,433
93.994	Maternal and Child Health Services Block Grant to the States	1,714,482	4,755,030	6,469,512
Total Department of Health and Human Services		\$332,592,175	\$75,915,840	\$408,508,015
Corporation for National and Community Service				
94.003	State Commissions	\$292,861	\$ —	\$ 292,861
94.004	Learn and Serve America—School and Community Based Programs	76,856	260,693	337,549
94.005	Learn and Serve America—Higher Education	176,447	—	176,447
94.006	AmeriCorps	166,278	1,678,676	1,844,954
94.007	Planning and Program Development Grants	18,273	82,075	100,348
94.009	Training and Technical Assistance	101,773	—	101,773
94.013	Volunteers in Service to America	33,309	—	33,309
Total Corporation for National and Community Service		\$865,797	\$2,021,444	\$2,887,241
Food Stamp Cluster				
10.551	Food Stamps	\$224,981,450	\$ —	\$224,981,450
10.561	State Administrative Matching Grants for Food Stamp Program	26,394,150	—	26,394,150
Total Food Stamp Cluster		\$251,375,600	\$ —	\$251,375,600
Child Nutrition Cluster				
10.553	School Breakfast Program	\$ 651,322	\$16,538,050	\$17,189,372
10.555	National School Lunch Program	1,208,440	49,714,923	50,923,363

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, 2001**

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		Total Federal Expenditures
		Direct Expenditures	Provided to Subrecipients	
10.556	Special Milk Program for Children	—	163,859	163,859
10.559	Summer Food Service Program for Children	102,809	1,948,060	2,050,869
Total Child Nutrition Cluster		<u>\$1,962,571</u>	<u>\$68,364,892</u>	<u>\$70,327,463</u>
Emergency Food Assistance Cluster				
10.568	Emergency Food Assistance Program (Administrative Costs)	\$38,190	\$ 517,268	\$ 555,458
10.569	Emergency Food Assistance Program (Food Commodities)	—	3,401,754	3,401,754
Total Emergency Food Assistance Cluster		<u>\$38,190</u>	<u>\$3,919,022</u>	<u>\$3,957,212</u>
Schools and Roads Cluster				
10.665	Schools and Roads—Grants to States	\$37	\$76,560,362	\$76,560,399
Total Schools and Roads Cluster		<u>\$37</u>	<u>\$76,560,362</u>	<u>\$76,560,399</u>
Public Works and Economic Development Cluster				
11.307	Economic Adjustment Assistance	\$72,492	\$—	\$72,492
Total Public Works and Economic Development Cluster		<u>\$72,492</u>	<u>\$—</u>	<u>\$72,492</u>
Section 8 Project-Based Cluster				
14.856	Lower Income Housing Assistance Program— Section 8 Moderate Rehabilitation	\$ 32,573,874	\$—	\$32,573,874
Total Section 8 Project-Based Cluster		<u>\$32,573,874</u>	<u>\$—</u>	<u>\$32,573,874</u>
Fish and Wildlife Cluster				
15.605	Sport Fish Restoration	\$5,593,747	\$581,299	\$ 6,175,046
15.611	Wildlife Restoration	4,178,763	30,795	4,209,558
Total Fish and Wildlife Cluster		<u>\$9,772,510</u>	<u>\$612,094</u>	<u>\$10,384,604</u>
Employment Services Cluster				
17.207	Employment Service	\$12,925,581	\$—	\$12,925,581
17.801	Disabled Veterans' Outreach Program (DVOP)	1,116,590	—	1,116,590
17.804	Local Veterans' Employment Representative Program	1,254,672	—	1,254,672
Total Employment Services Cluster		<u>\$15,296,843</u>	<u>\$—</u>	<u>\$15,296,843</u>
JTPA Cluster				
17.246	Employment and Training Assistance—Dislocated Workers	\$ 1,170,394	\$6,535,647	\$ 7,706,041
17.250	Job Training Partnership Act	822,135	1,573,320	2,395,455
Total JTPA Cluster		<u>\$1,992,529</u>	<u>\$8,108,967</u>	<u>\$10,101,496</u>

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State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
Highway Safety Cluster				
20.600	State and Community Highway Safety	\$2,210,588	\$711,008	\$2,921,596
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	59,915	127,048	186,963
20.602	Occupant Protection	—	137,099	137,099
20.603	Federal Highway Safety Data Improvements Incentive Grants	110,086	—	110,086
20.604	Safety Incentive Grants for Use of Seatbelts	581,591	813,506	1,395,097
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	499,318	1,012,139	1,511,457
Total Highway Safety Cluster		<u>\$3,461,498</u>	<u>\$2,800,800</u>	<u>\$6,262,298</u>
Highway Planning and Construction Cluster				
20.205	Highway Planning and Construction	<u>\$271,712,822</u>	<u>\$11,787,888</u>	<u>\$283,500,710</u>
Total Highway Planning and Construction Cluster		<u>\$271,712,822</u>	<u>\$11,787,888</u>	<u>\$283,500,710</u>
TRIO Cluster				
84.042	TRIO—Student Support Services	\$1,074,893	\$—	\$1,074,893
84.044	TRIO—Talent Search	249,725	—	249,725
84.047	TRIO—Upward Bound	589,116	—	589,116
84.217	McNair Post-Baccalaureate Achievement	359,917	—	359,917
Total TRIO Cluster		<u>\$2,273,651</u>	<u>\$—</u>	<u>\$2,273,651</u>
Special Education Cluster				
84.027	Special Education—Grants to States	\$4,503,265	\$40,127,437	\$44,630,702
84.173	Special Education—Preschool Grants	305,041	1,676,462	1,981,503
Total Special Education Cluster		<u>\$4,808,306</u>	<u>\$41,803,899</u>	<u>\$46,612,205</u>
Child Care Cluster				
93.575	Child Care and Development Block Grant	\$ 3,214,288	\$5,875,056	\$9,089,344
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	39,707,459	—	39,707,459
Total Child Care Cluster		<u>\$42,921,747</u>	<u>\$5,875,056</u>	<u>\$48,796,803</u>
Aging Cluster				
93.044	Special Programs for the Aging—Title III, Part B— Grants for Supportive Services and Senior Centers	\$448,551	\$4,198,502	\$4,647,053
93.045	Special Programs for the Aging—Title III, Part C— Nutrition Services	—	5,174,278	5,174,278
Total Aging Cluster		<u>\$448,551</u>	<u>\$9,372,780</u>	<u>\$9,821,331</u>

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**State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001**

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts	
			Provided to Subrecipients	Total Federal Expenditures
Medicaid Cluster				
93.775	State Medicaid Fraud Control Units	\$ 502,461	\$—	\$502,461
93.777	State Survey and Certification of Health Care Providers and Suppliers	4,334,054	—	4,334,054
93.778	Medical Assistance Program	1,583,242,303	7,209,867	1,590,452,170
Total Medicaid Cluster		\$1,588,078,818	\$7,209,867	\$1,595,288,685
Foster Grandparents/Senior Companion Cluster				
94.011	Foster Grandparent Program	\$206,448	\$—	\$206,448
Total Foster Grandparents/Senior Companion Cluster		\$206,448	\$—	\$206,448
Disability Insurance/SSI Cluster				
96.001	Social Security—Disability Insurance	\$20,078,943	\$—	\$20,078,943
96.006	Supplemental Security Income	601,614	—	601,614
Total Disability Insurance/SSI Cluster		\$20,680,557	\$—	\$20,680,557
Student Financial Assistance Programs				
84.007	Federal Supplemental Education Opportunity Grants	\$ 4,143,566	\$—	\$ 4,143,566
84.032	Federal Family Education Loans	150,204,364	—	150,204,364
84.033	Federal Work-Study Program	5,370,829	—	5,370,829
84.037	Loan Cancellations	867,186	—	867,186
84.038	Federal Perkins Loan Program—Federal Capital Contributions	12,189,839	—	12,189,839
84.063	Federal Pell Grant Program	32,990,304	—	32,990,304
84.268	Federal Direct Loan	187,943,169	—	187,943,169
Total Student Financial Assistance Programs		\$393,709,257	\$—	\$393,709,257
Research and Development Cluster				
10.001	Agricultural Research—Basic and Applied Research	\$ 756,964	\$ 5,203	\$ 762,167
10.025	Plant and Animal Disease, Pest Control, and Animal Care	8,374	—	8,374
10.200	Grants for Agricultural Research, Special Research Grants	2,881,389	454,489	3,335,878
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	7,670	3,002	10,672
10.206	Grants for Agricultural Research—Competitive Research Grants	1,850,088	94,002	1,944,090
10.207	Animal Health and Disease Research	91,120	—	91,120
10.212	Small Business Innovation Research	4,194	—	4,194
10.215	Sustainable Agriculture Research and Education	29,013	—	29,013
10.217	Higher Education Challenge Grants	49,227	—	49,227
10.219	Biotechnology Risk Assessment Research	543	—	543

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**State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001**

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
10.224	Fund for Rural America—Research, Education, and Extension Activities	327,675	45,740	373,415
10.250	Agricultural and Rural Economic Research	3,788	—	3,788
10.302	Initiative for Future Agriculture and Food Systems	184,204	—	184,204
10.303	Integrated Programs	102,948	8,795	111,743
10.500	Cooperative Extension Service	28,495	11,236	39,731
10.558	Child and Adult Care Food Program	1,695	—	1,695
10.652	Forestry Research	2,975,595	22,285	2,997,880
10.664	Cooperative Forestry Assistance	958,742	6,350	965,092
10.771	Rural Cooperative Development Grants	4,655	—	4,655
10.901	Resource Conservation and Development	1,048	—	1,048
10.902	Soil and Water Conservation	121,678	—	121,678
10.960	Technical Agricultural Assistance	9,280	—	9,280
10.961	Scientific Cooperation and Research	1,142,827	819,578	1,962,405
11.005	Census Special Tabulations and Services	1,263	—	1,263
11.312	Research and Evaluation Program	132	—	132
11.417	Sea Grant Support	1,743,822	—	1,743,822
11.419	Coastal Zone Management Administration Awards	1,652	—	1,652
11.420	Coastal Zone Management Estuarine Research Reserves	37,274	—	37,274
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	(316)	—	(316)
11.430	Undersea Research	145,946	—	145,946
11.431	Climate and Atmospheric Research	158,279	—	158,279
11.432	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	1,199,701	—	1,199,701
11.437	Pacific Fisheries Data Program	(225)	—	(225)
11.438	Pacific Coast Salmon Recovery—Pacific Salmon Treaty Program	78,928	10,510	89,438
11.455	Cooperative Science and Education Program	670,617	—	670,617
11.460	Special Oceanic and Atmospheric Projects	75,171	—	75,171
11.467	Meteorologic and Hydrologic Modernization Development	7,983	—	7,983
11.478	Center for Sponsored Coastal Ocean Research—Coastal Ocean Program	272,734	—	272,734
11.609	Measurement and Engineering Research and Standards	48,772	40,147	88,919
11.612	Advanced Technology Program	13,631	—	13,631
12.104	Flood Plain Management Services	(2,718)	—	(2,718)
12.114	Collaborative Research and Development	489,646	—	489,646
12.300	Basic and Applied Scientific Research	6,975,452	247,949	7,223,401
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54,186	—	54,186
12.420	Military Medical Research and Development	224,077	—	224,077
12.431	Basic Scientific Research	796,295	166,674	962,969
12.630	Basic, Applied, and Advanced Research in Science and Engineering	54,921	—	54,921
12.800	Air Force Defense Research Sciences Program	684,006	65,290	749,296

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State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		Total Federal Expenditures
		Direct Expenditures	Provided to Subrecipients	
12.910	Research and Technology Development	1,493,993	—	1,493,993
12.X01	Other Department of Defense Programs	4,572	—	4,572
14.506	General Research and Technology Activity	73,343	—	73,343
14.511	Community Outreach Partnership Center Program	1,676	—	1,676
15.222	Cooperative Inspection Agreements with States and Tribes	29,760	—	29,760
15.224	Cultural Resource Management	15,413	—	15,413
15.225	Recreation Resource Management	171,066	—	171,066
15.504	Water Reclamation and Reuse Program	36,697	—	36,697
15.605	Sport Fish Restoration	43,921	—	43,921
15.608	Fish and Wildlife Management Assistance	193,381	—	193,381
15.611	Wildlife Restoration	48,798	—	48,798
15.615	Cooperative Endangered Species Conservation Fund	465	—	465
15.617	Wildlife Conservation and Appreciation	22,311	—	22,311
15.618	Administrative Grants for Federal Aid in Sport Fish and Wildlife Restoration	16,757	—	16,757
15.805	Assistance to State Water Resources Research Institutes	132,130	19,379	151,509
15.807	Earthquake Hazards Reduction Program	301,840	—	301,840
15.808	U.S. Geological Survey—Research and Data Acquisition	1,905,868	5,733	1,911,601
15.910	National Natural Landmarks Program	1,443	—	1,443
15.915	Technical Preservation Services	72,526	—	72,526
15.916	Outdoor Recreation—Acquisition, Development and Planning	56,217	50,000	106,217
15.923	National Center for Preservation Technology and Training	15,500	—	15,500
15.976	Migratory Bird Banding and Data Analysis	709,012	20,050	729,062
16.542	National Institute for Juvenile Justice and Delinquency Prevention	9	—	9
16.588	Violence Against Women Formula Grants	16,566	—	16,566
16.609	Planning, Implementing, and Enhancing Strategies in Community Prosecution	1,878	—	1,878
17.002	Labor Force Statistics	5,939	—	5,939
17.246	Employment and Training Assistance—Dislocated Workers	205	—	205
17.247	Migrant and Seasonal Farm workers	17,382	—	17,382
20.005	Boating Safety Financial Assistance	21,962	—	21,962
20.108	Aviation Research Grants	70,216	—	70,216
20.205	Highway Planning and Construction	752,371	60,529	812,900
20.215	Highway Training and Education	149,788	41,153	190,941
20.218	National Motor Carrier Safety	115	—	115
20.502	Federal Transit Grants for University Research and Training	11,415	—	11,415
20.514	Transit Planning and Research	(1,478)	12,346	10,868
20.515	State Planning and Research	85,972	—	85,972
20.701	University Transportation Centers Program	31,402	—	31,402
43.001	Aerospace Education Services Program	1,128,473	1,887,246	3,015,719

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**State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001**

Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
43.002	Technology Transfer	4,624,780	72,122	4,696,902
45.162	Promotion of the Humanities—Education Development and Demonstration	51,603	—	51,603
47.041	Engineering Grants	2,111,489	66,135	2,177,624
47.049	Mathematical and Physical Sciences	6,138,996	300,393	6,439,389
47.050	Geosciences	15,836,350	226,295	16,062,645
47.070	Computer and Information Science and Engineering	1,965,663	1,016	1,966,679
47.074	Biological Sciences	5,570,532	125,770	5,696,302
47.075	Social, Behavioral, and Economic Sciences	968,181	6,317	974,498
47.076	Education and Human Resources	1,335,148	—	1,335,148
47.078	Polar Programs	553,400	8,168	561,568
66.454	Water Quality Management Planning	(464)	—	(464)
66.460	Nonpoint Source Implementation Grants	118,442	—	118,442
66.463	Water Quality Cooperative Agreements	152,741	—	152,741
66.500	Environmental Protection—Consolidated Research	2,895,835	101,514	2,997,349
66.505	Wastewater Pollution Control—Research, Development, and Demonstration	79,311	74,810	154,121
66.600	Environmental Protection Consolidated Grants— Program Support	17,456	—	17,456
66.606	Surveys, Studies, Investigations and Special Purpose Grants	60,919	—	60,919
66.607	Training and Fellowships for the Environmental Protection Agency	114,352	—	114,352
77.001	Radiation Control—Training Assistance and Advisory Counseling	556,764	—	556,764
81.004	University-Laboratory Cooperative Program	162,223	—	162,223
81.036	Energy-Related Inventions	24,526	—	24,526
81.041	State Energy Program	17,101	—	17,101
81.049	Office of Science Financial Assistance Program	4,864,967	220,401	5,085,368
81.064	Office of Scientific and Technical Information	27,089	—	27,089
81.079	Regional Biomass Energy Programs	50,947	—	50,947
81.086	Conservation Research and Development	239,381	—	239,381
81.087	Renewable Energy Research and Development	613,297	—	613,297
81.114	University Nuclear Science and Reactor Support	112,886	—	112,886
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	48,462	—	48,462
83.548	Hazard Mitigation Grant	36,955	—	36,955
83.551	Project Impact—Building Disaster Resistant Communities	4,347	—	4,347
84.019	International: Overseas—Faculty Research Abroad	6,379	—	6,379
84.023	Special Education-Innovation and Development	797,363	66,800	864,163
84.024	Early Education for Children with Disabilities	344,603	—	344,603
84.025	Services for Children with Deaf-Blindness	851,016	1,069,441	1,920,457
84.027	Special Education—Grants to States	353,733	—	353,733
84.029	Special Education-Personnel Development/Parent Training	15,165	—	15,165
84.041	Impact Aid	52,553	—	52,553
84.051	National Vocational Education Research	472,098	—	472,098

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State of Oregon
Schedule of Expenditures of Federal Awards
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Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
84.116	Fund for the Improvement of Postsecondary Education	61,191	68,369	129,560
84.128	Rehabilitation Services—Service Projects	29,742	—	29,742
84.133	National Institute on Disability and Rehabilitation Research	1,221,753	19,348	1,241,101
84.158	Secondary Education/Transitional Services for Youth with Disabilities	(553)	—	(553)
84.173	Special Education—Preschool Grants	17,537	—	17,537
84.180	Technology Applications for Individuals with Disabilities	511,538	—	511,538
84.184	Safe and Drug-Free Schools and Communities— National Programs	24,355	168,394	192,749
84.237	Special Education—Programs for Children with Serious Emotional Disturbance	92,144	23,105	115,249
84.257	National Institute for Literacy	254	—	254
84.276	Goals 2000—State and Local Education Systemic Improvement Grants	12,191	—	12,191
84.305	National Institute on Student Achievement, Curriculum, and Assessment	342,480	—	342,480
84.309	National Institute on Postsecondary Education, Libraries, and Lifelong Learning	633,483	—	633,483
84.314	Even Start—Statewide Family Literacy Program	21,331	—	21,331
84.323	Special Education—State Program Improvement Grants for Children with Disabilities	324	—	324
84.324	Special Education—Research and Innovation to Improve Services and Results for Children with Disabilities	2,010,395	146,835	2,157,230
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities	29,580	—	29,580
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	300,124	106,920	407,044
84.327	Special Education—Technology and Media Services for Individuals with Disabilities	279,926	—	279,926
84.336	Teacher Quality Enhancement Grants	181,745	—	181,745
84.342	Preparing Tomorrow's Teachers to Use Technology	351,695	9,378	361,073
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	39,786	—	39,786
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	203,733	—	203,733
93.105	Bilingual/Bicultural Service Demonstration Projects in Minority Health	22,376	—	22,376
93.110	Maternal and Child Health Federal Consolidated Programs	8,929	—	8,929
93.113	Biological Response to Environmental Health Hazards	1,375,914	—	1,375,914

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**State of Oregon
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Federal CFDA Number	Federal Funding Agencies and Program Titles	Amounts		
		Direct Expenditures	Provided to Subrecipients	Total Federal Expenditures
93.114	Applied Toxicological Research and Testing	145,352	—	145,352
93.121	Oral Diseases and Disorders Research	305,541	—	305,541
93.125	Mental Health Planning and Demonstration Projects	1,941	—	1,941
93.136	Injury Prevention and Control Research and State and Community Based Programs	120,365	—	120,365
93.143	NIEHS Superfund Hazardous Substances—Basic Research and Education	323,781	—	323,781
93.173	Research Related to Deafness and Communication Disorders	1,475,734	53,393	1,529,127
93.194	Community Prevention Coalitions (Partnership) Demonstration Grant	18,614	22,805	41,419
93.213	Research and Training in Complementary and Alternative Medicine	186,739	—	186,739
93.226	Research on Healthcare Costs, Quality and Outcomes	15,289	—	15,289
93.230	Consolidated Knowledge Development and Application (KD&A) Program	462,335	—	462,335
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	143,851	—	143,851
93.239	Policy Research and Evaluation Grants	31,158	—	31,158
93.242	Mental Health Research Grants	1,469,258	—	1,469,258
93.263	Occupational Safety and Health—Training Grants	7,583	—	7,583
93.273	Alcohol Research Programs	211,687	—	211,687
93.279	Drug Abuse Research Programs	1,148,880	—	1,148,880
93.281	Mental Health Research Career/Scientist Development Awards	103,817	—	103,817
93.282	Mental Health National Research Service Awards for Research Training	305,611	—	305,611
93.283	Centers for Disease Control and Prevention— Investigations and Technical Assistance	205,367	9,548	214,915
93.306	Comparative Medicine	2,094,957	—	2,094,957
93.333	Clinical Research	114,504	20,653	135,157
93.371	Biomedical Technology	13,078	—	13,078
93.389	Research Infrastructure	22,874	—	22,874
93.390	Academic Research Enhancement Award	9,420	—	9,420
93.393	Cancer Cause and Prevention Research	607,254	—	607,254
93.395	Cancer Treatment Research	505,931	—	505,931
93.396	Cancer Biology Research	127,635	—	127,635
93.398	Cancer Research Manpower	34,758	—	34,758
93.590	Community-Based Family Resource and Support Grants	6,639	—	6,639
93.600	Head Start	181,182	—	181,182
93.632	Developmental Disabilities University Affiliated Programs	196,701	—	196,701
93.645	Child Welfare Services—State Grants	755,471	—	755,471
93.647	Social Services Research and Demonstration	37,955	67,946	105,901
93.652	Adoption Opportunities	55,790	—	55,790
93.658	Foster Care—Title IV-E	1,019,408	—	1,019,408
93.669	Child Abuse and Neglect State Grants	(12)	—	(12)
93.670	Child Abuse and Neglect Discretionary Activities	47,646	87,358	135,004

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**State of Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001**

Federal CFDA Number	Federal Funding Agencies and Program Titles	Direct Expenditures	Amounts Provided to Subrecipients	Total Federal Expenditures
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters—Grants to States and Indian Tribes	34,805	—	34,805
93.779	Health Care Financing Research, Demonstrations and Evaluations	65,264	93,675	158,939
93.821	Cell Biology and Biophysics Research	3,619,737	—	3,619,737
93.837	Heart and Vascular Diseases Research	811,100	—	811,100
93.838	Lung Diseases Research	26,762	—	26,762
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	658,659	28,784	687,443
93.847	Diabetes, Endocrinology and Metabolism Research	154,829	—	154,829
93.848	Digestive Diseases and Nutrition Research	238,577	—	238,577
93.854	Biological Basis Research in the Neuroscience's	1,652,439	—	1,652,439
93.855	Allergy, Immunology and Transplantation Research	234,092	—	234,092
93.856	Microbiology and Infectious Diseases Research	836,369	7,879	844,248
93.859	Pharmacology, Physiology, and Biological Chemistry Research	1,155,010	58,488	1,213,498
93.862	Genetics and Developmental Biology Research and Research Training	3,013,383	29,673	3,043,056
93.864	Population Research	58,490	53,490	111,980
93.865	Center for Research for Mothers and Children	2,219,793	—	2,219,793
93.866	Aging Research	646,452	—	646,452
93.867	Vision Research	169,903	—	169,903
93.891	Alcohol Research Center Grants	83,440	—	83,440
93.894	Resource and Manpower Development in the Environmental Health Services	1,763,831	—	1,763,831
93.934	Fogarty International Research Collaboration Award	901	—	901
93.989	Senior International Fellowships	17,676	—	17,676
Total Research and Development Cluster		\$122,905,513	\$7,512,909	\$130,418,422
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$3,942,282,616	\$618,803,010	\$4,561,085,626

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, 2001**

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 general-purpose financial statements.

Note 2. Reporting Entity

The financial statements of the state of Oregon include all fund types and account groups 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, 2001, OHSU has issued separate financial statements and has obtained a separate single audit as outlined in Subpart E.500 of OMB Circular A-133. The accompanying schedule, therefore, 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:

CFDA Number	Title	Type of Assistance	Value	How Value Determined
10.550	Food Distribution	Commodities	\$7,800,400	Fair market value per USDA
10.567	Food Distribution on Indian Reservations	Commodities	133,680	Fair market value per USDA
10.569	Emergency Food Assistance Program	Commodities	3,401,754	Fair market value per USDA
39.003	Donation of Federal Surplus Personal Property	Donated surplus property	1,091,674	Fair market value
93.268	Immunization Grants	Vaccines	4,478,653	Fair market value when purchased
		Total	<u>\$16,906,161</u>	

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

Note 4. Loans and Loan Guarantees

Loans outstanding and new loans made during the year ended June 30, 2001 are as follows:

CFDA Number	Title	Outstanding Balance as of June 30, 2001	New Loans Made During the Year Ended June 30, 2001
11.307	Economic Adjustment Assistance	\$4,266,451	\$450,000
14.239	HOME Investment Partnerships Program	–	480,061
66.458	Capitalization Grants for State Revolving Funds	20,671,254	3,910,445
84.032	Federal Family Education Loans	759,105,612	136,096,120
84.038	Federal Perkins Loan Program–Federal Capital Contributions	73,516,153	12,189,839
	Total	<u>\$857,559,470</u>	<u>\$153,126,465</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 \$587,352,827 reported as expenditures for the Unemployment Insurance program (CFDA 17.225), \$544,029,088 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	\$111,000	93-004-ETX
10.200	Am Distance Education Consortium	23,556	02/11/98
10.200	Mississippi State University	1,560	330074
10.200	Montana State University	997	290740-98-1
10.200	North Carolina State University	28,290	Various
10.200	University of California	17,158	Various
10.200	University of California, Davis	79,972	Various
10.200	University of Missouri/USDA	17,600	C-5-36457-5559
10.200	University of Washington	54,719	Various
10.200	University of Wisconsin	44,900	179F535
10.200	Utah State University	59,438	Various
10.200	Washington State University	276,784	Various
10.206	Auburn University	6,936	98-FOR-534528-OSU
10.206	Auburn University/USDA	97,776	Various
10.206	Michigan State University	14,211	61-4228A
10.206	University of Idaho	3,614	PO P0007141
10.206	University of Utah	6,411	PO 0000019605
10.206	Washington State University	6,809	Various
10.215	University of Idaho	729	BGK134-0298
10.215	Utah State University	33,696	Various

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

10.217	University of Idaho	12,261	BLK027OR98
10.224	New Mexico State University	8,314	NMSU-B3(1998)
10.224	University of Missouri	65,450	C-5-34454
10.224	Washington State University	32,968	G000627
10.302	University of California, Davis	8,832	K-002316-01
10.302	University of Idaho	30,097	PO P0010038
10.303	University of California, Davis	22,833	00RA2416-OR
10.303	University of Idaho	3,320	BJK748OSU
10.500	Michigan State University/USDA	16,950	61-4047B
10.500	University of California	5,627	99RA1232/WR-343
10.500	University of Idaho	1,959	BJK241OSU
10.500	University of Wisconsin	4,591	917F641
10.500	USDA Extension Service	10,000	C020340
10.500	Utah State University	8,838	98-068
10.500	Washington State University	2,824	G000737
10.855	Am Distance Education Consortium	35,352	03/30/98
10.961	Am Council on Education	45,045	N/A
10.961	Washington State University	20,554	G000488
10.962	World Learning	48,530	N/A
11.417	University of Alaska	32,778	PO FP102303
11.417	University of California	546	PO 10179380
11.417	University of Maine	8,752	Various
11.417	University of Washington	46,900	574448
11.427	University of Washington	12,758	N/A
11.430	University of Alaska/NOAA	50,370	PF907261
11.455	North Pacific Marine Science Foundation	15,419	BA96FX0124 Oregon
11.467	Battelle Memorial Institute	9,034	288442-B-Q2
11.478	University of Washington	88,271	Various
11.611	Oregon Advanced Tech Consortium	107,205	N/A
12.104	Colville Tribes/U.S. Army Corps of Engineers	(2,350)	FY99-253
12.114	Smithsonian Institute	22,724	00-MP-00013
12.114	USDI/Geological Survey/Army	111,886	HQ-97-RU-1584-7
12.300	Anadac, Inc.	761,006	N/A
12.300	Dynamics Technology Inc.	89,152	PO 0002S-1
12.300	Institute for Bird Population	33,698	BUOW-99-1
12.300	Johns Hopkins University	14,150	839093
12.300	Logicon Inc.	439,528	979105
12.300	OHM Remediation Service Corp.	18,368	PO 95212 OP
12.300	On Time Systems Inc.	72,796	Various
12.300	Oregon Graduate Institute	46,739	OGI MSE-002
12.300	University of Delaware	162,715	B430120
12.300	University of Rhode Island	10,701	092199/535587
12.300	University of Southern Mississippi	26,369	USM-0225010102-J10
12.431	Academy of Applied Science	11,914	Various
12.431	Bend Research Inc.	55,390	485-001
12.431	Camas Inc.	58,569	N/A
12.431	Marlow Industries Inc.	48,994	N/A
12.630	Geo-Center Inc.	26,538	GC-3308-98-001
12.630	The MITRE Corporation	33,223	41426
12.800	Battelle Memorial Institute	91,503	Various

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

12.800	Litton/PRC	108,246	F30602-97-C-0030
12.800	SRI International	16,434	34-000042 MOD 1
12.800	U.S. Air Force	(3,053)	N/A
12.910	Battelle Memorial Institute	13,279	322554-B-A4
12.910	Georgia Institute of Technology	140,622	A-9531-020-S3
12.910	Purdue University	75,168	530-1436-1
12.910	Rockefeller University	121,345	N65236-9815403
12.910	University of Illinois, Urbana-Champaign	143,189	00-328
12.910	University of Southern California	22,376	00T06120501D
14.227	City of Portland/HUD	114,275	Various
14.227	The Enterprise Foundation	21,168	N46-CSC-0-0197/98
14.239	CASA of Oregon	11,221	N/A
14.506	National Association of Homebuilders	15,345	N/A
14.854	Housing Authority of Clackamas County	27,060	N/A
15.224	Bureau of Land Management	1,788	W73BFL-9270-0100 (MOBIS)
15.225	Institute for Bird Populations/USDI	21,267	BUOW-99-2-M1
15.225	Molecular Medicine Research Institute	6,278	BUOW-99-2-M1
15.504	University of California	14,815	K991380-01
15.608	Montana State University/USDI	56,818	Various
15.617	METRO/USFW	7,374	Various
15.617	National Fish and Wildlife Foundation	3,000	99-099-004
15.618	Pacific States Marine Fisheries Commission	30,127	Various
15.805	University of Arizona	10,844	Y501776
15.808	Texas A&M Research Foundation	9,989	S700079
15.808	Washington State University	3,802	C013108
15.809	Tillamook County Performance Partnership	15,295	N/A
15.923	University of Idaho	10,376	PO P0007541
16.541	George Washington University	424,761	97-S22
16.541	NCASAA-Seattle, WA	50,000	97ST39-39
16.579	Lane Education Service District	28,078	N/A
16.588	Multnomah County	16,566	4600000583
16.609	Clackamas County DA Office	1,878	N/A
17.002	AGGUIRRE	2,490	43-04TO-1-0006
17.207	Georgia State University-State of Minnesota	56,250	ALY51-18 AMEND.1
17.246	Community Services Consortium	72,846	N/A
17.247	AGGUIRRE	10,000	S-2202-PSU01
19.404	Association of International Education Administration	1,688	N/A
19.416	American-Mideast Educational and Training Services	51,766	N/A
20.005	NASBLA	24,600	N/A
20.108	Research Integrations, Inc.	57,142	0005-01
20.205	Agricultural Research Foundation	120,745	C30-HR 25-9
20.205	Battelle Memorial Institute	21,392	PO 155437
20.205	METRO	18,920	921786
20.205	Nichols Consulting Engineers	12,419	410510-OSU
20.502	National Academy of Sciences	16,000	TRANSIT-21
20.502	University of Washington	(255)	509646
20.514	University of Washington	21,336	922910 MOD #3
20.701	University of Washington	52,357	Various
43.001	Central Washington University	20,182	N/A
43.001	Smithsonian Institute	25,000	SO0-60987

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

43.001	University of Alabama	3,824	00-073
43.001	University of Rhode Island	79,971	120298/531620
43.001	West Virginia University	1,723	93-393B-PSU
43.002	Accurate Automation Co.	8,605	101810M483
43.002	Jet Propulsion Laboratory - NASA	517,531	Various
43.002	Pennsylvania State University/NASA	17,478	1991-OSU-NASA-9039
43.002	Smithsonian Institute	25,539	98-59-MP-00017
43.002	Umpqua Research Company/NASA	120,708	AG181-1
43.002	University of California-San Diego	14,001	PO 10152550
43.002	University of Maine	43,265	UM-S324
45.025	Oregon Art Commission	6,609	Various
45.025	WESTAF/NEA	3,000	Various
45.150	Oregon Council for Art and The Humanities	2,500	PROJECT NO. 01-03-03
47.041	Droplet Measurement Tech	21,008	PO 1/6/00
47.041	Georgia Institute of Technology	58,284	E-21-N50-G3
47.041	Massachusetts Institute of Technology	12,451	Various
47.041	University of California	69,997	Various
47.041	Washington State University	397,431	Various
47.049	California Institute of Technology	19,044	1023432 PO 1023451 C/O #5
47.049	Dickinson College	5,050	N/A
47.049	Ohio State University	(7,997)	N/A
47.049	University of Alabama	8,986	N/A
47.050	College of William and Mary	24,094	OSU-311891
47.050	Columbia University/Lamont-Dougherty	9,100	Letter Agreement No. 2
47.050	Ohio State University	85,362	RF #739204/PO #848490
47.050	Ohio State University Research Foundation	2,576	PO RF 770326
47.050	Organic Farming Research Foundation	250	F000979, F001070, F001086
47.050	Rutgers, The State University of New Jersey	13,009	1175
47.050	Texas A&M Research Foundation	99,832	Various
47.050	University of California	67,568	Various
47.050	University of California, Irvine	25,942	L00OCE0085607
47.050	University of Hawaii/NSF	20,161	PO Z514461
47.050	University of Maine	14,544	UM-S358
47.050	University of Rhode Island	11,565	011000/532534-C
47.050	University of Southern California	46,381	Various
47.050	University of Washington	40,689	525822
47.050	Woods Hole Oceanographic Institute/NSF	42,250	Various
47.070	Georgia Institute of Technology	82,315	C-36-A10-G2
47.070	Massachusetts Institute of Technology	31,639	5710001197
47.070	University of California, San Diego	100,708	PO 10152761
47.074	Arizona State University	35,661	00-131
47.074	Colorado State University	103,820	G-3596-2 , P301687
47.074	The Marie Selby Botanical Gardens	16,702	N/A
47.074	University of Georgia	9,607	RR551-080/2401954
47.074	University of Hawaii	2,858	PO Z525903
47.074	University of Maryland	60,513	Z342201
47.074	University of Minnesota	15,130	V4096307101
47.074	University of Puerto Rico	8,470	N/A
47.074	Virginia Tech	11,062	CR-19201-427643
47.075	Harvard University	19,166	N/A

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

47.075	National Academy of Sciences	2,570	N/A
47.076	Am Education/Research Association	4,860	N/A
47.076	Association of American Colleges and Universities	506	N/A
47.076	Chemeketa Community College	28,225	111-96
47.076	Chemeketa Community College /NSF	18,563	316 00
47.076	City College of New York	37,513	Various
47.076	Mathematics Education Collaborative	25,190	N/A
47.076	Portland Community College	8,966	N/A
47.076	Saint Xavier University	4,600	402570001
59.037	Lane Community College	91,154	Various
66.460	Lower Columbia River Watershed Council	6,166	98-214
66.463	Pacific States Marine Fisheries Commission	12,345	36906
66.500	Ecological Planning/Toxicology	31,742	8D-0965-NTSA
66.500	Iowa State University	3,405	429-46-01
66.500	Oregon Graduate Institute	33,357	G19007
66.500	San Diego State University Foundation	10,996	50872A P1519 211 SJT
66.500	Stanford University	769,619	Various
66.500	University of Maryland	39,291	98-10
66.505	Iowa State University/EPA	24,395	429-46-01-A
66.600	University of New Orleans	11,000	99-0335-S2
77.001	Purdue University	133,025	640-0812-4
81.004	Pacific States Marine Fisheries Commission	59,029	98-037 AMENDMENT #3
81.036	Technology Matrix Corp	41,204	N/A
81.041	University of California/LLNL	226,957	57795
81.049	Battelle Memorial Institute	3,302	402639-C-B8
81.049	Battelle Pacific NW Lab	131,992	Various
81.049	Bechtel BWXT Idaho, LLC	24,750	Various
81.049	Florida State University	22,712	N/A
81.049	Lockheed Martin Energy Research Corp.	28,010	4500002419
81.049	Lockheed Martin Idaho Tech Co	33,660	K99-180960 MOD #1
81.049	National Renewable Energy Lab	47,245	Various
81.049	Purdue University	27,061	540-1090-01
81.049	Sandia National Laboratories	27,358	Various
81.049	Stanford Linear Accelerator Center	52,085	Various
81.049	Texas Engineering Experiment Station	58,012	58901 NE
81.049	Universities Research Association Inc.	26,576	PO 511858
81.049	University of California/LLNL	137,339	Various
81.049	University of California, Davis	212,185	Various
81.049	Western Environmental Consultants	22,331	99-0259
81.079	UT-Battelle, LLC	40,340	4000004295
81.086	CORRIM/DOE	28,300	102
81.087	Alaska Division of Energy	56,451	2195048
81.087	Consortium for Plant BioTech Research	56,236	OR22072-78
81.087	MRI National Renewable Energy Laboratory	231,524	Various
81.087	National Renewable Energy Laboratory	(271)	XCK-5-15114
81.087	Oregon Graduate Institute	151,171	G11004 MODIFICATION #2
81.087	University City Science Center	163,040	N/A
81.XXX	Midwest Research Institute - NREL	10,877	DE-AC36-83CH10093
83.548	California Universities for Research in Ear	6,271	51
84.023	Institute for Career and Leisure Development	572	PSU #991103

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

84.023	Lane County School District 19	38,313	Various
84.024	University of Minnesota	445,979	B3039031204
84.027	American Samoa Government	283,948	Various
84.027	Federated States of Micronesia	9,750	N/A
84.027	Lane Education Service District	15,748	N/A
84.027	Republic of Palao	15,658	99-251
84.041	Hawaii State Department of Education	96,699	N/A
84.051	Ohio State University Research Foundation	68,572	Various
84.051	University of Minnesota/US-ED	482,275	Various
84.078	California State University Northridge	90,223	N/A
84.086	University of Colorado, Denver	244,315	0797-10-016D-002 MOD. #4
84.116	Montana State University	8,588	GC03799-Z1016
84.126	Thomas Edison High School	5,700	N/A
84.126	Tigard/Tualatin School District 23J	5,500	N/A
84.128	Indiana University	18,335	N/A
84.133	Oregon Health Sciences University	31,370	Various
84.133	University of South Florida	137,500	5830-357-LO-A
84.144	Willamette Education Service District	114,268	N/A
84.181	Lane Education Service District	4,626,204	Various
84.184	Crook Deschutes Education Service District	31,215	N/A
84.184	Gresham-Barlow School District	25,000	N/A
84.184	Springfield School District	113,245	N/A
84.213	Clackamas County Children's Commission Inc.	66,930	ODCCWD 8002A
84.215	University of New Orleans Foundation	10,344	N/A
84.224	Access Technologies Inc.	21,528	N/A
84.257	National Institute for Literacy	3	ED-98-PO-3362
84.257	National Writing Project Corp	7,912	N/A
84.276	Delaware Department of Education	12,281	PO 1128196
84.287	Lane Education Service District	89,646	N/A
84.287	Portland Public Schools	32,157	N/A
84.309	Harvard University	633,483	N/A
84.323	California Institute on Human Services	42,900	N/A
84.324	University of Kansas	237,126	FY2000-008 MOD. 1
84.324	University of Montana	10,259	N/A
84.325	Wayne State University	29,580	Various
84.326	Direction Service Inc.	12,003	N/A
84.326	Direction Service Inc.	18,220	Various
84.342	Chemeketa Community College	34,350	302 00
84.342	Ohio State University Research Foundation	5,000	ED9800-0093
84.928	National Writing Project Corp	1,838	N/A
93.104	Clackamas County Oregon	14,481	N/A
93.104	Clark County	187,861	Various
93.113	Am Type Culture Collection	2,581	NCCR-001
93.125	Mental Health and Developmental Disability Services	1,941	85592
93.143	Oregon Health Sciences University	142,496	Various
93.213	Oregon Health Sciences University	229,354	Various
93.226	Research Triangle Institute	28,791	2-53U-6455 MOD #7
93.229	Lane County Public Safety	26,924	N/A
93.230	Legacy Emanuel Hospital and Health Center	41,168	4651, AMENDMENT #1
93.230	Mental Health and Developmental Disability Services	179,123	82800

State of Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

93.262	The Center to Protect Workers Rights	387,596	U60/CCU317202-02/1020-002-07#2
93.273	Pacific Institute for Research/Evaluation	9,669	710828
93.283	Public Health Institute—Centers for Disease	36,933	1001862
93.283	Public Health Institute/PIWH	65,620	716C-8701-S3108
93.283	University of California- Berkeley	24,035	SA2773-79213
93.306	Oregon Health Sciences University	2,620	8409901
93.333	Duke University	80,275	GCID #100528, SITE 07
93.395	Molecular Medicine Research Institute/PHS	135,069	1501-830
93.395	University of California	157,653	Various
93.395	University of Minnesota	192,966	Various
93.570	National Youth Sports Program/NCAA	51,709	Various
93.571	National Collegiate Athletic Association	18,753	N/A
93.575	Linn Benton Community College	2,662	N/A
93.575	Multnomah County	74,515	0010684 AMEND
93.575	Oregon Child Care Resource and Referral Net	2,039	N/A
93.647	Linn Benton Community College	19,761	N/A
93.658	State of Washington Department of Social Health Service	5,594	24739
93.779	KATHPAL	78,359	2013
93.779	KPMG Consulting	77,588	HCF-01-C-00057-004-0021
93.824	Oregon Health Sciences University	24,424	E-99-003 (PSU #5832)
93.837	Boston University	87,572	MC-372826-D-JW
93.847	Stanford University	127,606	PY-0018 AMEND. 1
93.859	Bend Research Inc.	66,752	496-002
93.859	Wake Forest University	56,978	GM50389
93.862	Stanford University	88,822	PR-0744
93.865	Georgia State University	41,447	12-ALA17-01
93.866	Pennsylvania State University	8,867	1925-UO-DHHS-7004 AMEND. 1
93.866	Regents of the University of California	78,292	DB98-AG14130-PSU
93.866	University of Michigan	15,228	F000386 AMENDMENT #2
93.867	Oregon Health Sciences University	43,666	Various
93.891	Oregon Health Sciences University	83,440	Various
93.894	University of Texas	8,020	N/A
93.969	Oregon Health Sciences University	135,700	8400354-C1 AMEND
94.005	Pacific University	4,868	00LHEH1059
94.006	AGGUIRRE	3,000	FP-699
94.006	Campfire	16,327	N/A
94.006	Corporation for National Services	7,453	N/A
	Total	<u>\$22,905,108</u>	

**State of Oregon
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2001**

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?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable condition(s) identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable condition(s) identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Type of auditor’s report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
12.400	Military Construction-National Guard
14.239	HOME Investment Partnerships Program
17.225	Unemployment Insurance
17.255	Workforce Investment Act
20.509	Formula Grant for Other Than Urbanized Areas
84.032	Federal Family Education Loans
84.126	Rehabilitation Services–Vocational Rehabilitation Grants to States
84.340	Class Size Reduction
93.658	Foster Care–Title IV-E
N/A	Child Care Cluster
N/A	Highway Safety Cluster
N/A	Medicaid Cluster
N/A	Schools and Roads Cluster
N/A	Special Education Cluster
N/A	Research and Development Cluster

Dollar threshold used to distinguish
 between type A and type B programs: \$12,668,814

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

01-1

Oregon Department of Corrections

Accounting for Fixed Assets

The Department of Corrections (department) could improve its process of recording and accounting for fixed assets. Our review shows that some staff did not follow a consistent or standard policy and some policy is unclear. In addition, staff was unable to provide some supporting documentation, accounting records contained extraneous data and the chart of accounts was out of date. Finally, the department has not established policies and procedures to address the new requirements for reporting fixed assets prescribed under Government Accounting Standards Board (GASB) Statement No. 34.

If the above conditions are not corrected, the accounting records may contain errors that could have a material effect on the department's financial statements. In addition, the department may not be able to comply with the required reporting requirements.

We recommend that the department management fully develop, document and consistently apply policies and procedures for recording and accounting for fixed assets, including policies and procedures related to the new reporting requirements for fixed assets under GASB 34.

AGENCY RESPONSE:

The department agrees with this finding in general, but disagrees in part with the inclusion and interpretation of specific weaknesses. The department will have its corrective action completed by July 15, 2002.

The department disagrees with the inclusion of the need for GASB 34 policies and procedures as a reportable condition. However, the department is currently working to resolve all outstanding issues regarding GASB 34 and will make all necessary system and procedure updates by June 30, 2002, as required.

01-2

Oregon Department of Corrections

Segregation of Duties

The Department of Corrections (department) could improve its management of accounting staff. The department relies solely on a single employee's knowledge of its accounting system to meet some business needs. This situation increases the risk of fraud or misuse of the department's financial information.

We recommend that department management implement a division of roles and responsibilities, which should exclude the possibility for a single individual to subvert a critical process, provide cross-training and back-up of key personnel, document accounting processes and procedures on how to use its system.

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AGENCY RESPONSE:

The department agrees with this finding and will complete its corrective action plan relating to documentation issues by July 15, 2002. The segregation of duties issues will be resolved as resources become available.

01-3

**Oregon Department of Corrections
Independent Review**

The Department of Corrections (department) management could improve its independent review process to ensure the accuracy of information and to identify and correct errors. We found that expenditures were posted in the incorrect accounting period for Fiscal Year 2000, 2001 and 2002. One Certificate of Participation (COP) principal payment of more than \$5 million was posted twice to the statewide financial system. Clerical posting errors occurred in the reconciliation between the department's accounting records and the trustee bank statements that went undetected by the accounting unit's control procedures.

We recommend that department management ensure that independent reviews are conducted on critical accounting processes.

AGENCY RESPONSE:

The department agrees with this finding in general. Corrective action has already been taken.

01-4

**Oregon State Lottery Commission
Fixed Assets**

The Oregon State Lottery Commission (Lottery) should have a system of internal controls to ensure that agency financial reports accurately reflect property and equipment balances. Those controls should include a system for recording fixed asset transactions and accurately reporting the balances in the agency's financial statements. Lottery also should have procedures for ensuring that reported amounts conform to generally accepted accounting principles and agency capitalization policies.

Although Lottery has an automated system for recording fixed asset transactions, the system did not readily provide sufficient detail to support the balances included in the financial statements. In addition, agency efforts to monitor fixed asset records to ensure that they complied with agency policy were not effective. Consequently, initially reported fixed asset balances included more than 400 items that did not meet the agency's capitalization threshold. The net book value of those items totaled approximately \$70,000, with accumulated depreciation of approximately \$1 million.

In addition, during our review of draft statements, we noted several assets that were not appropriately classified on the balance sheet. For example, the amount reported as accumulated amortization for Leased Assets included approximately \$6.5 million that should have been classified as Equipment accumulated depreciation or removed from the balance sheet presentation. Those assets were associated with terminated leases; thus, the assets were subsequently purchased by Lottery, returned to the lessor, or disposed.

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Furthermore, Lottery's process for estimating, monitoring and adjusting depreciation and amortization schedules should be improved to ensure that asset costs are allocated during their useful life. Excluding building and improvements, 82 percent of Lottery's fixed assets were fully depreciated or amortized, many for several years. Consequently, asset costs were not properly matched to the revenues they generated, according to generally accepted accounting principles.

Lottery corrected the potential misstatements to fixed asset balances noted above. We determined that if left uncorrected, the misstatements would have been immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We recommend that Lottery management evaluate and improve its automated system for tracking and accounting for fixed assets so that it more readily provides information supporting fixed asset balances. In addition, management should perform periodic reviews of the fixed asset database to ensure accuracy and conformity with fixed asset policies and generally accepted accounting principles. We also recommend that Lottery management periodically review and adjust depreciation and amortization schedules to more accurately allocate asset costs.

AGENCY RESPONSE:

In general, the Lottery agrees with the audit findings and recommendations.

Additional reports have been developed to track and account for fixed asset account balances. The reports are currently being produced by the Asset Manager system which details all categories of assets and related depreciation information. Each month the Controller will review the reports for completeness. A project has been in place since September to review fixed assets for compliance with policy including identifying and removing property that does not meet the Lottery's capitalization threshold. Reviews of fixed asset information will take place by the Controller on a monthly basis. To ensure that asset costs are allocated over their useful life, the Chief Financial Officer will perform a review and adjust depreciation and amortization schedules at least once every two years. This will involve obtaining input from Lottery Management responsible for the day-to-day custody of assets. A review of this information for fiscal year 2002 is almost complete.

01-5

Oregon Department of Transportation

Cash Account Reconciliations

Cash reconciliations were not prepared and reviewed in a timely manner. During fiscal year 2001, eight of the 12 monthly reconciliations for 10 separate cash accounts were prepared and reviewed more than 30 days after the Statewide Financial Management System (SFMS) month-end closing date.

Reconciling cash is a basic internal control and also is recommended by the *Oregon Accounting Manual* (OAM). Oregon Department of Transportation (department) policy states reconciliations must be completed within 30 days after the close of the accounting month in SFMS. Reconciliations of cash accounts with the related accounting records provide assurance that cash transactions have been recorded accurately. When cash reconciliations are not

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prepared and reviewed in a timely manner, there is an increased risk that misappropriations of cash or errors in the department's or State Treasury's records could go undetected.

We recommend that the department reconcile all of its cash accounts monthly with the State Treasury. These reconciliations should be performed within 30 days of the monthly closing dates in SFMS and should be reviewed timely by appropriate management. The department should coordinate with State Treasury to obtain any reports that might be needed to aid in the reconciliations.

AGENCY RESPONSE:

Financial Services agrees with the finding and has strengthened supervision and controls over cash reconciliation. All cash reconciliations for fiscal year 2002 have been completed within 30 days of the close of the month in SFMS.

Section III – Federal Awards Findings and Questioned Costs

01-6

Oregon Housing and Community Services Department HOME Investment Partnerships Program, CFDA 14.239 Real Property Compliance Requirements

The Housing Resources Department of the Oregon Housing and Community Services Department (department) is not ensuring that Real Property Acquisition compliance requirements are met prior to issuing HOME program funds. Of the 10 project files reviewed, three projects were not in compliance with the Real Property Acquisition Policies. Two project files did not contain one or both of the two required Notifications to the Seller. In addition, in one project, the sponsor was allowed to avoid compliance requirements. The sponsor purchasing the property did not provide proper notification to the seller, which would have allowed the seller the opportunity to withdraw from the sale.

Per 24 CFR 92.353 (3)(f), the acquisition of Real Property is subject to URA (Uniform Relocation Act) requirements. URA requirements (49 CFR 24.101 (iii)) state that the agency will not acquire the property in the event that negotiations fail to result in an amicable agreement, and the owner is so informed in writing.

Voluntary sales are also subject to URA notification provisions. When there is a current option or sales agreement, the notice must be provided to the seller and the seller given the opportunity to withdraw from the current agreement upon notification. In addition, copies of all notifications issued to the seller and signed by the seller must be submitted to the department as per the HOME Project Management Handbook.

We recommend that department management ensure that all sponsors are in compliance with HOME Program requirements. We also recommend that uniform documentation practices be implemented to ensure all required documentation is included in project files.

AGENCY RESPONSE:

Oregon Housing and Community Services (department) recognizes the fact that in two of the ten project files reviewed, there was not the appropriate disclosure forms in place. During and subsequent to the audit review, the department did obtain appropriate forms to ensure that the files were in compliance. The conclusion reached on a third project file was that the sponsor purchasing the property did not provide the seller with a notification that allowed them the opportunity to withdraw from the sale. The department recognizes that there was a deviation from the current guideforms that we request our sponsors to use via the HOME Project Management Handbook. However, these are guideforms and it is our understanding that so long as the required information is made available to the buyers and sellers, the intent of the URA requirement has been met. The seller in this case was notified via the sales contract and memorandum of agreement. Within the sales contract it stipulates, "whereas Buyer does not have the power of eminent domain, and therefore will not acquire the property if negotiations fail to result in an amicable agreement, and whereas Buyer has determined that the total purchase price set forth in paragraph 2 below represents Buyer's estimate of the fair market value of the property to be purchased." While we did not utilize the guideforms in the normal

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process of business, we hold that the Seller was allowed the opportunity to withdraw from the sale by essentially refusing to sign the original sales agreement and subsequent counter-offer.

In order to meet compliance in future audits, the department has put the following corrective action plan in place:

- *All HOME projects files will be reviewed to ensure that proper acquisition notifications are in place.*
- *Training will be held with all Housing Development Representatives to ensure that they understand the notification forms and process. The training will be provided by the HOME Project Manager.*
- *The department will require use of the guideforms specified in the HOME Project Management Handbook with occasional very minor revisions for special circumstances. Any revisions or exceptions will require section management approval.*
- *Increased importance will be place on verifying that the HOME project checklist items for acquisition notification have been received in a timely manner.*
- *The file review and training will be completed prior to March 1, 2002.*

01-7

**Oregon Housing and Community Services Department
HOME Investment Partnerships Program, CFDA 14.239
HOME Expenditure Allocation**

Oregon Housing and Community Services Department staff misallocated \$16,803 of administrative expenditures to the HOME program. In one instance, an employee's wages were allocated entirely to the HOME program when they should have been allocated among four federal programs. In another case, the HOME Program was overcharged \$113.61 for travel expenditures. The department is responsible for allocating travel costs to Federal programs based on the specific employees' payroll allocation percentages. In this case, two employees' travel costs were incorrectly allocated to the HOME program. Department staff allocated the employees' travel costs based on another employee's payroll allocation percentages.

Office of Management and Budget Circular A-87 states that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

We recommend that department management ensure that expenditures are properly allocated to the programs that receive the relative benefit. Department management should also ensure that expenditure transactions are reviewed for proper allocation.

AGENCY RESPONSE:

The Oregon Housing and Community Services Department (department) concurs with the finding. The department has reduced expenditures charged to HOME by \$113.61 for the travel expenditures allocated in excess of the individuals' specific payroll allocation percentages. Effective immediately, the Accounts Payable Technical will attach a copy of the monthly position allocation to the voucher to document the allocation of the expenditure amount

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programs. The Financial Operations Manager and Grant Unit Manager will review the expenditure for proper allocation.

Currently, department staff completes the State of Oregon's Consolidated Plan that is submitted to the Department of Housing and Urban Development. The Consolidated Plan is filed for four programs: HOME, Emergency Services Grant (ESG), Community Development Block Grant (CDBG) and Housing for People with Aids (HOPWA). The department does not receive federal funds for CDBS and HOPWA and therefore does not have a mechanism to charge the related costs to those programs. The department will work with the Secretary of State Audits Division to determine an appropriate method to allocate the expenditure amounts for the program receiving benefit.

01-8

Oregon Department of Transportation

Formula Grants for Other Than Urbanized Areas, CFDA 20.509

Subrecipient Monitoring

The Oregon Department of Transportation, Public Transit Division (PTD), is not adequately monitoring subrecipients who receive federal funds under the Formula Grants program to ensure funds are being used in compliance with federal regulations. We found that PTD does not have a formal subrecipient monitoring plan, but instead relies on subrecipients' completion of a pre-grant questionnaire, review of subrecipient expenditure reports, and phone discussions for monitoring. Of 20 subrecipients tested, we found:

- Nineteen did not have an audit report on file at PTD.
- Fifteen had not received on-site visits during fiscal year 2001. Of the five that had received visits, three of the visits included only vehicle inspections and did not include a full compliance review.

In addition, although PTD offered training to subrecipients during Fiscal Year 2001, eight of the 20 subrecipients tested did not attend. Lack of training increases the risk that subrecipients will not have an adequate knowledge of compliance regulations. The Office of Management and Budget Circular A-133 requires pass-through entities to monitor subrecipients to assure they comply with federal and audit requirements and to determine whether subrecipients are achieving program goals and objectives.

We recommend that the Oregon Department of Transportation (ODOT) develop a formal subrecipient monitoring plan to assure compliance with federal requirements. ODOT should complete on-site visits within a reasonable time period and ensure subrecipients meet audit requirements.

AGENCY RESPONSE:

Financial Services agrees with this finding. It is working closely with the Public Transit Division to establish a formal subrecipient monitoring plan that ensures compliance with federal requirements and increase on-site visits within a reasonable time period. The monitoring plan will be implemented by June 30, 2002.

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01-9

**Oregon University System
Research and Development Cluster
Reporting Requirements**

During our testing of the financial and progress reporting requirements within the Research and Development Cluster, we noted the following:

Of the 42 total grants selected for testing, we noted that at the University of Oregon (UO), two grants had Federal Transaction Reports that were not filed by the required filing date as specified by the program and grant agreements.

Federal financial reports are required to be filed periodically as stipulated in each grant or contract agreement and by each granting agency. Failure to adhere to contractual stipulations could result in the granting agency becoming apprehensive of awarding federal funds in the future.

These instances of noncompliance appear to be due to constraints on personnel resources and grant monitoring that resulted in the required reports not being filed in a timely manner.

We recommend that the institution implement more focused policies and procedures which will allow for more timely filing of federal financial reports.

AGENCY RESPONSE:

The System's management concurs with this recommendation. Response from the institution follows:

University of Oregon:

Management regards the finding appropriate. All reporting requirements have been brought current. In addition, the accounting staff has been advised to submit all reports at scheduled intervals. Reports should not be skipped due to a lack of financial activity, nor should they be submitted early. Further, a review of all federal grants will be initiated in December 2001 to determine that all grants have been included in the manual billing and report scheduler system to ensure that all current requirements are scheduled for appropriate action. Finally, an electronic reporting module is being put into use as part of the grant tracking system to aid in monitoring financial reporting and billing requirements. Completion of these corrective actions is anticipated in March 2002.

01-10

**Oregon Department of Human Services
Medicaid Cluster
Eligibility**

The Department of Human Services (department) is not applying the five-year ban on Medicaid eligibility. Federal law requires that legal permanent resident immigrants arriving in the United States on or after August 22, 1996, reside in the United States for at least five years before they are eligible for full Medicaid coverage (coverage for emergency services can be provided). The department's eligibility manual states that legal permanent residents, regardless

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of their date of entry, are eligible for full Oregon Health Plan (OHP) coverage if the family can be credited with 40 quarters of qualifying work.

Testing performed during a performance audit of the OHP by the Oregon Audits Division noted two cases in which ineligible family members were given full coverage. In both cases, the father had an official date of entry prior to August 22, 1996, and met the 40 qualifying quarters of work requirement; however, the other family members entered the United States after August 22, 1996, and had not met the five-year requirement. All members of both families were given full coverage when only the fathers were eligible.

We recommend that the department revise the eligibility manual and eligibility determination practices to comply with federal law. The federal five-year ban should be applied immediately to any new OHP certification periods, and the department should consider reviewing active cases and revising eligibility status to comply with federal law.

AGENCY'S RESPONSE:

We generally agree. We have written to the U.S. Department of Health and Human Services, enclosed our current policy, and asked for its interpretation. We expect that it will concur that our policy is out of compliance. If so, our policy on the topic will be changed to comply with the federal interpretation, and that will be released with the next quarterly policy release, subject to adjustment to meet Oregon Administrative Rule change requirements.

01-11

Oregon Student Assistance Commission

Federal Family Education Loan Program, CFDA 84.032

Transfer of Accrued Interest

A U.S. Department of Education "Dear Guaranty Agency" letter, dated July 18, 2000, requires that the guarantor agency calculate and transfer into the Federal Fund interest that accrued on the Federal share of borrower collections beginning October 1, 1998 through August 31, 2000. Such interest must be calculated through the time of deposit.

The Oregon Student Assistance Commission (OSAC) calculated the interest accrued on the Federal share of borrower collections beginning October 1, 1998 through August 31, 2000, but has not yet transferred the interest income into the Federal Fund. As a result of ongoing discussions with the U.S. Department of Education on the payment of retroactive interest, OSAC has postponed the transfer until further guidance has been received.

We recommend that interest accrued on the Federal share of borrower collections be transferred to the Federal Fund unless OSAC receives different guidance from the U.S. Department of Education.

AGENCY RESPONSE:

OSAC partially agrees with this finding. OSAC, through its national association, NCHelp, is working with the U.S. Department of Education to resolve this issue. OSAC is under the impression that until a final decision is made requiring all guarantee agencies to transfer monies owed, we are not required to do so.

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01-12

Oregon Student Assistance Commission

Federal Family Education Loan Program, CFDA 84.032

Transfer of Federal Funds

The Reauthorization of The Higher Education Act of 1965 required that a Federal Student Loan Reserve Fund (the Federal Fund) and an Agency Operating Fund (the Operating Fund) be established as of December 6, 1998. The Act specified, among other things, the timing and type of allowable receipts and expenditures in each of the funds.

For the period from October 1, 1998 through August 31, 2000, the Federal Fund's equitable share of borrower repayments were required to be transferred to the Federal Fund within 45 days of receipt. For the month of August 2000, the Federal Fund's equitable share of borrower repayments were not transferred to the Federal Fund until October of 2000. This instance of noncompliance appears to be due to lack of documented accounting procedures and policies designed to insure compliance with Federal requirements.

We recommend that accounting procedures and policies to comply with Federal requirements be developed and formally documented. A monthly checklist should be developed to insure that all required procedures have been completed.

AGENCY RESPONSE:

The Oregon Student Assistance Commission (OSAC) agrees with the finding, but has already corrected the issue. OSAC has received permission from the U.S. Department of Education to deposit all monies immediately into the federal fund. OSAC's portion is then transferred to the operating fund.

01-13

Oregon Student Assistance Commission

Federal Family Education Loan Program, CFDA 84.032

Cost Principles

During our testing, we determined that the Cost Allocation Plan prepared by Oregon Student Assistance Commission (OSAC) for the year ended June 30, 2001 did not conform to the requirements of OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* in several respects.

1. Support for personnel activity was not based on time sheets or other after-the-fact documentation. Accordingly, prior approval by the cognizant agency should have been obtained for the method used.
2. Employees who work solely on Federal awards have not been re-certified at least semi-annually on a form signed by the employee or their direct supervisor.
3. The cost allocation plan was not certified using the Certificate of Cost Allocation Plan and signed by an official at a level no lower than the Chief Financial Officer.

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This instance of noncompliance appears to be due to constraints on accounting personnel resources.

We recommend that the cost allocation plan be redrafted in accordance with the provisions of OMB Circular A-87. The Commission has adequately staffed the accounting department and OSAC should prepare a revised plan as soon as time allows and use an approved method of determining personnel costs.

AGENCY RESPONSE:

While OSAC recognizes and, in hindsight, agrees with the finding, the person who prepared our cost allocation felt that the method used to allocate personnel costs was conceptually allowable under OMB Circular A-87. With regard to the re-certification of employees allocated 100% to the Federal Family Education Loan Program every six months and signing of the cost allocation plan by an official at a level no lower than Chief Financial Officer, OSAC will take corrective action immediately. OSAC plans to immediately prepare and design a new cost allocation plan that conforms to the requirements of OMB Circular A-87.

Section IV – Schedule of Prior Financial Statement Findings for the Years Ended June 30, 2000 and 1999

This section includes the current status of all audit findings from fiscal year ended June 30, 2000. It also includes the current status of all audit findings from fiscal year ended June 30, 1999 that were uncorrected as of June 30, 2000.

Finding: 00-1 General Fund Reconciliation

Recommendations: The Department of Administrative Services (DAS) management should ensure the significant, unresolved General Fund cash reconciling items are researched and properly resolved.

Status: Corrective action was taken. DAS researched and properly resolved significant reconciling items.

Finding: 00-2 Financial Management Internal Controls

Recommendations: The Oregon Department of Transportation (ODOT) should take prompt action to ensure that the internal control weaknesses over the financial management system are corrected. These actions should include establishing adequate segregation of duties over all transactions, ensuring proper monitoring including periodic reviews of transactions and utilization of financial reports, improvements in training for personnel using the financial management system and better monitoring of computer security access.

Status: Corrective action was taken. ODOT has strengthened internal controls through implementation of a central authorization review process for expenditures. In addition, ODOT has provided training for personnel and has developed financial policies that further address internal controls over the financial management system.

Finding: 99-3 Financial Reporting Controls

Recommendation: The Oregon Department of Transportation (ODOT) should develop and implement written policies and procedures to establish effective internal control over financial reporting. To provide reasonable assurance that control objectives are being met, the policies and procedures should include preventative and detective internal control techniques such as separation of duties, adequacy of supervision, and preparation and review of periodic reconciliations between the Transportation Environment Accounting and Management System and the Statewide Financial Management System.

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Status: Corrective action was taken. ODOT has developed policies and procedures that relate to year-end journal entries for financial reporting. In addition, ODOT developed new policies designed to strengthen internal controls, segregation of duties, security, and management review and responsibilities over expenditures.

Section V – Schedule of Prior Federal Award Findings and Questioned Costs for the Years Ended June 30, 2000 and 1999

This section includes the current status of all audit findings from fiscal year ended June 30, 2000. It also includes the current status of all audit findings from fiscal year ended June 30, 1999 that were uncorrected as of June 30, 2000.

Finding: 00-3 Student Financial Assistance Program Cluster, Refunds and Repayments

Recommendation: The institutions in the Oregon University System should implement policies and procedures which provide for more timely completion of the refund process.

Status: Oregon Institute of Technology, Oregon State University, University of Oregon, and Western Oregon University took corrective action. Eastern Oregon University and Portland State University took partial corrective action. Limited staffing has precluded Eastern Oregon University's full implementation of corrective action. Portland State University is examining its procedures regarding unofficial withdrawals and will implement changes. Official withdrawals are meeting the requirement that refunds be credited to federal aid accounts within 30 days.

Finding: 00-4 Federal Family Education Loan Program, CFDA 84.032 Collection Procedures

Recommendation: The Oregon Student Assistance Commission (OSAC) should develop procedures to ensure that generation of required written notices to borrowers is a fully automated process.

Status: Corrective action was taken. OSAC has fully computerized the letter generation process, and it no longer requires manual intervention. Internal controls are in place to provide reasonable assurance that any system failure will be detected and corrected in a timely manner by OSAC staff.

Finding: 00-5 Fish and Wildlife Cluster, Allowable Activities, Questioned Costs \$389.70

Recommendation: The Oregon Department of Fish and Wildlife (ODFW) should ensure that all employees with authority to approve federal grant expenditures are aware of the allowable use of federal funds. In addition, ODFW should reduce these unallowable expenditures from the grant.

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Status: Finding has been resolved. Although ODFW initially agreed with this finding, it was advised by U.S. Fish and Wildlife Service that these costs were allowable per OMB Circular A-87, Attachment B, Item 17.

Finding: **00-6 Fish and Wildlife Cluster, Reporting**

Recommendation: The Oregon Department of Fish and Wildlife (ODFW) should prepare financial reports using actual expenditures, the reports and extension requests should be submitted timely and be reviewed by a second person, preferably a supervisor. In addition, the Sport Fish Program should prepare and submit the required performance reports.

Status: Corrective action was taken. ODFW is using actual expenditures, the reports and/or extension requests are being submitted timely and are reviewed by a second person. In addition, the Sport Fish Program has prepared and submitted the required performance reports.

Finding: **00-7 Special Supplemental Nutrition Program for Women, Infants, and Children, CFDA 10.557, Cash Management**

Recommendation: The Oregon Health Division (OHD) should comply with the funding technique prescribed by the Cash Management Improvement Act amendment.

Status: Corrective action was taken. OHD receives a request for wire transfer each day from the contractor processing Women, Infants, and Children payments. Provided that no infant formula rebate exists to cover the costs, OHD requests the Federal funds on the same date and in the same amount as the wire transfer request.

Finding: **00-8 Block Grants for the Prevention and Treatment of Substance Abuse, CFDA 93.959, Cash Management**

Recommendation: The Mental Health and Developmental Disability Services Division (MHDDSD) should comply with the zero balance accounting technique for disbursements in the Substance Abuse Prevention and Treatment (SAPT) Block Grant program as prescribed by the Cash Management Improvement Act amendment or seek a revision to allow MHDDSD to use reimbursable funding.

Status: Partial corrective action was taken. MHDDSD's monthly allotment process currently in use closely estimates the zero balance accounting technique for disbursements. MHDDSD is in the process of implementing a new contract payment system.

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Finding: 00-9 Section 8 Cluster, Cash Management

Recommendation: The Oregon Housing and Community Services Department (OHCS D) should seek clarification from HUD regarding the drawing of federal funds. After receiving clarification we recommend OHCS D draw down funds accordingly and update the Cash Management Improvement Act (CMIA) amendment to reflect this criteria.

Status: Corrective action was taken. OHCS D has implemented procedures to ensure that disbursements are made within 3 to 5 days of receipt of funds as required by HUD handbook 4350.5. OHCS D also has updated the CMIA amendment for fiscal year 2002 to reflect this criterion and accurately describe the method it uses to request and disburse funds.

Finding: 00-10 Section 8 Cluster, Cash Management

Recommendation: The Oregon Housing and Community Services Department (OHCS D) does not include administrative fees the department expects to receive when comparing actual program requirements to the funds advanced by Housing and Urban Development (HUD). OHCS D needs to include the administrative fee in the initial cash balance to ensure it is correctly computing the excess cash.

Status: Corrective action was taken. This finding is irrelevant for fiscal year end 2001. Prior to OHCS D's preparing the budget and requisitions for fiscal year 2001, HUD (U.S. Housing and Urban Development) did a reversal of its previous method of reducing carryover funds. It began taking back funds that were left over from fiscal year 1999. In HUD's calculation, it did not take into account the fact that OHCS D had already reduced fiscal year 2000 requisition amounts to lower the amount of carryover funds. In addition, HUD also began recovering fiscal year 2000 carryover funds. HUD's decision to take back money caused most Section 8 account balances to be over-funded. Due to the lack of funds to cover the monthly expenses, HUD advised OHCS D that the projections need not be completed for fiscal year 2001.

Finding: 00-11 Formula Grants for Other Than Urban Areas, Reconciliation of Accounting Records to SEFA

Recommendation: The Oregon Department of Transportation (ODOT) should reconcile its expenditures for the Schedule of Expenditures of Federal Awards (SEFA) to the accounting records maintained by the various department divisions that are accounting for federal programs. ODOT management should ensure that reconciliations are performed and that accurate information is reported.

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Status: Partial corrective action was taken. ODOT Financial Services has worked more closely with other department divisions in accounting for federal programs. Financial Services received reports from department divisions that showed amounts expended for federal programs. However, areas of discrepancy between these amounts and amounts listed for the SEFA were not always followed up on by Financial Services. Consequently, some differences still occurred between amounts reported by ODOT and amounts shown in the accounting records of responsible department divisions. Material differences existed in SEFA reported amounts and Transportation Safety Department's accounting record amounts for the Highway Safety Cluster (CFDA programs 20.600 through 20.605).

Finding: **00-12 Medicaid Cluster, CFDA 93.778, Eligibility Determination Review Sampling Method**

Recommendation: The Quality Control Unit (QCU) of the Adult and Family Services Division (AFS) performs monthly eligibility reviews for the Oregon Health Plan. The current sampling methodology used by the QCU to perform its eligibility reviews does not result in a random sample. AFS should select and review a random sample from the entire population of applications. The cause of any differences between selected applications and Client Maintenance System should be investigated and corrective action taken as needed.

Status: Corrective action was taken. AFS has modified its sampling methodology: the sample selection process now includes all working days of the month and all letters of the alphabet. All discrepancies noted are investigated and the disposition of all applications selected is documented.

Finding: **00-13 Inadequate Monitoring of Subrecipients**

Recommendation: The Oregon Health Division (OHD) should develop an effective process to review its assigned subrecipient audit reports in a timely manner.

Status: Corrective action was taken. However, to further improve the process to review subrecipients, we recommend that OHD date stamp the subrecipient's audit reports when they are received.

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Finding:	99-4 Block Grant for Prevention and Treatment of Substance Abuse (SAPT)
Recommendation:	The Department of Human Services, Office of Alcohol and Drug Abuse Programs (OADAP) should provide information to demonstrate that it has complied with all federal statutory and regulatory requirements under the SAPT Block Grant, or seek the waiver as required.
Status:	Corrective action was taken. OADAP has implemented the independent peer review process.
Finding:	99-5 Child and Adult Care Food Program
Recommendation:	The Oregon Department of Education (ODE) should hire additional staff as required to perform the necessary reviews of subrecipient institutions.
Status:	Corrective action was taken. ODE is in full compliance with the requirement of administratively reviewing 33 percent or more of subrecipients in a given fiscal year. This was accomplished by hiring adequate staff and training them to perform the reviews and implementing a tracking system to help in determining adequate coverage.
Finding:	99-9 AmeriCorps – Onsite Subrecipient Monitoring
Recommendation:	The Oregon Community Service Commission (OCSC) should develop site visit criteria that examine both financial and program records and controls related to the compliance areas of allowable activities and costs, member eligibility, cash management practices, matching and earmarking requirements, and federal reporting. In addition, OCSC should follow up on all findings documented in the fiscal year 1999 contracted review.
Status:	Corrective action was taken. OCSC has implemented a new fiscal monitoring tool and site visit program monitoring tool. These tools help OCSC to examine both financial and program records and controls related to compliance areas of allowable activities and cost, member eligibility, cash management practices, matching and earmarking requirements and federal reporting. OCSC followed up on all findings documented in the fiscal year 1999 contracted review.

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Finding: 99-10 Internal Controls Over Case File Management

Recommendation: The Department of Human Services (DHS) should develop and implement internal controls to ensure that client files are properly documented, reviewed, and retained. We also recommend that DHS management periodically review the branch offices to ensure that case files are in order.

Status: Corrective action was taken. DHS has reviewed and modified the transferring and tracking of files between branch offices and archives. DHS installed an improved file tracking and retention system, replacing the manual system of keeping paper files stored in boxes. DHS has corrected problems with the inability to locate files and other documentation.

Finding: 99-11 AmeriCorps – SEFA Compilation

Recommendation: The Department of Community Colleges and Workforce Development (DCCWD) should set up a separate Statewide Financial Management System grant number for each federal program. DCCWD should discontinue the percentage method of estimating payables for grants with few encumbrances, like AmeriCorps, and determine actual payables incurred. DCCWD should strengthen communication channels between DCCWD fiscal and Oregon Department of Education accounting staff in order to improve detection of financial reporting errors related to DCCWD administered programs.

Status: Corrective action was taken. DCCWD set up separate Statewide Financial Management System grant numbers for each federal program. For the year under review, there were no payables. Therefore, there was no cause to estimate payables. DCCWD has strengthened communication channels with Oregon Department of Education and continues to do so.

Finding: 99-12 AmeriCorps – Timing of Disbursements of Federal Funds to Subrecipients

Recommendation: The Department of Community Colleges and Workforce Development (DCCWD) should redesign the process of requesting and disbursing federal funds for AmeriCorps subrecipients. Requests for federal funds should be promptly approved and funds disbursed as close as possible to when cash is needed.

Status: Corrective action was taken. DCCWD changed their process to award federal funds for AmeriCorps subrecipients on a cost reimbursement basis. Thus, the funds are disbursed after cash is used (as close as

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possible to when it is needed). Prior to disbursement, the requests are reviewed and approved.

Finding: 99-14 Temporary Assistance for Needy Families

Recommendation: The Department of Human Services (DHS) should develop and implement controls that include reviewing Temporary Assistance for Needy Families (TANF) program information and reports for accuracy, agreement to the accounting records, compliance with federal requirements, adequacy of supporting documentation, and application of amounts to the correct reporting period. DHS should also implement supervisory review to ensure compliance with reporting problems.

Status: Corrective action was taken. DHS has implemented procedures to ensure that reports are reviewed by budget staff prior to submission. DHS has applicable written procedures in place.

Finding: 99-15 AmeriCorps – Risk Assessment of Subrecipients

Recommendation: The Oregon Community Service Commission (OCSC) should develop a more structured risk assessment process. The process should address both the compliance areas affected by the financial accounting and reporting internal controls, as well as other applicable federal compliance requirements that are important to the program's success. This process should begin with the initial applicant risk assessment and continue with subrecipient monitoring activities throughout the course of each subrecipient's program.

Status: Corrective action was taken. OCSC has developed a risk assessment tool. This tool addresses both the compliance areas affected by the financial accounting and reporting internal controls as well as other applicable federal compliance requirements that are important to the program's success. This tool is used as new programs are funded and then at least on an annual basis after that. The monitoring of the subrecipients is based on results of the risk assessment.

Finding: 99-16 AmeriCorps – Password Security

Recommendation: The Department of Community Colleges and Workforce Development (DCCWD) should work together with Oregon Department of Education (ODE) to establish and enforce controls requiring that:

- The identification number used to access the HHS SMARTLINK II payment system be changed every 90 days and require that employees not write down the identification number;

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- DCCWD limit and maintain tight control over the number of employees provided the identification number;
- The access password is secured in a locked area with limited access; and
- DCCWD reconcile ODE detail records of drawdowns of federal cash to both the PMS 272 cash management report and Statewide Financial Management System (SFMS) records of AmeriCorps vouchers.

Status: Corrective action was taken. The system requires passwords to be changed every 90 days. The passwords are maintained in a locked file cabinet that only one employee has access to. SFMS is reconciled to detail drawdown records each week. PMS 272 is not reconciled to detail records of drawdowns, however, during the transition of the Community Service Commission from DCCWD to the Oregon Housing and Community Services Department, all accounts were reconciled.

Finding: **99-18 Job Training Partnership Act (JTPA) Cluster – Cash Receipts and Timelines of Processing Transactions**

Recommendation: The Department of Community Colleges and Workforce Development (DCCWD) should:

- Review and process service delivery areas (SDAs) annual settlements promptly.
- Promptly adjust federal cash drawdowns.
- Deposit checks promptly.
- Collect and deposit cash receipt centrally.
- Consider the need for additional staffing for JTPA accounting and reporting functions, or develop and implement procedures to streamline processes.

Status: Corrective action was taken. DCCWD hired additional employees. The Finance and Administration Manager redesigned the job relationships and workloads. All mail is processed through the Oregon Department of Education (ODE) mailroom, which assures that cash receipts are handled centrally and deposited promptly. These steps have helped to reduce fiscal staff workloads so that there is timely processing of annual settlements and adjustments to federal cash drawdowns.

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

REPORT TITLE AND NUMBER	Department of Human Services: Food Stamp Management Information System (FSMIS) Application Control Review, 2001-23
REPORT DATE	June 11, 2001
RESULTS IN BRIEF	<p>Although the Food Stamp Management Information System includes various application controls, some did not function as intended. The Department of Human Services (department) could improve its input edits, client case holds, transaction balancing, error correction, eligibility verification and income determination.</p> <p>The department has a System Development Life Cycle (SDLC) methodology to control system development and maintenance activities; however, the managers did not ensure that the staff followed the prescribed methodology. In addition, the department's SDLC did not adequately address some important issues. Areas needing improvement included program change management, software version control, documentation, testing, quality assurance and consideration of security matters.</p> <p>Department management had not adequately restricted access to FSMIS systems or data. In addition, management had not resolved federal findings regarding limiting FSMIS access to facilitate proper separation of duties for those issuing food stamp benefits.</p>
REPORT TITLE AND NUMBER	Oregon Department of Human Services: Security Controls for Computer Applications, 2001-37
REPORT DATE	August 28, 2001
RESULTS IN BRIEF	<p>Security did not receive an appropriate level of attention and resources. As a result, the department was unable to protect confidential health and welfare information and incurred loss due to employee theft.</p>

REPORT TITLE AND NUMBER	Department of Human Services: Oregon Health Plan (OHP) Eligibility Review, 2002-03
REPORT DATE	January 3, 2002
RESULTS IN BRIEF	<p>We found a number of health plan recipients with unreported wages that would make them ineligible for coverage. We estimate the annual cost of covering ineligible recipients in the three high-risk populations we tested to be \$4.3 million, of which \$2.9 million would be preventable, based on information reasonably available to eligibility specialists at the time the eligibility determinations were made. We found that eligibility specialists' reliance on incomplete or inaccurate wage information caused the eligibility determination errors.</p> <p>We also found that the Department of Human Services (department) provided full OHP coverage to some non-citizens contrary to federal law. We further noted cases lacking adequate documentation for those situations where full coverage for non-citizens is allowed. In addition, allowing a self-declaration of United States citizenship on the mail-in application for OHP coverage increases the risk of providing full OHP coverage to ineligible non-citizens. We estimate the annual cost at \$1.7 million, if 1 percent of the adults receiving full OHP coverage are, in fact, ineligible non-citizens.</p> <p>During our review, we also noted that the department accurately recorded required social security numbers (SSNs); however, it lacked recorded SSNs for about 2 percent of the OHP recipients required to provide a SSN to be eligible for coverage. We also noted that the department discouraged the voluntary provision of a SSN from household members not applying for coverage or otherwise not required to provide a SSN.</p> <p>We found that the department waived unpaid OHP premiums for the "no income" reason when eligibility specialists knew that income existed.</p> <p>Our sample of cases using post office boxes for mailing addresses for their monthly OHP medical care identification cards did not detect any instances of non-Oregon residents improperly receiving coverage.</p>

FACTS ABOUT THE SECRETARY OF STATE AUDITS DIVISION

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

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