COMMONWEALTH OF VIRGINIA

SINGLE AUDIT REPORT

FOR THE YEAR ENDED

JUNE 30, 2008

APA
Auditor of
Public Accounts
COMMONWEALTH OF VIRGINIA

EXECUTIVE SUMMARY

The results of our single audit of the Commonwealth of Virginia for the year ended June 30, 2008, are summarized below:

- we issued an unqualified opinion on the basic financial statements;
- we found certain matters that we consider significant deficiencies; however, we do not consider these to be material weaknesses;
- we identified instances of noncompliance with selected provisions of applicable laws and regulations which could have a material effect on the basic financial statements;
- we found certain matters and instances of noncompliance with selected provisions of laws and regulations related to major programs required to be reported in accordance with OMB Circular A-133, Section .510(a); and
- we issued an unqualified opinion on the Commonwealth's compliance with requirements applicable to each major program.

Our audit findings are reported in the accompanying, "Schedule of Findings and Questioned Costs."

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Commonwealth of Virginia

Walter J. Kucharski, Auditor

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

January 28, 2009

The Honorable Timothy M. Kaine
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable M. Kirkland Cox
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We are pleased to submit the statewide **Single Audit Report of the Commonwealth of Virginia** for the fiscal year ended June 30, 2008.

The Single Audit Report for the Commonwealth of Virginia discloses the Commonwealth's compliance with requirements applicable to major federal financial assistance programs. The statewide Single Audit Report provides the General Assembly and agency management with a means to determine how internal controls affect federal funds and whether agencies are complying with federal laws and regulations.

I would like to express my appreciation to the many individuals whose efforts assisted in preparing this report. This report could not have been accomplished without the professionalism and dedication demonstrated by the staff within this Office. We would like to recognize the agency and institution management, and federal program and financial staffs for their cooperation and assistance in resolving single audit issues.

We believe this report represents a significant indication of the sound fiscal operations of federal funds in the Commonwealth. The report should greatly assist agency management in administering federal programs and enhance their dealings with federal agencies.

AUDITOR OF PUBLIC ACCOUNTS

BEM/wdh

Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Walter J. Kucharski, Auditor Richmond, Virginia 23218

INDEPENDENT AUDITOR'S REPORT

ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Virginia, as of and for the year ended June 30, 2008, which collectively comprise the Commonwealth's basic financial statements and have issued our report thereon dated December 12, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of certain component units of the Commonwealth as described in our report on the Commonwealth's financial statements and Note 1.B. to the financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Hampton Roads Sanitation District Commission, Virginia Museum of Fine Arts Foundation, Library of Virginia Foundation, and Danville Science Center, Inc., which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commonwealth's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commonwealth's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies described in the accompanying "Schedule of Findings and Questioned Costs" as items 08-01 through 08-42, 08-45 through 08-48, and 08-50 through 08-60 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Commonwealth's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying "Schedule of Findings and Questioned Costs" as items 08-01, 08-36, 08-45 through 08-48, and 08-50 through 08-60.

We noted certain additional matters involving internal control over financial reporting and immaterial instances of noncompliance that we have reported to the management of the individual state agencies and institutions.

The Commonwealth's response to the findings identified in our audit are described in the accompanying "Schedule of Findings and Questioned Costs." We did not audit the Commonwealth's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Governor and General Assembly of Virginia, management, federal awarding agencies, and pass-through agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution should not be limited.

AUDITOR OF PUBLIC ACCOUNTS
December 12, 2008

Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Walter J. Kucharski, Auditor Richmond, Virginia 23218

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Compliance

We have audited the compliance of the Commonwealth of Virginia 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, 2008. The Commonwealth'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 Commonwealth's management. Our responsibility is to express an opinion on the Commonwealth's compliance based on our audit. This report relates only to the Commonwealth and not to the agencies and component units that were audited by other auditors discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

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 program occurred. An audit includes examining, on a test basis, evidence about the Commonwealth'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 of the Commonwealth's compliance with those requirements.

In our opinion, the Commonwealth 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, 2008. 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 Questions Costs" as items 08-36, 08-43 through 08-48, and 08-50 through 08-62.

Internal Control Over Compliance

The management of the Commonwealth is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commonwealth's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs" as items 08-36 and 08-42 through 08-63 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying "Schedule of Findings and Questioned Costs" to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Commonwealth's basic financial statements. The accompanying "Schedule of Expenditures of Federal Awards" is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Commonwealth's responses to the findings identified in our audit are described in the accompanying "Schedule of Findings and Questioned Costs." We did not audit the Commonwealth's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Governor and General Assembly of Virginia, management, federal awarding agencies, and pass-through agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution should not be limited.

AUDITOR OF PUBLIC ACCOUNTS
January 28, 2009 (except as related to the Report on
the Schedule of Expenditures of Federal Awards,
as to which the date is December 12, 2008)

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2008

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal Control over major programs:	
Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
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 section 510(a) of OMB Circular A-133?	Yes

The Commonwealth's major programs are as follows:

CFDA Number(s)	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.551, 10.561	Food Stamp Cluster
17.207, 17.801, 17.804	Employment Service Cluster
17.258, 17.259, 17.260	WIA Cluster
20.607	Alcohol Open Container Requirements
20.205	Highway Planning and Construction Cluster
39.003	Donation of Federal Surplus Personal Property
84.126	Rehabilitation Services
93.268	Immunization Grants
93.283	Center for Disease Control and Prevention
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.658	Foster Care-Title IV-E
93.667	Social Services Block Grant
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.044, 93.045, 93.053	Aging Cluster
93.575, 93.596	CCDF Cluster
93.775, 93.777, 93.778	Medicaid Cluster

84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 93.342, 93.364, 93.925	Student Financial Assistance Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant
97.073	State Homeland Security Program
Footnote 2A	Research and Development Cluster

Dollar threshold used to distinguish between programs:	Type A programs	$23,979,770
	Type B programs	$ 2,397,977

Commonwealth qualified as low-risk auditee? No

FINANCIAL STATEMENT FINDINGS

08-01 Properly Complete Employment Eligibility Verification Forms

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services, Department of Corrections, University of Virginia, and Virginia Commonwealth University (The Entities)

As noted in the prior year, the Entities continue to not properly complete Employment Eligibility Verification forms (I-9) in accordance with guidance issued by the U.S. Citizenship and Immigration Services of the U.S. Department of Homeland Security in its handbook for employers (M-274). This guidance requires the employee complete, sign, and date Section 1 of the I-9 on or before the first day of employment. Additionally, the employer or designated representative must complete, sign, and date Section 2 of the I-9 within three days of employment to show that they verified the employee's identity and employment eligibility at the point of hiring.

We found the following errors in our review: failure to sign and date certain sections of the form as required; failure to complete Section 1 on or before the first date of employment as documented on the form; incomplete documentation of employee identification in Section 2; and failure to complete the employer section of the I-9 form within three days of employee's first day of work.

U.S. Department of Homeland Security regulates the process for completing the I-9 forms and failure to complete the forms properly can result in significant penalties to both the employee and employer. Because of the potential sanctions, we recommend that the Human Resources Division train human resource employees on the requirements of completing I-9s and then develop a process for continuously reviewing the Entities' I-9 process.

The federal government has increased its enforcement efforts related to hiring illegal immigrants, which makes having an effective I-9 process in place more important than ever before. We recommend that every Entity be cautious in the amount of documents it requests from each employee because employers requesting more than the minimum amount of documentation from employees could be subject to fines and penalties, as the Department of Homeland Security considers it a form of harassment.

Additionally, the Department of Accounts and Human Resource Management, which help regulate and coordinate the Commonwealth's efforts in obtaining I-9 form information, provide training, and we recommend the Entities take advantage of this effort.

Management Plan for Corrective Action for the Department of Mental Health, Mental Retardation, and Substance Abuse Services

The problem issue seems to be the completion of the I-9 form. As this seems to be human error we will continue to instruct each facility HR office to pay more close attention to this. The DMHMRSAS Office of Human Resources (OHR) staff will monitor HR processes that are in place at the facility level and will work with facility HR staff to resolve identified issues.

Responsible Party: Office of Human Resources

Completion Date: January 23, 2009

Management Plan for Corrective Action for the Department of Corrections

We have reviewed your findings from your recent audit of the I-9 forms. While we agree that there were indeed additional mistakes discovered; we believe strongly that the process for completion of the I-9s is clear but that staff must pay more attention to detail.

On June 26, 2008, a training session on the requirements and proper completion of I-9s was provided to all Human Resource (HR) staff. The I-9 form was reviewed line by line with specific instructions on its proper completion. There was ample opportunity for HR staff to ask questions on any aspect of the training that was not understood. In addition, an HR Manager and an HR analyst from Headquarters, both of whom are vested in I-9 requirements, reviewed the I-9 requirements with HR staff during their site visits throughout the year.

We understand that accurate completion of the I-9 form is a federal requirement and that we are subject to fines for inaccurate information. As such we take the finding of this audit very seriously. However, I-9s do contain thorough instructions for completion within the form which makes a separate written policy or procedure a redundancy and we do not believe that a written policy or procedure will provide a solution for a lack of attention to detail.

The audit findings will be shared with all HR staff and provide a remedial training on the requirements and proper completion of the I-9 form. A memorandum will be issued to all Unit Heads and HR staff advising them that continued inaccuracies related to the completion of I-9 forms will be dealt with as a job performance issue. For those agencies that were identified in the audit, management will conduct discussions with the respective Unit Head advising them to address, with the identified HR staff member, the inaccuracies found during the audit as a job performance issue.

The Department will continue to have the HR Managers at Headquarters review the I-9 process as they make site visits throughout the year.

The DOC is committed to ensuring compliance with federal law and feel confident that the above action will provide immediate and ongoing compliance and meet the audit expectations.

Responsible Parties: Employee Relations Manager, Human Resources Manager, and Employee Relations Unit

Estimated Completion Date: January 31, 2009

Management Plan for Corrective Action for the University of Virginia

Since last year Human Resources has implemented a number of changes to increase controls over the I-9 forms. Human Resources reorganized its staff to create the Office of Compliance and Immigration Services (CIS).

CIS implemented mandatory monthly audit reviews beginning in September 2007. CIS will continue these monthly internal audits, and will, effective immediately, conduct thorough audits of each I-9 received from departments upon receipt.

While the University is confident that Human Resources has taken the appropriate steps to ensure that all employees are authorized to work in the United States, management agrees that *continuing to strengthen controls and procedures is prudent. CIS has shared this audit finding with departmental personnel.*

Responsible Party: Human Resources, Office of Compliance and Immigration Services

Completion Date: October 2008

Management Plan for Corrective Action for Virginia Commonwealth University

A formal training series was developed in 2008 that highlights lawful employment practices and compliance. Additionally, semi-annually training of HR Operations and Generalists on our internal Form I-9 review process is required as both a refresher for current staff and training for new staff. HR staff also implemented a process to randomly audit departments throughout the year and review new hire personnel actions for timeliness and accuracy. Audited departments receive error reports and suggestions on how to improve compliance. A full-time HR Compliance Technician has been hired to monitor I-9 and background check completion. In 2009, VCU Human Resources will add hiring compliance information to the Banner access training course, which new PAs must successfully complete prior to gaining access to the Banner and Hire Right systems. Current PAs must take the course annually to retain access. This will ensure that PAs are getting initial and ongoing training. VCU also will implement electronic I-9 processing and e-Verify through our vendor, HireRight. The electronic I-9 process prevents some mistakes and provides dated reminders within the required timeframes so that both new employees and Pas respond timely.

Responsible Party: Joy Novakoski, HR Operations and Benefits Manager

Completion Date: December 2008

08-02 Develop Internal Controls for Leave Liability and Time Tracking System

Applicable to: Department of Corrections

The Department of Corrections' (Corrections) time and leave system (DOCXL) used at their facilities continues to have inadequate internal controls resulting in unreliable data. Best practices such as audit trails, controls to prevent changes to formulas and computations, and the capture of all transactional activity do not exist in DOCXL.

DOCXL is an Excel spreadsheet application that uses a spreadsheet template for each employee. Individual employees' DOCXL files are located on a network drive. The files are password protected and only certain individuals, most of them Human Resources employees, have passwords to the files.

We noted the following issues.

1. Once a person has write access to the files with the employee spreadsheets, users can enter, change, and delete data and formulas in any or all of the spreadsheets with no trail to indicate what they did.

2. Human Resources enter hours worked and leave information each pay cycle and Corrections relies on supervisor and employee reviews and sign-offs to verify the accuracy of that cycle's information. However, the system does not

prevent changes to previous activity after the sign-off occurs and as stated earlier there is no audit trail. As a result, someone could change information previously approved as correct by the supervisor without the supervisor detecting the alteration.

3. DOCXL system does not protect computational formulas, which could result in intentional or unintentional formula changes that result in errors in the amount of leave and/or time reported.

Corrections would be an ideal candidate to implement an enterprise time and effort system; however, the probability of and timeframe for implementing this enterprise solution is uncertain at this time. As an interim solution, we recommend that Corrections consider purchasing or developing a more robust time and effort system that provides adequate internal controls. Using Excel to manage the time and effort for an organization with more than 11,500 employees and numerous facilities is not adequate. Excel does not provide adequate security, an audit trail of transactions, and control changes to ensure the accuracy of how the system performs the calculations. Until Corrections replaces DOCXL, the accuracy of time and leave data at Corrections is questionable and identifying that someone inaccurately reported or modified recorded time or leave is also questionable.

Management Plan for Corrective Action

We have made numerous enhancements to the 2009 DOCXL template that will address a significant portion but not all of the issues identified in the audit. These enhancements include limiting levels of access to DOCXL and creating linking features that limit the need for manual input. We will continue to use DOCXL until new system opportunities exist. We are committed to ensuring that data in DOCXL is accurate and will continue to actively work on changes to the DOCXL system to address these issues as feasible.

Responsible Parties: Employee Relations Manager and Employee Relations Unit

Estimated Completion Date: March 31, 2009

08-03 Enforce Inventory Procedures

Applicable to: Department of Corrections

Corrections should continue to enforce their existing procedures for taking physical inventory and pricing items in the inventory system. For one of the two facilities audited, we found 10 of 47 (or 21.5 percent) inventory items sampled to have count discrepancies when comparing the auditor's physical count of items to the warehouse employee's physical count. Correction's Procedure 6-26 provides detailed instructions for warehouse employees to follow that will ensure accurate physical inventory counts; however, the high percentage of discrepancies indicates that the employees did not follow these instructions.

We recommend that Corrections regularly train warehouse employees in the proper way to conduct an inventory and hold the training as close as practicable to the taking of the inventory. Corrections should also review their current inventory suggested practices and system to determine if these processes are adequate. Corrections should consider using their Internal Audit Department to assist in this review and perform a follow-up in those facilities with the most risk.

Management Plan for Corrective Action

The Department of Corrections recognizes the need to further strengthen the understanding of the physical inventory process by providing regular training to individuals participating in the count. As noted in the finding, Corrections has established detailed instructions in its policies and procedures which will ensure proper counting of DOC's materials and supply inventories at each of its correctional facilities.

Prior to the annual inventory, each Regional Director will assign appropriate staff in each Regional Office to provide training to those employees responsible for the inventory process at each facility. This training is to include a detailed review of Corrections Procedures 6-26 to ensure consistent inventory practices will be followed throughout the Department.

Prior to any APA Auditors conducting inventory audits, the individual responsible for the inventory at each facility will meet with the APA Team and ensure they are familiar with any DOC Materials and Supplies inventory procedures that may impact the count, i.e. "in use" items.

Wardens and Superintendents shall ensure Business Office Staff and Warehouse Managers increase their oversight and guarantee adequate test counting during the physical inventory process, as required by Corrections Procedure 6-26. Count checkers shall perform the mandated random sample test counts of items inventoried by the counters/listers.

Wardens and Superintendents shall ensure proper separation of duties will be maintained by making sure all counts are performed by a team of two individuals, one counter and one lister. In addition, any adjustments to inventory records shall be independently performed by another person.

Although DOC's Internal Auditors currently conduct warehouse inventory audits during routine site visits to facilities, until this problem is resolved, the DOC Internal Auditors will annually conduct audits targeted at selected facilities with the intent of ensuring those responsible for the inventory are following and enforcing Corrections Procedure 6-26.

Responsible Parties: Wardens and Superintendents

Estimated Completion Date: December 31, 2009

08-04 Improve Controls and Processes Surrounding Capital Assets and Construction in Progress

Applicable to: Department of Corrections

There has been no substantial improvement in Corrections ability to properly record capital assets, and our auditors and the Department of Accounts continue to find significant errors in the information. The number of historical errors resulted in the Department of Accounts having to assign staff to assist Correction personnel in doing capital asset record keeping. For 31 projects, the Department of Accounts found a total of $8.6 million in understatements and $9.1 million in overstatements of individual projects.

We began reporting these capital asset recordkeeping problems for the fiscal year 2006 audit and this will be the third audit with the same general findings. Correction has developed new policies and procedures, but continues to delegate correction of the problems to the same staff. We believe that Corrections needs to evaluate the staff assigned these problems and determine if they have the talents to correct the issues.

We understand that Corrections is making significant changes due to upcoming budget reductions in the accounting and finance area. However, we understand that Accounts also questions the assigned staff's ability to address the issue. Until Corrections assigns someone with the talents to address the following problem, we will continue to report this matter.

The key problems with Corrections' process for tracking and reporting of construction in progress is the number of functional units involved in the process, the lack of effective communication between those units, and human error. Architectural and Engineering Services (A/E Services) receives all invoices for capital projects, maintains a list of these invoices by project, and provides Financial Services with a total by project quarterly. Financial Services records construction in progress in FAACS. When a project is complete, A/E Services prepares a project recap sheet that details the amounts that need to move from construction in progress to specific asset classifications and provides this to Financial Services.

Financial Services does not record these reclassifications, but instead sends the information to the individual facilities to record. In addition, facilities purchase project related equipment, request reimbursement from A/E Services, and record the asset in FAACS. A/E Services records the project expense in its project listing, resulting in double counting of the item as an asset and construction in progress in FAACS. The communication process between A/E Services, Financial Services, and the individual facilities is not effective resulting in untimely and inaccurately recording of construction in progress and assets.

Management Plan for Corrective Action

DOC recognizes the continued problems related to the area of recording Capital Assets and Construction in Progress. Management attributes the prior problems in these areas to be attributed to understaffing, turnover of staff that is not adequately trained and ineffective oversight. The Department is committed to work closely with staff from the Department of Accounts (DOA) and the Auditor of Public Accounts (APA) to rectify this situation both with short-term and long-term solutions.

As mentioned in APA findings, DOC has had to initiate significant reductions to its appropriation this fiscal year which have had a direct impact to the Controller's Unit. It was determined necessary for the Department to eliminate its Controller, the Controller's Administrative Assistant, Financial Reporting Manager and two Financial Reporting staff (one who had responsibilities for CIP submissions and FAACS).

To address these losses, DOC has reorganized remaining units in the Office of the Controller (General Accounting, Budget, Payroll and Financial Systems) into the Financial Management and Reporting Unit. The newly established Financial Management and Reporting Unit will be supervised by Budget Manager, Louis Eacho. Despite the reductions, it is DOC's intent to provide comparable, or even more efficient, services.

For the short term, it has been determined that selected DOC Budget Office staff will be responsible for handling construction in progress activity, as well as being responsible for coordinating entries into FAACS. DOC Budget Office staff was deemed the most efficient option to take on this responsibility due to their fiscal/quantitative skills, overall agency knowledge, existing close communication with key Capital Outlay and facility staff and ability to manage this process consistently and centrally.

For the long term, DOC is committed (if it is continued to be deemed necessary) to identify a full-time resource to coordinate CIP and FAACS. Please note that DOC believes (a) its short term *solution will be proven effective and (b) in the absence of new funding, it must balance providing administrative staff against the ongoing requirement of ensuring adequate staff are in place to meet its ongoing public safety requirements.*

DOC has reached out to both DOA and APA to ensure this transition is accomplished effectively and efficiently. DOC management has held initial meetings with both agencies in November. Training from DOA/APA to Budget staff selected to handle Construction in Progress and FAACS will begin on December 18th. Key Capital Outlay finance staff will also participate to ensure the process is handled correctly and efficiently. DOC is committed to working with DOA/APA for as long as required to ensure this issue is resolved promptly following a methodology that is both practical to DOC given our limited resources and deemed acceptable to no longer be considered as an audit finding.

Responsible Parties: Budget Manager and the Financial Management and Reporting Unit

Estimated Completion Date: December 31, 2009

08-05 Evaluate and Strengthen the Attachment Preparation and Review Processes

Applicable to: Department of Taxation

The Department of Taxation's (Taxation) Fiscal Division is required to submit several attachments, including supplemental information to the State Comptroller for inclusion in the Comprehensive Annual Financial Report (CAFR). During our audit of the supplemental information, we utilized Taxation's written procedures to ensure that Taxation staff accurately prepared the information. Our audit found several oversights and data entry errors in the Receivable/Payable and Individual Deferred Credit supplemental information. In addition, the Department of Accounts also found errors in the Receivable/Payable submission. As a result, Taxation staff had to make several resubmissions of information to the State Comptroller that resulted in more than $49 million in adjustments to the receivables reported in the Comprehensive Annual Financial Report.

The supplemental information submission's preparation process is complex and time consuming. Because of the complexity of the process and the potential impact on the Comprehensive Annual Financial Report, the Fiscal Division should consider the high risk of errors and omissions on the preparation and supervisory review of these submissions. We recommend that Taxation evaluate its current preparation and review process to ensure that processes are appropriate and thorough to correct similar errors in the future. In addition, we recommend Taxation evaluate resources to ensure that ample resources are available and utilized to execute the processes. Inadequate preparation and review processes could impact the Comprehensive Annual Financial Report if errors go undetected.

Management Plan for Corrective Action

The processes used to prepare and review the attachments containing supplemental information included in the CAFR have been revised. Reports will be developed from TAX's Advantage Revenue System that will reduce the complexity of the attachment preparation and review processes. In addition, employees with more experience with the TAX's receivables will prepare the attachments and independent management personnel will review them prior to submission.

Responsible Party: Fiscal Director

Estimated Completion Date: June 30, 2009

08-06 Improve Process for Documenting the Information Systems Security Program

Applicable to: Department of Taxation

Taxation has implemented an adequate Information Systems Security Program and generally practices good internal IT controls. However, their Information Systems Security Program would benefit from a more formal documentation process to ensure uniformity of information across the various parts of the Program.

Taxation's Information System Security Program is a work in progress that undergoes constant updating and changes for new systems, changing environment, and other factors. In addition, numerous individuals throughout the organization are working on the Program.

During our review, we found a lack of consistency between various components of Taxation's Program. We believe that the Program would benefit from the development of a process to ensure that all sensitive applications and operations receive uniform consideration across the Agency. The complexity of operations and the use of numerous staff make this review process for consistency critical. We, therefore, recommend that Taxation improve its Information Systems Security Program by incorporating a process that reviews the components of the Program for consistency when addressing all sensitive applications and operations.

Management Plan for Corrective Action

As noted in the comment, TAX currently has an adequate Information Systems Security Program. TAX will develop a process to review the components of the program for consistency by April 1, 2009.

Responsible Party: Deputy Commissioner

Estimated Completion Date: April 1, 2009

08-07 Improve System Access Management

Applicable to: Department of Taxation

Taxation periodically reviews user access to various systems; however, this process does not include all significant systems, have a set frequency, have a documented process, and have someone independent of the access requestors review existing access. A review conducted in August did find the need to modify the access for a number of users.

Taxation should formalize this access review process to include, as part of the documentation, which systems are subject to the review, the frequency of the review, and who will initiate and conduct the reviews. Additionally, Taxation should consider having someone independent of the access requestors and grantors periodically review a sample of individual's access to determine if the process is working as intended.

Management Plan for Corrective Action

The finding recommends that TAX should improve its process for management review of user system access and add a supplemental process to independently review a sample of user system *access. TAX will increase the scope and better document the management review of user access. TAX will also add an independent review of user access on a sample basis.*

Responsible Party: Security Officer

Estimated Completion Date: April 1, 2009

<u>08-08 Improve Information Systems Security Program</u>

Applicable to: Department of Accounts

The Department of Accounts (Accounts) needs to enhance certain areas of its information systems security program. While Accounts generally practices good information security controls, we identified three issues relating to its information security program that need further development to protect its sensitive data and comply with the Commonwealth's information security standard.

First, Accounts has not updated its information technology risk assessment since April 2004. An outdated information technology risk assessment will impede Accounts' ability to mitigate risk and maintain current and effective continuity of operations and disaster recovery plans. The Commonwealth's information system security standard requires agencies to evaluate and update their information technology risk assessments at least every three years, or earlier if warranted.

Second, Accounts has not documented certain procedures or provided inadequate detail in others. We found that Accounts information technology security program does not include procedures to monitor and log system activity, disable unnecessary system services, or discuss the requirements of how to respond to security incidents for its applications and databases.

Third, Accounts' contracts with outside entities, with which it shares sensitive data, do not sufficiently identify Accounts' requirements regarding secure transmission, storage, access, system breach, and adherence to regulatory requirements. Complete documentation of information technology policies, procedures, and requirements will ensure consistent application of Accounts' information security practices and will minimize the risk as it relates to the confidentiality, integrity, and availability of data and information.

To further protect its sensitive data and ensure compliance with Commonwealth standards, Accounts should update its Risk Assessment, improve its information technology security policies, and include its security requirements in its interoperability contracts. We recommend that Accounts dedicate the necessary resources to address the issues identified above.

<u>*Management Plan for Corrective Action*</u>

We concur with this finding. DOA has recently hired two Information Security experts to assist small agencies in complying with the Commonwealth's information security standards. DOA served as a pilot-project for these specialists. They supervised an agency wide Risk Assessment on all sensitive Information Technology systems and critical business processes. System Owners and the Information Security Officer are in the process of reviewing these assessments and will implement the needed changes to improve our security posture. We are in the process of drafting a request to our Information Technology service provider, (currently Northup Grumman) to provide results of their monitoring actives to system owners to assist in their review of systems access. The Information Security experts are also documenting DOA's procedures and *recommending modifications to contracts with outside entities to comply with the Commonwealth Standards. Revising contracts that were executed prior to the existence of the Commonwealth's information security standards may not be possible, but all new or renewed contracts will conform to these new standards.*

Responsible Party: Rick Phillips, Director Database Administration

Estimated Completion Date: June 1, 2009

08-09 Perform Adequate Oversight over Trustee

Applicable to: Department of Treasury

The Department of Treasury (Treasury) contracts with the Bank of New York Mellon to provide trustee services for the Virginia College Building Authority and the Virginia Public Building Authority. Under this relationship, Treasury is responsible for providing contract management to ensure that Bank of New York Mellon provides adequate services. Treasury is dependent on the trustee and uses their information when compiling the authorities' annual financial statements.

Treasury does not monitor and manage the Bank of New York Mellon adequately to ensure that it is meeting its trustee service requirements. During our audit, we noticed several issues with the trustee's performance, including: posting transactions to the incorrect accounts, untimely postings, missing statements, untimely resolution of errors, and account balances that do not reflect an accurate transaction history. In addition, the trustee could not originally confirm two significant account balances for VCBA.

Treasury also questions the integrity of the electronic data that they receive and therefore, do not rely on this information and continues to enter all transactions manually. Treasury staff have noticed these issues and contacted Bank of New York Mellon with some of these concerns. However, we believe that Treasury has not adequately followed-up on these concerns and effectively communicated these concerns internally within Treasury, or escalated the issues to Bank of New York Mellon management. Recently, management has begun to address more concerns and met with the trustee's management in December to discuss a list of their concerns. Treasury management expects Bank of New York Mellon to make significant progress by March.

By not managing the trustee arrangements adequately, Treasury has created an environment that can allow numerous reporting errors that Treasury staff must find and address. This reduces the efficiency of Treasury staff, since they must review each transaction carefully, make note of inaccuracies, inform the trustee of issues, and enter information for over five hundred accounts manually. If Treasury manages this relationship properly and demands accurate and timely information, Treasury could not only reduce the amount of time spent on correcting inaccuracies, but could also upload the information into their spreadsheets electronically and analyze the information.

Treasury management should formally evaluate the trustee's performance and communicate concerns to the Bank of New York Mellon. Management should then monitor this relationship more adequately to ensure that the Bank of New York Mellon meets its contractual requirements. Once Treasury believes that the trustee is providing adequate services, Treasury should reevaluate their processes to determine where inefficiencies exist and what information and format they need from the trustee. Treasury can then make necessary efficiency improvements such as using available electronic data.

Management Plan for Corrective Action

Treasury has brought the performance issues to the Bank's attention numerous times which escalated to a meeting with Bank officials on December 4, 2008 in order to resolve the issues noted. Treasury will continue to monitor and evaluate the performance of the trustee. If satisfactory performance is not provided and contractual requirements not met, Treasury will seek another trustee for services. Treasury expects that the Operations Division, working in conjunction with General Management, to complete this evaluation and take corrective action, if necessary, by June 30, 2009.

Once the trustee is providing satisfactory performance, Treasury will review our process and determine possible enhancements. Treasury expects that the Operations Division, working in conjunction with Internal Audit, to complete this review and initiate enhancements by December 31, 2009.

Responsible Party: Operations Division

Estimated Completion Date: December 31, 2009

08-10 Conduct Security Awareness Training Timely

Applicable to: Department of Treasury

Treasury has not performed security awareness training in accordance with its policies and Commonwealth Standards. Security awareness training provides management some assurance that employees understand their roles and responsibilities for information technology security and allows management to take appropriate action when an employee fails to protect Treasury data and systems.

Treasury is making progress toward implementing a complete security awareness training program by using a web-based system to track completion. This system allows Treasury to ensure that new employees complete training timely and allows them to complete refresher training at least annually.

We recommend that management continue to dedicate the necessary resources to ensure that new and existing employees complete and acknowledge receipt of information technology security awareness training and that records of completed training be retained for at least a three-year period. Additionally, we recommend that Treasury's Information Security Officer ensure that departments are complying with security awareness training requirements by reviewing training content and attendance periodically.

Management Plan for Corrective Action

Treasury acknowledges that security awareness training was not performed during the fiscal year-ended June 30, 2008. However, as of July 1, 2008, Treasury hired a new Director of Information Systems and on November 3, 2008, an Information Security Officer was hired. A new security awareness program has been implemented and made available to all employees. All employees have completed the course as of January 10, 2009. Treasury's Information Security Officer will ensure that new and existing employees will comply with security awareness training and review future training content. Records will be kept for three years. New Information Systems policies and procedures will be written and approved by management to ensure employees understand their roles and responsibilities for information security.

Treasury expects that its Information Systems Division, working in conjunction with our Human Resources Division, to ensure compliance with the requirement for security training for all new employees and annual training for existing employees. Further, new policies concerning information security shall be disseminated internally by April 30, 2009.

Responsible Party: Information Systems Division

Estimated Completion Date: April 30, 2009

<u>08-11 Improve Information System Security Program</u>

Applicable to: Virginia Retirement System

While the Retirement System generally practices good information security controls, we found certain components in its information security program that Management can further develop and document in order for its program to fully comply with the Commonwealth's information security standard and industry best practices. Due to the sensitivity of these controls, we have communicated the details of our findings to Management separately, and in this report provide a summary of the identified information security components.

- Security Awareness Training
- Incident Response
- Logical Access Control
- System Configuration Review

The Retirement System should further develop its Information System Security Program and documentation of its information technology infrastructure in the areas listed above to minimize risks to the confidentiality, integrity, and availability of its sensitive data. We recommend that Management provide the resources needed to improve its information technology security policies and procedures, and ensure their implementation as documented.

<u>Management Plan for Corrective Action</u>

Due to the sensitivity of these controls, only a summary of the corrective actions taken and planned is communicated here. We are committed to ensuring the security, integrity, and availability of our systems and safeguarding the information that is in our custody, and took immediate steps to implement several of the recommendations. Implementation of the remaining recommendations is in process and will be completed by June 30, 2009. Much of what APA noted involved improving the documentation of our current security practices, and in most cases the deliverables resulting from our corrective actions will be enhances documentation of our security practices. In several cases the corrective action will result in the addition of several safeguards in our security program consistent with industry best practices.

Responsible Party: Michael McDaniel, Security Manager

Estimated Completion Date: June 30, 2009

<u>08-12 Improve Written Policies and Procedures over Financial Reporting</u>

Applicable to: Virginia Retirement System

The Retirement System has documented some, but not all, of its policies and procedures for the preparation of its annual financial report. The lack of detailed written policies and procedures increases the risk of error in financial statement preparation as well as the exclusion of important financial disclosures. Further, without well documented procedures, there exists a high risk that, in the event of turnover of key personnel, the Retirement System could not produce timely financial information and statements.

We recommend the Retirement System improve the documentation of the financial reporting procedures to include detailed items such as specific reports and tables, analyses performed, roles and responsibilities, levels of reviews, and timing of events required for the creation of their annual financial report. These procedures should also address the Retirement System's submissions to the Department of Accounts for reporting in the Commonwealth's annual financial report.

<u>Management Plan for Corrective Action</u>

As noted by the APA, the Virginia Retirement System's Finance Division staff has documented some but not all of the policies and procedures for the preparation of the System's annual financial report. The documentation update was initiated in conjunction with the replacement of the System's financial accounting system and the related changes to the processes for accumulating information for the annual financial statements.

This documentation with the enhanced policies and procedures will be developed during FY 2009 and will be used for June 30, 2009 fiscal year-end processing. In addition to enhancing the documentation of our internal process for the annual financial report, we will be addressing the System's annual submission to the Department of Accounts. This will include documentation of the processes surrounding preparation of the financial and statistical information included in their standard year-end data requests. The enhanced documentation will reduce the risks associated with turnover of key staff and the impact such turnover might have on the timely preparation of the System's financial information and annual financial report.

Responsible Party: Berry Faison, Chief Financial Officer

Estimated Completion Date: June 30, 2009

<u>08-13 Review Investment Policies for Securities Lending</u>

Applicable to: State Lottery Department

The State Lottery Department (Lottery) needs to review its investment policies and adopt policies for securities lending. Lottery participates in the Department of the Treasury's securities lending program and needs a means to ensure that Treasury understands and follows Lottery's investment goals.

We recommend Lottery and Treasury review the Lottery's participation in the securities lending program and adopt specific policies that will meet their investment goals. The review should address the issues of the amount of investment risk that the Lottery can assume given their investment goals and whether the Lottery needs to have separate policies on what types of re-investments are appropriate, including the maturity periods of the securities purchased with the cash collateral. In addition, the Lottery and Treasury need to discuss how to handle investment gains and losses and the impact of any future gains and losses on the Lottery's profit projections.

Management Plan for Corrective Action

Since 1994, the Virginia Lottery has participated in the Commonwealth's Securities Lending program. In 2004, the Lottery and the Treasury executed an updated Memorandum of Understanding, which did include general account investment guidelines. The Lottery has already begun discussions with the Office of the Secretary of Finance and Department of Treasury to further discuss securities lending practices and financial reporting considerations. The goal of these continuing discussions is an updated Memorandum of Understanding.

Responsible Parties: Executive Director and Director of Finance

Estimated Completion Date: February 27, 2009

08-14 Strengthen Information Systems Security Program

Applicable to: State Lottery Department

Lottery has improved their Information Systems Security Program over the past year, but there are some key components that still require strengthening in order to be fully compliant with Commonwealth Security Standards and industry best practices:

- Lottery has documented a "Crisis Management and Business Recovery Plan," which identifies essential business functions; but has not updated the plan to reflect the outsourcing of the Department's main gaming system, nor has the Lottery completed the business impact analysis. The business impact analysis is the first step in the risk management process to identify, analyze, prioritize, and mitigate those risks that could compromise the Department's information technology (IT) systems.

- Also, in order to assess the adequacy and effectiveness of the Continuity of Operations and Disaster Recovery Plans, Lottery should minimally perform annual tests of the IT components that support their essential business functions. Such tests provide assurance that essential business functions can continue and staff can restore IT systems in the event of a disaster or disruption.

- It is essential that the Lottery document and maintain its security requirements through the development of policies that accurately reflect business operations and objectives. The Lottery enhances information security through the development and implementation of written policies and procedures that promote the confidentiality, integrity, and availability of the Lottery's data and IT systems.

Lottery should continue to strengthen their Information Systems Security Program by developing and documenting policies that secure IT systems commensurate to the level of risk and sensitivity of the data being stored within those systems. In addition, Lottery management should prioritize and dedicate the resources necessary to support the acceptance and implementation of these policies.

Management Plan for Corrective Action

The Lottery strongly believes it has consistently maintained an effective Information Systems Security Program, and that significant progress occurred during the past year in strengthening and documenting the Program to ensure compliance with the Commonwealth's standards and industry best practices. We also acknowledge that some aspects of the Program could still be improved.

Responsible Parties: Director of Information Technology and Director of Security

Estimated Completion Date: December 31, 2009

08-15 Improve Database Security

Applicable to: Department of Alcoholic Beverage Control

The Department of Alcoholic Beverage Control does not ensure compliance with the Department's database security policies and procedures. The Department has policies, procedures, and standards for access review, password management, and security monitoring and logging. However, the warehouse inventory system data owner and database administration staff are not following the Department's policies and procedures and have not for several years.

The Department should provide adequate oversight to comply with the Department's access review, password management, and security monitoring and logging policies and procedures. The warehouse inventory system data owner should review all user accounts and disable all unused or inappropriate accounts. The database administration staff should implement access auditing computer tools, so long as they do not negatively affect system performance.

Management Plan for Corrective Action

The Department of Alcoholic Beverage Control has a very strong system of internal controls and has used the ARMICS process to strengthen controls in many areas. We appreciate input from the Auditor of Public Accounts and have already taken steps to mitigate the control weakness identified during the audit.

By December 1, 2008, ABC will complete an access review of all users of the identified system, institute stronger password requirements, and strengthen system monitoring and auditing functions. Later in the year, ABC expects to upgrade this software and will use our internal audit function to ensure the control requirements migrate to the new version.

Responsible Party: Director of Information Technology Services

Completion Date: December 1, 2008

08-16 Properly Record Leases in the Lease Accounting System (LAS)

Applicable to: Department of Environmental Quality

The Department of Environmental Quality (Environmental Quality) has inconsistently recorded its lease information in the Commonwealth's Lease Accounting System (LAS) since becoming responsible for entering its lease information into LAS, including the potential for misstating lease commitments in the Commonwealth's Annual Financial Report (CAFR). Prior to fiscal year 2006, the Department of Accounts (Accounts) entered all agencies' lease information into LAS. When LAS became web-based in 2006, each agency began entering and updating its own information in LAS.

Accounts did not update the Commonwealth's statewide policies and procedures for the newest version of LAS until July 2008. The General Services Division (Division) of Environmental Quality, responsible for lease reporting, continued to follow the old guidance, which was inadequate, during fiscal year 2008 resulting in the errors noted below.

The General Services Division (Division) has the following issues with their methods of recording lease information in LAS.

- The Division did not always have adequate support for the total economic life, remaining economic life, executory costs, and fair market values for the five leases reviewed. When the Division provided support, specifically for fair market values, it contradicted the amounts entered into LAS.

- The Division entered only one year out of ten for the Richmond Headquarters lease in LAS resulting in an understatement of approximately $12 million in future operating lease commitments.

- The Division did not consider the yearly increase in payments and did not record the appropriate executory costs for the Northern Virginia Regional office lease in LAS resulting in an understatement of approximately $190,000 in future operating lease commitments.

- The Division did not record the proper fair market value of the land and building for the Abingdon Regional office lease in LAS causing the system to misclassify the lease as a split lease, part as operating and part as capital. The entire lease should be capital. This resulted in an understatement of approximately $240,000 in future capital lease commitments and an overstatement of $645,000 in future operating lease commitments.

- The Division improperly recorded the Tidewater Regional office lease in LAS as a land and building lease causing the system to misclassify the lease as part operating and part capital. The entire lease should be capital. This resulted in an understatement of approximately $939,000 in future capital lease commitments and an overstatement of approximately $725,000 in future operating lease commitments.

Management should have the Division revise, document, and implement updated agency specific policies and procedures to cover all aspects of entering and modifying leases into LAS based on Accounts updated policies and procedures. Management should ensure that the Division has adequate supporting documentation for all amounts entered into LAS for leases including the total economic life, remaining economic life, executory costs, and fair market values. The Division should ask for assistance from Accounts on any areas they do not fully understand. The Division should correct all real property leases, active in fiscal year 2008 and beyond, in LAS to reflect actual lease agreement information. Management should consider developing a review process of the information entered into LAS to ensure that it is accurate and agrees to the lease agreements and supporting documentation.

Management Plan for Corrective Action

We have reviewed the issues identified during the audit of DEQ's LAS transactions and have resolved the issues as follows:

DEQ is obtaining FMV for all the leases based on the lease effective date. The executory cost for leases has been changed to 25% percent of the lease payment for all DEQ leased properties and these amounts have been entered into LAS. The actual rent payments for the headquarters lease has now been entered into LAS and the estimated rent payments based on a 2 percent increase per year have been entered into LAS through the lease term. The actual rent payments for the Northern Regional office and the estimated rent payments based on a 2 percent increase have now been entered into LAS through the term of the lease. DEQ has corrected the Tidewater lease classification in LAS to building only, and the lease is classified as a capital lease only. All estimated future payments have been changed based on a 2 percent yearly increase, except DEQ's Valley Regional lease and Lynchburg Regional lease which have a fixed monthly rental rate through the term of the lease.

Overall, DEQ has revised, documented, and implemented updated agency specific policies and procedures to cover all aspects of entering and modifying leases into LAS based on the Department of Accounts (DOA) updated policies and procedures. These policies include ensuring that the DEQ has adequate supporting documentation for all amounts entered into LAS for leases including the total economic life, remaining economic life, executory costs, and fair market values. DEQ has asked and will continue to ask for confirmation and assistance from DOA for all of the LAS entries for leased property. The Division has corrected all real property leases, active in fiscal year 2008 and beyond, in LAS to reflect actual lease agreement information. DEQ has implemented a review procedure for LAS entries that includes review of entries and documentation by the General Services Manager and Director of Administration. DEQ will also pursue amending the MOA with the Department of General Services (DGS) to include the LAS transactions responsibilities for Real Property as all of DEQ's leased properties have leases negotiated and held in Department of General Services' name.

Responsible Party: General Services Manager

Completion Date: December 8, 2008

08-17 Streamline Lease Reporting

Applicable to: Department of General Services

The Department of General Services' Division of Real Estate Services (Real Estate Services) should take over the responsibility for financial reporting for all real estate leases where General Services is the lessee. Centralizing this function would create more efficiency, accuracy, and consistency in the data. Real Estate Services establishes a unified and integrated real estate portfolio management approach, which should promote efficiency, improve performance, and reduce costs for the Commonwealth. In

January 2008, Real Estate Services began the process of taking over all real estate leases for executive branch agencies and is presently managing leases for over fifty of these agencies.

Real Estate Services negotiates and administers leases for individual agencies and for buildings where multiple agencies co-locate. Typically, Real Estate Services enters into the lease as the lessee, then subleases to individual or multiple agencies. Real Estate Services bills the agency for the rent plus an administrative fee, then pays the landlord. Currently, agencies enter their own lease information into the Commonwealth's Lease Accounting System (LAS) with assistance from Real Estate Services. Agencies entering lease information creates inefficiencies, as Real Estate Services is most familiar with the terms of the lease and has some of this information already recorded in its own lease system, the Integrated Real Estate Management System (IREMS).

During our test work at Real Estate Services and other agencies with leases, we found several Real Estate Services managed leases not entered into LAS and numerous instances of incorrect payment dates due to rent renewals. We also noted inefficiencies entering master lease agreements into LAS. Real Estate Services has several master lease agreements where General Services is the lessee and they sublease the building to several agencies. With each agency entering their portion of the lease into LAS, this process creates more work for agencies by recording multiple leases rather than one central lease and increases the risk for errors in the data reported. In addition, at individual agencies, lease recording is a small portion of what they do. As such, the agencies do not have staff to dedicate to learning how to record lease agreements properly in LAS. Since lease management is Real Estate Services main objective, having a few individuals dedicated to lease recording is much more efficient for the Commonwealth than having multiple individuals at over 50 agencies doing this job part time.

Real Estate Services has its own lease system, the Integrated Real Estate Management System (IREMS). IREMS is designed for lease management, not financial reporting, and as such, does not contain all of the required financial information for lease reporting and disclosure. To prevent duplication of efforts, Real Estate Services should explore system modifications so that IREMS can provide the required financial reporting information. Real Estate Services should work with the Department of Accounts to determine the feasibility of an interface between IREMS and LAS, only if required by the Comptroller. Otherwise, we recommend that Real Estate Services modify IREMS to meet all financial reporting requirements for the real estate leases that they administer.

Management Plan for Corrective Action

DGS agrees that we should take over the responsibility for financial reporting for all real estate leases where General Services is the lessee. DGS plans on meeting with DOA to determine the need to replicate data in both IREMS and LAS. If DOA approves, DGS plans on keeping sufficient data in IREMS to complete all of the DOA and CAFR required schedules and maintain auditable records to support the required capital and financial disclosure information. If this solution is not acceptable to DOA, DGS will pursue developing an interface between IREMS and LAS to report required lease information.

Responsible Parties: Controller and DRES Director

Estimated Completion Date: May 1, 2009

08-18 Update and Revise Access Password Policies and Processes

Applicable to: Department of Education

The Department of Education needs to ensure that its systems authentication policy and process protects against unauthorized access to critical and sensitive assets, requires passwords of sufficient length and ensure appropriate change frequency. Additionally, the Information Security Officer should periodically ensure that the approval process for system access has adequate documentation; that users only have the current access requested; and that user access corresponds to their position responsibilities.

We recommend that management review and appropriately document its access and passwords policies and processes to ensure they provide the appropriate level of control. Management should have the Security Officer establish a review of all access to determine that only requested and employed individuals have access and it corresponds to their current job responsibilities.

Management Plan for Corrective Action

Update the Department of Education's Administrative Manual to include the systems authentication and access policy and document that the Information Security Officer periodically reviews all access documentation.

Responsible Party: Lan Neugent, Asst. Superintendent for Technology and Career Education

Completion Date: August 2008

08-19 Improve Vehicle Rental Tax Collection Controls

Applicable to: Department of Motor Vehicles

The Department of Motor Vehicles (Motor Vehicles) lacks adequate segregation of duties in the Vehicle Rental Tax Return Division. Each month, the Senior Tax Examiner receives both the original tax returns from rental companies with attached checks for any taxes due. Although the Examiner does not deposit the checks, the Examiner does create the delinquency notices for non-filing or non-payment to rental companies.

This lack of segregation of duties provides the Senior Tax Examiner with the opportunity to misappropriate a check, destroy the original rental tax return, and conceal the tax liability by showing a zero return in the rental tax system while withholding the issuance of a delinquent notice to the rental company. Rental tax revenues totaled $80 million for fiscal 2008; of this amount, Motor Vehicles receives about $34 million (42 percent), via check and about $46 million in rental revenues through automated clearing-house payments. The automated clearing-house provides proper segregation of duties for these transactions since it deposits cash directly to the state's bank account.

Best practices stress that management segregate certain functions as part of the internal control system established to prevent, detect or correct accounting mistakes and misappropriation of assets. The segregation of cash handling and the billing function is a basic internal control.

We recommend that management develop procedures that provide proper segregation of duties between billing and check handling to provide adequate internal controls that prevent and/or detect errors, omissions, or misappropriation of assets within the Rental Tax Division.

Management Plan for Corrective Action

The Rental Tax Division and the Financial Management Service Division will alter the current rental tax billing and check handling process. The new process will require the MCTS Mail Clerk to deliver all rental tax returns and checks to the Financial Management Office (FMS). FMS Staff will establish the rental tax returns on the COMP2 system. Once the account is established, revenue will be posted to the proper CSS revenue account and the daily deposit will be prepared. Original rental tax returns will be forwarded to Tax Services for detail only information to be posted to COMP2. FMS can only establish accounts and Rental Tax can only add to an established revenue account. FMS does not have access to the portion of COMP2 that allows entries that create zero, non-filer or delinquent rental tax returns.

The above process provides proper segregation of duties that prevent and/or detect errors, omissions and misappropriation of assets within the Rental Tax Area and will be documented as the formal procedures for Rental Tax Billing and Check Handling.

FMS and the rental tax management staff have also agreed to explore the possibility of moving the rental tax tasks currently performed by FMS to a work area within Motor Carrier & Tax Services. Should this occur management will insure that an appropriate separation of duties is maintained.

Responsible Party: Rena Hussey, Assistant Commissioner, Motor Carrier & Tax Services

Estimated Completion Date: January 31, 2009

08-20 Ensure Completeness of Vehicle Sales and Use Tax

Applicable to: Department of Motor Vehicles

Motor Vehicles does not have adequate controls to ensure the completeness of motor vehicle dealer reported sales and use tax. Motor Vehicles processed $367 million in vehicle sales and use taxes during fiscal 2008.

The online dealer system allows dealers to enter sales information in real-time; and the dealers send the appropriate sales tax payments to Motor Vehicles based upon system balances. Motor Vehicles require dealers enrolled in this program to provide documentation for sales transactions including vehicle titles signed by the buyer and corresponding title and registration applications. This documentation is the only way Motor Vehicles can verify the completeness of self-reported online sales by the Dealer community.

However, the On-line Services Division does not have a procedure to identify missing documentation. Without proper support documenting the agreed-upon sales price, Motor Vehicles cannot validate the sales prices keyed by dealers in the online system.

Motor Vehicles processes about 2,000 vehicle transactions each day making it impractical to verify the dealer's submission of documents for every transaction. Currently Motor Vehicles matches documentation to the online-system on a sample basis, but the sample comes from a population of existing documents. By sampling from existing documents, Motor Vehicles cannot identify if there are any missing documents to support electronic submissions.

We recommend Motor Vehicles develop a procedure to verify that dealers submit the required documentation on a sample basis and document the results. Motor Vehicles should sample the population of sales prices reported in the on-line system, rather than the population of existing documents. Staff should notify dealers who fail to submit documents and take appropriate corrective or disciplinary action. Further, in the long-term, Motor Vehicles may wish to consider the cost-effectiveness of automating this process using document imaging to reconcile 100 percent of dealer-reported sales transactions.

Management Plan for Corrective Action

The Online Dealer/Fleet Work Centers short-term solution is to select 8.25% of the dealers that have processed transactions from each source code once a month (99% theoretical coverage). Once the dealers have been selected, the Auditors/Reviewers will audit the work to verify that all transactions and revenue have been received.

The long-term solution to address this finding will be researched through the agency's CSI effort. We believe this can be accomplished in phase 1 of CSI, which encompasses customized reporting. The final solution will ensure that all required documents are received from the On-line Dealers and that the documents are complete and accurate.

Responsible Party: Karen Grim, Assistant Commissioner, Driver, Vehicle & Data Management Services

Estimated Completion Date: Short-term solution – January 9, 2009;
Long-term solution – January 31, 2012

08-21 Improve Controls over the International Registration Plan Process

Applicable to: Department of Motor Vehicles

Once a month, Virginia settles its accounts with other states participating in the International Registration Plan through an independent clearinghouse company, International Registration Plan, Inc. The clearinghouse calculates the net amount owed by or due to Virginia by each state and processes automated clearinghouse payments. Most states, including Virginia, use the clearinghouse to process those payments.

Motor Vehicles reconciles the information in their VISTA system to the data sent to the clearinghouse during pre-settlement and before the final settlement of payments. The auditor reviewed the reconciliations for the months ended January through June 2008 to assess the adequacy of the process and identified the following deficiencies.

- No supervisory review for any of the six reconciliations tested.
- No sufficient support for the months of January, February, and June 2008 to facilitate supervisory review.
- No resolution of reconciling items from the May clearing process as of August 2008.
- Amount Motor Vehicles paid by check to non-participating states in January, May, and June did not agree with the amount owed per the Clearinghouse report. These differences totaled about $42,000.

- An unresolved discrepancy for the months of January ($200,653.60) and May ($800.32) between what the Clearinghouse and the VISTA reports indicating Virginia owed other participating jurisdictions.

The monthly reconciliation helps ensure that Virginia receives the correct amount due and remits the correct amount owed to other jurisdictions. A reconciliation process that lacks timeliness, management review, and contains unresolved discrepancies can result in lost revenue to the state or insufficient payment to other participating states. Further, management cannot make decisions about resolving payment discrepancies without reviewing the reconciliations.

We recommend that management examine the reconciliation process and develop procedures that provide an adequate audit trail, including supervisory review, and require reporting to executive management if unresolved discrepancies exceed an amount established by management. We further recommend that management assess the risk associated with discrepancies between the Clearinghouse and VISTA systems and determine if resolution of the underlying causes is cost effective.

Management Plan for Corrective Action

Some remedial steps have already been taken to address immediate concerns. These include:

1) *verbal instruction to staff on appropriate documentation to support review and validation of the reconciliation process,*
2) *inclusion of a supervisor's review and sign-off on all reconciliations,*
3) *resolution of all outstanding reconciling items, and*
4) *verbal instruction to staff on techniques to identify the source of discrepancies between the VISTA-RS transmittal reports and those of the IRP Clearinghouse, and instruction on how to make appropriate corrections during the pre-netting adjustment period such that future discrepancies of this nature will not exist in the netting and post-netting environment.*

Management will also be completing a thorough evaluation of the associated procedures, updating our documented procedures to reflect appropriate changes, and developing a formal reconciliation sheet to address all the deficiencies identified. As recommended, these procedures will provide an adequate audit trail, include supervisory review, and require reporting to management if unresolved discrepancies exceed an amount and/or time period established by management.

With regard to the recommendation that management assess the risk associated with discrepancies between the Clearinghouse and the VISTA-RS system and determine if resolution of the underlying causes is cost effective, we have researched the discrepancies identified and believe we have a reasonable understanding of the primary causes for differences. The discrepancies noted were primarily caused by duplicate vehicle identification numbers which results in the Clearinghouse rejecting the individual transaction whereas the VISTA-RS system does not have a similar edit. We will discuss this situation with the VISTA-RS system vendor to determine if system changes are feasible, desirable and cost beneficial. Regardless of the outcome of this evaluation, these discrepancies should procedurally be identified and resolved prior to funds netting which should result in the two systems fully balancing prior to and after netting occurs.

Responsible Party: Rena Hussey, Assistant Commissioner, Motor Carrier and Tax Services

Estimated Completion Date: April 30, 2009

<u>08-22 Improve Information Security Program</u>

Applicable to: Department of Motor Vehicles

Overall, we believe Motor Vehicles has an adequate security program and the recommendations and findings in this report should further enhance their program.

<u>Security Awareness Training</u>

Motor Vehicles does not require or provide annual security awareness training for its branch employees who handle sensitive information. In order to enhance the safeguarding and handling of confidential data, staff should receive annual training in areas such as e-mail safety, malicious code and viruses, social engineering, sensitive data protection, password management, and policies and procedures. While management regularly sends e-mails regarding security awareness, this information does not substitute for a formal program as required by Commonwealth security standards.

We recommend that Motor Vehicles update its policy to require annual security awareness training for all staff, develop and implement a formal training program for all employees, monitor attendance, and maintain signed acknowledgements of training.

<u>Risk Management Plans</u>

We found that Motor Vehicles has not updated its Business Impact Analysis (BIA) or Risk Assessment (RA) since August and October 2005, respectively. Outdated risk management plans impede the department's ability to mitigate risk and maintain effective continuity of operations and disaster recovery plans. The Commonwealth's IT security standard requires agencies to evaluate and update both the BIA and RA at least every three years, or earlier if warranted. Motor Vehicles plans to update its risk management plans in summer 2009.

We recommend that the Motor Vehicles review and update its BIA and RA and use the updated risk management plans to update its continuity of operations and disaster recovery plans.

<u>Acceptable Use Agreements</u>

Motor Vehicles' Information Systems Security Program does not include a requirement that employees must sign an acceptable use agreement. We found that an employee with administrator privileges to a critical and sensitive system had not signed a document agreeing to abide by the Department's acceptable use policy. By not requiring staff to sign agreements, Motor Vehicles risk the confidentiality of its sensitive data and misuse of its critical systems. Commonwealth standards mandate that agencies require documentation of IT system users' acceptance of the agency's acceptable use policy before, or as soon as practicable after, gaining access to agency IT systems.

We recommend that Motor Vehicles update its acceptable use policy to require employees to sign acknowledgements in accordance with Commonwealth standards. The Department should also ensure that all employees have signed the acceptable use agreement.

<u>Management Plan for Corrective Action</u>

DMV currently has a draft IT Security Policy that is expected to be approved by management by the spring of 2009. This policy specifically addresses the issues addressed by the APA. Training will be delivered utilizing the Commonwealth's Automated Training Website (knowledge center) maintained by the Department of Human Resources Management.

The risk assessment and business impact analysis will be updated/completed by the end of 2009.

It should be noted that we now have a signed Information Security Policy Acknowledgement form from the individual noted in the audit point.

Responsible Party: Dave Burhop, Chief Information Officer

Estimated Completion Date: April 30, 2009 – IT Policy and Security Awareness Training Implementation; December 31, 2009 – Updated/New RA and BIA

08-23 Improve Application Monitoring Processes

Applicable to: Department of Transportation

The Department of Transportation (VDOT) does not adequately monitor logs of database or system administrators' access and activity for applications on the Equipment Management System which contains sensitive data. The Commonwealth's security standard directs agencies to identify the steps necessary to monitor and record IT system activity commensurate with data sensitivity and risk.

While the IT Partnership is responsible for monitoring and logging at the infrastructure level, VDOT is responsible for maintaining security of its applications, including databases and other software, used to access sensitive data residing on the infrastructure. Since the system and database administrators are the data custodians and have the highest level of access to sensitive data, it is important to document and implement a monitoring and logging procedure capable of detecting involuntary or forced alteration to VDOT's sensitive data for these high-level accounts. VDOT should also consider possible performance impact to its IT systems when determining monitoring and logging levels.

We recommend that VDOT dedicate the necessary resources to develop and implement the appropriate procedures to monitor logs of database and system administrators' access and activity on its IT systems containing sensitive data. After the auditor brought this to management's attention, management began implementing corrective action.

Management Plan for Corrective Action

With respect to the comment to establish procedures for monitoring logs of database and system administrators' access and activity for applications on the Equipment Management System, as you acknowledge in the report, VDOT began implementing the necessary action once the issue was brought to our attention.

The Department's Information Technology Division has reviewed the available logs and is implementing procedures to monitor the database and system administrators' access and activity on the Equipment Management System (EMS) as recommended. These procedures will continue until the EMS system is replaced later this year with a new application that will not store sensitive data.

Responsible Party: Information Technology Division

Estimated Completion Date: June 2009

08-24 Improve Controls over Non-Formula Public Transportation Grant Management

Applicable to: Department of Rail and Public Transportation

During our test of non-formula public transportation grant awards and payments; three of six grants tested did not have documented justification of the decision to award based on consistent, objective criteria and 16 of 38 grant payments tested lacked sufficient documentation supporting the grantee invoices. These payments to the Greater Richmond Transit Company for capital grants totaled $474,269. The total budget for non-formula public transportation financial assistance in fiscal 2008 was $36.8 million.

Further, the Department of Rail and Public Transportation (DRPT) did not have procedures for developing consistent evaluation criteria for non-formula public transportation grants or prescribing the documentation grantees must submit for payments of those grants. Lack of a consistently applied process for awarding these grants and processing payments increases the risk that DRPT may make awards to inappropriate applicants or improper payments to grantees.

DRPT is acting to correct this deficiency. Beginning in May 2008, the department developed a grantee handbook and conducted grantee workshops to improve the grant payment process. By fiscal 2010, the Chief of Public Transportation intends to complete a similar manual for the department project managers who approve invoices for payment as well as implement consistent procedures for both department project managers and members of the executive award committee to make grant award decisions and document the criteria used to make such decisions consistently.

We recommend DRPT prioritize implementation of these controls and ensure the design and implementation is sufficient to prevent improper grant awards or payments for disallowed expenses.

Management Plan for Corrective Action

The Chief of Public Transportation is developing consistent criteria and procedures to rank grant awards for use by members of the executive award committee. In addition, complete documentation of the basis of grant awards will be created and retained to evidence the use of an equitable and consistent grant award process. A grantee handbook has been published and this information has been disseminated to grantees. Within six months (June 2009), project managers will have a manual that documents agency policies and procedures for managing and approving grant payments.

Responsible Party: Chief of Public Transportation

Estimated Completion Date: June 2009

08-25 Review Wage Discrepancies

Applicable to: Virginia Employment Commission

The Virginia Employment Commission's Tax and Wage Information Processing (TWIP) Unit is not reviewing and correcting wage discrepancies identified on various wage discrepancy reports in a timely manner. Employers report wages paid to employees to the Employment Commission, which verifies the amounts reported against other sources of information. Differences between the amounts reported to the Employment Commission and the other sources appear on various wage discrepancy reports, which the TWIP Unit should review and resolve. Unresolved wage discrepancies could affect the amounts employers pay in Unemployment Insurance taxes and could affect the amount of benefits employees can receive.

We sampled 17 wage discrepancies and determined that the TWIP Unit personnel had not reviewed five discrepancies resulting in no actions to correct the wage discrepancies. Our audit found that the TWIP unit corrected three of the discrepancies within one day of our review, while the remaining two require the TWIP Unit to either follow-up with the employer or the employer's payroll services firm.

We recommend that the Employment Commission implement a quality assurance program or supervisory review of wage discrepancy processing to ensure that TWIP Unit personnel are reviewing and implementing corrective actions for all discrepancies as set forth in the Employment Commission's policies.

Management Plan for Corrective Action

The Virginia Employment Commission's Tax and Wage Information Processing has created new processes to review and correct wage discrepancies that are greater than the established tolerance levels identified on various wage discrepancy reports. The process identifies differences between the amounts reported to the Employment Commission and other sources of information.

The Employment Commission will implement a quality assurance program to ensure that the TWIP Unit personnel are reviewing and implementing corrective actions for all wage processing discrepancies as set forth in the Employment Commission's procedures.

Responsible Party: Jeffrey Hamlett

Estimated Completion Date: March 31, 2009

08-26 Reconcile Financial Reports

Applicable to: Department of Social Services

Social Services under-reported Food Stamp expenses by $44 million for inclusion in the Commonwealth Annual Financial Report. Social Services' Fiscal Division (Fiscal) provided the Department of Accounts with the inaccurate information as part of its year-end submissions. This error is the result of Fiscal failing to reconcile the submission to its accounting records.

Generally Accepted Auditing Standards require the auditor to consider whether a control deficiency exists when the design or operation of a control does not allow management or their employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. In this situation the existing controls failed to detect a material error. The auditors identified this error and therefore, the Commonwealth Annual Financial Report did not contain an error. However management cannot assure the auditors that Fiscal would have identified this misstatement.

We recommend that Fiscal reconcile all financial reports to their accounting records to ensure that they are free of material misstatement.

Management Plan for Corrective Action

This error was discovered by Social Services staff on August 20, 2008 when the information was requested for review by Auditor of Public Accounts staff. A corrected report was submitted to the Department of Accounts on August 22, 2008 to ensure food stamp expenditures were not misstated in the Commonwealth's Annual Financial Report. Going forward, Social Services will ensure these financial reports are reconciled prior to submission to the Department of Accounts. The Division of Finance has realigned internal reporting responsibilities related to annual financial reporting to ensure a more comprehensive review of these reports is completed prior to submission.

Responsible Party: J. R. Simpson, Director, Chief Financial Officer

Completion Date: August 22, 2008

08-27 Update and Expand Security Awareness Training

Applicable to: Department of Health

The Department of Health (Health), as of the date of our review, had not set up an agency wide formal information security awareness training program; thus missing its self-imposed due date of March 31, 2008, by seven months. Providing users with regular Security Awareness Training minimizes the risks of not maintaining the confidentiality, integrity, and availability of Health's information. Health's management is expecting to provide their staff with refresher training on Security Awareness before the end of calendar year 2008. This current refresher training, along with ongoing updates, are needed to ensure that users are aware of new policies, procedures, or risks to Health's IT systems and information.

Health should implement a process for providing system users with regular refresher Security Awareness Training. Health should annually review the content of its Security Awareness Training to ensure it addresses any new risks and complies with Commonwealth Security Standards.

Management Plan for Corrective Action

Although we agree with this management point on Security Awareness Training for regular system users, VDH has provided specialized Security Awareness Training for System Owners, Data Owners, and System Administrators. VDH will provide their staff with refresher training on Security Awareness before the end of calendar year 2008.

Responsible Party: Dr. Jim Burns, Chief Information Officer

Completion Date: December 31, 2008

08-28 Improve and Test Contingency and Disaster Recovery Planning

Applicable to: Department of Health

For the second consecutive year, Health does not have adequate contingency and disaster recovery plans for all of its sensitive and mission critical applications. While we found varying levels of compliance with the Commonwealth's security standards, none of the contingency plans, which we reviewed, met the critical elements of the standards for continuity of operations and disaster recovery.

Inadequate analysis, planning, and testing of Health's contingency and disaster plans places the confidentiality, integrity, and availability of the Commonwealth's sensitive and mission critical applications and data at risk. The Commonwealth's security standards require that agencies develop contingency plans for sensitive and mission critical applications. To ensure contingency plans are viable, agencies are required to test their plans annually.

Health should apply the Commonwealth's security standards consistently to all sensitive and mission critical applications. Health should start this process by dedicating the necessary resources to review and remediate the risks to their sensitive and mission critical applications.

Management Plan for Corrective Action

Although VDH concurs with this finding, VDH has made substantial progress in improving the contingency and disaster documentation of its critical systems. The SEC 501-01 Standard requires "periodic review, reassessment, testing, and revision of the IT DRP to reflect changes in essential business functions, services, IT system hardware and software, and personnel." VDH does not think that annual testing of all plans is reasonable.

Responsible Party: Dr. Jim Burns, Chief Information Officer

Estimated Completion Date: June 30, 2009

08-29 Establish and Document Responsibilities for Securing Partnership's Equipment

Applicable to: Department of Health

Health needs to formally document their process for requesting, approving, granting, reviewing and removing physical access to the Partnership's equipment. At Health's expense, the Partnership maintains equipment owned and maintained by Northrop Grumman in Health's basement. While Health generally practices good physical security controls over the space occupied by Northrop Grumman, Health needs to document these controls to ensure responsibilities are clearly articulated and meet the Commonwealth's standards for data center security.

Future control of the data center within Health may not be an issue, as Health needs to consider the additional costs and security risks associated with operating a data center outside the Commonwealth Enterprise Solutions Center (CESC), which has robust back-up and recovery practices, then work with the Partnership to establish the most appropriate and secure environment for Health's systems.

Management Plan for Corrective Action

VDH agrees that there was confusion between VITA, NG, and VDH over responsibilities for access to the computer room located in the Madison Building. VDH will henceforth require its Agency Security Officer to approve any computer room access requests from VITA or NG. Furthermore, VDH is reviewing the structure of the swipe card access groups with DGS to validate the permissions system and to arrange monthly reports of those with current access.

Responsible Party: Dr. Jim Burns, Chief Information Officer

Estimated Completion Date: February 1, 2009

<u>08-30 Ensure Compliance with Information Systems Security Program</u>

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

The Department of Mental Health, Mental Retardation, and Substance Abuse Services (DMHMRSAS) does not provide adequate oversight of the information systems security programs at its facilities. This lack of oversight prevents the Information Security Officer (ISO) from knowing if DMHMRSAS is meeting the minimum requirements contained in the Commonwealth's Information Technology Security Standard (COV ITRM Standard SEC501-01).

As defined in the Commonwealth's Information Technology Security Policy (COV ITRM Policy SEC 500-02), the ISO has responsibility for the development, implementation, oversight, and maintenance of their information systems security program. This requires the ISO to know the health of the DMHMRSAS system security program and enforce the policies and procedures. However, DMHMRSAS allows its facilities to manage their own information security programs independently of the ISO.

To ensure adequate protection of all DMHMRSAS systems, we recommend that Central Office not only require its facilities to follow the information security policies and procedures developed by the DMHMRSAS ISO, but also develop a process for ensuring that the facilities are following these requirements.

<u>Management Plan for Corrective Action</u>

We concur. Many of the systems security issues will be addressed by the VITA (Virginia Information Technologies Agency) transformation efforts (by June 2009). Central Office has provided the requisite guidelines to each facility in order to address systems security issues but these guidelines have not been properly implemented in some cases.

Our Central Office Security Officer will work with Security Officers at our facilities and develop an oversight program to ensure that guidelines are implemented properly. The responsible office will be the Office of Information Technology and the plan will be implemented by June 30, 2009.

Responsible Party: Office of Information Technology

Estimated Completion Date: June 30, 2009

<u>08-31 Improve Security Awareness Training Documentation</u>

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

For the third consecutive year, DHMRSAS does not have evidence that all of its employees completed security awareness training. This is not only a HIPAA security violation, but prevents the DHMRSAS ISO from knowing if employees are receiving or completing training as required by the Commonwealth's Information Technology Security Standard.

At a minimum, as a result of receiving last year's repeat finding DMHRMSAS should have instructed its ISO to obtain assurance from the facilities that employees were signing acknowledgment forms. However, this was not the case; the ISO only learned of their nonperformance when some of the facilities could not fulfill our requests for these documents.

Acknowledgments from the employees provide management some assurance that the employees understand their responsibilities, and allow management to take appropriate action when an employee fails to protect data and systems. We recommend that management dedicate the necessary resources to ensure that new and existing employees acknowledge receipt of IT security awareness training and that records of completed training be retained for at least a three year period. Additionally, we recommend that the DMHMRSAS ISO ensure that facilities are complying with security awareness training requirements by periodically reviewing documentation.

Management Plan for Corrective Action

The automated training modules for security awareness exist and are currently being used. The issue is the validation that the training has been completed. According to our IT Director, software exists that provides confirmation of the completion of courses such as these. Funding for this software is not available at this time.

Our Office of Human Resources will add a training confirmation component to our Learning Management System (LMS). This will enable us to electronically confirm that security training has taken place. Estimated time of implementation is June 30, 2009 and our Office of Human Resources and Office of Information Technology will be the responsible parties.

Responsible Party: Office of Human Resources and Office of Information Technology

Estimated Completion Date: June 30, 2009

08-32 Improve IT Continuity of Operations and Disaster Recovery Plans

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

Agencies that provide critical services to citizens, such as DMHMRSAS, need to have plans for continuing operations on an interim basis should their IT systems fail. Additionally, they need to have tested the plans for restoring their IT systems. The Commonwealth's Information Technology Security Standard requires agencies to have plans for continuing operations and restoring systems.

While we found varying levels of compliance with the Commonwealth's information security standards, none of the facilities we reviewed met the critical elements of the standards as they relate to continuity of operations and disaster recovery. These elements are essential in assuring that the Department's facilities can quickly restore or maintain critical functions.

Inadequate planning increases the risk that DMHMRSAS will fail to successfully provide services if mission critical IT systems fail. We recommend that management dedicate the necessary resources to ensure that all of its facilities develop plans for continuing operations and recovering IT systems. Once developed, these plans should be tested and updated at least annually, as required by the Commonwealth's standards. Additionally, we recommend that the ISO ensure that all facilities are complying with standards for continuity of operations and disaster recovery plans.

Management Plan for Corrective Action

External credentialing (e.g., JCAHO) for state facilities includes requirements that they have Continuity of Operations and Disaster Recovery Plans. In support of this requirement the Department has a Departmental Instruction 602 (EM) 04, which is currently under revision that *details facility and Central Office responsibilities regarding emergency planning. The instruction includes a requirement that facilities have a plan to conduct regular drills to test emergency management procedures. Central Office maintains copies of all facility disaster recovery plans in the Jefferson Building. At least quarterly Central Office staff holds a conference call with facilities regarding preparedness and to provide Central Office coordination and support. We consider these procedures to be adequate.*

Regarding the Information Technology component of the plan, we concur with the finding. The Central Office has provided comprehensive guidance to the facilities but the implementation of such guidance has been an issue. Central Office IT staff will work with facility IT staff to address weaknesses in implementation and will complete this process by June 30, 2009. The VITA transformation activities will make considerably easier for facilities to develop their Continuity of Operations and Disaster Recovery Plans. Our Office of Information Technology will be the responsible party.

Responsible Party: Office of Information Technology

Estimated Completion Date: June 30, 2009

08-33 Improve Controls over Capital Assets

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

Four of the five facilities tested (Eastern State Hospital, Southside Virginia Training Center, Central Virginia Training Center, and Virginia Center for Behavioral Rehabilitation) are not performing physical inventories every two years as required by the Commonwealth's policies and procedures. Eastern State Hospital is not properly updating assets in the Commonwealth's Fixed Asset Accounting and Control System (FAACS) even though they have six individuals with access to the system. Central Office has not developed a methodology for re-evaluating and, where necessary, adjusting the useful lives of depreciable capital assets (buildings, equipment, and infrastructure).

Agencies must, at least once every two years, physically inventory 100 percent of their assets. Eastern State Hospital only inventoried 70 percent of its assets in May of 2007 by improperly using movement sheets; furthermore, Eastern State Hospital could not provide any documentation of prior inventories. Even with six individuals having FAACS access, Eastern State Hospital is not updating FAACS timely while the Fixed Asset Accountant is out on extended leave. The Commonwealth's policies require that agencies update the system within 30 days of receipt or disposal of an asset.

Southside Virginia Training Center and Virginia Center for Behavioral Rehabilitation last completed a physical inventory in fiscal year 2005. Central Virginia Training Center inventoried less than 100 percent of its items by improperly using movement sheets in May of 2007 and June of 2008. Performing full inventories every two years demonstrates proper stewardship over the Commonwealth's assets. Lack of physical inventories increases the risk of fraud, theft, or loss of the assets.

In 2006, the Auditor of Public Accounts reported that DMHMRSAS did not have an adequate useful life policy. As a result, DMHMRSAS developed a useful life policy effective July 1, 2008; however, a key component of its policy contradicts the Commonwealth's policy for updating useful lives of assets. DMHMRSAS' policy states that assets placed into service prior to its effective date of July 1, 2008 will "continue to be depreciated in accordance with their original estimated useful lives." On the other hand, the Commonwealth policy requires periodic reevaluation of all asset useful lives with changes in the lives as necessary to ensure that useful lives are as close to the asset's actual use as possible.

Central Office should ensure that all facilities complete full physical inventories every two years as required by the Commonwealth's policies and procedures. Furthermore, facilities should not use movement sheets to perform their inventories. Department of Accounts should terminate FAACS access for those individuals at Eastern State Hospital that do not perform FAACS entry or act as a backup. In addition, Eastern State Hospital should update changes to assets in FAACS timely as required by the Commonwealth's policies and procedures. DMHMRSAS should update and implement their policies and procedures regarding assigning useful lives for depreciable capital assets to include the re-evaluation of currently assigned useful lives.

Management Plan for Corrective Action

We recently (September 24, 2008) published guidance related to management of capital assets.

Our plan of correction attributable to this issue is as follows:

1. *Staff of our Office of Budget and Financial Reporting will work with the Department of Accounts to identify adjustments, facility by facility, that need to be made to each facility's fixed assets system (FAACS). Once these adjustments have been identified they will be communicated to each facility CFO and posting of the needed adjustments will be required. Our staff will follow up on this process to ensure that this occurs.*
2. *Staff of the Office of Internal Audit will coordinate with staff of the Office of Budget and Financial Reporting to perform needed FAACS reviews of the processes governing fixed asset management at the facility level. Properly addressing noted weaknesses in this area will be included in the employee work plan of each Facility Director with the expectation that issues such as this not recur.*
3. *A fixed assets committee will be formed as part of the Financial Management Users Group. The group will be comprised of the best fixed asset staff at the facility level and will include a staff member of the Office of Budget and Financial Reporting. The intent is to make this an area of importance and priority at the facility level.*
4. *Responsible parties for this plan are our Office of Budget and Financial Reporting, our Office of Internal Audit and our Facility CFOs. Reinforcement of the importance of the correction of these problems will take place via the performance evaluation process. Estimated time of completion is June 30, 2009 for most parts of this plan with employee evaluation reinforcement taking place no later than December 31, 2009. The responsible party will be the Office of Budget and Financial Reporting.*

Responsible Parties: Office of Budget and Financial Reporting, Office of Internal Audit, and Facility CFOs

Estimated Completion Date: December 31, 2009

08-34 Properly Record Construction in Progress

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

The Central Office does not provide oversight and direction to the facilities on how to record construction in progress, and they do not have centralized policies and procedures for all facilities. DMHMRSAS is not recording construction in progress in the Commonwealth's Fixed Asset Accounting and Control System (FAACS) quarterly as required by the Commonwealth's policies and procedures.

As a result, we found all of these balances understated beginning balance for construction in progress for fiscal year 2008, $23.1 million, additions $26.3 million, deletions $40.3 million, and ending balance $9.0 million. The Central Office submitted inaccurate construction in progress information to the Department of Accounts for reporting in the Commonwealth's Comprehensive Annual Financial Report numerous times.

Architectural and Engineering Services in the Central Office administers construction projects at all of the facilities, which includes procurement and management of the construction contract and paying, tracking, and monitoring of all construction expenses. The facilities are not involved in this process and do not receive any of the construction documents.

The Office of Budget and Financial Reporting in the Central Office compiles a progress report for all on-going projects. Throughout the fiscal year, since no one in the Central Office has access to record this information in FAACS, Budget and Financial Reporting sends each facility this progress report for their on-going projects. However, Budget and Financial Reporting does not tell the facility to record the construction in progress information in FAACS. As a result, the facilities do not update construction in progress reported in FAACS quarterly as required by the Commonwealth's policies and procedures.

In addition, due to the lack of communication from the Central Office and the Department of Accounts, upon completion of construction projects the facilities are improperly recording the constructed assets in the wrong asset categories. Facilities are recording all capital project expenses in buildings and not considering the amounts that should be broken out into equipment or infrastructure. This results in inaccurate useful lives and incorrect depreciation for these assets, which affects DMHMRSAS' billings to Medicaid.

Budget and Financial Reporting should immediately begin recording construction in progress centrally in FAACS for each facility instead of expecting each facility to record their own amounts. DMHMRSAS should develop and implement centralized policies and procedures to ensure accurate recording of construction in progress as it occurs and proper communication of information to the facilities when projects are complete and ready for capitalization.

Management Plan for Corrective Action

In response to problems noted in this area we have substantially changed our procedures. The new procedures are as follows:

1. *The Budget Manager for Planning and Development (BMPD) continues to produce capital outlay reports that distinguish between which projects are CIP, which are capitalizable and not CIP and which are purely maintenance expense.*
2. *The Facility CFO is informed of the CIP amount to post to FAACS by the BMPD.*
3. *The Assistant Financial Management Analyst (AFMA) is given the CIP amounts to be posted by each facility. She has read only access to each facility FAACS system*

and uses this to verify that CIP has been posted timely and appropriately. The posting process and verification takes place on a quarterly basis.

We consider these procedures to be adequate for purposes of posting CIP. These procedures have been implemented and are currently operational.

Responsible Party: Assistant Financial Management Analyst

Completion Date: January 23, 2009

08-35 Grant Proper Access to Timekeeping System

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

The DMHMRSAS facilities which operate the timekeeping system Kronos do not have adequate controls for granting access.

In our sample of 82 individuals that have access to Kronos we found the following.

- 3 individuals have access without proper approval.
- 5 individuals have access with no approval.
- 10 individuals have access privileges greater than originally approved.

Based upon the number of errors, we consider this finding to be a significant internal control deficiency in DMHMRSAS' payroll process. Improper access to the timekeeping system increases the risk of individuals receiving payments for time not worked.

We recommend that management evaluate everyone's Kronos access to ensure that all users have the minimal level necessary to fulfill their responsibilities. Going forward, management at the facilities should develop steps for continuously monitoring and reviewing Kronos access, including training staff on the process for establishing Kronos access. Finally, to ensure that facilities are controlling access to Kronos, the Central Office should have the Internal Audit Division include Kronos access as part of its regularly scheduled reviews.

Management Plan for Corrective Action

We concur with the finding.

Our corrective action plan to address this issue is as follows:

We will make addressing this issue and all APA audit issues a matter of performance as it relates to each Facility Director's performance evaluation. Each Facility Director will be held accountable for addressing these issues.

Responsible Parties: Facility Directors

Estimated Completion Date: October 31, 2009

08-36 Establish Procedures for Preparing the Schedule of Expenditures of Federal Awards

Applicable to: Virginia Department of Emergency Management

Emergency Management Finance staff was not able to accurately prepare the agency's Schedule of Expenditures of Federal Awards (SEFA) for fiscal 2008. Emergency Management submitted their first SEFA on the due date to the Department of Accounts (Accounts); however, staff knew that the amounts were incorrect. To correct the errors and other problems found with the original and subsequent submissions, Emergency Management Finance staff required three additional months, and the assistance of staff from Accounts, to finally submit an accurate SEFA.

Emergency Management Finance staff lacked the experience, training, and had no written procedures to assist them in the preparation of the SEFA. This is a required federal and state annual report, which is due at the same time each year.

Emergency Management's Finance Department should seek guidance and training on preparing the SEFA and establish detailed procedures for preparing the report. Procedures should include using the agency's chart of accounts to calculate expenditure amounts for each Catalog of Federal Domestic Assistance number. During the preparation of the SEFA, Finance staff should ensure the amounts reported agree with the agency's chart of accounts and expenditure reports.

Management Plan for Corrective Action

None of the current Finance staff members at Emergency Management have ever prepared the SEFA, and the Department of Accounts (DOA) does not offer training on how to prepare the SEFA. We have made contact with DOA, and they have agreed to provide training to several of our Finance staff members. When the SEFA was being prepared, numerous phone calls were made to DOA for guidance and assistance. The Accounting Manager and Grants Accountants will prepare a quarterly mock SEFA report; will establish written procedures; and will update the ARMICS documentation within the next 120 days.

Responsible Parties: Vicky Williams, Chief Financial Officer
Kim Hall-Deans, Accounting Manager

Estimated Completion Date: April 1, 2009

08-37 Develop Contingency Plan for Delayed Transformation

Applicable to: Virginia Information Technologies Agency

We recommend that the Service Management Organization (SMO) work with Northrop Grumman to develop a contingency plan in the likely event complete and official policies, processes, and procedures are not agreed-upon before transformation to a managed service environment. Failure to have a solid agreed-upon set of policies, processes, and procedures could create additional operational risks for the Commonwealth.

Management Plan for Corrective Action

We anticipate having sufficient processes in place to manage the operating environment come July 2008. We will continue to train our central and field staff on the use of the procedures and *will make ongoing improvements as needed. Northrop Grumman has engaged additional resources, both internal and external, to ensure that we will achieve this goal. We have project plans and the necessary program management rigor in place to ensure this is achieved.*

Responsible Party: Fred Duball, Service Management Organization Director

Completion Date: July 2008

08-38 Establish Data Collection Standards for Service Level Agreements Timely

Applicable to: Virginia Information Technologies Agency

The Agreement anticipates having 56 Data Collection Documents in place on July 1, 2008. Of these documents, Northrop Grumman has not started 26, 14 are being drafted, 12 are in negotiation, one is ready to begin measurement, and three are approved and in use. With transformation quickly approaching, it is important for the SMO to have these Data Collection Documents in place in order to effectively measure Northrop Grumman's performance in a managed service environment. Delays past June 1, 2008 will have financial consequences for Northrop Grumman and service management repercussions for the Commonwealth.

Management Plan for Corrective Action

We are committed to completing all necessary Data Collection Documents (DCDs) prior to July 2008. We already have improved our position from the time this audit took place. We have many DCDs completed and will finish the remaining DCDs well in advance of July 2008 to ensure we have the appropriate monitoring and reporting in place.

Responsible Party: Fred Duball, Service Management Organization Director

Estimated Completion Date: February 2009

08-39 Improve Communication with Customers

Applicable to: Virginia Information Technologies Agency

We recommend that VITA management document and communicate with all its customers the responsibilities of the Partnership as well as the responsibilities of the customer. Doing so will help to prevent the placement of unreasonable service delivery expectations on both parties by one-another. Further, we recommend that VITA place accountability for each phase of the service request process with only one responsible party. The clear identification of responsibility will help to identify the root-cause of potential future service delivery failures.

Management Plan for Corrective Action

With the recent formation of our integrated VITA/Northrop Grumman Customer Account Management teams, our priority focus on improving the request for services process and our expanded communications with agencies to clarify roles and responsibilities, we are confident there will be substantial improvements in this area.

Responsible Party: Fred Duball, Service Management Organization Director

Completion Date: December 2008

08-40 Perform Root-Cause Analysis of Service Delivery Failures

Applicable to: Virginia Information Technologies Agency

We recommend that VITA management continually perform root-cause analyses for any major service delivery problems and report their findings at each Board meeting. These analyses should also include an estimate of resulting Commonwealth costs as a direct result of VITA or Northrop Grumman's failure to handle the request properly or follow a defined process.

Management Plan for Corrective Action

We will work closely with the Information Technology Investment Board (ITIB) to improve the level of reporting we provide on a regular basis.

Responsible Party: Fred Duball, Service Management Organization Director

Completion Date: July 2008

08-41 Improve Process for Resolving Billing Discrepancies

Applicable to: Virginia Information Technologies Agency

Currently, agencies contact a number of different sections or individuals within the Partnership when agency management questions a bill. Agency personnel are contacting Partnership employees, both VITA and Northrop Grumman, in various areas such as the billing section, asset inventory management, or on-site personnel. While VITA and Northrop Grumman try to assist the customer, they do not always notify the appropriate VITA billing staff of the concerns in a timely manner. As a result, VITA's billing section may be unaware of the concern and cannot ensure that the matter is resolved in an efficient manner, ultimately causing untimely collection of past-due accounts. Management has tried to establish and communicate formal guidelines for resolving agency billing disputes that include notifying VITA's billing section.

Management Plan for Corrective Action

VITA has recently implemented a new online customer bill process intended to keep track of and resolve all billing issues/disputes. Centralization of this process will avoid agencies' communicating their billing concerns to staff in other VITA organizations, who must ultimately seek assistance from the billing department. In a memo accompanying the October 2008 Comprehensive Services Billing invoice, VITA provided customers a link to the new form with instructions. Customers will use this to identify inventory discrepancies and request credit, where appropriate. VITA's Customer Account Managers and Agency Performance Managers are aware of the new process and will reinforce its use with their assigned agencies.

Responsible Party: Jim Roberts, Director, Finance and Administration

Completion Date: October 2008

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

08-42 Initiate Corrective Action Plan for Federal Reporting

Applicable to: Department of Health

Federal Program Name and CFDA #: Special Supplemental Nutrition Program for Women, Infants, and Children (10.557)
Compliance Requirement: Reporting
Type of Finding: Internal Control

Health's Division of Women, Infants, and Children (WIC) and Community Nutrition Services (Division) lacks proper procedures and practices for reconciling Special Supplemental Nutrition Program for WIC reports to its accounting records, which represents an internal control weakness. While we found no material instances of noncompliance; poor internal controls increase the risk of future noncompliance, which could result in financial penalties to the Commonwealth.

Health's Internal Audit Division (Internal Audit) conducted a review of the WIC program and found some internal control issues. Additionally, Internal Audit found that the Division had not implemented the corrective actions included in its response to a 2005 U.S. Department of Agriculture audit finding. The Division also had not established completion dates for completing its corrective actions.

We recommend that the Division initiate the corrective action plans submitted to Internal Audit. Additionally, the Division and Internal Audit should periodically evaluate the results of the corrective action plans to ensure they continue improving internal controls over federal reporting.

<u>*Management Plan for Corrective Action*</u>

Health concurs with this finding. The Division of WIC and Community Nutrition Services (Division) developed a list of responsibilities and tasks related to the WIC program. The Division held a meeting in October 2008 with all involved parties to determine delineation of these responsibilities. The Division hired a new WIC accountant that began work on October 10, 2008. Monthly reconciliation, analysis, and correction of errors are explicitly required in the WIC Accountant's Employee Work Profile (EWP). In addition, a reconciliation process is under development and will be completed in October 2008. The WIC Accountant is also responsible for reconciling WIC CARS data to T&E data and resolving any discrepancies.

Responsible Party: Alissa Nashwinter, Administrative Deputy – Office of Family Health Services

Estimated Completion Date: June 30, 2009

U.S. DEPARTMENT OF EDUCATION

08-43 Properly Manage Title IV Refunds

Applicable to: Dabney S. Lancaster Community College
Thomas Nelson Community College
Virginia Western Community College

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Compliance Requirement: Special Tests and Provisions
Type of Finding: Internal Control, Questioned Costs, and Noncompliance

During fiscal year 2008, Dabney S. Lancaster, Thomas Nelson, and Virginia Western Community Colleges did not properly manage the return process for Title IV student financial aid funds.

Dabney S. Lancaster Community College did not identify two out of 20 students tested as having withdrawn from class, and therefore did not perform refund calculations or return funds to the U.S. Department of Education for those students. This resulted in questioned costs of $4,035. The Financial Aid Coordinator improperly calculated Title IV refunds for four out of 20 students tested because she performed the calculations manually resulting in errors rather than using the automated calculation feature of the PeopleSoft student financial system. The Financial Aid Coordinator has since recalculated and returned any difference in refunds to the Department of Education.

Thomas Nelson Community College performed the Title IV calculation accurately, but did not return funds to the federal Department of Education timely. Thomas Nelson returned funds for three out of thirty students up to 79 days late.

Virginia Western Community College did not properly calculate and return Title IV funds. The Student Financial Aid Staff did not use the correct number of days in the spring semester to calculate the unearned portion of Title IV funds for four students that were post withdrawals. In addition, the Business Office did not return unearned Title IV funds to the Department of Education within the 45-day requirement.

Section 34 CFR 668.22 "Treatment of title IV funds when a student withdraws" requires identification of students who have withdrawn, the calculation of earned and unearned funds, and the return of unearned funds to the Department of Education. The section also requires that colleges return unearned Title IV funds as soon as possible to the federal Department of Education, but no later than 45 days after the college determined the student withdrew.

Dabney S. Lancaster should begin using the automated refund calculation software within PeopleSoft rather than performing the calculations manually. The Financial Aid Coordinator should review existing policies and procedures for identifying unofficial withdrawals and ensure that they agree with the federal regulations and implement any changes necessary to identify all student withdrawals. Thomas Nelson should enhance existing internal controls in the Student Information System to ensure that they properly identify all students who withdraw to ensure the return of all Title IV funds to the Department of Education within the specified guidelines. Virginia Western should use the correct number of days of attendance and number of days in the semester when calculating the return of Title IV funds. In addition, the Business Office should return unearned funds within the federal guidelines and maintain proper support.

<u>Management Plan for Corrective Action for Dabney S. Lancaster Community College</u>

Dabney S. Lancaster Community College agrees with the above findings. The Director of Financial Aid will immediately implement new procedures for identifying unofficial withdrawals and ensuring that they agree with federal regulations. During fall 2008, the Director of Financial Aid will begin using the automated calculation feature of the PeopleSoft student financial system. The Title IV functionality, as well as the Department of Education calculation sheets will provide a cross check and should help to avoid future errors in calculations.

Responsible Party: Director of Financial Aid

Completion Date: December 1, 2008

<u>Management Plan for Corrective Action for Thomas Nelson Community College</u>

During fiscal year 2008, Thomas Nelson Community College did not return Title IV (R2T4) student aid funds in a timely manner. While the calculations were accurate, the funds were not returned to the Department of Education within the 45 day timeframe. TNCC has reviewed existing procedures and have improved processes to ensure that funds are returned within the 45 day timeframe. Once the R2T4 calculations are done in PeopleSoft and sent to the Business Office, a reminder date is placed on our processing calendar, prior to the 45 day window, to make sure that the refunds have been returned to the Department of Education.

Responsible Party: Vice President for Administration & Finance

Completion Date: October 13, 2008

<u>Management Plan for Corrective Action for Virginia Western Community College</u>

Virginia Western Community College concurs with the audit finding. The employee responsible for entering the holiday dates in PeopleSoft (SIS) has been made aware of the error. In order to insure accuracy in the future, another employee will audit the dates once they have been entered. The Student Financials area has made changes to its Return to Title IV process in order to make sure that all funds are returned within the 45 day requirement. Instead of the college utilizing a net return process, the funds are being returned individually or in batches by student when returned to the Department of Education. This change provides maximum documentation of Return to Title IV transactions.

Responsible Parties: Federal Funds Fiscal Technician and General Administration Manager I

Completion Date: July 1, 2008

<u>08-44 Report Enrollment Changes to National Student Loan Data System Timely</u>

Applicable to: Dabney S. Lancaster Community College
New River Community College
Thomas Nelson Community College

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Compliance Requirement: Special Tests and Provisions
Type of Finding: Internal Control and Noncompliance

Dabney S. Lancaster, New River, and Thomas Nelson Community Colleges did not report all student enrollment changes to the National Student Loan Data System (NSLDS) timely. Dabney S. Lancaster did not update the enrollment status for two students who had unofficially withdrawn. New River did not update the enrollment status for 11 out of 22 students tested. Thomas Nelson did not report four students that graduated in the fall 2007 semester until 55 days after their graduation date. Thomas Nelson also did not report one student that withdrew in the spring 2008 semester until 64 days after their withdrawal date. By not reporting the enrollment status for all applicable students to NSLDS, loan recipients are not identified as having dropped to less than half time and do not enter the grace period. Improper information in NSLDS also does not allow other institutions to get a proper record of a student's loan history.

Section 34 CFR 682.610 requires colleges to report changes in enrollment to less than half-time, graduated, or withdrawn within 30 days.

Management for all three colleges should review existing policies and procedures for performing enrollment updates to NSLDS to ensure that they agree with the federal requirements. Management should consider transmitting an additional file that includes updates made for unofficial withdrawals.

Management Plan for Corrective Action for Dabney S. Lancaster Community College

Dabney S. Lancaster Community College agrees with the finding above and the Director of Financial Aid will immediately establish procedures for performing enrollment updates to NSLDS and ensure that they agree with federal requirements. Currently the Director is in consultation with NSLDS, as well as other VCCS Colleges to ensure proper timelines regarding enrollment update information submittals are established correctly and are in compliance with all regulations.

Responsible Party: Director of Financial Aid

Completion Date: December 1, 2008

Management Plan for Corrective Action for New River Community College

New River management will review existing policies and procedures for performing enrollment updates to NSLDS to ensure that they agree with the federal requirements. The college will implement an attendance roster policy that is separate from the existing grade roster reporting system and that includes updates made for unofficial withdrawals. The college has also added an extra graduation drop date that includes all graduates in certificate programs.

Responsible Parties: Administrative Assistant in Admissions and Director of Student Services

Completion Date: January 26, 2009

Management Plan for Corrective Action for Thomas Nelson Community College

TNCC provides enrollment updates to the National Student Clearing House no less than four times per semester. To ensure that the college remains in compliance with Section 34 CFR 682.6 10, staff will be instructed and re-educated of the reporting requirements. Additionally, the college will review its processes and develop a certification schedule to report enrollment updates.

Responsible Party: Vice President for Administration & Finance

Completion Date: December 1, 2008

08-45 Compute Title IV Refund Calculations Accurately

Applicable to: Virginia Commonwealth University

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Compliance Requirement: Special Tests and Provisions
Type of Finding: Internal Control and Noncompliance

The Office of Financial Aid did not accurately calculate Title IV refund calculations throughout the 2007-2008 academic year. Financial aid staff used a spreadsheet application to compute the refunds; however, incorrect formulas led to incorrect calculations. In July 2008, the Office of Financial Aid recalculated all Title IV refund calculations for students where a refund to the program would be required. These errors affected 166 student accounts and required the University to refund an additional $170,494 in aid to the Title IV programs. Financial aid staff sent letters to students affected by the recalculation advising how this changed the balance of their student account.

We recommend that University management continue to implement the Banner automated Title IV refund calculation function for the 2008-2009 academic year. Until the University fully implements the automated calculations, we recommend that supervisors review all Title IV refund calculations. University management should also institute review procedures to determine that staff are calculating refunds accurately and in a timely manner.

Management Plan for Corrective Action

Financial Aid used a web application available on the federal student aid web site to calculate Title IV refunds for 2007-2008. VCU will implement the automated Title IV refund process in Banner. In the interim, VCU has developed written procedures to ensure accuracy in use of the calculator provided on the federal web site for student financial aid.

Responsible Party: Susan Kadir, Director of Financial Aid

Estimated Completion Date: June 30, 2009

08-46 Identify Unofficial Withdrawals Promptly

Applicable to: Virginia Commonwealth University

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Compliance Requirement: Special Tests and Provisions
Type of Finding: Internal Control, Noncompliance and Questioned Costs

The Office of Financial Aid did not promptly identify Title IV students who discontinued attending classes without notifying the Registrar (unofficial withdrawals). To identify unofficial withdrawals, the University is required to promptly investigate those students who receive no passing grades each semester.

In July 2008, the Office of Financial Aid identified 33 students who were unofficial withdrawals for the Fall 2007 and the Spring 2008 semesters and subject to a Title IV refund. The University was required to return $42,106 to the Title IV programs. These Title IV refunds were not calculated and made in a timely manner.

We recommend that the University promptly identify those students without any passing grades each semester so that Title IV refunds can be calculated and made in a timely manner. The Office of Financial Aid has since developed a policy to implement this requirement. Promptly identifying unofficial withdrawals is an important step to assist the University to be in full compliance with regulations requiring timely Title IV refunds.

Management Plan for Corrective Action

Financial Aid has developed a policy to implement this requirement. At the end of each semester, a report will be run to identify students with Title IV aid who received 0.0 term GPAs. A Title IV refund calculation will be prepared at the 50% completion rate to determine if any Title IV funds should be returned. Students will be notified of the amount being returned to the financial aid programs unless they can provide proof from at least one professor that they were engaged in academic activity past the midpoint of the academic term. Title IV funds will be returned to the appropriate aid programs no later than 45 days after the determination that the student unofficially withdrew from classes.

Responsible Party: Susan Kadir, Director of Financial Aid

Completion Date: December 2008

08-47 Ensure Title IV Refund Calculations are Accurate

Applicable to: Virginia Polytechnic Institute and State University

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Compliance Requirement: Special Tests and Provisions
Type of Finding: Internal Control and Noncompliance

University Student Financial Aid used an incorrect date to calculate refunds of Title IV funds for Spring 2008 student withdrawals. Financial aid office staff used the date of the commencement ceremony (May 10) rather than the last day of exams (May 7) as the official end of the semester. This error caused refund miscalculations for 24 students who withdrew during spring 2008. Had we not brought this to the attention of financial aid office staff, this would have resulted in additional miscalculations when refunds were calculated for students who unofficially withdrew. Financial aid office staff corrected these calculations and used the correct dates in calculating the additional Title IV refunds for the Spring 2008 semester.

Management should implement a secondary review of critical data that financial aid office staff enters into the Banner accounting system to ensure accuracy in the Title IV refund calculations and prevent future errors. We understand financial aid office management plans to review semester beginning and end dates with the Registrar each year as part of the annual system set-up.

Management Plan for Corrective Action

University Scholarships and Financial Aid will include a comprehensive review each spring of all dates for the new award year set-up based on the University's academic calendar and the Registrar's actions to maintain the student system that supports Title IV refunds. This review will begin with the 2009-10 award year and be an integral action for initializing all future new award years. Specific attention will be given to each term's beginning and ending dates, modifying the spring term ending date to the last day of exams for purposes of Title IV refund calculations. This modification is necessary due to the University academic calendar policy requiring the commencement date as the last date of the spring term.

Since the 2008-09 system set-up was accomplished in the spring of 2008, a comprehensive review of term beginning and ending dates established in Banner for Title IV refund calculations will be audited prior to the processing of withdrawals during each term in 2008-09 to ensure the correct date is used.

Responsible Party: Director, University Scholarships and Financial Aid

Estimated Completion Date: March 2, 2009

08-48 Ensure Changes in Enrollment are Reported to the National Student Loan Database System

Applicable to: Virginia Polytechnic Institute and State University

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Compliance Requirement: Special Tests and Provisions
Type of Finding: Internal Control and Noncompliance

University Student Financial Aid did not report students who unofficially reduced their attendance to less than half-time enrollment to the National Student Loan Database System (NSLDS). This reporting ensures that students who do not maintain full-time enrollment enter into their grace periods for loan repayment. Reporting these students to the NSLDS also allows other institutions to view the student's loan history and accurately assess their continued eligibility for federal student aid.

We recommend that financial aid office management develop and implement procedures that ensure that all applicable student aid recipients are reported promptly to the NSLDS, including those who unofficially withdraw or otherwise discontinue their attendance. We understand that financial aid office management is continuing to work with the University Registrar and other University departments as well as with the federal Department of Education to ensure that all students that retroactively or unofficially withdraw are reported promptly. Financial aid office management should also consider performing periodic self-audits to ensure that procedures have been improved and are working properly to prevent future occurrences of noncompliance.

Management Plan for Corrective Action

The University Registrar had reported all official changes in enrollment through the National Student Clearinghouse. This reporting ensured that students who did not maintain at least half-time enrollment properly entered into their grace periods for loan repayment. The university was properly identifying those students who unofficially withdrew or otherwise discontinued their attendance but did not report such unofficial withdrawals manually to the NSLDS.

The University will continue to participate with the National Student Clearinghouse to electronically report all changes in enrollment for students with the exception of unofficially withdrawn students. Unofficially withdrawn students will now be reported by University Scholarships and Financial Aid staff to the University Registrar for manual updates through the NSLDS. Retroactively withdrawn students are reported through either the National Student Clearinghouse or the NSLDS, depending on the established date of the retroactive withdrawal.

The outlined modifications to existing University procedures will ensure notification to the NSLDS of unofficial withdrawals.

Responsible Party: Director, University Scholarships and Financial Aid

Completion Date: November 7, 2008

Other Internal Control Finding

08-49 Improve Controls over Student Information System Access

Applicable to: New River Community College

Federal Program Name and CFDA #: Student Financial Assistance Cluster
Type of Finding: Internal Control

New River Community College granted improper access to the Student Information System and did not protect the confidentiality of passwords. All staff members in the Financial Aid Office have access to every Financial Aid screen, giving them access that is not necessary for the performance of their duties. In addition, the Financial Aid Office allows staff members to share their passwords with work-study students working in the Financial Aid Office, which eliminates accountability for transactions. Inadequate logical and physical access controls places the confidentiality, integrity, and availability of New River's student financial aid information at risk.

New River should implement and follow the Virginia Community College System Personnel Security standard: New River should grant access to enterprise systems for faculty, staff, administrators, and other users only for those privileges necessary to perform their normal work duties. Also, New River should reinforce secure password management in its security awareness training program.

Management Plan of Corrective Action

New River will review security roles designated to office staff and will determine staff member responsibilities and base security roles on their office duties. In addition, the college will design PeopleSoft access so that work-study students will be given inquiry access only. Also, work-study students will be required to go through the same process as employees hired at New River. This includes MOAT training; the state-required security awareness training that includes reinforcement of secure password management. The code of ethics statement will be signed in the Human Resources Office and a signed statement of confidentiality will be maintained for each work-study student in the Financial Aid Office.

Responsible Parties: Financial Aid Officer and Financial Aid Assistant

Completion Date: December 1, 2008

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

08-50 Improve Monitoring Program over Community Services Boards

Applicable to: Department of Mental Health, Mental Retardation, and Substance Abuse Services

Federal Program Name and CFDA #: Block Grants for the Prevention and Treatment of Substance Abuse (93.959)
Compliance Requirement: Sub-recipient Monitoring
Type of Finding: Internal Control and Noncompliance

Community Service Boards (Boards) are DMHMRSAS' primary mechanism for delivering community services. DMHMRSAS contracts with the Boards to provide services within the community and the Boards in turn agree to meet performance standards.

A significant portion of the funding from DMHMRSAS to the Boards comes from the federal government through the Prevention and Treatment of Substance Abuse Block Grant, Community Mental Health Services Block Grant, and patient care billings to Medicaid. DMHMRSAS has a fundamental responsibility to ensure the proper administration of federal awards and compliance with the contractual terms of the contract with the Boards. The statewide plans for these block grants incorporate the contractual performance standards between the Boards and DMHMRSAS.

Historically, DMHMRSAS has had a two-pronged approach to the Boards oversight. First, each board must have an annual financial and compliance audit conducted by a Certified Public Accountant. Secondly, the various divisions within DMHMRSAS, depending on available resources and other factors, have conducted on-site reviews.

Last year, we compared DMHRMSAS' documented procedures for monitoring the Boards' performance to recommended practices, and noted three areas where DMHMRSAS could further refine its monitoring program. While DMHMRSAS is improving its process within budgetary constraints, we are providing this update to indicate which areas need further improvement so momentum is not lost.

<u>System-wide Risk-based Approach</u>

Last year, we recommended that management start using a risk-based approach to monitor the Boards and as a tool for allocating resources to the various areas involved in their monitoring program. Since then, DMHMRSAS has made progress in this area. A financial risk based model is currently in draft; however, it lacks any programmatic risk considerations.

Management should start including programmatic risks in its model for evaluating Boards. Once fully developed, DMHMRSAS can use this risk-based approach to monitor the Boards and as a tool for allocating resources to the various areas involved in their monitoring program.

<u>Accountability for Deficiencies</u>

Last year, we recommended that the Office of Community Contracting include any corrective actions that the Boards need to take in their annual contracts between DMHMRSAS and the Boards. Including these expectations in the contract would provide DMHMRSAS more assurance that the Boards understand their responsibility and allow DMHMRSAS to impose possible sanctions in the future if a Board fails to take adequate corrective action. Although management could not provide us of any examples of findings being included in a performance contract, management contends that they would place material audit findings within the performance contract. However, staff, which reviewed the Boards' audit reports, were not aware that management was willing to modify the performance contract for audit findings.

We recommend that the Office of Budgeting and Financial Reporting, which reviews the Boards' audit reports coordinate with the Office of Community Contracting to use the performance contract as a mechanism to hold the Boards accountable for correcting audit deficiencies whether programmatic or financial in nature. Further, DMHMRSAS should communicate to its staff the approach they should take for addressing findings identified by the independent auditors.

On-site Reviews

Last year, we recommended that DMHMRSAS' management require their staff to complete an analysis of on-site financial reviews to determine the amount of risk the Commonwealth is accepting by only completing reviews at the Boards that have material exceptions noted by their independent auditors. As of the date of our review, staff had not completed this analysis.

This analysis is important so staff can visit Boards where DMHMRSAS funds do not receive as much audit coverage as at a standalone Board. Localities have the Administrative Boards audited as part of the locality audit; as a result external auditors will focus the audit on a number of areas, not just DMHMRSAS funds. Without an analysis of the on-site reviews and audits performed by external auditors, DMHMRSAS' management cannot assess the amount of risk the Commonwealth is accepting by performing limited reviews.

We recommend that management require their staff to complete an analysis of their on-site financial reviews to determine the amount of risk the Commonwealth is accepting by only completing reviews at the Boards that have material exceptions noted by their independent auditors. Additionally, management should modify its Performance Contracts with the Boards to include a provision of reasonable access to external auditor work papers so that they better assess the amount of coverage the independent auditors are providing and, when necessary, evaluate the quality of audits the Boards are receiving.

Management Plan for Corrective Action

This issue is attributable to the DMHMRSAS Division of Finance and Administration as well as the Division of Services and Supports. We generally concur with the finding and its spirit and will approach addressing it as follows:

1. *DMHMRSAS will develop a risk based approach to the review of program, administrative and financial services provided by community services boards. This will include development of a risk assessment instrument and assessment process. We will work with our sister agencies within the HHR Secretariat with comparable local operational structures to develop the most appropriate approach for such assessment.*
2. *The Office of Budget and Financial Reporting will increase the number of field site reviews performed each year. This will be done in conjunction with the Office of Internal Audit.*
3. *The Office of Budget and Financial Reporting will continue to use the Single Audits of our CSBs as a basis to follow up on areas of concern noted in the audits.*

The estimated time of full implementation is December 31, 2009 and all of DMHMRSAS will be the responsible party of implementation.

Responsible Party: James S. Reinhard, Commissioner

Estimated Completion Date: December 31, 2009

08-51 Improve Contract Monitoring

Applicable to: Department of Medical Assistance Services

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Activities Allowed or Unallowed
Type of Finding: Internal Control and Questioned Costs

Medical Assistance Services paid for services using a higher rate than the one that was in effect when the contractor provided the services. Under a transportation service contract, the contractor could annually adjust the amount of the per service unit cost. In certain circumstances Medical Assistance Services incorrectly calculated payments to its vendor for non-emergency transportation services. An analysis of payments to the contractor found that the calculations included prior services at the new annual rate rather than the old rate.

The contract manager for non-emergency transportation services was not aware that the calculations within Medical Assistances Services' report applied the annual rate increases to the prior services. Although the contractor is disputing this practice, Medical Assistance Services has adjusted its calculations going forward, and has requested $39,000 from the contractor.

We recommend that Medical Assistance Services continue to determine which billing method is appropriate and evaluate the guidance it provides to contract managers for approving payments, which could involve recalculating the invoice, determining if the invoice conforms to the contract, or other procedures as needed.

Management Plan for Corrective Action

We agree that the annual increases in rates for the Non-Emergency Transportation Brokerage Services contract have been applied to billings for non-emergency transportation trips that occurred prior to the effective date of the rate increase.

An Emergency Work Order was drafted and has been approved to correctly calculate the capitation payment for retrospective recipients. The systems development work to implement this change is in process; and our Fiscal Agent, First Health, estimates the work will be completed by September 5, 2008.

The current non-emergency transportation contract is valued at $67 million annually. The overpayment for this finding is minimal and will be retracted from the contractor. We have put quality checks in place to ensure this will not occur again.

Responsible Party: Robert Knox, Transportation Manager

Completion Date: September 5, 2008

08-52 Improve Reporting to Allow Comparison of Revenue versus Allowable Costs

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

The Virginia Information Technologies Agency (VITA) does not provide sufficient information in certain portions of the report to compare revenues versus allowable costs. Specifically, the report does not have a comparison by product or service line. As a result, internal management and external stakeholders, including the federal government, cannot determine whether the revenue for individual products and services are appropriate to cover associated, allowable expenses for those individual items.

In addition, VITA had a reporting error, which showed revenues exceeding allowable costs by $112.5 million on one line item and reported allowable costs exceeding revenues by $92 million on another line item. Management believes that internal miscoding caused the misclassification of amounts and that by combining several line items, including these two, the report would more accurately reflect VITA's revenues and allowable costs.

VITA should revise and resubmit this report by reclassifying amounts, as appropriate, and providing further detail by product line and service. In addition, management should evaluate and modify the process for preparing this report and establish formalized policies and procedures.

Management Plan for Corrective Action

VITA is in the process of correcting the reports noted in the APA findings – both the FY 2007 report which was the subject of the audit as well as the FY 2008 reports. The corrected information will be resubmitted to the state Department of Accounts and the federal Division of Cost Allocation, Department of Health and Human Services. VITA has sought and received guidance from DOA and DCA staff so that corrected and future reports will avoid misclassification of revenues and costs. Reporting processes are being modified to ensure that FY 2009 and future reports adhere to the correct format detailing allowable costs.

Responsible Party: Jim Roberts, Director, Finance and Administration

Completion Date: December 2008

08-53 Establish and Document Procedures for the Creation of Rate Structures

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

VITA used a number of spreadsheets to calculate and create rate structures based on estimates, projections, and other factors, including limited historical spending data. This was a time-consuming and labor-intensive process requiring VITA employees to gather information from a number of different sources, in order to create appropriate estimates and projections. In general, we found that VITA did not fully document, support, and explain these spreadsheets. In addition, only one individual within the agency had the comprehensive background knowledge to explain the development of the calculations. Management did not appear to adequately review these spreadsheets, at the time of their creation, which resulted in the lack of documentation and a calculation error totaling $1.9 million. This error did not appear to have a significant impact on VITA rates.

VITA should fully document, support, and explain these spreadsheets. Management should then review this documentation to ensure adequacy and reasonableness. VITA should also develop a standard policy to outline documentation expectations for future rate development. It is important that VITA management complete the review for adequacy since these spreadsheets will represent the baseline for future CAP comparisons.

Management Plan for Corrective Action

Given VITA's brief history of being responsible for developing rates for the decentralized services, reliance on multiple data sources and projections could not be avoided. As more experience is gained, methodologies will become institutionalized and more readily replicated. To address the dependence on a single individual, current staff in the work unit are being trained and tasked with additional responsibilities for analysis that contribute to development of decentralized services rates. In addition, a respected financial analyst from another work unit in VITA is partnering with the rates' author to learn the full scope of the rates development process. The intention is that this analyst will attain the requisite skills to assume this function in the future. It should be noted, however, that the "only individual within the agency [who] had the comprehensive background knowledge to explain the development of the calculations" was intensively mentored over a period of three to four years before he reached full competency in this area. An integral part of the mentoring/training efforts now underway will be development of thorough documentation and enhanced management oversight processes and procedures.

Responsible Party: Jim Roberts, Director, Finance and Administration

Estimated Completion Date: November 2008 (improved management oversight and review); July 2009 (documentation); December 2010 (completion of most training and knowledge transfer)

08-54 Improve Process for Establishing Rate Tiers

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

During our review, we found several instances where the original purchase cost listed was inconsistent with VITA's methods used to establish the prices. We found many assets, which appeared to have the same description, model, and purchase date having different listed purchase prices, including zero dollars. Some deviations result from the same makes and models having different configurations. For those assets with a listed purchase price of zero, VITA placed and billed these assets in the lowest rate tier. VITA billed at the lowest rate to avoid over-charging customers for these assets because management believed there were few other options that would not negatively impact customers. By not using consistent server cost information, VITA has for some agencies created lower billings. In addition, VITA may not recover all of its costs to provide services when it inappropriately places assets in a lower tier, forcing VITA management to raise overall server and shared LAN rates.

Since VITA decided to use original purchase price to determine the billing rate tiers, management must ensure this information is reasonable and has equitable billing results. Management should review its current asset listing to identify those assets that are outliers or do not have a reasonable original purchase price. Then, VITA should develop a new method for adjusting these assets to a reasonable price tier. This concern should only exist temporarily because as Northrop Grumman replaces assets, the Partnership correctly enters information into the asset inventory system.

Management Plan for Corrective Action

VITA has reviewed the purchase price of all of the assets in question and made appropriate corrections to assure that costs are consistent and equitable across the board. On September 15, 2008, all customers were informed that this change as well as several others would occur. Beginning with the October 2008 Comprehensive Services Bill, affected customers are being charged at the corrected rates. Information on the reason for the changes was also included in the October billing statement. VITA is working closely with the Department of Planning and Budget (DPB) to assess the financial impact on those agencies experiencing billing increases. As noted in the previous finding, this will not be a recurring problem as the purchase price information for all newly acquired assets is readily available.

Responsible Party: Jim Roberts, Director, Finance and Administration

Completion Date: November 2008

08-55 Establish and Document Procedures for Classifying Assets in Service Option 5

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

VITA has not established a written internal policy describing when and why VITA employees may move assets to service option five, as well as a formal request and management approval process for moving assets. In addition, VITA management does not have a formal process for monitoring the assets in service option five and evaluating whether each asset should continue to remain in service option five. Due to the lack of internal guidance and formal processes, VITA did not document the reason for moving the assets to service option five. Without documentation, management cannot readily determine why internal employees moved these assets to this option and whether they should remain under this option.

VITA should create formal, internal policies, procedures, and process for service option five assets. In addition, management should determine why current assets are in service option five and determine whether they should remain in this category.

Management Plan for Corrective Action

VITA continues to review the service option 5 assets in order to determine the appropriate category. Additional categories have been established – service option six for NG employee-used *assets and service option seven for SWESC assets – and has made the associated transfers. Steps are being taken to provide more granularity, including obtaining network indicators from NG which would allow some assets to be placed in service option one. Concurrent with reclassification of these assets will be development and implementation of pertinent policies, procedures, and processes.*

Responsible Party: Jim Roberts, Director, Finance and Administration

Estimated Completion Date: July 2009

08-56 Improve Process over Properly Reporting Imputed Revenues

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

Internal employees moved a number of assets to service option five because these assets would not be included in the "refresh" cycle and may only receive minimal assistance from the help desk. Therefore, VITA employees decided that these assets should not be included in the agency's bills. However, agencies may still request that the Partnership respond to help desk calls for these assets and thus cause the Partnership to provide services to benefiting agencies that do not incur any additional costs. If this occurs, federal regulations require VITA to impute revenues and include this calculation in the comparison of revenues to allowable costs report the Commonwealth submits to the federal government. Since the Partnership is not sure whether it provided any services related to these assets, we could not determine whether VITA should have calculated and included imputed revenues in the comparison report.

Management should determine whether the Partnership should provide services to those assets in service option five. If management chooses to provide services, VITA should bill agencies for these services. Otherwise, VITA must document the services provided, calculate imputed revenues, and include these "revenues" in the comparison of revenues to allowable costs report.

Management Plan for Corrective Action

VITA is working with NG to obtain information on networks being used. Increased granularity is critical to being able to provide adequate and accurate billing detail to customers, if they do indeed elect to use limited (e.g. VITA Customer Care Center) services. Concurrent with determining appropriate rates and network fees for these assets will be development and implementation of pertinent policies, procedures, and processes.

Responsible Party: Jim Roberts, Director, Finance and Administration

Estimated Completion Date: July 2009

08-57 Establish and Document Procedures Surrounding Miscellaneous Charges

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

Overall, VITA does not have adequate internal policies and procedures describing how the billing section should document its miscellaneous charges, adjustments, and any surcharges added. As a result, VITA does not consistently document and support these miscellaneous charges, adjustments, and surcharges. VITA should evaluate its miscellaneous charges and develop internal policies and procedures.

Management Plan for Corrective Action

The miscellaneous billing system exists to accommodate a wide variety of charges from one-time pass through to fixed monthly server hosting charges. The type of documentation required varies according to the type and reason for the miscellaneous charge. Some miscellaneous charges processed through the miscellaneous billing system do not require a surcharge. For those that do, VITA consistently used the approved 8.9% surcharge for all such charges in FY 2007. VITA staff will document the various types of miscellaneous charges billed and describe the billing methodology used for each.

Responsible Party: Jim Roberts, Director, Finance and Administration

Estimated Completion Date: July 2009

08-58 Strengthen Inventory and Billing Controls

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

Initially, Northrop Grumman could not provide detail to support the actual asset count billed to an individual agency for the total number of servers for one month. Later, Northrop Grumman provided new data, but could not explain why they made changes to the original asset data to get the revised inventory records. In addition, Northrop Grumman did not provide explanations for why there were significant fluctuations in the quantity and types of servers over several months for one agency.

Furthermore, Northrop Grumman reclassified a number of assets to new asset equipment types and then later reclassified those same assets to the original asset type. Once again, Northrop Grumman did not explain these reclassifications. The monthly billing amounts for these assets changed each time Northrop Grumman reclassified the asset equipment type, causing a financial impact on the customer agency. Finally, we noticed during our review of one bill, that VITA charged an agency twice for ten different assets during the same month, because Northrop Grumman listed these assets twice on the inventory records. Although VITA management does have an inventory quality control process, VITA staff were not aware of several of these situations before our review. By not adequately monitoring

Northrop Grumman to ensure that the inventory records are reasonable and accurate, management cannot ensure that VITA correctly bills customer agencies.

VITA management is in the process of expanding and intends to improve its current inventory management process. Northrop Grumman is currently working on an asset inventory reconciliation for all "in scope" agencies. Initially, VITA and Northrop Grumman plan to complete this process by April 2008 but the revised completion date is December 2008. VITA completed an interim inventory change process in 2008, and VITA management is training key employees on new inventory processes. VITA management should continue to improve its asset inventory quality control process. In addition, VITA should continually evaluate its asset inventory to ensure that the quality control process is resolving concerns in all asset inventory areas.

Management Plan for Corrective Action

Of all the challenges facing VITA in administering fair and accurate charges for decentralized services, resolving asset inventory issues has proven to be the most difficult and the completion date for the statewide asset inventory reconciliation has moved to March 2009.

The existing asset inventory/reconciliation process provides for a comprehensive validation and mutual agreement with the affected agency and VITA staff on the result. Refinements to the NG database have been made to manage and maintain the system given the constant changes occurring, and the need to produce reports and information. VITA performs a monthly quality assurance review of the asset inventory information provided by NG for monthly billing to help reduce the likelihood of errors in the information BEFORE agency bills are produced. While this process catches many, though certainly not all, of the potential billing errors, further refinements are being made (refer to detail under previous finding).

As this finding notes, VITA and NG are devoting significant time and effort to improving the quality of inventory reporting. Nevertheless, due to the adverse impact on VITA's revenue collections a portion of the October NG bill is being withheld. Similar actions will be taken with successive NG bills until customers' asset inventories are deemed essentially accurate by all concerned.

Responsible Party: Jim Roberts, Director, Finance and Administration

Estimated Completion Date: July 2009

08-59 Improve Policies and Procedures over Asset Inventory

Applicable to: Virginia Information Technologies Agency

Federal program name and CFDA #: Medicaid Cluster
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Internal Control and Noncompliance

VITA does not have adequate policies directing Northrop Grumman on how to classify an asset's billable status and when to change this reclassification in the inventory management system. For example, VITA does not provide the Partnership a policy for classifying assets in use or in storage as "active" or "in stock." In addition, VITA does not have consistent definitions for each asset equipment type, causing Partnership employees to question the coding of the asset's equipment type, as mentioned in the previous recommendation. Since VITA bases its billing on the appropriate classifications and counts in the inventory system, VITA management must provide the Partnership with detailed policies directing the classification and reclassification of inventory. Without adequate internal policies and procedures, VITA cannot ensure that the Partnership treats assets consistently for billing purposes throughout the Commonwealth. Although we recognize that VITA does have some policies and procedures for asset inventory management, these policies and procedures do not provide the fundamental guidance needed to build more specific policies and procedures.

VITA management should assess its current policies and determine where additional guidance is necessary. Then, VITA should establish formal asset inventory policies and procedures in these areas and communicate these to the Partnership.

Management Plan for Corrective Action

During 2007, VITA did not have an enterprise IMAC process integrated with Asset Management. Working with 90 different methods and levels of proficiency, hundreds of resources performing these changes, and limited measures and controls in place, the first phase of integrating the Enterprise IMAC process with Asset Management was implemented in the first quarter of FY 2008. The specific procedural documents were provided to APA, representing the processes and procedures that have been implemented and communicated to internal staff and stakeholders.

The general process flow is: Customer requests an IMAC, a VCCC ticket is opened, IMAC is completed, asset database is updated and ticket is closed. The following are the key focus areas for further improvements and addressing the issues encountered with inventory and billing:

- *Completed: interim IMAC Process in 1Q 2008 (documents provided APA); performance metrics on IMAC; quality control process for IMAC accuracy (validates that completed IMACs result in accurate update of the inventory) and QC procedure (periodic agency sampling of inventory to ensure IMACs are appropriately completed for any changes); activation of an Asset Management Integrated Product Team (IPT) to provide oversight and accountability, continuous improvement of IMAC, asset management, billing, chargeback.*

- *Ongoing: completing asset reconciliation for all customers to accurately record asset counts and service options for billing purposes; providing training/communications to service delivery and asset management staff.*

- *Pending: developing/conducting customer communications plan; limiting access to asset inventory (post asset reconciliation of agencies, only Asset Management team will update/change inventory, based on IMAC integration); rolling out Altiris to validate asset inventory; developing all related asset management processes, procedures and standards and posting into procedures manual.*

Responsible Party: Fred Duball, Director, Service Management Organization

Estimated Completion Date: July 2009

U.S. DEPARTMENT OF HOMELAND SECURITY

08-60 Establish Procedures for Preparing the Schedule of Expenditures of Federal Awards

Applicable to: Virginia Department of Emergency Management

Federal program name and CFDA #: Disaster Grants (97.036), Hazard Mitigation Grant (97.039), and State Homeland Security Program (97.073)
Compliance Requirement: Reporting
Type of Finding: Internal Control and Noncompliance

Emergency Management Finance staff was not able to accurately prepare the agency's Schedule of Expenditures of Federal Awards (SEFA) for fiscal 2008. Emergency Management submitted their first SEFA on the due date to the Department of Accounts (Accounts); however, staff knew that the amounts were incorrect. To correct the errors and other problems found with the original and subsequent submissions, Emergency Management Finance staff required three additional months, and the assistance of staff from Accounts, to finally submit an accurate SEFA.

Emergency Management Finance staff lacked the experience, training, and had no written procedures to assist them in the preparation of the SEFA. This is a required federal and state annual report, which is due at the same time each year.

Emergency Management's Finance Department should seek guidance and training on preparing the SEFA and establish detailed procedures for preparing the report. Procedures should include using the agency's chart of accounts to calculate expenditure amounts for each Catalog of Federal Domestic Assistance number. During the preparation of the SEFA, Finance staff should ensure the amounts reported agree with the agency's chart of accounts and expenditure reports.

Management Plan for Corrective Action

None of the current Finance staff members at Emergency Management have ever prepared the SEFA, and the Department of Accounts (DOA) does not offer training on how to prepare the SEFA. We have made contact with DOA, and they have agreed to provide training to several of our Finance staff members. When the SEFA was being prepared, numerous phone calls were made to DOA for guidance and assistance. The Accounting Manager and Grants Accountants will prepare a quarterly mock SEFA report; will establish written procedures; and will update the ARMICS documentation within the next 120 days.

Responsible Parties: Vicky Williams, Chief Financial Officer
Kim Hall-Deans, Accounting Manager

Estimated Completion Date: April 1, 2009

08-61 Develop Sub-recipient Monitoring Plans

Applicable to: Virginia Department of Emergency Management

Federal program name and CFDA #: State Homeland Security Grant Program (97.073) & Hazard Mitigation (97.039)
Compliance Requirement: Sub-recipient Monitoring
Type of Finding: Internal Control and Noncompliance

The grant managers for the State Homeland Security Grant Program and Hazard Mitigation Program are not adequately monitoring the sub-recipients receiving these funds. The Hazard Mitigation and State Homeland Security Grant programs have not implemented a plan that staff will follow and use to monitor sub-recipients to ensure that they are properly spending funds for their intended use. This could result in the Commonwealth having to repay funds if the sub-recipient does not spend the money properly.

Emergency Management does not have any written sub-recipient monitoring plans for these programs. Further, we determined that the Finance Department, Internal Auditor, and Federal Program managers are not sharing information on how well or poorly the sub-recipients are using their funds.

Emergency Management should ensure that there are sub-recipient monitoring programs in place for all federal programs. Development of these plans should include the agency's Finance and Internal Audit staff to help ensure the adequacy of the plans and hopefully eliminate any duplicate work. The monitoring plans should include most of the following components, a scope, methodology, monitoring schedule (if applicable), and monitoring forms or checklists. The plans should document how reviewers will communicate findings to the sub grantee and the central office, and how Emergency Management will ensure implementation of corrective actions. The plans should indicate how Emergency Management will monitor activities, findings, and corrective actions and what process will log and track reports. The plans should clearly indicate who has responsibility for reviewing and following up on sub-recipients' A-133 audit reports. Emergency Management should establish supervisory reviews to ensure that, once implemented, sub-recipient monitoring plans are sufficient.

Management Plan for Corrective Action

The agency acknowledges this requirement that needs to be done on behalf of the Commonwealth. The Deputy of Administration will work with Homeland Security, Internal Audit, and Finance on developing plans for sub-recipient monitoring by the end of the year.

Hazard Mitigation intends to expand their Standard Operating Procedures to better define the process and improve the interface and follow-up with sub-recipients to ensure they are performing within the program parameters as well as have a clear understanding of expectations. The expanded procedures will include more detailed guidance and checklists and better define the coordination and communication with Finance, Grants and sub-recipients. This will be accomplished in 120 days.

As previously suggested in our response to the 2001 APA audit, it should be noted in terms of overall state government productivity, this monitoring requirement is likely to duplicate across many state agencies that, like Emergency Management, provide funding to localities. Furthermore, localities are required to provide copies of audits to multiple state agencies, thus increasing the cost to those jurisdictions. As we suggested previously, consideration should be given to centralization at the state level where one agency would perform this function for all state agencies. Centralization of these tasks would eliminate duplicate work being performed at various agencies throughout the Commonwealth and thus, would increase the efficiency and productivity throughout the state government and local governments.

Responsible Parties: Brett Burdick, Deputy State Coordinator
Cheryl Adkins, Director of State Homeland Security Grant Program
George Roarty, Director of Recovery and Mitigation

Estimated Completion Date: April 1, 2009

08-62 Properly Report Expenditures on Quarterly Federal Reports

Applicable to: Virginia Department of Emergency Management

Federal program name and CFDA #: State Homeland Security Grant Program (97.073)
Compliance Requirement: Reporting
Type of Finding: Internal Control and Noncompliance

During our 2007 audit, we found that Emergency Management's accounting records did not support the amounts reported as state match on the quarterly financial status reports submitted to the United States Department of Homeland Security for the Public Assistance Grant. During our follow-up review for fiscal 2008, Emergency Management staff had corrected the reports and were properly reporting the current state match for the Public Assistance Grant. However, Emergency Management did not have written policies and procedures for preparing the quarterly financial status reports and did not report correct amounts for the State Homeland Security Grant Program.

The Finance Department at Emergency Management has experienced significant turnover over the last two years, resulting in the high errors rates, lack of backup documentation, and inaccurate reporting. Management needs to work with the Finance staff and United States Department of Homeland Security to determine how to correct old reports and make sure that current information meets the needs of Emergency Management and Homeland Security.

Emergency Management should establish written policies and procedures for preparing the financial status reports for all grants, ensure personnel responsible for preparing the reports understand the procedures, and maintain adequate supporting documentation.

<u>Management Plan for Corrective Action</u>

During the previous APA audit, the Public Assistance area was reviewed. Since then, all deficiencies in regards to Standard Operating Procedures and the quarterly Financial Status Reports that were noted have been corrected. The federal Homeland Security quarterly reports will be reviewed and compared to the monthly CARS 402 Report, and a FINDS download will be prepared. The Grants Accountant spreadsheets will also be reconciled with the CARS reports to ensure accuracy. We will seek out any training opportunities that will better prepare the current Finance staff. We will communicate with the Homeland Security Office in regards to the errors.

The Accounting Manager will ensure agency policies and procedures will be developed within the next 120 days. The Accounting Manager will review all quarterly financial status reports and corrections will be made within the next 90 days.

Responsible Party: Kim Hall-Deans, Accounting Manager

Estimated Completion Date: April 1, 2008

Other Internal Control Finding

08-63 Establish Systems Security Program

Applicable to: Virginia Department of Emergency Management

Federal program name and CFDA #: Disaster Grants (97.036); Hazard Mitigation Grant (97.039); and State Homeland Security Program (97.073)
Type of Finding: Internal Control

Emergency Management has made significant progress in documenting their information systems security program. To establish a strong information systems security program, Emergency Management must continue to enhance its documentation, and ensure full implementation of all aspects of the program. During our review, we identified the following areas where management needs to improve documentation and complete implementation needs to occur:

- Enhance IT System and Data Sensitivity Classification
- Enhance IT System Inventory, Boundary Definition, and Ownership Identification
- Implement Security Awareness Training

It is important for agencies that house critical and sensitive information to have robust security surrounding its systems, the failure of which places the Commonwealth at risk of releasing or losing critical information. Agency management will need to recognize that these information security systems require continuous efforts to enhance documentation and make it available to users; and ensure full implementation.

Management Plan for Corrective Action

IT System and Data Sensitivity Classification – The Director of IT provided this information to Mr. McGee on May 15, 2008. It is contained in the VDEM-IT-SEC-6.8-Information Security Data Classification Policy.

IT System Inventory, Boundary Definition, and Ownership Identification – The Director of IT is in the process of identifying system owners for legacy applications and to determine if they are still required. This process will be completed no later than January 15, 2009. All other systems complete.

Security Awareness Training – Security Awareness training will be required of all VDEM employees beginning January 5, 2009. If employees do not complete the online training within 6 weeks, they will lose all network access. The IT Director along with the Partnership representation assigned to VDEM will be responsible for monitoring the network access.

Responsible Parties: Bobbie Atristain, Director of Information Technology
Brett Burdick, Deputy State Coordinator

Estimated Completion Date: June 2009

COMMONWEALTH OF VIRGINIA Comments on Resolution of Prior Year Audit Findings For the Year Ended June 30, 2008							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
			RISK ALERTS				
Applicable To: **Department of Health, Department of Taxation, Department of Transportation, Department of Social Services, Department of Rehabilitative Services, Department of Alcoholic Beverage Control, Department of Mental Health, Mental Retardation, and Substance Abuse Services**							
2007	8	-	Security Risk Assurance for Infrastructure	N/A	VDH, TAX, VDOT, DSS, DRS, ABC, DMHMRSAS	-	Corrective action is ongoing.
			Dependent On: Virginia Information Technologies Agency		VITA		
Applicable To: **Department of Health, Department of Taxation, Department of Transportation, Department of Accounts, Department of Treasury, Department of Mental Health, Mnetal Retardation, and Substance Abuse Services**							
2006	8	-	Obtain Assurance for Infrastructure Security	N/A	VDH, TAX, VDOT, DOA, TD, DMHMRSAS	-	Corrective action is ongoing. The Risk Alert was not repeated for the Department of Accounts and the Department of Treasury.
Applicable To: **Department of Medical Assistance Services, Department of Social Services, and local social services offices**							
2006	8	-	Evaluate the Adequacy of the Medicaid Eligibility Determination Process	N/A	DMAS, DSS	-	Resolved. The Risk Alert was not repeated.
			FINANCIAL STATEMENT FINDINGS				
Department of Accounts							
2007	13	07-02	Enhance Validation of Lease Reporting	N/A	DOA	-	Corrective action is ongoing.
Department of Taxation							
2007	14	07-03	Improve Controls Over Leases	N/A	TAX	-	Resolved.
2007	15	07-04	Properly Document Application and Operating System Options	N/A	TAX	-	Corrective action is ongoing.
Department of Treasury							
2007	16	07-05	Establish Sufficient Controls over the Wire Transfer Process	N/A	TD	-	Corrective action is ongoing.
2007	17	07-06	Strengthen Controls over Information Systems	N/A	TD	-	Corrective action is ongoing.
2007	19	07-07	Update Risk Assessment and Test Business Continuity Plan	N/A	TD	-	Corrective action is ongoing.
2007	19	07-08	Strengthen Internal Controls over Disbursement Processing	N/A	TD	-	Corrective action is ongoing.
2007	20	07-09	Establish, Maintain, and Review Centralized Cash, Investment, and Application Access Account Listings	N/A	TD	-	Corrective action is ongoing.
Department of General Services							
2007	20	07-10	Strengthen Internal Controls over Capital Asset Useful Life Methodologies	N/A	DGS	-	Corrective action is ongoing.
2007	21	07-11	Strengthen Controls over Capital Project Record Keeping, Closing, and Capitalization Processes	N/A	DGS	-	Corrective action is ongoing.

COMMONWEALTH OF VIRGINIA Comments on Resolution of Prior Year Audit Findings For the Year Ended June 30, 2008							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
Department of Medical Assistance Services							
2007	24	07-12	Improve Controls Over Leases	N/A	DMAS	-	Resolved.
Virginia Employment Commission							
2007	37	07-23	Improve Tax Performance	N/A	VEC	-	Resolved.
2007	38	07-24	Develop Information Security Program	N/A	VEC	-	Resolved.
2006	12	06-06	Provide Assurance of Infrastructure Security	N/A	VEC	-	Resolved.
2005	8	05-02	Complete Information System Risk Assessment and Business Impact Analysis	N/A	VEC	-	Resolved.
Department of Motor Vehicles							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	DMV	-	Corrective action is ongoing.
Department of Social Services							
2007	25	07-13	Define Responsibilities for Monitoring Locality Operation	N/A	DSS	-	Resolved.
2007	27	07-14	Systems Development Policies and Procedures Need Improvement and Updating	N/A	DSS	-	Resolved.
2007	29	07-15	Improve System Access Controls	N/A	DSS	-	Resolved.
2006	14	06-08	Properly Manage and Maintain Access to Information Systems	N/A	DSS	-	See Audit Control No. 07-15.
2005	11	05-06					See Audit Control No. 06-08.
2006	16	06-09	Maintain Local Employee Tracking System	N/A	DSS	-	Corrective action is ongoing.
2005	18	05-12					See Audit Control No. 06-09.
2006	19	06-13	Strengthen Controls Over the Budgeting Process	N/A	DSS	-	Resolved.
2006	21	06-14	Establish Adequate Controls over the Payroll and Human Resources Functions	N/A	DSS	-	Resolved.
Department of Mental Health, Mental Retardation and Substance Abuse Services							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	DMHMRSAS	-	Corrective action is ongoing.
2007	30	07-16	Improve Security Awareness Training Documentation	N/A	DMHMRSAS	-	Corrective action is ongoing.
2006	28	06-19	Expand Security Awareness Training Program	N/A	DMHMRSAS	-	See Audit Control No. 07-16.
2007	31	07-17	Improve Contingency and Disaster Recovery Planning	N/A	DMHMRSAS	-	Corrective action is ongoing.
2007	31	07-18	Implement an Efficient Timekeeping System	N/A	DMHMRSAS	-	Corrective action is ongoing.
Department of Education							
2007	40	07-27	Update and Revise Risk Assessment Plan	N/A	DOE	-	Resolved.
2007	41	07-28	Revise and Document Year-end Closing Procedures	N/A	DOE	-	Resolved.
Department of Health							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	VDH	-	Resolved.
2007	32	07-19	Update and Expand Security Awareness Training	N/A	VDH	-	Corrective action is ongoing.

COMMONWEALTH OF VIRGINIA Comments on Resolution of Prior Year Audit Findings For the Year Ended June 30, 2008							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
Department of Health (cont.)							
2007	33	07-20	Improve Contingency and Disaster Recovery Planning	N/A	VDH	-	Corrective action is ongoing.
2005	10	05-05	Improve Controls for Removing Systems Access in a Timely Manner and Document Access Authorizations	N/A	VDH	-	Corrective action is ongoing.
Department of Corrections							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	DOC/CA	-	Corrective action is ongoing.
2007	33	07-21	Develop Internal Controls for Leave Liability and Time Tracking System	N/A	DOC/CA	-	Corrective action is ongoing.
Department of State Police							
2007	36	07-22	Improve Internal Controls Over Payroll	N/A	VSP	-	Corrective action is ongoing.
Department of Transportation							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	VDOT	-	Resolved.
State Lottery Department							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	SLD	-	Resolved.
2007	39	07-25	Strengthen Information System Security Program	N/A	SLD	-	Corrective action is ongoing.
Virginia College Savings Plan							
2007	40	07-26	Improve Management of Information Technology Components	N/A	VCSP	-	Resolved.
University of Virginia							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	UVA	-	Resolved.
2007	42	07-29	Close Out Capital Projects Promptly	N/A	UVA	-	Resolved.
Virginia Commonwealth University							
2007	9	07-01	Properly Complete Employment Eligibility Verification Forms	N/A	VCU	-	Corrective action is ongoing.
2007	42	07-30	Clear Cash Reconciling Items Timely	N/A	VCU	-	Resolved.
Virginia Information Technologies Agency							
2006	10	06-01	Adopt Uniform Procedures for Service Management Organization	N/A	VITA	-	Corrective action is ongoing.
2006	10	06-02	Develop a Detailed Operating plan for all of VITA's Operating Functions	N/A	VITA	-	Corrective action is ongoing.
2006	11	06-03	Communicate VITA's Information Technology Infrastructure to Northrop Grumman and Prepare a Detailed Plan to Complete COOP	N/A	VITA	-	Corrective action is ongoing.
2006	11	06-04	Document and Approve an Operating Plan to Direct Their Daily and Long-Term Business Decisions	N/A	VITA	-	Corrective action is ongoing.
2005	8	05-03	Complete Business Impact and Risk Assessment	N/A	VITA	-	Corrective action is ongoing.

COMMONWEALTH OF VIRGINIA
Comments on Resolution of Prior Year Audit Findings
For the Year Ended June 30, 2008

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
Virginia Information Technologies Agency (cont.)							
2005	15	05-09	Update MOAs and Maintain Documentation for Exceptions to Server Policies	N/A	VITA	-	Corrective action is ongoing.
2004	23	04-11	Improve and Implement Security Standards for Client Agencies	N/A	VITA	-	Corrective action is ongoing.
			FINANCIAL REPORTING FINDINGS				
Department of Accounts							
2003	15	03-06	Improve Controls Over Financial Reporting Process	N/A	DOA	-	Corrective action is ongoing.
Department of Treasury							
2003	19	03-09	Improve Financial Reporting	N/A	TD	-	Corrective action is ongoing.
			FEDERAL AWARD FINDINGS AND QUESTIONED COSTS				
General Services Administration							
2007	43	07-31	Update and Comply with Virginia's State Plan of Operation for Federal Surplus Property	39.003	DGS	-	Corrective action is ongoing.
U. S. Department of Veterans Affairs							
2007	45	07-32	Comply with the Davis-Bacon Act	64.005	DVS	-	Resolved.
2006	45	06-37	Establish a Memorandum of Understanding with the Department of General Services	64.005	DVS	-	Resolved.
			Other Internal Control Findings				
U. S. Department of Veterans Affairs (cont.)							
2007	45	07-33	Properly Perform Reconciliations in a Timely Manner	N/A	DVS	-	Corrective action is ongoing.
2007	46	07-34	Establish a Complete Information Security Plan to Comply with COV Security Policy	N/A	DVS	-	Corrective action is ongoing.
2007	47	07-35	Establish Sufficient System Access Policies and Ensure Appropriate System Access	N/A	DVS		Corrective action is ongoing.
2007	48	07-36	Appropriately Segregate Information System Service Duties	N/A	DVS	-	Corrective action is ongoing.
2007	48	07-37	Establish Adequate Budgets for Individual Cost Centers	N/A	DVS	-	Corrective action is ongoing.
2007	49	07-38	Appropriately Allocate Administrative Costs	N/A	DVS	-	Corrective action is ongoing.
2007	50	07-39	Establish Adequate Internal Controls over Fixed Assets	N/A	DVS	-	Corrective action is ongoing.
2007	50	07-40	Properly Report Construction in Progress	N/A	DVS	-	Resolved.
2006	46	06-38	Information Systems Security Assurance	64.005	DVS	-	Corrective action is ongoing.
2006	47	06-39	Improve Voucher Documentation and Compliance with Procurement and Payment Policies	64.005	DVS	-	Corrective action is ongoing.
2006	48	06-40	Implement and Monitor Procedures to Ensure Proper Use of Funds	64.005	DVS	-	Corrective action is ongoing.
2006	49	06-41	Properly Report Construction-in-Progress	64.005	DVS	-	See Audit Control No. 07-40.
2006	49	06-42	Appropriately Allocate Administrative Costs	64.005	DVS	-	See Audit Control No. 07-38.

COMMONWEALTH OF VIRGINIA Comments on Resolution of Prior Year Audit Findings For the Year Ended June 30, 2008							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
U. S. Department of Education							
2007	51	07-41	Return Title IV Funds Timely	Student Financial Aid Cluster	CVCC DCC PHCC	-	Corrective action is ongoing.
2006	32	06-25	Properly Calculate Title IV Refunds and Return Refunds Timely	Student Financial Aid Cluster	CVCC	-	See Audit Control No. 07-41.
2007	52	07-42	Return Title IV Funds Timely	Student Financial Aid Cluster	UVA	-	Resolved.
U. S. Department of Health and Human Services							
2007	53	07-43	Align Plan for Monitoring Local Social Services Offices with Best Practices	93.558	DSS	-	Corrective action is ongoing.
2007	56	07-44	Improve Notification and Timely Reduction of Benefits when Clients are not Cooperating with Division of Child Support Enforcement	93.558	DSS	-	Resolved.
2007	56	07-45	Improve Monitoring Program over Community Service Boards	93.959	DMHMRSAS	-	Corrective action is ongoing.
2006	36	06-28	Strengthen Monitoring of the Community Service Boards	93.959	DMHMRSAS	-	See Audit Control No. 07-45.
2006	37	06-29	Improve Case File Documentation for Temporary Assistance to Needy Families	93.558	DSS	-	Corrective action is ongoing.
2005	33	05-24					See Audit Control No. 06-29.
2004	33	04-16					See Audit Control No. 06-29.
			Other Internal Control Findings				
U. S. Department of Health and Human Services (cont.)							
2007	59	07-46	Establish Procedures for Controlling the Cash in the Child Support Enforcement Fund	93.563	DSS	-	Corrective action is ongoing.
2006	41	06-33	Establish Control Mechanisms for Foster Care and Adoption Payments	93.658	DSS	-	Corrective action is ongoing.
2005	31	05-22					See Audit Control No. 06-33.
Social Security Administration							
2007	60	07-47	Update and Expand Security Awareness Training	N/A	DRS	-	Resolved.
2007	60	07-48	Improve Data Protection	N/A	DRS	-	Resolved.
2007	61	07-49	Remove an Employee's Ability to Create and Approve Payroll Payments	N/A	DRS	-	Resolved.
U. S. Department of Homeland Security							
2007	62	07-50	Establish Policies and Procedures over Federal Reporting	97.036	VDEM	-	Resolved.
			Other Internal Control Findings				
U. S. Department of Homeland Security (cont.)							
2007	62	07-51	Improve Internal Controls over Processes	N/A	VDEM	-	Resolved.

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. DEPARTMENT OF AGRICULTURE				
Plant and Animal Disease, Pest Control, and Animal Care	10.025		$ 1,459,490	
Pass-Through From VMI Research Labs	10.025			$ 50,547
Conservation Reserve Program	10.069		118,786	
Market Protection and Promotion	10.163		61,202	
Specialty Crop Block Grant Program	10.169		39,795	
Grants for Agricultural Research, Special Research Grants	10.200			
Pass-Through From University of Georgia	10.200			3,608
Pass-Through From University of Idaho	10.200			5,139
Pass-Through From Southern Illinois University	10.200			10,093
Pass-Through From University of Florida	10.200			1,240
Grants for Agricultural Research-Competitive Research-Grants	10.206			
Pass-Through From Colorado State University	10.206			39,193
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		1,148	
Sustainable Agriculture Research and Education	10.215			
Pass-Through From Sustainable Agriculture Research and Education	10.215			54,530
Higher Education Challenge Grants	10.217		84,573	
Pass-Through From Montana State University	10.217			6,727
Higher Education Multicultural Scholars Program	10.220		20,000	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226		243,925	
Integrated Programs	10.303		105	
Pass-Through From Rutgers, The State University of New Jersey	10.303			767
Pass-Through From Cornell University	10.303			10,062
Pass-Through From University of Maryland	10.303			64,927
Homeland Security-Agricultural	10.304			
Pass-Through From University of Florida	10.304			43,943
International Science and Education Grants	10.305		29,645	
Technical Assistance to Cooperatives	10.350		608,191	
Pass-Through From Howard University	10.350			60,455
State Mediation Grants	10.435		59,218	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443		89,719	
Community Outreach and Assistance Partnership Program	10.455		144,176	
Commodity Partnerships for Risk Management Education	10.457		73,097	
Commodity Partnerships for Small Agricultural Risk Management Education Sessions	10.459		5,165	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475		1,607,207	
Cooperative Extension Service	10.500		13,023,432	
Pass-Through From University of Wyoming	10.500			4,833
Pass-Through From University of Nebraska	10.500			133,680
Pass-Through From Pennsylvania State University	10.500			4,094
Pass-Through From University of Georgia	10.500			53,155
Pass-Through From Kansas State University	10.500			54,908
Pass-Through From Texas A&M University	10.500			53,764
Pass-Through From University of Florida	10.500			8,402
Food Donation	10.550		319,836	
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		82,274,285	
Pass-Through From North Carolina Department of Health	10.557			17,288
Child and Adult Care Food Program	10.558		9,536	
State Administrative Expenses for Child Nutrition	10.560		1,805,474	
Nutrition Assistance For Puerto Rico	10.566		345,290	
WIC Farmers' Market Nutrition Program (FMNP)	10.572		487,483	
Senior Farmers Market Nutrition Program	10.576		329,460	
Market Access Program	10.601		2,580	
Cooperative Forestry Assistance	10.664		8,056,909	
Pass-Through From National Fish and Wildlife Foundation	10.664			11,934
Forest Stewardship Program	10.678		211,143	
Forest Health Protection	10.680		9,261	
Technical Assistance and Training Grants	10.761		9,904	
Rural Business Opportunity Grants	10.773		35,254	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Resource Conservation and Development	10.901		18,750	
Soil and Water Conservation	10.902		18,626	
Rural Abandoned Mine Program	10.910			
Pass-Through From Maryland Department of Agriculture	10.910			2,529
Other Assistance:				
Pass-Through From PB Consulting, Incorporated	10.000	SHRPL-06		44
Pass-Through From University of Illinois	10.000	P0144117		7,582
Pass-Through From EDS Information Services LLC	10.000	QQH0004897		2,894
Pass-Through From Lockheed Martin	10.000	N00039-04-C-0035		20,704
Other Assistance	10.000	6HQOIG-06-B-0005	4,334	
Other Assistance	10.000	03-JV-11132424-122	146,092	
Other Assistance	10.000	H98230-05-C-0115	15,269	
Other Assistance	10.000	NRCS 68-3A75-5-193	161,527	
Agricultural Statistics Surveys	10.000		1,469	
Seed Testing	10.000	PO43639550996	269	
Child and Adolescent Abuse Resources and Evaluation FY08	10.000		6,992	
Strategic Planning Project	10.000	6HQOIG-06-B-0004	64,587	
Agricultural Statistics Service	10.000	43-3AEU7	3,694	
Food Distribution Salvage Fund	10.000		23,801	
General Auditing Network Security	10.000		200	
Who moved my Cheese Course	10.000		2,213	
Statistical Sampling for Auditors	10.000		247	
Theories of Facilities Management	10.000		2,874	
Facilities Management Future Issues	10.000		270	
Communication for the Facilities Management	10.000		2,686	
Total Excluding Clusters Identified Below			112,039,189	727,042
Child Nutrition Cluster:				
School Breakfast Program	10.553		42,814,919	
National School Lunch Program	10.555		178,429,043	
Special Milk Program for Children	10.556		82,015	
Summer Food Service Program for Children	10.559		148,575	
Total Child Nutrition Cluster			221,474,552	-
Emergency Food Assistance Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568		1,309,327	
Emergency Food Assistance Program (Food Commodities)	10.569		4,395,889	
Total Emergency Food Assistance Cluster			5,705,216	-
Food Stamp Cluster:				
Food Stamps	10.551		590,896,993	
State Administrative Matching Grants for Food Stamp Program	10.561		82,841,290	
Total Food Stamp Cluster			673,738,283	-
Schools and Roads Cluster:				
Schools and Roads-Grants to States	10.665		966,875	
Total Schools and Roads Cluster			966,875	-
Research and Development Cluster:				
Agricultural Research - Basic and Applied Research	10.001		1,098,027	
Pass-Through From University of Wisconsin Madison	10.001			8,593
Pass-Through From Cornell University	10.001			9,954
Pass-Through From Catalyst Communications Technologies	10.001			1,435
Pass-Through From The Rodale Institute	10.001			4,798
Plant and Animal Disease, Pest Control, and Animal Care	10.025		29,427	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Wildlife Services	10.028		838	
Federal-State Marketing Improvement Program	10.156		47,751	
Grants for Agricultural Research, Special Research Grants	10.200		1,423,916	
Pass-Through From Cornell University	10.200			38,758
Pass-Through From North Carolina State University	10.200			13,393
Pass-Through From University of Florida	10.200			38,266
Pass-Through From Fort Valley State University	10.200			460
Pass-Through From University of Maine	10.200			6,315
Pass-Through From University of Georgia	10.200			3,178
Pass-Through From Institute for Advanced Learning and Research	10.200			44,386
Cooperative Forestry Research	10.202		602,663	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		5,404,748	
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205		2,896,564	
Grants for Agricultural Research-Competitive Research Grants	10.206		3,204,661	
Pass-Through From University of California, Davis	10.206			108,960
Pass-Through From University of Pennsylvania	10.206			36,463
Pass-Through From Michigan State University	10.206			9,703
Pass-Through From Kansas State University	10.206			2,498
Pass-Through From University of Minnesota Twin Cities	10.206			2,989
Animal Health and Disease Research	10.207		58,999	
Small Business Innovation Research	10.212			
Pass-Through From Catalyst Communications Technologies	10.212			14,412
Pass-Through From Compact Membrane System	10.212			29,380
Sustainable Agriculture Research and Education	10.215			
Pass-Through From Cornell University	10.215			10,687
1890 Institution Capacity Building Grants	10.216		555,115	
Pass-Through From University of Maryland	10.216			42,673
Biotechnology Risk Assessment Research	10.219		127,652	
Agricultural and Rural Economic Research	10.250		43,480	
Pass-Through From University of Wisconsin Madison	10.250			16,139
Integrated Programs	10.303		595,756	
Pass-Through From University of Maryland	10.303			4,786
Pass-Through From North Carolina State University	10.303			161,003
Pass-Through From University of Florida	10.303			4,009
Cooperative Extension Service	10.500		5,208	
Pass-Through From Texas A&M University	10.500			5,559
Pass-Through From North Carolina State University	10.500			42,468
Pass-Through From University of Arizona	10.500			92,003
Pass-Through From University of Georgia	10.500			3,745
Pass-Through From Kansas State University	10.500			49,404
Pass-Through From Southern Region Risk Management Education	10.500			17,253
Foreign Market Development Cooperator Program	10.600		127,918	
Forestry Research	10.652		619,472	
Pass-Through From National Association of State Universities and Land-Grant Colleges	10.652			10,662
Pass-Through From University of Saskatchewan	10.652			4,367
Cooperative Forestry Assistance	10.664		857,243	
Pass-Through From Mississippi State University	10.664			1,313
Rural Development, Forestry, and Communities	10.672		38,523	
Urban and Community Forestry Program	10.675		5,037	
Forest Stewardship Program	10.678		31,215	
Forest Health Protection	10.680		436,946	
Great Plains Conservation	10.900		10,000	
Resource Conservation and Development	10.901		95,313	
Soil and Water Conservation	10.902		7,770	
Pass-Through From West Virginia University	10.902			1,143
Pass-Through From Farm Pilot Project Coordination Incorporated	10.902			42,081
Environmental Quality Incentives Program	10.912			
Pass-Through From University of Maryland	10.912			26,532
Pass-Through From University of Florida	10.912			1,792
Pass-Through From Colonial Soil & Water Conservation	10.912			39,765

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Technical Agricultural Assistance	10.960		64,884	
Scientific Cooperation and Research	10.961		11,912	
Other Assistance:				
Pass-Through From Innovative System Solutions Corporation	10.000	AG-7604-C-07-0025		25,083
Pass-Through From University of Minnesota Twin Cities	10.000	D1876601107		6,911
Pass-Through From National Association of State Universities and Land-Grant Colleges	10.000	AKI-CB-136		14,723
Pass-Through From Management Systems International Incorporated	10.000	DFD-I-00-05-00221-00		11,499
Pass-Through From Aptima Incorporated	10.000	II-FA8650-07-C-4510		15,738
Pass-Through From Ricciardi Technologies Incorporated	10.000	N00178-07-D-4532 NS01		3,881
Pass-Through From Hartwick College	10.000	Agreement dated 10/12/07		9,363
Pass-Through From International Association of Chiefs	10.000	2005-DE-BX-K001		32,068
Pass-Through From National Fish and Wildlife Foundation	10.000	2007-0071-001		30,098
Pass-Through From Blue Ridge Forest Cooperative Incorporated	10.000	Agreement dated 1/22/08		35,863
Pass-Through From University of Idaho	10.000	P0016074		7,054
Pass-Through From Battelle Memorial Institute	10.000	DE-AC-76RLO		89,014
Other Assistance	10.000	07-9419-0081-CA	112,584	
Other Assistance	10.000	54-072-546001805	47,496	
Other Assistance	10.000	03-JV-11132424-122	1,686	
Other Assistance	10.000	07-JV-11242300-115	3,819	
Other Assistance	10.000	68-3A75-4-153	38,040	
Other Assistance	10.000	AG-4568-C-07-0083	3,566	
Other Assistance	10.000	07HQSA0131	41,679	
Other Assistance	10.000	58-3148-7-044	6,061	
Other Assistance	10.000	58-1931-7-783	2,996	
Other Assistance	10.000	SRS 07-DG-11330103-035	7,550	
Other Assistance	10.000	982107M128	2,747	
Other Assistance	10.000	58-1275-7-373	25,767	
Other Assistance	10.000	06-PA-110808021-020	2,878	
Other Assistance	10.000	05-PA-11080821-010	32,635	
Other Assistance	10.000	07-DG-11132650-120	10,000	
Other Assistance	10.000	J3992-07-0400	38,272	
Other Assistance	10.000	AG-3A94-P-07-0077	35,041	
Other Assistance	10.000	68-5C16-6-020	2,130	
Other Assistance	10.000	07-JV-11242300-133	14,676	
Other Assistance	10.000	07-JV-11242300-045	11,440	
Other Assistance	10.000	58-6645-7-255	8,042	
Other Assistance	10.000	07-CS-11132467-193	1,023	
Other Assistance	10.000	DTNH22-05-D-01019-T0-0011	94,199	
Other Assistance	10.000	07ERSA0786	45,522	
Other Assistance	10.000	03-JV11231300-100	43,829	
Other Assistance	10.000	43-3AEL-5-80055	702	
Other Assistance	10.000	SRS-07-CA-11330136-167	17,192	
Other Assistance	10.000	12-25-A-4777	63,180	
Other Assistance	10.000	58-5000-6-0075	971	
Other Assistance	10.000	1S-3997-07	4,386	
System Assessment & Validation for Emergency Responders	10.000	N65236-06-P-1856	763	
Commodity Market Information Integration & Dissemination	10.000	43-3AEJ-4-80063	17,572	
Public Defender Service	10.000	PDS USCA-06-I-0152	31,352	
Total Research and Development Cluster			19,170,834	1,232,620
Total U.S. Department of Agriculture			1,033,094,949	1,959,662

U.S. DEPARTMENT OF COMMERCE

Economic Development-Technical Assistance	11.303		132,794	
Interjurisdictional Fisheries Act of 1986	11.407		142,395	
Sea Grant Support	11.417		156,194	
Coastal Zone Management Administration Awards	11.419		4,117,620	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Automated Flood Warning Systems (AFWS)	11.450		157,412	
Unallied Management Projects	11.454		799,616	
Chesapeake Bay Studies	11.457		301,429	
Pass-Through From Michael Baker Jr., Incorporated	11.457			32,093
Pass-Through From James River Association	11.457			19,492
Meteorologic and Hydrologic Modernization Development	11.467			
Pass-Through From University Corporation for Atmospheric Research	11.467			5,000
Atlantic Coastal Fisheries Cooperative Management Act	11.474		289,248	
Public Telecommunications Facilities Planning and Construction	11.550			
Pass-Through From National Association for Equal Opportunity in Higher Education	11.550			57,570
Technology Opportunities Program	11.552			
Pass-Through From Fairfax County Public Schools	11.552			21,667
Public Safety Interoperable Communication Grant Program	11.555		245,812	
Manufacturing Extension Partnership	11.611		4,469,219	
Pass-Through From Southern Technology Council Manufacturing Extension	11.611			150,000
Other Assistance:				
Continuity Of Operation Plan Program II	11.000	DG1325-05-SE1432	32,498	
Industry Structure Analysis Workshop	11.000		19,073	
Total Excluding Clusters Identified Below			10,863,310	285,822
Public Works and Economic Development Cluster:				
Economic Adjustment Assistance	11.307		16,932,196	
Pass-Through From Institute for Advanced Learning and Research	11.307			122,569
Total Public Works and Economic Development Cluster			16,932,196	122,569
Research and Development Cluster:				
Economic Development-Technical Assistance	11.303		74,276	
Pass-Through From Hampton Roads Research Partnership	11.303			59,736
Anadromous Fish Conservation Act Program	11.405		23,702	
Sea Grant Support	11.417		1,851,500	
Pass-Through From University of Rhode Island	11.417			59,513
Pass-Through From South Carolina Sea Grant Consortium	11.417			26,964
Pass-Through From Central Michigan University	11.417			16,186
Coastal Zone Management Administration Awards	11.419		913,794	
Pass-Through From Maryland Department of Natural Resources	11.419			136,908
Pass-Through From University of New Hampshire	11.419			42,811
Coastal Zone Management Estuarine Research Reserves	11.420		653,427	
Pass-Through From University of New Hampshire	11.420			101,909
Financial Assistance for National Centers for Coastal Ocean Science	11.426		25,497	
Undersea Research	11.430			
Pass-Through From Texas A&M Research Foundation	11.430			11,677
Climate and Atmospheric Research	11.431		268,957	
Pass-Through From University of Iowa	11.431			53,762
Marine Fisheries Initiative	11.433		74,946	
Pass-Through From Appalachian State University	11.433			18,792
Unallied Management Projects	11.454		184,623	
Cooperative Science and Education Program	11.455		297,970	
Pass-Through From University of New Hampshire	11.455			97,086
Chesapeake Bay Studies	11.457		2,732,837	
Pass-Through From Maryland Department of Natural Resources	11.457			53,035
Pass-Through From University of Maryland	11.457			361,417
Special Oceanic and Atmospheric Projects	11.460		257,461	
Habitat Conservation	11.463		12,340	
Applied Meteorological Research	11.468		458,833	
Unallied Science Program	11.472		1,575,369	
Pass-Through From Mote Marine Laboratory	11.472			39,732
Pass-Through From University of Southern Mississippi	11.472			868
Pass-Through From University of Miami	11.472			43,512

COMMONWEALTH OF VIRGINIA
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From Gulf States Marine Fisheries Commission	11.472			2,500
Pass-Through From The University of Rhode Island	11.472			25,122
Coastal Services Center	11.473		1,521,912	
Atlantic Coastal Fisheries Cooperative Management Act	11.474		7,992	
Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	11.478		164,481	
Pass-Through From Florida Fish and Wildlife Conservation Commission	11.478			154,489
Pass-Through From Texas A&M University	11.478			29,410
Pass-Through From University of Rhode Island	11.478			62,306
Measurement and Engineering Research and Standards	11.609		671,514	
Congressionally-Identified Projects	11.617		2,793,057	
Other Assistance:				
Pass-Through From University of Maryland	11.000	NB838060-7-02807		13,921
Pass-Through From Planning Systems Incorporated	11.000	PO RC0493		13,930
Pass-Through From KT Consulting Incorporated	11.000	NB838060-7-02807		85,970
Atmospheric Transport and Diffusion Conference Data for Modeling Studies	11.000	DG133007SE3111	5,000	
Observing Systems Simulation Experiments for Pacific Upwelling and Mixing Physics (PUMP) Experiments	11.000	NA05OAR4311131	24,738	
A Cheminformatics Approach for Structural Databases Linkage	11.000	70NANB5H1110	110,883	
Other Assistance	11.000	07-5-25576-3732	6,195	
Other Assistance	11.000	PO# SB134106W1031	25,430	
Total Research and Development Cluster			14,736,734	1,511,556
Total U.S. Department of Commerce			42,532,240	1,919,947
U.S. DEPARTMENT OF DEFENSE				
Procurement Technical Assistance For Business Firms	12.002		339,575	
Payments to States in Lieu of Real Estate Taxes	12.112		47,860	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113		770,346	
National Guard Military Operations and Maintenance (O&M) Projects	12.401		32,977,874	
National Guard Civilian Youth Opportunities	12.404		2,209,922	
Basic Scientific Research	12.431		184,436	
National Flagship Language Program Grants To U.S. Institutions Of Higher Education	12.550			
Pass-Through From University of Maryland	12.550			19,097
Community Economic Adjustment Planning Assistance for Establishment, Expansion, Realignment, of Closure of Military Installation	12.607		20,011	
Air Force Defense Research Sciences Program	12.800			
Pass-Through From St Mary's University	12.800			14,400
Mathematical Sciences Grants Program	12.901		7,706	
Information Security Grant Program	12.902		136,307	
Research and Technology Development	12.910		198,750	
Other Assistance:				
Pass-Through From Karta Technologies	12.000	FA8901-06-C-002		16,094
Pass-Through From Karta Technologies	12.000	8603-0000-GMU		6,254
Pass-Through From Computer Sciences Corporation	12.000	HM157607D5002		14,891
Pass-Through From Logos Technologies Incorporated	12.000	PO 07-44		29,013
Pass-Through From NCI Information Systems Incorporated	12.000			4,970
Pass-Through From EDS Information Services LLC	12.000	DCA10002D4012		34,880
Pass-Through From Unified Industries, Incorporated	12.000			24,005
Pass-Through From Dynamic Technology Systems, Incorporated	12.000	W74V8H-06-C-0033		41,816
Pass-Through From Chegena Technology Services Corporation	12.000	0001		53,804
Pass-Through From Sarnoff Corporation	12.000	4900000286		41,793
Pass-Through From Radiance Technologies Incorporated	12.000	FA8901-06-C-0002		51,021
Pass-Through From International Business Machines - IBM	12.000	DCA-100-97-C-0085		2,420
Pass-Through From Institute for Defense Analyses	12.000	PO#A55071		20,446
Pass-Through From The Aerospace Corporation	12.000	FA8802-04-C-0001		4,529
Pass-Through From Raytheon Systems	12.000	EES1379		22,321

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From Research Analysis and Engineering LLC	12.000	CIT-2007-NRAE-0001-0		8,071
Pass-Through From Northrop-Grumman	12.000	N00178-04-D-4091		17,256
Pass-Through From Northrop-Grumman	12.000	R1-1191		9,903
Pass-Through From Lockheed Martin	12.000	N00039-04-C-0035		338,183
Other Assistance	12.000	N00244-07-2-0002	28,895	
Other Assistance	12.000	SP4800-03-2-0321	264,052	
Other Assistance	12.000	IPA #710 F4BWS07177MD08	77,394	
Other Assistance	12.000	W90CRB-07-P-0070	22,575	
Africa Center	12.000		157,376	
Real Estate and Lease Management	12.000		1,408	
Navel Facilities Engineering Command Washington	12.000	N40080-07-RP-00046	1,460,054	
International Conference on Research in Air Transportation (ICRAT) Support	12.000	DTFAWA-08-F-GMU16	3,440	
Blast Effects Computational Support	12.000	HDTRA1-05-C-0001	603,699	
Technology Assessment	12.000	4900000286	1,931	
Information Assurance Scholarship Program	12.000	H98230-05-0135	60,157	
National Defense University /Intergovernmental Personnel Act	12.000		29,893	
NEXCOM Contract	12.000	#NNA250-95-C-0022	147	
Technology Assessment - Proposal	12.000	CIT-2007-NRAE-0001-0	517	
Information Assurance Scholarships Program	12.000	H98230-07-1-0233	47,467	
Total Excluding Cluster Identified Below			39,651,792	775,167
Research and Development Cluster:				
Collaborative Research and Development	12.114		179,793	
Pass-Through From EA Engineering, Science, and Technology, Incorporated	12.114			390,337
Pass-Through From Fibertek Incorporated	12.114			216,892
Basic and Applied Scientific Research	12.300		20,055,036	
Pass-Through From The Goodyear Tire & Rubber Company	12.300			103,996
Pass-Through From Jefferson Science Associates, LLC	12.300			436,858
Pass-Through From IRFlex Corporation	12.300			16,017
Pass-Through From University of North Carolina at Charlotte	12.300			6,325
Pass-Through From Calspan- University of Buffalo Research Center	12.300			10,987
Pass-Through From University of New Mexico	12.300			67,798
Pass-Through From NanoSonic Incorporated	12.300			45,755
Pass-Through From Flo-Tork Incorporated	12.300			116,625
Pass-Through From Diversified Technology Incorporated	12.300			32,503
Pass-Through From BBN Technologies Corporation	12.300			88,259
Pass-Through From Global Engineering & Materials Incorporated	12.300			11,149
Pass-Through From Applied Research Laboratory	12.300			17,092
Pass-Through From AeroAstro	12.300			23,189
Pass-Through From University of Washington	12.300			181,534
Pass-Through From Discover Technologies LLC	12.300			95,138
Pass-Through From University Of California, Santa Barbara	12.300			209,433
Pass-Through From Yankee Environmental Systems Incorporated	12.300			56,119
Pass-Through From Science Applications International	12.300			74,670
Pass-Through From Washington University	12.300			12,090
Pass-Through From Astra	12.300			6,274
Pass-Through From Geo-Marine Incorporated	12.300			192,423
Pass-Through From Prime Research LC	12.300			74,848
Pass-Through From University of Maryland	12.300			92,670
Pass-Through From Luna Innovations Incorporated	12.300			286,952
Pass-Through From North Carolina Agricultural & Technology	12.300			58,450
Pass-Through From Brigham Young University	12.300			94,230
Pass-Through From Hughes Associates Incorporated	12.300			111,038
Pass-Through From Solers, Incorporated	12.300			37,464
Pass-Through From Nova Engineering Incorporated	12.300			10,550
Pass-Through From Research Triangle Institute	12.300			92,803
Pass-Through From University of Michigan - Ann Arbor	12.300			145,049
Pass-Through From University Of Michigan	12.300			11,282
Pass-Through From Carnegie Mellon University	12.300			(2)

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From General Atomics	12.300			52,654
Pass-Through From Henry Jackson Foundation	12.300			10,552
National Guard Civilian Youth Opportunities	12.404			
Pass-Through From Sterling Dynamics Incorporated	12.404			46,942
Military Medical Research and Development	12.420		4,652,573	
Pass-Through From Georgetown University Medical Center	12.420			64,310
Pass-Through From Georgetown University	12.420			54,781
Pass-Through From University Of Nebraska At Omaha	12.420			25,076
Pass-Through From National Medical Technology Testbed	12.420			(23,343)
Pass-Through From Emory University	12.420			30,379
Pass-Through From Dartmouth College	12.420			23,855
Pass-Through From Luna Innovations, Incorporated	12.420			(7,980)
Basic Scientific Research	12.431		4,819,314	
Pass-Through From Vanderbilt University	12.431			8,859
Pass-Through From Penn State University	12.431			238,269
Pass-Through From General Technical Services LLC	12.431			36,433
Pass-Through From Battelle	12.431			169,992
Pass-Through From Case Western Reserve University	12.431			94,123
Pass-Through From University Of California, Santa Barbara	12.431			34,446
Pass-Through From International Technology Center	12.431			121,228
Pass-Through From University of South Carolina	12.431			144,658
Basic, Applied, and Advanced Research in Science and Engineering	12.630		3,277,471	
Pass-Through From Institute for Advanced Learning and Research	12.630			27,131
Pass-Through From University of Oklahoma Health Science	12.630			59,533
Pass-Through From University of Maine System	12.630			55,161
Pass-Through From California Institute of Technology	12.630			114,012
Pass-Through From Georgia Institute of Technology	12.630			129,066
Pass-Through From Brown University	12.630			129,282
Air Force Defense Research Sciences Program	12.800		4,980,357	
Pass-Through From Barron Associates Incorporated	12.800			22,484
Pass-Through From Dartmouth College	12.800			19,984
Pass-Through From University of Florida	12.800			131,119
Pass-Through From Luna Innovations Incorporated	12.800			2,365
Pass-Through From Vanderbilt University	12.800			95,734
Pass-Through From Sentor Technologies	12.800			8,754
Pass-Through From AVID LLC	12.800			85,887
Pass-Through From Georgia Institute of Technology	12.800			116
Pass-Through From Aerojet Corporation	12.800			31,605
Pass-Through From University Of Southern California	12.800			152,938
Mathematical Sciences Grants Program	12.901		35,866	
Research and Technology Development	12.910		893,598	
Pass-Through From University of Florida	12.910			21,289
Pass-Through From Aframe Digital LLC	12.910			6,354
Pass-Through From Boeing Company	12.910			212,043
Pass- Through From University of California, San Diego	12.910			12,689
Pass-Through From University Of Illinois	12.910			140,522
Pass-Through From Purdue University	12.910			38,132
Other Assistance:				
Pass-Through From MATSYS Incorporated	12.000	MATSYS SA-07-001		98,395
Pass-Through From MATSYS Incorporated	12.000	MATSYS SA-05-001		57
Pass-Through From Electrical Distribution Design Incorporated	12.000	AGRMT DTD 11/14/07		54,617
Pass-Through From Integrated Measurement Systems Incorporated	12.000	AGRMT DTD 11/2/07		2,488
Pass-Through From Tao Systems	12.000	RES AGRMT DTD 2/27/07		74,694
Pass-Through From Tao Systems	12.000	AGRMT DTD 5/26/06		315
Pass-Through From GoHypersonic Incorporated	12.000	AGRMT DTD 8/3/06		50,270
Pass-Through From University of Michigan - Ann Arbor	12.000	AGRMT DTD 10/26/06		43,970
Pass-Through From University of Michigan - Ann Arbor	12.000	#3000896960		47,017
Pass-Through From Techsburg Incorporated	12.000	Contract Effective 8/11/04		564
Pass-Through From Boeing Company	12.000	#128171		70,704
Pass-Through From Sound Innovations	12.000	FFP AGRMT DTD 9/21/07		39,746

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From Passive Sensors Unlimited	12.000	NAV 02-100/VT		23,981
Pass-Through From Passive Sensors Unlimited	12.000	RES AGRMT DTD 11/29/05		392
Pass-Through From Northrop Grumman Newport News	12.000			168,239
Pass-Through From Northrop Grumman Newport News	12.000	PO #4500242086		17,738
Pass-Through From Northrop Grumman Newport News	12.000	PO 4500242086 MOD 1		14,673
Pass-Through From Schultz-Creehan LLC	12.000	RES AGRMT DTD 7/27/07		36,357
Pass-Through From Touchstone Research Laboratory Limited	12.000	NQ0006-06-C-7384-VTU-001		108,046
Pass-Through From Massachusetts Institute of Technology	12.000	3066852		11,622
Pass-Through From Applied Research Associates Incorporated	12.000	S-17187.5		12,191
Pass-Through From Equilibria	12.000	RES AGRMT DTD 8/28/07		25,742
Pass-Through From Perceptronics	12.000	N61339-05-C-003		149,341
Pass-Through From Unified Industries, Incorporated	12.000			26,607
Pass-Through From Computer Science Corporation	12.000	S10116566		9,068
Pass-Through From Micro Analysis and Design, Incorporated	12.000	DAAD19-01-C-0065		55,464
Pass-Through From University of Maryland	12.000	W312170.8		21,920
Pass-Through From The Aerospace Corporation	12.000	FA8802-04-C-0001		10,001
Pass-Through From SCA Technica	12.000	AGRMT DTD 10/19/06		20,392
Pass-Through From Concurrent Technologies Corporation	12.000	60600260		39,821
Pass-Through From Science Applications International	12.000	4400107151		3,652
Pass-Through From Science Applications International	12.000	SUBCONT 4400151825		69,284
Pass-Through From Radiance Technologies Incorporated	12.000	06S-1212		48,256
Pass-Through From The Center for Naval Analyses Corporation	12.000	07-VT-3-001		36,919
Pass-Through From General Dynamics Robotic Systems	12.000	70001J		10,219
Pass-Through From Luna Innovations Incorporated	12.000	795-NVY-2T-VT		7,378
Pass-Through From Luna Innovations Incorporated	12.000	SUBCONT NO 1617.01-VT		98,011
Pass-Through From Luna Innovations Incorporated	12.000	1570-AFR-10/VT		2,485
Pass-Through From Marstel-Day LLC	12.000	12/19/06		567
Pass-Through From 3 Phoenix, Incorporated	12.000	N66604-06-C		99,076
Pass-Through From Logos Technologies Incorporated	12.000	W9132T-07-C-0033		26,338
Pass-Through From Aptima Incorporated	12.000	FA9550-07-C-0013		13,483
Pass-Through From Aptima Incorporated	12.000	W74V8H-04-D-0047		9,302
Pass-Through From Decisive Analytics Corporation	12.000	FA9550-07-C-0060		41,954
Pass-Through From Battelle	12.000	06214		82,389
Pass-Through From VECTARE LLC	12.000			79,772
Pass-Through From Defense Group, Incorporated	12.000	VA-08-07-16-031-216-00-660		36,501
Pass-Through From San Diego State University	12.000	54469AP17057820211		11,977
Pass-Through From San Diego State University	12.000	54636AP17057821211		59,414
Pass-Through From NBM Technologies Incorporated	12.000	W9132V-08-C-0019		4,262
Pass-Through From Hewlett Foundation	12.000	N66001-05-3-8904		43,891
Pass-Through From Secure Command LLC	12.000	WJIP4Q-06-C-0387		213,652
Pass-Through From Secure Command LLC	12.000			11,119
Pass-Through From Gannon Technologies Group	12.000			518,536
Pass-Through From Calibre Systems Incorporated	12.000	03-MOD 001		65,654
Pass-Through From Engineering Research & Consulting Incorporated	12.000	SUBCONT PO RS060004		48,403
Pass-Through From Personnel Decisions Research Institute	12.000	N61339-05-C-0042		4,817
Pass-Through From K-Technology	12.000	PO 0607-2269		63,650
Pass-Through From Smartronix	12.000	N00173-05-C-2016		16,532
Pass-Through From Booz Allen & Hamilton	12.000	SUBCONT 87820DBS55		1,443
Pass-Through From Toyon Research Corporation	12.000	FA9550-08-C-0038		59,402
Pass-Through From Open Geographic Information Systems Consortium Incorporated	12.000			31,354
Pass-Through From General Dynamics	12.000	N00140-06-D-0195		1,440
Pass-Through From M/A-COM	12.000	PO#934955		7,061
Pass-Through From Artis LLC	12.000	FC04-001-45/27		20,504
Pass-Through From Technology Management Group	12.000	TMG-08-VCU-01		63,966
Pass-Through From NextGen Aeronautics	12.000	SA3012		12,263
Pass-Through From InnoSense LLC	12.000	W15QKN-07-C-0022		13,978
Pass-Through From Zel Technologies LLC	12.000	FA8750-06-C-0038		115,006
Pass-Through From Techsburg Incorporated	12.000	RES AGRMT DTD 8/1/05		1,825
Pass-Through From Microwave Technologies, Incorporated	12.000	W911NF-04-C-0116		8,149
Pass-Through From Thaerocomp Technical Corporation	12.000	RES AGRMT DTD 6/15/05		15,792

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From Ascend Intel LLC	12.000	W15P7T-07-C-P219		28,902
Pass-Through From Telcordia Technologies Incorporated	12.000	N66001-08-C-2012		225,027
Pass-Through From COLSA Corporation	12.000	N61339-00-D0702-0002/16		29,497
Pass-Through From Alion Science and Technology Corporation	12.000	SP0700-99-D-0301		32,275
Pass-Through From Alion Science and Technology Corporation	12.000	DAAD19-01-C-0065		88,635
Pass-Through From Lambda Instruments Incorporated	12.000	RES AGRMT DTD 10/12/07		33,678
Pass-Through From Securboration Incorporated	12.000	FA8750-07-C0109		13,196
Pass-Through From Lambda Instruments Incorporated	12.000	RES AGRMT DTD 10/17/07		40,166
Pass-Through From Jorge Scientific Corporation	12.000	SUBCONT 06-S-3057-270-VT		60,118
Pass-Through From Berkeley Research Association, Incorporated	12.000			23,987
Pass-Through From Thermo Analytics Incorporated	12.000	SUBCONT TAI-07-0806		19,946
Pass-Through From Datamat Systems Research Incorporated	12.000	SUBCONT DSRI-06SC-0001		11,755
Other Assistance	12.000	W912HZ-07-P-0215	40,060	
Other Assistance	12.000	W912CL-07-C-0005	349,845	
Other Assistance	12.000	N00178-98-D-3017-0042	4,666	
Other Assistance	12.000	W91236-07-P-0082	21,798	
Other Assistance	12.000	W91ZLK-07-P-2204	15,672	
Other Assistance	12.000	N65236-06-P-9742	15,378	
Other Assistance	12.000	W912HQ-06-C-0035	244,297	
Other Assistance	12.000	FA9300-07-M-5018	26,799	
Other Assistance	12.000	N00024-06-P-6691	36,115	
Other Assistance	12.000	IPAA97-08UVIRG-1805	161,492	
Other Assistance	12.000	N00173-07-P-2017	22,489	
Other Assistance	12.000	IPAA97-05UVIRG-1805	18,403	
Other Assistance	12.000	HDTRA1-07-C-0113	3,962,954	
Other Assistance	12.000	N65236-06-P-3612	8,712	
Other Assistance	12.000	N00178-98-D-3017-0044	268,840	
Other Assistance	12.000	W9126G-05-D-0009	30,304	
Other Assistance	12.000	N66001-06-C-2050	113,517	
Other Assistance	12.000	N00178-98-D-3017-0046	1,476	
Other Assistance	12.000	HDTRA1-07-1-0003	114,603	
Other Assistance	12.000	N65236-06-P-4320	15,072	
Other Assistance	12.000	7100033673	22,399	
Other Assistance	12.000	N00178-07-P-3105	2,460	
Other Assistance	12.000	FA8651-04-C-0397	32,859	
Other Assistance	12.000	W9132V-07-C-0006	1,917,254	
Other Assistance	12.000	N00167-07-C-0002	111,596	
Other Assistance	12.000	N00-173-07-1-G008	30,325	
Other Assistance	12.000	DACA72-03-C-0013	42,298	
Other Assistance	12.000	W9120Y-06-2-0027	258,105	
Other Assistance	12.000	W912HZ-05-P-0231	32,255	
Other Assistance	12.000	N65236-07-P-5071	30,073	
Other Assistance	12.000	HM1582-07-1-2007	112,335	
Other Assistance	12.000	N40080-08-LTC-0001	6,485	
Other Assistance	12.000	H98230-07-C-0418	90,489	
Other Assistance	12.000	WB1XWH-05-P0569	59,537	
Other Assistance	12.000	W911SR-04-C-0045	928,798	
Other Assistance	12.000	W81EWF62485822	49,627	
Other Assistance	12.000	HDTRA1-07-P-0254	19,861	
Other Assistance	12.000	SP0103-06-D-0009-0001	2,878	
Other Assistance	12.000	WB1XWH-06-P-0015	12,958	
Other Assistance	12.000	WB1XWH-05-P-1173	2,562	
Other Assistance	12.000	N61339-04-C-0062	79,654	
Other Assistance	12.000	W9132T-07-2-0021	17,842	
Other Assistance	12.000	N00024-07-P-6693	57,164	
Defense Conversion Grants	12.000	MDA905-02-2-0007	3,809	
Discovery of Novel Virulence Factors of Biothreat Agents	12.000	W81XWH-06-C-0360	319,356	
Intergovernmental Personnel Act for Jerry Schlabach	12.000		164,651	
Intelligent Assistants for Distributed Knowledge Acquisition, Integration, Validation & Maintenance	12.000	FA8750-04-1-0257	118,827	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Army/ Identifying Attributes & Learning Principles	12.000	W74V8H-05-K-0004	120,671	
Joint Effects Model (JEM) Independent Verification & Validation (IV&V)	12.000	N00178-05-C-1056	103,040	
Dynamic Air and Space Effects-Based Assessment	12.000	FA8750-05-C-0145	66,777	
Supporting Battle Management Command and Control	12.000	FA 8650-05-C-6636	24,526	
Army/ Threat Agents	12.000	2-DAMD17-03-C-0122	273,410	
Statistical Determination of Geospatial Outliers	12.000	W9132V-06-C-0012	69,076	
Earth Observing & Space Research, Remote Sensing, Computational Physics, Computational Fluid Dynamics & Associated Scientific Fields	12.000	N00173-04-2-C006	614,616	
Private Overlay Multicast for Web-based Counter-threat Simulation	12.000	N00244-06-C-0039	44,344	
David Albert's Intergovernmental Personnel Act Assignment Agreement	12.000		223,414	
Topographic Engineering Center-12: Terrain Reasoning	12.000	W9132V-06-C-0010	12,154	
Scalable Adaptive Architectures for Maritime Operations Center Command and Control	12.000	N00014-08-1-0319	63,113	
Agent Learning for Mixed-Initiative Knowledge Acquisition	12.000	FA9550-07-1-0268	189,868	
Detecting Suspicious Behavior in Reconnaissance Images	12.000	NRO000-07-C-0109	185,586	
Advanced Cyber Attack Modeling, Analysis and Visualization	12.000	FA8750-06-C-0246	111,100	
Information Assurance Grant	12.000		209,115	
George Mason University Clinic for Legal Assistance to Service Members (CLAS)	12.000	W74V8H-06-1-0012	233,142	
Total Research and Development Cluster			51,436,909	9,969,521
Total U.S. Department of Defense			91,088,701	10,744,688
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		21,495,665	
Emergency Shelter Grants Program	14.231		1,815,988	
Supportive Housing Program	14.235		31,945	
HOME Investment Partnerships Program	14.239		17,403,707	
Housing Opportunities for Persons with AIDS	14.241		846,214	
Community Development Block Grants/Brownfield's Economic Development Initiative	14.246		137,078	
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251		148,500	
Fair Housing Assistance Program-State and Local	14.401		395,693	
Historically Black Colleges and Universities Program	14.520		49,084	
Demolition and Revitalization of Severely Distressed Public Housing	14.866			
Pass-Through From Norfolk Redevelopment & Housing Authority	14.866			8,733
Pass-Through From Portsmouth Redevelopment and Housing Authority	14.866			124,681
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		876,975	
Other Assistance:				
Dept of Housing and Urban Development	14.000		2,530	
Total Excluding Clusters Identified Below			43,203,379	133,414
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster:				
Community Development Block Grants/Entitlement Grants	14.218			
Pass-Through From City of Richmond	14.218			94,225
Total CDBG - Entitlement and (HUD-Administered) Small Cities Cluster			-	94,225
Research and Development Cluster:				
Doctoral Dissertation Research Grants	14.516		6,000	
Other Assistance:				
Other Assistance	14.000	C-OPC-22032/CHI-T0002	646	
Other Assistance	14.000	C-OPC-22032	107,880	
Total Research and Development Cluster			114,526	-
Total U.S. Department of Housing and Urban Development			43,317,905	227,639

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. DEPARTMENT OF THE INTERIOR				
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250		3,401,460	
Abandoned Mine Land Reclamation (AMLR) Program	15.252		4,659,758	
Fish and Wildlife Management Assistance	15.608		7,985	
Coastal Wetlands Planning, Protection and Restoration Act	15.614		201,320	
Cooperative Endangered Species Conservation Fund	15.615		43,627	
Clean Vessel Act	15.616		221,263	
Sportfishing and Boating Safety Act	15.622		21,575	
Wildlife Conservation and Restoration	15.625		40,362	
Hunter Education and Safety Program	15.626		240,000	
Landowner Incentive Program	15.633		372,072	
State Wildlife Grants	15.634		1,307,487	
U.S. Geological Survey- Research and Data Collection	15.808		262,580	
National Spatial Data Infrastructure Cooperative Agreements Program	15.809		657,463	
Historic Preservation Fund Grants-In-Aid	15.904		699,018	
Outdoor Recreation-Acquisition, Development and Planning	15.916		1,462,144	
Rivers, Trails and Conservation Assistance	15.921		20,777	
American Battlefield Protection	15.926		702,731	
Chesapeake Bay Gateways Network	15.930		46,974	
Upper Mississippi River System Long Term Resource Monitoring Program	15.978			
Pass-Through From University of Illinois	15.978			58,142
Other Assistance:				
Other Assistance	15.000		97,498	
Other Assistance	15.000	J3086070043	80,134	
Other Assistance	15.000	J450407011	26,865	
Total Excluding Clusters Identified Below			14,573,093	58,142
Fish and Wildlife Cluster:				
Sport Fish Restoration	15.605		6,512,749	
Pass-Through From American Fisheries Society	15.605			2,912
Wildlife Restoration	15.611		5,773,612	
Total Fish and Wildlife Cluster			12,286,361	2,912
Research and Development Cluster:				
Cultural Resource Management	15.224		164	
Applied Science Program Cooperative Agreements Related to Coal Mining Reclamation	15.255		124,537	
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423		37,885	
Water Reclamation and Reuse Program	15.504		5,182	
Water Desalination Research and Development Program	15.506		1,700	
Fish and Wildlife Management Assistance	15.608		14,362	
Coastal Wetlands Planning, Protection and Restoration Act	15.614			
Pass-Through From Florida International University	15.614			74,122
Cooperative Endangered Species Conservation Fund	15.615		223,716	
Pass-Through From Tennessee Wildlife Resource Agency	15.615			29,537
Partners for Fish and Wildlife	15.631		9,497	
Neotropical Migratory Bird Conservation	15.635		45,381	
Migratory Bird Conservation	15.647		5,060	
Research Grants (Generic)	15.650		213,414	
Assistance to State Water Resources Research Institutes	15.805		309,842	
Earthquake Hazards Reduction Program	15.807		110,536	
U.S. Geological Survey- Research and Data Collection	15.808		235,997	
Pass-Through From AmericaView Incorporated	15.808			61,409
National Spatial Data Infrastructure Cooperative Agreements Program	15.809		98,935	
National Cooperative Geologic Mapping Program	15.810		60,770	
Gap Analysis Program	15.811		19,389	
Cooperative Research Units Program	15.812		552,967	
Historic Preservation Fund Grants-In-Aid	15.904		16,201	

COMMONWEALTH OF VIRGINIA
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
National Natural Landmarks Program	15.910		57,168	
National Historic Landmark	15.912		142,052	
National Register of Historic Places	15.914		50,929	
Rivers, Trails and Conservation Assistance	15.921		491,835	
Other Assistance:				
Pass-Through From Booz Allen & Hamilton	15.000	SUB 88138CBS25		2,742
Pass-Through From America View Incorporated	15.000	AGREEMENT DTD 10/1/07		18,968
Other Assistance	15.000	R9837071024	1,472	
Other Assistance	15.000	H3992030004 TA 0002	329	
Other Assistance	15.000	J5028070504	60,106	
Other Assistance	15.000	H4560030065 TA 009	10,063	
Other Assistance	15.000	H4560030065 TA 010	1,143	
Other Assistance	15.000	J1526085173	874	
Other Assistance	15.000	514117M016	4,709	
Other Assistance	15.000	J2390070026	543	
Other Assistance	15.000	J3300065040	17,980	
Other Assistance	15.000	ROES7036	64,552	
Other Assistance	15.000	514137M001	7,329	
Other Assistance	15.000	J8813070609	57,465	
Other Assistance	15.000	501818J230	16,238	
Other Assistance	15.000	J514008006	2,465	
Other Assistance	15.000	05PG810038	95,247	
Other Assistance	15.000	LOG-50181-6-J042	14,786	
Other Assistance	15.000	J8826070108	12,075	
Other Assistance	15.000	J881308003	8,939	
Other Assistance	15.000	R4840071217	758	
Other Assistance	15.000	J8291060004	110,251	
Other Assistance	15.000	501817M844	5,012	
Other Assistance	15.000	J4506070726	86,314	
Other Assistance	15.000	VAF07041	13,810	
Other Assistance	15.000	H4560-03-0065	6,673	
Other Assistance	15.000	04ERSA0369	892	
Other Assistance	15.000	50181-4-J067	77,667	
Other Assistance	15.000	501817M754	76,549	
Carnivores of Prince William Forest Park: Community Structure, Movement Patterns, and Conservation Concerns	15.000	J3992-06-0401	9,729	
Lichen Biomonitoring of Atmospheric Quality in the National Capital Region	15.000	T-3097-02-401	16,100	
Development of Model to Explore Anthropogenic Off-site Threats to Resources of the Potomac Gorge	15.000	T-3097-02-0410	21,989	
National Park Service Summary of Watershed Assessment	15.000	J-3097-03-400	32,091	
Total Research and Development Cluster			3,661,669	186,778
Total U.S. Department of the Interior			30,521,123	247,832

U.S. DEPARTMENT OF JUSTICE

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Law Enforcement Assistance-Narcotics and Dangerous Drugs Training	16.004		269,281	
Prisoner Reentry Initiative Demonstration (Offender Reentry)	16.202		663	
Juvenile Accountability Block Grants	16.523		907,589	
Grants to Combat Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		246,213	
Enhanced Training and Services to end Violence and Abuse of Women Later in Life	16.528		154,965	
Juvenile Justice and Delinquency Prevention-Allocation to States	16.540		2,320,136	
Missing Children's Assistance	16.543		194,990	
Pass-Through From National Children's Alliance	16.543			11,117
Victims of Child Abuse	16.547			
Pass-Through From National Court Appointed Special Advocate Association	16.547			50,000
Title V-Delinquency Prevention Program	16.548		116,084	
Part E-State Challenge Activities	16.549		83,506	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
State Justice Statistics Program for Statistical Analysis Centers	16.550		48,487	
National Criminal History Improvement Program (NCHIP)	16.554		770,562	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		121,702	
Crime Victim Assistance	16.575		9,467,076	
Crime Victim Compensation	16.576		669,000	
Edward Byrne Memorial Formula Grant Program	16.579		656,139	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		2,103,797	
Crime Victim Assistance/Discretionary Grants	16.582		58,939	
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586		181,688	
Violence Against Women Formula Grants	16.588		2,756,664	
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Grant Program	16.589		13,086	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590		342,891	
Residential Substance Abuse Treatment for State Prisoners	16.593		326,693	
Corrections-Training and Staff Development	16.601		69,828	
State Criminal Alien Assistance Program	16.606		152,301	
Public Safety Partnership and Community Policing Grants	16.710		2,598,113	
Pass-Through From University of Minnesota	16.710			11,700
Enforcing Underage Drinking Laws Program	16.727		301,419	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		5,025,924	
Forensic DNA Capacity Enhancement Program	16.741		767,481	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		154,594	
Forensic Casework DNA Backlog Reduction Program	16.743		385,992	
Anti-Gang Initiative	16.744			
Pass-Through From Virginia Association of Chief's of Police	16.744			48,687
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745		43,627	
Edward Byrne Memorial Competitive Grant Program	16.751		8,889	
Total Excluding Cluster Identified Below			31,318,319	121,504
Research and Development Cluster:				
Juvenile Accountability Block Grants	16.523		8,283	
Part D - Research, Evaluation, Technical Assistance and Training	16.542		187,374	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		1,101,301	
Edward Byrne Memorial Formula Grant Program	16.579		73,262	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		504,465	
Pass-Through From Albemarle Public Schools	16.580			4,091
Violence Against Women Formula Grants	16.588		20,928	
State and Local Anti-Terrorism Training	16.614			
Pass-Through From Dartmouth College	16.614			4,282
Enforcing Underage Drinking Laws Program	16.727		872	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		43,135	
Other Assistance:				
Other Assistance	16.000	DTFAWA-04-F-GMU12	242,229	
Other Assistance	16.000	2007-IJ-CX-0032	25,096	
Other Assistance	16.000	2007-JF-R-120	129,732	
Other Assistance	16.000	2007-AB-CX-K003	61,841	
Other Assistance	16.000	2005CKWXK052	67,277	
Other Assistance	16.000	2007-AB-CX-K002	195,674	
National Census and Survey of Juvenile Probation	16.000	2001-JF-R-046	207,029	
Research Assistance	16.000	2004-IJ-R-003	50,268	
Total Research and Development Cluster			2,918,766	8,373
Total U.S. Department of Justice			34,237,085	129,877

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. DEPARTMENT OF LABOR				
Labor Force Statistics	17.002		1,738,521	
Compensation and Working Conditions	17.005		112,160	
Registered Apprenticeship and Other Training	17.201			
Pass-Through From Shenandoah Valley Workforce Investment Board	17.201			45,905
Unemployment Insurance	17.225		488,448,829	
Senior Community Service Employment Program	17.235		2,143,117	
Trade Adjustment Assistance	17.245		23,547,952	
WIA Pilots, Demonstrations, and Research Projects	17.261		607,739	
Pass-Through From University of Missouri Columbia	17.261			56,258
Work Incentives Grants	17.266		916,654	
Pass-Through From Capital Area Workforce	17.266			7,000
Incentive Grants- WIA Section 503	17.267		340,453	
H-1B High Growth Job Training Grants	17.268		279,657	
Community Based Job Training Grants	17.269		1,533,868	
Work Opportunity Tax Credit Program (WOTC)	17.271		568,928	
Temporary Labor Certification for Foreign Workers	17.273		605,369	
Occupational Safety and Health-State Program	17.503		3,394,748	
Consultation Agreements	17.504		1,023,370	
OSHA Data Initiative	17.505		8,281	
Mine Health and Safety Grants	17.600		365,566	
Disability Employment Policy Development	17.720		714,345	
Homeless Veterans Reintegration Project	17.805		291,572	
Other Assistance:				
Other Assistance	17.000	DOLB06MR20315	28,857	
Total Excluding Clusters Identified Below			526,669,986	109,163
Employment Services Cluster:				
Employment Service/Wagner - Peyser Funded Activities	17.207		16,481,471	
Disabled Veterans' Outreach Program (DVOP)	17.801		1,397,064	
Local Veterans' Employment Representative Program	17.804		2,308,294	
Total Employment Services Cluster			20,186,829	-
WIA Cluster:				
WIA Adult Program	17.258		12,279,010	
Pass-Through From Bay Consortium Workforce Investment Board	17.258			75,955
Pass-Through From VEC One-Stops	17.258			703,340
Pass-Through From Region 2000 Regional Commission	17.258			73,400
Pass-Through From Virginia Workforce Network	17.258			5,660
Pass-Through From Greater Peninsula Workforce Investment Board	17.258			841,162
WIA Youth Activities	17.259		12,543,137	
Pass-Through From Region 2000 Regional Commission	17.259			27,170
Pass-Through From Bay Consortium Workforce Investment Board	17.259			50,126
Pass-Through From South Central Workforce Investment Board	17.259			681,686
Pass-Through From VEC One-Stops	17.259			1,660
Pass-Through From New Horizons Regional Educational Center	17.259			24,098
WIA Dislocated Workers	17.260		11,833,493	
Pass-Through From Bay Consortium Investment Board	17.260			36,533
Pass-Through From Greater Peninsula Workforce Investment Consortium	17.260			491,719
Pass-Through From Region 2000 Regional Commission	17.260			110,945
Pass-Through From Virginia Workforce Network	17.260			7,816
Pass-Through From VEC One-Stops	17.260			1,969,764
Total WIA Cluster			36,655,640	5,101,034

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Research and Development Cluster:				
WIA Pilots, Demonstrations, and Research Projects	17.261			
Pass-Through From United Parcel Service	17.261			147,341
Total Research and Development Cluster			-	147,341
Total U.S. Department of Labor			583,512,455	5,357,538
U.S. DEPARTMENT OF STATE				
Educational Exchange-University Lecturers (Professors) and Research Scholars	19.401		193,050	
Professional Exchanges-Annual Open Grant	19.415		116,804	
International Education Training and Research	19.430			
Pass-Through From International Research and Exchanges	19.430			3,009
Other Assistance:				
Pass-Through From VMI Research Labs	19.000	LM		126,000
Pass-Through From Institute of International Education	19.000	S-ECAAS-07-CA-019-CS		215,918
Pass-Through From International Research and Exchanges	19.000	S-ECAAS-06-GR-140(MA)		298,175
Pass-Through From The Polus Center for Social & Economic Development, Incorporated	19.000	S-PMWRA-06-GR-098		18,456
Pass-Through From Northrop-Grumman	19.000	S-ALMAQM-01-H-0001		74,243
Other Assistance	19.000	PC-07-8-047 77000630	14,905	
Other Assistance	19.000	DTD 3-19-08	78,263	
Other Assistance	19.000	PC-06-8-119-66000856	435	
Mine Action Information Center	19.000	S-PMWRA-07-GR-033	231,376	
Mine Action Information Center Fellowship	19.000	S-PMWRA-07-GR-034	129,861	
Mine Action Information Center to Walk the Earth to Safety	19.000	S-PMWRA-08-GR-002	65,041	
US Origin Landmines	19.000	S-PMWRA-06-GR-078	41,457	
Religion and Education	19.000	S-ECAPE-05-GR-126(JJ)	201	
North African Undergraduate Exchange Program; Middle East and North Africa Undergraduate Exchange Program	19.000	ECAAE-06-CA-143(MA)	85,039	
James Madison University International Exchange Program	19.000	S-ECAAE-06-CA-141 (MA)	74,470	
Best Practice Handbook	19.000	S-PMWRA-06-GR-095	52,937	
Total Excluding Cluster Identified Below			1,083,839	735,801
Research and Development Cluster:				
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300			
Pass-Through From American Council of Learned Studies/Social Sciences Research Council Working Group on Cuba	19.300			2,777
Pass-Through From National Council for Eurasian & East European Research	19.300			14,810
Educational Exchange-University Lecturers (Professors) and Research Scholars	19.401		71,603	
Pass-Through From Council For International Exchange Of Scholars	19.401			1,500
Educational Partnerships Program	19.424		53,212	
Middle East Partnership Initiative (MEPI)	19.500		12,971	
Other Assistance:				
Pass-Through From Marshall Legacy Institute	19.000	VA-08-07-02-008-216-00-660		24,425
Pass-Through From Cornell University	19.000	42618-7537		12,575
Other Assistance	19.000	S-LMAQM-07-GR-341	18,649	
Other Assistance	19.000	S-RS500-08GR-104	12,680	
Adaptive Technology Catalog for Victims of Enhanced Radiation Warhead	19.000	S-PMWRA-06-GR-077	28,406	
Mine Action Information Center Coin Guide Workshop	19.000	S-AQMMA-07-M-1328	23,393	
Scoping Study of the Effects on Aging on Landmines in Cambodia	19.000	S-PMWRA-08-GR-091	19,557	
Catalog and Guide to Global Training Initiatives	19.000	S-PMWRA-07-GR-071	10,693	
Total Research and Development Cluster			251,164	56,087
Total U.S. Department of State			1,335,003	791,888

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. DEPARTMENT OF TRANSPORTATION				
Airport Improvement Program	20.106		375,861	
Highway Training and Education	20.215		19,782	
National Motor Carrier Safety	20.218		5,054,281	
Recreational Trails Program	20.219		995,178	
Commercial Driver License State Programs	20.232		57,160	
Safety Data Improvement Program	20.234		183,545	
Fuel Tax Evasion-Intergovernmental Enforcement Effort	20.240		105,590	
Railroad Research and Development	20.313			
Pass-Through From Old Dominion University Research Foundation	20.313			19,313
Federal Transit-Metropolitan Planning Grants	20.505		1,879,110	
Formula Grants for Other Than Urbanized Areas	20.509		14,807,490	
Public Transportation Research	20.514		20,191	
Alcohol Open Container Requirements	20.607		22,974,648	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		2,340,976	
National Highway Transportation Safety Administration Discretionary Safety Grants	20.614		17,938	
Pipeline Safety	20.700		347,754	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		180,016	
Other Assistance:				
Other Assistance	20.000		(635,929)	
Fatal Accident Reporting System Grant	20.000		43,547	
Commercial Vehicle Information (CVISN)	20.000		15,343	
Business Opportunity with Workforce Development Center	20.000		47,363	
Total Excluding Clusters Identified Below			48,829,844	19,313
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205		849,912,840	
Pass-Through From Cambridge Systematics Incorporated	20.205			92,406
Pass-Through From University of Michigan - Ann Arbor	20.205			56,103
Pass-Through From Crash Avoidance Metrics Partnership	20.205			3,532,703
Pass-Through From American Transportation Research Institute	20.205			8,056
Pass-Through From Cleveland State University	20.205			12,291
Pass-Through From George Washington University	20.205			29,655
Total Highway Planning and Construction Cluster			849,912,840	3,731,214
Federal Transit Cluster:				
Federal Transit-Capital Investment Grants	20.500		9,500,672	
Total Federal Transit Cluster			9,500,672	-
Transit Services Programs Cluster:				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		1,248,262	
Job Access-Reverse Commute	20.516		401,509	
Total Transit Services Programs Cluster			1,649,771	-
Highway Safety Cluster:				
State and Community Highway Safety	20.600		5,033,122	
Pass-Through From Wake Forest University School of Medicine	20.600			49,701
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		874,364	
Occupant Protection	20.602		2,187,671	
Federal Highway Safety Data Improvements Incentive Grants	20.603		10,247	
Safety Incentive Grants for Use of Seatbelts	20.604		2	
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605		90,000	
State Traffic Safety Information System Improvement Grants	20.610		322,064	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Incentive Grant Program to Increase Motorcyclist Safety	20.612		70,852	
Child Safety and Child Booster Seats Incentive Grants	20.613		98,995	
Total Highway Safety Cluster			8,687,317	49,701
Research and Development Cluster:				
Aviation Research Grants	20.108		556,102	
Air Transportation Centers of Excellence	20.109		303,548	
National Motor Carrier Safety	20.218			
Pass-Through From Booz Allen & Hamilton	20.218			28,131
Public Transportation Research	20.514		369,055	
Pass-Through From University of New Orleans	20.514			10,368
Pass-Through From Edwards & Kelcey Incorporated	20.514			32,608
National Highway Transportation Safety Administration Discretionary Safety Grants	20.614		23,345	
Pass-Through From Wake Forest University School of Medicine	20.614			101,943
Pass-Through From Westat Incorporated	20.614			137,844
University Transportation Centers Program	20.701		438,782	
Pass-Through From Pennsylvania State University	20.701			159,920
Other Assistance:				
Pass-Through From Iowa State University	20.000	ISU ACCT 428-17-11		18,611
Pass-Through From Major Automotive Company	20.000	TCS05228		328,812
Pass-Through From University of Michigan - Ann Arbor	20.000	PO#3000471415		44,784
Pass-Through From University of Michigan - Ann Arbor	20.000	3000715816		2,276
Pass-Through From Cambridge Systematics Incorporated	20.000	AGMT 7661.300		616
Pass-Through From Cambridge Systematics Incorporated	20.000	AGRMT 7661.290		18,750
Pass-Through From Cambridge Systematics Incorporated	20.000	AGRMT 7091.680		2,225
Pass-Through From University of Tennessee	20.000	101569		11,287
Pass-Through From Edwards & Kelcey Incorporated	20.000	070011.086 VTTI		17,384
Pass-Through From Case Construction	20.000	112507-VTTI-TRACX		50,404
Pass-Through From University of Maryland	20.000	SP075A4N		56,147
Pass-Through From National Cooperative Highway Research	20.000	HR 18-15		46,101
Pass-Through From National Cooperative Highway Research	20.000	NCHRP-122		27,910
Pass-Through From Professional Service Industries	20.000	AGRMT DTD 10/19/06		142,100
Pass-Through From Maine Way Service	20.000	AGMT DTD 3/07/08		9,395
Pass-Through From Maine Way Service	20.000	AGRMT DTD 2/21/08		5,930
Pass-Through From The National Academies	20.000	SHRP S-05		1,698,383
Pass-Through From The National Academies	20.000	ACRP A04-03		189,529
Pass-Through From The National Academies	20.000	HR 13-02		1,541
Pass-Through From The National Academies	20.000	HR 20-05 (39-01)		7,486
Pass-Through From The National Academies	20.000	AWARD # HR 04-34		77,522
Pass-Through From Pennsylvania State University	20.000	1760-VPT-USDT-0003		256,116
Other Assistance:				
Other Assistance	20.000	DTFAWA-04-F-GMU14	22,388	
Other Assistance	20.000	DDEGRD-07-X-00438	(2,478)	
Other Assistance	20.000	DTFH61-07-C-00055	19,722	
Other Assistance	20.000	DTFAWA-04-F-GMU15	87,882	
Other Assistance	20.000	DTFH61-07-P-00266	12,782	
Other Assistance	20.000	DTMC75-07-D-006	413,773	
Other Assistance	20.000	HR 08-55A	115,559	
Other Assistance	20.000	DTFH61-06-H-00027	424,046	
Other Assistance	20.000	DTRT457-07-P-8009	34,316	
Other Assistance	20.000	DDEGRF-07-X-00502	28,306	
Other Assistance	20.000	X-00411	6,299	
Other Assistance	20.000	ORDER #DTFH61-06-P-00026	21,097	
Other Assistance	20.000	VA-26-1010	65,710	
Other Assistance	20.000	VTRC-MOA-08-004	57,508	
Other Assistance	20.000	PR#WA07-03936	154,194	
Other Assistance	20.000	VTRC-MOA-08-005	63,787	
Other Assistance	20.000	VTRC-MOA-08-009	94,557	
Other Assistance	20.000	DTNH22-05-D-01019	3,629,233	

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Collaborative Decision Making	20.000	WA-06-03355	6,785	
Combinatorial Analysis Utilizing Logical Dependencies Residing on Network (CAULDRON)	20.000	DTFAWA-04-P-00278/0001	82,015	
Modeling Threats and Refiguration of free Flight Communication	20.000	DTFAWA-04-D-00278	36,435	
Symposium-Congestion Management	20.000	DTFAWA-04-D-00013	12,449	
Total Research and Development Cluster			7,077,197	3,484,123
Total U.S. Department of Transportation			925,657,641	7,284,351
APPALACHIAN REGIONAL COMMISSION				
Appalachian Regional Development (See individual Appalachian Programs)	23.001		1,268,882	
Appalachian Area Development	23.002		108,089	
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011		60,624	
Pass-Through From East Tennessee State University	23.011			4,000
Total Excluding Cluster Identified Below			1,437,595	4,000
Research and Development Cluster:				
Appalachian Area Development	23.002		7,759	
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011			
Pass-Through From East Tennessee State University	23.011			3,809
Other Assistance:				
Other Assistance	23.000	VA-15783-07	16,669	
Total Research and Development Cluster			24,428	3,809
Total Appalachian Regional Commission			1,462,023	7,809
OFFICE OF PERSONNEL MANAGEMENT				
Research and Development Cluster:				
Intergovernmental Personnel Act (IPA) Mobility Program	27.011		5,840	
Total Office of Personnel Management			5,840	-
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	30.002		57,096	
Total Equal Employment Opportunity Commission			57,096	-
GENERAL SERVICES ADMINISTRATION				
Donation of Federal Surplus Personal Property	39.003		1,472,996	
Election Reform Payments	39.011		445,987	
Other Assistance:				
Other Assistance	39.000	GS-11P-07-ZG-C-0265	547,046	
Other Assistance	39.000	GS11B70222	232,981	
Other Assistance	39.000	GS-10P-06-YA-C0028	1,315	
Other Assistance	39.000	GS11P05YAC0025	523	
Technology Systems	39.000	FM403	147	
Facilities Management	39.000		8,872	
Total General Services Administration			2,709,867	-

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
LIBRARY OF CONGRESS				
Research and Development Cluster:				
Other Assistance:				
Pass-Through From Emory University	42.000	SUB CON NO 5-29915-C5		19,661
Other Assistance	42.000	OWLC-0736	33,987	
US Response to Human Trafficking	42.000		46,148	
Total Library of Congress			80,135	19,661
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Aerospace Education Services Program	43.001		284,367	
Pass-Through From Virginia Space Grant Consortium	43.001			5,000
Technology Transfer	43.002		92,816	
Pass-Through From Virginia Space Grant Consortium	43.002			78,323
Other Assistance:				
Pass-Through From Coherent Technical Services	43.000	NNX08CC519-01591		29,816
Pass-Through From American Astronomical Society	43.000			1,500
Pass-Through From The Aerospace Corporation	43.000	NNX07AB78G		25,144
Other Assistance	43.000	NNX06AB78H	19,531	
Evolution of Complex Organics in the Solar Nebula	43.000	NNX08A146G	8,989	
Non-Invasive BioSensor Network System for Health Monitoring During Launch, Entry & EVA Sessions	43.000	NNX07AQ14G	272,347	
Nanofabrication Workshop	43.000	NNL07YA03P	19,745	
Medical Policy for Exploration Missions	43.000	NNG05GF48A	1,844	
Robust/Aigan/Gan Microsensors	43.000	1266376	64,167	
Napoparticles, Gas-Grain Interactions	43.000	NNG04GH45G	131,213	
New Pathway for the Formation of Complex Organics & Prebiotic Synthesis in the Gas Phase, in Nano Clusters	43.000	NNX07AU16G	21,886	
Astronaut Information Management System	43.000	NCC8264	3,217	
Intergovernmental Personnel Act- Nicogossian	43.000		88,773	
Virginia Space Consortium Grant	43.000	#NNG05FG89H	70,150	
Investigation & Development of an Autopilot	43.000	NNL06AA00A	4,849	
Total Excluding Cluster Identified Below			1,083,894	139,783
Research and Development Cluster:				
Aerospace Education Services Program	43.001		4,050,478	
Pass-Through From International Scientific Technologies, Incorporated	43.001			54,041
Pass-Through From Texas Southern University	43.001			52,621
Pass-Through From Space Telescope Science Institute	43.001			136,463
Pass-Through From Smithsonian Institution	43.001			19,659
Pass-Through From Virginia Space Grant Consortium	43.001			35,216
Pass-Through From University Of Alaska	43.001			50,744
Pass-Through From The National Institute Of Aerospace (NIA)	43.001			161,721
Technology Transfer	43.002		2,030,685	
Pass-Through From The National Institute Of Aerospace (NIA)	43.002			74,941
Pass-Through From Southwest Research Institute	43.002			20,000
Pass-Through From Universities Space Research Association	43.002			27,959
Pass-Through From Space Telescope Science Institute	43.002			81,271
Pass-Through From National Space Biomedical Research Institute	43.002			293,821
Pass-Through From Extreme Diagnostics Incorporated	43.002			38,929
Pass-Through From United Technologies Research Center	43.002			95,054
Other Assistance:				
Pass-Through From TRS Ceramics Incorporated	43.000	PO NO 1107		2,150
Pass-Through From Regents of the University of California	43.000	NNX06A593G		23,573
Pass-Through From California Institute of Technology	43.000			18,432
Pass-Through From California Space Grant Foundation	43.000	PO CSGC 002-013-04		13,689

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From Parabon Computation Incorporated	43.000	WVHTC-W-NASA-ED-06-1338		65,754
Pass-Through From QSS Group	43.000	NNG04EA43C		129,615
Pass-Through From Extreme Diagnostics Incorporated	43.000	PO DATED 1-11-06		67,327
Pass-Through From Mississippi State University	43.000	NNS07AA56T		106,118
Pass-Through From Mississippi State University	43.000			13,147
Pass-Through From Metron Aviation Incorporated	43.000			24,765
Pass-Through From Utah State University	43.000	SUBWARD 061034002		39,692
Pass-Through From Luna Innovations Incorporated	43.000	SUBCONT 1132-NAS-2T/VT		86,223
Pass-Through From Luna Innovations Incorporated	43.000	SUBCONT 1675-NAS-2TVT		72,426
Pass-Through From Wyle Life Group	43.000	NAS-9-02078		15,605
Pass-Through From Aptima Incorporated	43.000	NNX08CA54P		23,076
Pass-Through From NextGen Aeronautics Incorporated	43.000	PO NO 06.012		208,955
Pass-Through From Southwest Research Institute	43.000	NASW-02008		52,167
Pass-Through From Hampton University	43.000	06-001		162,629
Pass-Through From Hampton University	43.000	NAS5-013132		14,308
Pass-Through From L T Technologies	43.000			48,023
Pass-Through From California Institute of Technology	43.000	NM0710832		28,776
Pass-Through From Institute for Advanced Learning and Research	43.000			481,062
Pass-Through From Tao Systems	43.000	RES AGRMT DTD 1/25/07		100,896
Pass-Through From AuSIM Incorporated	43.000	AGRMT DTD 1/27/06		65,061
Pass-Through From Jones Edmunds & Associates Incorporated	43.000	PROJ NO 14005-004-01		22,977
Pass-Through From SMD Corporation	43.000	AGRMT DTD 1/30/06		56,260
Pass-Through From AeroAstro	43.000	AGRMT DTD 5/9/07		74,891
Pass-Through From Boston Applied Technologies Incorporated	43.000	BATI-STTR-0601		184,164
Pass-Through From National Center for Atmospheric Research	43.000	S06-58157		33,152
Pass-Through From University of Maryland	43.000	SUBAWARD Z627302		119,791
Pass-Through From University of Maryland	43.000	SUBAWARD Z634016		37,403
Pass-Through From University of Central Florida	43.000	SUBCONT 16296043		21,968
Pass-Through From Virginia Space Consortium	43.000	SUBCONT 08-124-154084		54,527
Pass-Through From Mosaic Air Traffic Management	43.000	AGRMT DTD 11/15/07		10,766
Pass-Through From TRS Technologies Incorporated	43.000	PO 1034		63,819
Pass-Through From North Carolina State University	43.000	SUBAWARD 2005-0372-01		90,023
Pass-Through From Logistics Management Institute	43.000	NS802.02		5,341
Other Assistance	43.000	NNX06AE89G	4,526	
Other Assistance	43.000	NNX06AH26G	162,403	
Other Assistance	43.000	NNA07CN32A	448,912	
Other Assistance	43.000	AGREEMNT DTD 11/8/02	137,959	
Other Assistance	43.000	GRANT NO VT-03-01	651,056	
Other Assistance	43.000	IPA BEATTIE 3/28/08	13,250	
Other Assistance	43.000	IPA DTD 8/22/05	147,014	
Other Assistance	43.000	NNA07CN18A	20,176	
Other Assistance	43.000	NNG05GP21G	69,358	
Other Assistance	43.000	NNG05GP24G	184,993	
Other Assistance	43.000	NNX07A067A	214,400	
Other Assistance	43.000	NNX08AC81A	8,133	
Other Assistance	43.000	NNX08AC49A	33,148	
Other Assistance	43.000	NNX07AT36A	86,108	
Other Assistance	43.000	NNX07AP45G	44,420	
Other Assistance	43.000	NNX07AC24A	205,057	
Other Assistance	43.000	NNS06AA57G	233,455	
Other Assistance	43.000	6134	47,020	
Other Assistance	43.000	NNJ04H134G	50,553	
Other Assistance	43.000	VT-03-1, 4849-VT	32,916	
Other Assistance	43.000	NNL08AA02C	376,837	
Other Assistance	43.000	PT090702-SC100221	4,949	
Other Assistance	43.000	NNX08AB97A	5,423	
Other Assistance	43.000	TASK ORDER 6084-VT	3,392	
Other Assistance	43.000	TO 6124-VT; T04-6000-VT	73,646	
Other Assistance	43.000	VT-03-01 2640-VT	68,057	
Other Assistance	43.000	VT-03-01 4847-VT	36,806	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Other Assistance	43.000	201152-2	251	
Other Assistance	43.000	VT-03-1, 2649-VT	53,079	
Other Assistance	43.000	NNL05AA29G	(50,711)	
Other Assistance	43.000	VT-03-1, 4850-VT	38,693	
Other Assistance	43.000	08-147-175971	7,649	
Other Assistance	43.000	NNL06AA08G	25	
Other Assistance	43.000	NNX08AF43G	22,654	
Other Assistance	43.000	NNX07AT23A	210,619	
Other Assistance	43.000	NNX07AH23G	76,429	
Other Assistance	43.000	VT-03-01; 2622-VT	1,030	
Other Assistance	43.000	NNX07AT32G	4,454	
Analysis of Rare Events: Application to Wake Vortex Risk Analysis	43.000	NNL05AA28G	84,752	
Investigation of Far Ultraviolet Spectral Observations of Shuttle and Rocket Exhaust in the Upper Atmosphere	43.000	NNG06GJ20G	89,859	
Numerical Modeling of the Evolution of Coronal Mass Ejections Shocks	43.000	NNG06GB53G	160,204	
Reliable Interatomic Potentials for Advanced Materials Systems	43.000	NNX08AC07A	13,489	
Framework and System Prototypes for the Self-Adaptive Earth Predictive Systems (EPS)	43.000	NNX06AG04G	194,167	
Development of Open Data Access Protocol	43.000	NNX06AB49A	203,367	
X-Ray Emissions from Two Collisional Ring Galaxies	43.000	NNGO5GR33G	4,307	
Developing Tools of Automatic Coronal Mass Ejection Detection and Characterization	43.000	NNX07AO72G	44,916	
Statistical Analysis of Southern Hemisphere Snow Center	43.000	NNX06AE72G	22,965	
Empirical Ionospheric E-Region Solar	43.000	NNX07AO65G	17,450	
Forecasting Megatrends in Passenger trip Performance	43.000	DTFAWA-04-D-000013	5,165	
Heliosheath Flows with a Tilted Solar Magnetic Field	43.000	NNX07AH20G	12,364	
Development of Standard Implementation Practices and Productivity Software for Earth System Modeling Framework-Based Map Systems	43.000	NNX07AV58G	28,635	
Moderate Resolution Imaging Spectroradiometer Characterization Support	43.000	NNX08AB52G	35,255	
Computational and Information Sciences and Technology (CIST) Support	43.000	NNX08AD21G	20,767	
Long-term Space Exploration	43.000	NNX07AM51G	12,622	
Characterization and Understanding of Smaller Scale Structure in TIMRD/Global Ultraviolet Imager Limb Data	43.000	NNX08AF30G	7,921	
Multi-Sensor Approach for Monitoring Fire Risk in the Wildland Urban Interface	43.000	NNX06AF20H	1,827	
Characteristics of Solar Eruptions	43.000	NNG05GG19G	112,794	
Joint Interdisciplinary Earth Science Information Center (JIESIC)	43.000	NNG04GH96A	66,354	
A Systematic Study On Sources Of Major Geomagnetic Storms	43.000	NNGO4GN36G	6,683	
Resuming Tasks Following Interruptions	43.000	NNA04CK69H	10,740	
Value-Added Producers from Moderate Resolution Imaging Spectroradiomeier Time-Series	43.000	NNG04GQ45G	8,493	
Monitoring of the Variability in the NASA Lunar Science Institute	43.000	NNX06AG48G	8,942	
Episodic Events and Trends in Global Ultraviolet Investigation Limb Data	43.000	NNG05GE42G	75,778	
Support for the Living with a Star Program	43.000	NNG04GC54G	27,184	
The Origins of the Xrays in the Fanaroff Riley Type Radio Quasars	43.000	NNG05GL67G	773	
Support for NASA Airspace Concept Evaluation System Models using Transportation Army Aviation Maintenance Simulation Model and Bayesian Networks	43.000	NNA05CV26G	29,328	
Remote Sensing Support for Project	43.000	426615	39,105	
Characterizing the Composition of Large Mid-Latitude Topside Ionospheric/Plasmaspheric Gradients	43.000	NNX07AT21G	7,652	
Nuclear Accretion in Radio-loud Active Galactic Nuclei	43.000	NAG5-10708	82,200	
Probing the Nuclei of Luminous Galaxies: The Genesis, Nature, and Evolution of their Nuclear Activity	43.000	NAG5-11432	39,784	
NASA Earth Observing System Higher Education Alliance	43.000	NNG04GE61A	538,605	
Fuel Cell Battery Research	43.000	NNC04GB50G	220,769	
The Virtual Radiation Belt Observatory (VIRBO)	43.000	NNX07AB70G	198,288	
Joint Geospatial - Informatics Laboratory	43.000	NNX06AD35A	349,952	
High Energy Phenomena in Microflares and Radio Imaging Observations	43.000	NNG04GG33G	29,853	
The Detection and Tracking of Satellite Image Features Associated with Extreme Physical Events for Sensor Web Targeting Observing	43.000	NNX07AD53G	134,551	
Joint Laboratory for Geosciences Interoperability Partnership	43.000	NNXO7AD99G	882,197	
Analysis and Products Towards the Improvement of Satellite Precipitation Retrieval	43.000	NNX07AG27G	47,337	
Monthly Oceanic Rain Rate from Microwave Emission Brightness Temperature Histograms (METH)	43.000	NNX07AN22G	76,023	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Investigation of Key Problems in Ionospheric Photochemistry	43.000	NNX07AN03G	208,166	
Utilizing the National Network for Verification of Satellite Rainfall Estimates	43.000	NNX07AK47G	150,928	
Characterizing Precipitation and Latent Heating from Tropical Rainfall Measuring Mission Satellite Measurements	43.000	NNX07AM53G	54,999	
Joint Interdisciplinary Earth Science Information Center (JIESIC)	43.000	NNX07AJ22A	2,988,538	
Global and Environmental Change: Hazards and Regional Impacts	43.000	NNX06AF30G	1,155,505	
Total Research and Development Cluster			18,320,855	3,780,991
Total National Aeronautics and Space Administration			19,404,749	3,920,774
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Promotion of the Arts-Grants to Organizations and Individuals	45.024		69,196	
Promotion of the Arts - Partnership Agreements	45.025		786,491	
Promotion of the Humanities-Federal/State Partnership	45.129		706,234	
Promotion of the Humanities-Challenge Grants	45.130		2,375	
Promotion of the Humanities-Division of Preservation and Access	45.149		417,321	
Promotion of the Humanities-Research	45.161		12,521	
Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development	45.162		26,043	
Promotion of the Humanities-Professional Development	45.163		29,416	
Promotion of the Humanities-Public Programs	45.164		77,218	
Museum Assessment Program	45.302		471	
Grants to States	45.310		3,840,644	
National Leadership Grants	45.312		193,943	
Total Excluding Cluster Identified Below			6,161,873	-
Research and Development Cluster:				
Promotion of the Arts-Grants to Organizations and Individuals	45.024		16,461	
Promotion of the Humanities-Division of Preservation and Access	45.149		324,629	
Promotion of the Humanities-Fellowships and Stipends	45.160		40,000	
Promotion of the Humanities-Research	45.161		454,119	
Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development	45.162		124,635	
Promotion of the Humanities-Professional Development	45.163		195,569	
Promotion of the Humanities-We the People	45.168		151,270	
Promotion of the Humanities-Digital Humanities Initiative	45.169		42,031	
Pass-Through From North Carolina State University	45.169			9,786
National Leadership Grants	45.312		106,283	
Other Assistance:				
Pass-Through From Virginia Foundation for the Humanities	45.000	WTP-07-05		3,000
Pass-Through From Research Foundation of CUNY	45.000			11,617
Total Research and Development Cluster			1,454,997	24,403
Total National Foundation on the Arts and the Humanities			7,616,870	24,403
NATIONAL SCIENCE FOUNDATION				
Engineering Grants	47.041		196,929	
Mathematical and Physical Sciences	47.049		202,053	
Pass-Through From Mathematical Association of America	47.049			21,671
Computer and Information Science and Engineering	47.070		149,072	
Biological Sciences	47.074		17,094	
Education and Human Resources	47.076		4,361,979	
Pass-Through From Howard University	47.076			82,430
Pass-Through From Space Tec	47.076			51,655
Pass-Through From Prince George County	47.076			30,754

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
International Science and Engineering	47.079		127,785	
Other Assistance:				
Other Assistance	47.000	IIS-0814033	1,591	
Total Excluding Cluster Identified Below			5,056,503	186,510
Research and Development Cluster:				
Engineering Grants	47.041		14,320,318	
Pass-Through From Zimmerman Associates	47.041			37,453
Pass-Through From University Of Massachusetts	47.041			60,772
Pass-Through From University of Illinois	47.041			53,391
Pass-Through From Pennsylvania State University	47.041			42,577
Pass-Through From NBE Technologies LLC	47.041			3,460
Pass-Through From Purdue University	47.041			93,240
Pass-Through From University of Cincinnati	47.041			37,641
Pass-Through From Ohio State University	47.041			55,454
Pass-Through From University Of Alabama	47.041			2,140
Pass-Through From RNET Technologies	47.041			18,308
Pass-Through From Carnegie-Mellon University	47.041			600
Pass-Through From University Of Michigan	47.041			55,125
Pass-Through From University of Louisville	47.041			2,167
Pass-Through From Enhanced Oncology Systems	47.041			30,615
Pass-Through From University of Minnesota Twin Cities	47.041			31,326
Pass-Through From Luna Innovations Incorporated	47.041			13,496
Pass-Through From Extreme Diagnostics Incorporated	47.041			58,386
Pass-Through From ADA Technologies Incorporated	47.041			50,000
Pass-Through From QuantTera	47.041			34,888
Pass-Through From Prime Photonics Incorporated	47.041			397
Pass-Through From Meridium Incorporated	47.041			17,447
Mathematical and Physical Sciences	47.049		13,572,265	
Pass-Through From New York University	47.049			1,430
Pass-Through From University Of Tennessee	47.049			6,494
Pass-Through From University Of Illinois	47.049			112,907
Pass-Through From Mathematical Association of America	47.049			14,504
Pass-Through From University of Washington	47.049			67,427
Pass-Through From Hampton University	47.049			15,162
Pass-Through From Arizona State University	47.049			4,884
Pass-Through From Brigham Young University	47.049			7,250
Geosciences	47.050		5,287,615	
Pass-Through From University Of Colorado	47.050			15,701
Pass-Through FromUniversity of Illinois	47.050			40,929
Pass-Through FromUniversity of California	47.050			10
Pass-Through From Association Of Universities For Research In Astronomy	47.050			30,109
Pass-Through From Cornell University	47.050			66,698
Pass-Through From Florida International University	47.050			64,351
Pass-Through From Florida State University	47.050			(479)
Pass-Through From Lehigh University	47.050			33,183
Pass-Through From Institute of Global Environment and Society Incorporated	47.050			384,502
Pass-Through From The Research Foundation of State	47.050			43,809
Computer and Information Science and Engineering	47.070		10,977,345	
Pass-Through From University of Washington	47.070			11,843
Pass-Through From Romny Scientific Incorporated	47.070			5,290
Pass-Through From University of Iowa	47.070			121,460
Pass-Through From North Carolina A & T	47.070			10,275
Pass-Through From Computing Research Association (CRA)	47.070			36,424
Pass-Through From Auburn University	47.070			85,369
Pass-Through From Pennsylvania State University	47.070			33,042
Pass-Through From University Of Pittsburgh	47.070			69,122
Pass-Through From University Of Massachusetts	47.070			114,039
Pass-Through From University Of Illinois	47.070			20,284

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From University Of Colorado	47.070			28,738
Biological Sciences	47.074		6,527,837	
Pass-Through From Marine Biological Laboratory	47.074			14,069
Pass-Through From Washington State University	47.074			16,250
Pass-Through From American Museum of Natural History	47.074			43,833
Pass-Through From National Ecological Observatory Network (Neon)	47.074			107,892
Pass-Through From Woods Hole Research Center	47.074			22,642
Pass-Through From University of Nevada Reno	47.074			3,894
Pass-Through From University of Arizona	47.074			78,070
Pass-Through From University of California, Berkeley	47.074			6,554
Pass-Through From Oklahoma State University	47.074			112,451
Pass-Through From University of Maryland Baltimore	47.074			77,387
Pass-Through From Seattle Pacific University	47.074			24,397
Pass-Through From Santa Fe Institute	47.074			140,742
Pass-Through From Indiana University	47.074			7,137
Pass-Through From Iowa State University	47.074			10,682
Pass-Through From Mississippi State University	47.074			139,993
Pass-Through From Auburn University	47.074			78,274
Pass-Through From Purdue University	47.074			34,882
Pass-Through From University of Georgia	47.074			47,600
Social, Behavioral, and Economic Sciences	47.075		2,080,850	
Pass-Through From Association for Institutional Research	47.075			(954)
Pass-Through From University of Massachusetts Amherst	47.075			12,013
Pass-Through From Florida Atlantic University	47.075			13,115
Pass-Through From University of Colorado at Boulder	47.075			16,867
Pass-Through From Stanford Research Institute International	47.075			14,684
Pass-Through From Civilian Research & Development	47.075			2,348
Pass-Through From Michigan State University	47.075			16,159
Pass-Through From American Association For Advancement Of Science	47.075			10,348
Pass-Through From Rice University	47.075			6,782
Education and Human Resources	47.076		7,804,919	
Pass-Through From Harvard University	47.076			138,699
Pass-Through From Colorado State University	47.076			10,460
Pass-Through From Scientific Research Institute International	47.076			159,955
Pass-Through From University of Arkansas Fayetteville	47.076			26,062
Pass-Through From Purdue University	47.076			9,231
Pass-Through From The Regents of the University of California-Berkeley	47.076			18,046
Pass-Through From American Association for the Advancement of Science	47.076			33,131
Pass-Through From ECPI College of Technology	47.076			43,030
Pass-Through From University Of Kentucky Research Foundation	47.076			95,864
Pass-Through From San Jose State University Research Foundation	47.076			15,203
Pass-Through From University of California	47.076			6,681
Pass-Through From The National Academies	47.076			14,601
Polar Programs	47.078		1,360,545	
International Science and Engineering	47.079		142,959	
Pass-Through From University Of New Mexico	47.079			13,083
Pass-Through From Drexel University	47.079			39,340
Office of Experimental Program to Stimulate Competitive Research	47.081		200,137	
Other Assistance:				
Pass-Through From Prime Research LC	47.000	NSF 01-502/VT-14		1,828
Pass-Through From Prince George's Community College	47.000	501828		9,577
Pass-Through From Large Synoptic Survey Telescope Corporated	47.000	SPO-NO.9 AST-551161		12,330
Pass-Through From University of Massachusetts Boston	47.000	CCF-0722237		5,915
Pass-Through From L T Technologies	47.000			1,755
Pass-Through From COSMOS Corporation	47.000	HER-0456995		265,520
Pass-Through From Computational Physics Incorporated	47.000	ATM-0448888		38,898
Pass-Through From Exprentis	47.000	750461		5,495
Other Assistance	47.000	AWARD NO DUE 0549341	19,146	
Other Assistance	47.000	CMMI-0806298	134,734	
Other Assistance	47.000	DRL-0812868	71,754	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Other Assistance	47.000	ECCS-0650590-001	189,133	
Other Assistance	47.000	OCI-0753375	56,951	
Other Assistance	47.000	IIS-07365055	150,037	
Other Assistance	47.000	IOS-0647188	138,494	
Other Assistance	47.000	DGE-0638380	419,935	
Intergovernmental Personnel Act for Stephen Nash	47.000	DMII-0548648	193,509	
Enhancing Human Economic Performance	47.000	339181	3,349	
Career: Design Modeling and Control of High Performance Communications Networks	47.000	CCF-0133390	9,085	
Dynamic Resource Allocation via Generated MultiProtocol Label Switching Optical Networks (DRAGON)	47.000	ANI-0335230	229,698	
New Directions in Predictive Learning: Rigorous Learning Machines	47.000	CCR-0324999	19,397	
Global Circulation Variability Induced by Southern Ocean Winds	47.000	OCE-0241916	7,070	
Traps in Molecular Beam Epitaxy-grown III-Nitride Field Effect Transistor Structures on SiC	47.000	ECS-0330226	119,034	
Land Use and Carbon Sequestration	47.000	BCS-0414565	17,686	
Spatial Averaging of Oceanic Rainfall Variability Using Underwater Sound	47.000	OCE-0333585	6,907	
Total Research and Development Cluster			64,060,709	4,166,455
Total National Science Foundation			69,117,212	4,352,965
SECURITIES AND EXCHANGE COMMISSION				
Other Assistance:				
Strategic Workforce Planning	58.000	62H08T0003	2,592	
Total Securities and Exchange Commission			2,592	-
SMALL BUSINESS ADMINISTRATION				
7 (j) Technical Assistance	59.007		288,677	
Small Business Development Center	59.037		2,487,223	
Other Assistance:				
Other Assistance	59.000		704,671	
Pass-Through From University of Kentucky Research Foundation	59.000	UKRF 3048065700-07-210		19,948
Total Small Business Administration			3,480,571	19,948
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Grants to States for Construction of State Home Facilities	64.005		318,965	
Veterans State Domiciliary Care	64.014		384,430	
Veterans State Nursing Home Care	64.015		6,564,073	
Burial Expenses Allowance for Veterans	64.101		191,240	
All-Volunteer Force Educational Assistance	64.124		577,435	
State Cemetery Grants	64.203		10,886	
Other Assistance:				
Other Assistance	64.000	VA101 (049A3)-P-0086	132,948	
Total Excluding Cluster Identified Below			8,179,977	-
Research and Development Cluster:				
Sharing Specialized Medical Resources	64.018		87,212	
Veterans Compensation for Service-Connected Disability	64.109			
Pass-Through From Economic Systems	64.109			20,018
National Cemeteries	64.201		32,511	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Other Assistance:				
Other Assistance	64.000	REL #2 UNDER 00050623	18,779	
Total Research and Development Cluster			138,502	20,018
Total U.S. Department of Veterans Affairs			8,318,479	20,018
ENVIRONMENTAL PROTECTION AGENCY				
State Indoor Radon Grants	66.032		51,730	
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034		662,351	
Congressionally Mandated Projects	66.202		192,033	
State Public Water System Supervision	66.432		2,015,964	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(3) of the Clean Water Act	66.436		68,652	
Water Quality Management Planning	66.454		187,488	
Capitalization Grants for Clean Water State Revolving Funds	66.458		13,137,826	
Nonpoint Source Implementation Grants	66.460		3,353,809	
Water Quality Cooperative Agreements	66.463		5,061	
Chesapeake Bay Program	66.466		3,055,402	
Wastewater Operator Training Grant Program (Technical Assistance)	66.467		25,621	
Capitalization Grants for Drinking Water State Revolving Funds	66.468		9,308,982	
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	66.471		789,319	
Beach Monitoring and Notification Program Implementation Grants	66.472		113,935	
Water Protection Grants to the States	66.474		120,352	
Office of Research and Development Consolidated Research/Training	66.511		2,634	
P3 Award: National Student Design Competition for Sustainability	66.516		9,157	
Performance Partnership Grants	66.605		10,138,969	
Environmental Information Exchange Network Grant Program and Related Assistance	66.608		235,635	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707		148,474	
Pollution Prevention Grants Program	66.708		24,481	
Multi-Media Capacity Building Grants for States and Tribes	66.709		32,807	
Pesticide Environmental Stewardship -Regional Grants	66.714		488	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	66.716		40,829	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802		366,661	
Leaking Underground Storage Tank Trust Fund Program	66.805		1,632,916	
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809		205,606	
Brownfield Job Training Cooperative Agreements	66.815			
Pass-Through From City of Roanoke	66.815			50,438
State and Tribal Response Program Grants	66.817		660,781	
Environmental Policy and State Innovation Grants	66.940		63,048	
Environmental Education Grants	66.951		17,632	
Other Assistance:				
Other Assistance	66.000		11,944	
Total Excluding Cluster Identified Below			46,680,587	50,438
Research and Development Cluster:				
Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act	66.424		30,289	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(3) of the Clean Water Act	66.436		166,345	
Targeted Watershed Grants	66.439		4,651	
Pass-Through From National Fish and Wildlife Foundation	66.439			924,554
Water Quality Management Planning	66.454		5,011	
Nonpoint Source Implementation Grants	66.460		123,204	
Regional Wetland Program Development Grants	66.461		166,161	
Pass-Through From Maryland Department of Natural Resources	66.461			34,072

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Chesapeake Bay Program	66.466		744,036	
Beach Monitoring and Notification Program Implementation Grants	66.472		106,754	
Assessment and Watershed Protection Program Grants	66.480		86,584	
Environmental Protection - Consolidated Research	66.500		1,292	
Science To Achieve Results (STAR) Research Program	66.509		171,072	
Pass-Through From Resources for the Future Incorporated	66.509			52,934
Office of Research and Development Consolidated Research/Training	66.511			
Pass-Through From Awwa Research Foundation	66.511			58,482
Pass-Through From Water Environment Research Foundation	66.511			205,871
Regional Environmental Monitoring and Assessment Program (REMAP) Research Projects	66.512		59,094	
Greater Research OpporGreater Research Opportunities (GRO) Fellowships For Undergraduate/Graduate Environmental Study	66.513		43,022	
Science To Achieve Results (STAR) Fellowship Program	66.514		167,848	
P3 Award: National Student Design Competition for Sustainability	66.516		11,729	
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701		2,500	
Other Assistance:				
Pass-Through From Friends of the Shenandoah River	66.000	AGRMT DTD 8/24/06		8,343
Pass-Through From Water Environment Research Foundation	66.000	SAM 3R06 TASK ORDER 1		21,096
Pass-Through From Camp Dresser & McKee Inc Chicago	66.000	AGRMT 2/16/07		172,609
Pass-Through From Buried Assets Management Institutes	66.000	AGRMT 11/8/07		31,908
Pass-Through From Awwa Research Foundation	66.000	PROJECT AGRMT 4015		155,602
Pass-Through From Luna Innovations Incorporated	66.000	SUBCONT 1341-EPA-2S		26,726
Other Assistance	66.000	1W-2496-NAEX	4,432	
Other Assistance	66.000	X3-83344401-0 AM01	13,576	
Other Assistance	66.000	EP-D-07-094	138,372	
Fellowship	66.000	FP-91650401-2	4,313	
Total Research and Development Cluster			2,050,285	1,692,197
Total Environmental Protection Agency			48,730,872	1,742,635
U.S. DEPARTMENT OF ENERGY				
State Energy Program	81.041		1,152,180	
Weatherization Assistance for Low-Income Persons	81.042		4,142,381	
Office of Science Financial Assistance Program	81.049		135,750	
Pass-Through From Southeastern Universities Research Association	81.049			75,509
Renewable Energy Research and Development	81.087			
Pass-Through From Southern Forest Research Partnership	81.087			5,515
States and Tribal Concerns, Proposed Solutions	81.106			
Pass-Through From Southern States Energy Board	81.106			71,720
State Energy Program Special Projects	81.119		396,309	
Total Excluding Cluster Identified Below			5,826,620	152,744
Research and Development Cluster:				
National Energy Information Center	81.039		19,745	
State Energy Program	81.041		28,346	
Pass-Through From Old Dominion University Research Foundation	81.041			51,708
Pass-Through From Environmental Research Trust, Incorporated	81.041			6,695
Office of Science Financial Assistance Program	81.049		9,346,019	
Pass-Through From Penn State University	81.049			142,786
Pass-Through From Tulane	81.049			35,389
Pass-Through From Institute for Advanced Learning and Research	81.049			33,061
Pass-Through From Case Western Reserve University	81.049			299,435
Pass-Through From Vanderbilt University	81.049			57,192
Pass-Through From Southeastern Universities Research Association	81.049			37,033
Pass-Through From University of Kentucky	81.049			5,037
Pass-Through From Iowa State University	81.049			131,349

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From Jefferson Science Associates, LLC	81.049			51,305
Pass-Through From Georgia Institute Of Technology	81.049			116,906
Pass-Through From Dana-Farber Cancer Institute	81.049			45,978
Pass-Through From Black Laboratories	81.049			6,860
University Coal Research	81.057		103,045	
Office of Scientific and Technical Information	81.064		207,995	
Pass-Through From Arkem Chemicals Incorporated	81.064			27,140
Pass-Through From Altuda Energy Corporation	81.064			252,638
Regional Biomass Energy Programs	81.079		190,399	
Pass-Through From South Dakota State University	81.079			5,576
Conservation Research and Development	81.086		313,608	
Renewable Energy Research and Development	81.087		414,035	
Pass-Through From URS Corporation	81.087			2
Pass-Through From University of Southern Mississippi	81.087			28,215
Fossil Energy Research and Development	81.089		959,906	
Pass-Through From Southern States Energy Board	81.089			719,713
Office of Technology Development and Deployment for Environmental Management	81.104		40,754	
Defense Nuclear Nonproliferation Research	81.113		301,407	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		294,707	
Nuclear Energy Research, Development and Demonstration	81.121		466,148	
Pass-Through From Fermi National Accelerator Laboratory	81.121			15,576
Pass-Through From Clemson University	81.121			43,878
Other Assistance:				
Pass-Through From Luna Innovations Incorporated	81.000	2S/VT		34,055
Pass-Through From University of Kentucky	81.000	407LOG		523
Pass-Through From Battelle Memorial Institute	81.000	DE-AC05-76RLO		107,724
Pass-Through From Battelle Energy Alliance LLC	81.000	DE-AC07-051D14517		4,799
Pass-Through From Battelle	81.000	TSK ORDER NO 7223-15336		4,300
Pass-Through From Raytheon Company	81.000	SUBCONT 70986		784,376
Pass-Through From University of Tennessee	81.000	001.02		12,600
Pass-Through From Altuda Energy Corporation	81.000	AGRMT DTD 2/14/07		593
Pass-Through From Southern California Edison Company	81.000	PO NO D2116003		80,136
Pass-Through From United Technologies Corporation Power	81.000	LOG- SUBCON 7845		129,152
Pass-Through From Valley Power Tools Incorporated	81.000	AGRMT DTD 8/6/07		32,487
Pass-Through From Zimmerman Associates	81.000	AGRMT DTD 12/1/06		6,134
Pass-Through From Lawrence Berkeley National Laboratory	81.000	6823478		17,033
Pass-Through From Battelle Pacific Northwest National Laboratory	81.000	6632		1,687
Other Assistance	81.000	762921	540	
Other Assistance	81.000	666644	21,199	
Other Assistance	81.000	120724	2,138	
Other Assistance	81.000	400003429	48,530	
Other Assistance	81.000	DE FG02-05ER15751	129,892	
Other Assistance	81.000	DE-FC26-02NT41567	108,339	
Other Assistance	81.000	DE-FC-05NT42457	1,226,728	
Other Assistance	81.000	6824545	4,000	
Other Assistance	81.000	DE-FG02-05ER15658	72,840	
Other Assistance	81.000	NO 39996	111,179	
Other Assistance	81.000	LTR DTD 7/5/07	13,170	
Other Assistance	81.000	DE-FG02-05CH11314	9,574	
Other Assistance	81.000	PO 527091	13,988	
Other Assistance	81.000	SUBCONTR #4000063297	34,408	
Multiple Exciton Generation in Quantum Dots	81.000	XEA-6-55425-01	20,213	
Nuclear Physics	81.000	06OR23177	100,206	
Multiscale Analysis of Nonlinear Systems	81.000	DE-FG02-05ER25712	122,378	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Rapid Detection of Biological and Chemical Threat Agents Using Physical Chemistry,				
Active Detection, and Computational Analysis	81.000	DE-FC52-04 NA25455A	946,115	
Grain Boundary Diffusion in Electronic and Structural Materials	81.000	DE-FG02-01ER45871	109,259	
Total Research and Development Cluster			15,780,810	3,329,071
Total U.S. Department of Energy			21,607,430	3,481,815
U.S. DEPARTMENT OF EDUCATION				
Adult Education-State Grant Program	84.002		13,462,155	
Title I Grants to Local Educational Agencies	84.010		215,500,521	
Migrant Education-State Grant Program	84.011		848,905	
Title I Program for Neglected and Delinquent Children	84.013		1,160,913	
Undergraduate International Studies and Foreign Language Programs	84.016		60,838	
Higher Education-Institutional Aid	84.031		7,072,862	
Career and Technical Education-Basic Grants to States	84.048		25,646,111	
Career and Technical Education -- National Programs	84.051			
Pass-Through From League for Innovation in the Community Colleges	84.051			56,469
Leveraging Educational Assistance Partnership	84.069		1,147,935	
Fund for the Improvement of Postsecondary Education	84.116		367,619	
Pass-Through From College of Charleston	84.116			91,818
Minority Science and Engineering Improvement	84.120		189,994	
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126		68,498,983	
Rehabilitation Long-Term Training	84.129		349,961	
National Institute on Disability and Rehabilitation Research	84.133			
Pass-Through From Temple University	84.133			103
College Housing and Academic Facilities Loans	84.142		5,275,784	
Migrant Education-Coordination Program	84.144		31,071	
Rehabilitation Services-Client Assistance Program	84.161		209,875	
Independent Living-State Grants	84.169		418,316	
Javits Fellowships	84.170		127,881	
Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	84.177		934,564	
Special Education-Grants for Infants and Families with Disabilities	84.181		11,894,687	
Safe and Drug-Free Schools and Communities-National Programs	84.184		424,718	
Byrd Honors Scholarships	84.185		1,039,712	
Safe and Drug-Free Schools and Communities-State Grants	84.186		5,688,294	
Supported Employment Services for Individuals with Severe Disabilities	84.187		717,008	
Education for Homeless Children and Youth	84.196		1,053,836	
Graduate Assistance in Areas of National Need	84.200		165,081	
Javits Gifted and Talented Students Education Grant Program	84.206		170,328	
Even Start-State Educational Agencies	84.213		2,337,248	
Pass-Through From Accomack County Public Schools	84.213			233,850
Pass-Through From Wyoming Department of Education	84.213			7,796
Fund for the Improvement of Education	84.215		90,112	
Pass-Through From Fauquier County Public Schools	84.215			945
Pass-Through From Rockbridge County Schools	84.215			9,793
Pass-Through From Alexandria City Public Schools	84.215			182
Pass-Through From Portsmouth City Schools	84.215			1,615
Pass-Through From Charlottesville City Schools	84.215			34,681
Pass-Through From Halifax County Public Schools	84.215			30,326
Pass-Through From Roanoke City Public Schools	84.215			36,936
Pass-Through From Fairfax County Public Schools	84.215			19,069
Assistive Technology	84.224		482,728	
Pass-Through From Rehabilitation Engineering	84.224			1,338
Projects with Industry	84.234		258,298	
Rehabilitation Services Demonstration and Training Programs	84.235		214,595	
Pass-Through From Parent Educational Advocacy	84.235			4,732
Program of Protection and Advocacy of Individual Rights	84.240		484,727	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Tech-Prep Education	84.243		2,748,864	
Rehabilitation Training-Continuing Education	84.264		408,900	
Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	84.265		93,715	
Twenty-First Century Community Learning Centers	84.287		18,017,771	
State Grants for Innovative Programs	84.298		3,068,621	
Education Research, Development and Dissemination	84.305			
Pass-Through From School Leadership Center of Greater New Orleans	84.305			27,873
Education Technology State Grants	84.318		4,037,433	
Pass-Through From Virginia Beach City Public Schools	84.318			29,701
Special Education-State Personnel Development	84.323		980,764	
Research in Special Education	84.324		52,571	
Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	84.325		989,224	
Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		297,370	
Pass-Through From University of Kentucky	84.326			18,293
Advanced Placement Program	84.330		236,486	
Grants to States for Incarcerated Youth Offenders	84.331		433,510	
Comprehensive School Reform Demonstration	84.332		1,725,774	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		556,523	
Child Care Access Means Parents in School	84.335		74,416	
Teacher Quality Enhancement Grants	84.336		1,201,292	
Assistive Technology-State Grants for Protection and Advocacy	84.343		116,520	
Reading First State Grants	84.357		19,495,132	
Rural Education	84.358		1,258,567	
Early Reading First	84.359		2,282,065	
English Language Acquisition Grants	84.365		9,012,737	
Mathematics and Science Partnerships	84.366		3,200,020	
Pass-Through From Richmond Public Schools	84.366			31,332
Pass-Through From Mathematics and Science Center	84.366			21,239
Pass-Through From Richmond Math Science Center	84.366			21,056
Improving Teacher Quality State Grants	84.367		50,016,799	
Grants for State Assessments and Related Activities	84.369		9,598,411	
Statewide Data Systems	84.372		893,079	
Special Education-Technical Assistance on State Data Collection	84.373		70,128	
National Writing Project	84.928			
Pass-Through From University Of California, Los Angeles	84.928			39,868
Pass-Through From National Writing Project	84.928			77,695
Other Assistance:				
Pass-Through From Center for Civic Education	84.000	Q929A060001		229,447
Pass-Through From Florida International University	84.000			558
Pass-Through From Loudoun County Public Schools	84.000			105,367
Other Assistance	84.000	E070326-540-434	108,850	
Other Assistance	84.000	T365A070046	57,387	
Other Assistance	84.000	872-62542-H027A060107	267,286	
Educators without Borders	84.000	H325A010095	764	
Alternative Financing Program	84.000	84.224C	728,284	
Procurement Technical Assistance Program Testing	84.000		15,354	
Total Excluding Clusters Identified Below			498,370,277	1,132,082
Special Education (IDEA) Cluster:				
Special Education-Grants to States	84.027		262,155,414	
Special Education-Preschool Grants	84.173		9,446,362	
Total Special Education (IDEA) Cluster			271,601,776	-
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007		8,231,181	
Federal Family Education Loans	84.032		398,717,113	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Federal Work-Study Program	84.033		8,281,967	
Federal Perkins Loan Program-Federal Capital Contributions	84.038		60,017,304	
Federal Pell Grant Program	84.063		161,917,142	
Federal Direct Student Loans	84.268		345,467,878	
Academic Competitiveness Grants	84.375		2,985,151	
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376		2,203,415	
Total Student Financial Assistance Cluster			987,821,151	-
TRIO Cluster:				
TRIO-Student Support Services	84.042		4,931,796	
TRIO-Talent Search	84.044		1,660,118	
TRIO-Upward Bound	84.047		4,484,503	
TRIO-Educational Opportunity Centers	84.066		275,077	
TRIO-McNair Post-Baccalaureate Achievement	84.217		211,997	
Total TRIO Cluster			11,563,491	-
Research and Development Cluster:				
Adult Education-State Grant Program	84.002		2,256	
Undergraduate International Studies and Foreign Language Programs	84.016		12,010	
Overseas-Faculty Research Abroad	84.019		1,703	
Overseas-Group Projects Abroad	84.021		61,182	
Overseas-Doctoral Dissertation	84.022		54,490	
Higher Education-Institutional Aid	84.031		1,283,777	
Leveraging Educational Assistance Partnership	84.069		81,822	
Fund for the Improvement of Postsecondary Education	84.116		1,046,506	
Pass-Through From Ohio State University Research Foundation	84.116			5,922
Pass-Through From Wake Forest University	84.116			15,939
Pass-Through From North Carolina State University	84.116			2,174
Pass-Through From Iowa State University	84.116			5,927
National Institute on Disability and Rehabilitation Research	84.133		2,717,933	
Pass-Through From University of Alabama	84.133			26,433
Business and International Education Projects	84.153		71,566	
Javits Fellowships	84.170		1,405	
Safe and Drug-Free Schools and Communities-National Programs	84.184		443,047	
Safe and Drug-Free Schools and Communities-State Grants	84.186		24,466	
Bilingual Education - Professional Developments	84.195		79,935	
Graduate Assistance in Areas of National Need	84.200		372,077	
Javits Gifted and Talented Students Education Grant Program	84.206		997,603	
Pass-Through From University Of Connecticut	84.206			364,853
Fund for the Improvement of Education	84.215		22,774	
Pass-Through From Montgomery County Public Schools	84.215			42,972
Pass-Through From Charlottesville City Schools	84.215			43,671
Pass-Through From Tredegar	84.215			83,305
Pass-Through From Roanoke City Schools	84.215			131,216
Assistive Technology	84.224		42,119	
Education Research, Development and Dissemination	84.305		4,305,650	
Pass-Through From Northwestern University	84.305			27,987
Pass-Through From Ohio State University Research Foundation	84.305			282,452
Pass-Through From University of South Carolina	84.305			82,245
Pass-Through From Columbia University	84.305			134,829
Research in Special Education	84.324		400,049	
Pass-Through From Vanderbilt University	84.324			294,652
Pass-Through From Pennsylvania State University	84.324			93,589
Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	84.325		362,226	
Pass-Through From Ohio State University Research Foundation	84.325			16,323
Special Education-Technology and Media Services for Individuals with Disabilities	84.327		307,677	
Pass-Through From WGBH Educational Foundation	84.327			41,578

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Comprehensive School Reform Demonstration	84.332			
Pass-Through From John Hopkins University	84.332			30,591
Teacher Quality Enhancement Grants	84.336		148,599	
International Education-Technological Innovation and Cooperation for Foreign Information Access	84.337		254,745	
Transition to Teaching	84.350		6,124	
Reading First State Grants	84.357			
Pass-Through From Richmond Public Schools	84.357			31,328
Mathematics and Science Partnerships	84.366		26,249	
Pass-Through From Richmond City Schools	84.366			47,503
Improving Teacher Quality State Grants	84.367		243,304	
National Writing Project	84.928			
Pass-Through From National Writing Project	84.928			104,131
Other Assistance:				
Other Assistance	84.000	ED-07-CO-0088	724,290	
Preparation of Leadership Personnel	84.000	H325D020020	43,857	
Report on Universal Service and Monopoly	84.000	PRC-07-01	78,513	
Total Research and Development Cluster			14,217,954	1,909,620
Total U.S. Department of Education			1,783,574,649	3,041,702
SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS				
Other Assistance:				
Other Assistance	85.000	07-P0730-0000-131431	3,230	
Other Assistance	85.000	08-PO-730-000139910	7,188	
FM403 Technology Systems	85.000	05-PO-730-0000056127	20	
Real Estate and Lease Management	85.000		209	
Facilities Management	85.000	05-PO-730-0000073704	147	
Facilities Management	85.000		3,915	
Total Scholarship and Fellowship Foundations			14,709	-
U.S. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				
National Historical Publications and Records Grants	89.003		54,247	
Total Excluding Cluster Identified Below			54,247	-
Research and Development Cluster:				
National Historical Publications and Records Grants	89.003		402,128	
Total Research and Development Cluster			402,128	-
Total U.S. National Archives and Records Administration			456,375	-
ELECTIONS ASSISTANCE COMMISSION				
Help America Vote Act Requirements Payments	90.401		2,388,884	
Total Elections Assistance Commission			2,388,884	-

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. INSTITUTE OF PEACE				
Unsolicited Grant Program	91.001		229,160	
Total U.S. Institute of Peace			229,160	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Public Health and Social Services Emergency Fund	93.003		406,314	
Medical Reserve Corps Small Grant Program	93.008		99,957	
Pass-Through From National Association of County and City Health Officials	93.008			43,310
HIV Prevention Programs for Women	93.015		102,773	
Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		107,153	
Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042		349,869	
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043		472,821	
Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	93.048		122,956	
Alzheimer's Disease Demonstration Grants to States	93.051		207,636	
National Family Caregiver Support	93.052		3,398,967	
Global AIDS	93.067		2,373	
Chronic Diseases: Research, Control, and Prevention	93.068		8,086	
Public Health Emergency Preparedness	93.069		14,709,069	
Model State-Supported Area Health Education Centers	93.107		619,176	
Maternal and Child Health Federal Consolidated Programs	93.110		322,632	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		1,105,411	
Nurse Anesthetist Traineeships	93.124		14,972	
Emergency Medical Services for Children	93.127		93,854	
Technical and Non-Financial Assistance to Health Centers	93.129			
Pass-Through From Virginia Primary Care Association	93.129			2,582
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130		136,998	
Grants to Increase Organ Donations	93.134			
Pass-Through From Lifenet	93.134			68,137
Pass-Through From Case Western Reserve University	93.134			84,833
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,584,518	
Pass-Through From Alternatives, Inc.	93.136			3,630
Protection and Advocacy for Individuals with Mental Illness	93.138		892,652	
AIDS Education and Training Centers	93.145		28,551	
Pass-Through From Inova Health System	93.145			6,908
Pass-Through From University of Pittsburgh	93.145			312,468
Projects for Assistance in Transition from Homelessness (PATH)	93.150		1,156,625	
Grants for State Loan Repayment	93.165		151,505	
Disabilities Prevention	93.184		104,429	
Pass-Through From University of Maryland	93.184			291,988
Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197		463,642	
Family Planning-Services	93.217		4,741,330	
Consolidated Knowledge Development and Application (KD&A) Program	93.230		158,713	
Traumatic Brain Injury-State Demonstration Grant Program	93.234		238,292	
Abstinence Education Program	93.235		160,142	
State Rural Hospital Flexibility Program	93.241		1,040,255	
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243		2,943,625	
Pass-Through From Northern Virginia Aids Ministry	93.243			16,533
Advanced Education Nursing Grant Program	93.247		208,541	
Universal Newborn Hearing Screening	93.251		94,347	
Poison Control Stabilization and Enhancement Grants	93.253		130,520	
State Planning Grants Health Care Access for the Uninsured	93.256		120,227	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Nurse Faculty Loan Program (NFLP)	93.264		31,054	
Comprehensive Geriatric Education Program (CGEP)	93.265		86,200	
Immunization Grants	93.268		43,474,544	
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		14,290,145	
Pass-Through From Association of State and Territorial Health Officials	93.283			6,497
Small Rural Hospital Improvement Grants	93.301		160,115	
Trans-NIH Research Support	93.310		3,355	
Advanced Education Nursing Traineeships	93.358		250,393	
Nurse Education, Practice and Retention Grants	93.359		563,526	
Cancer Cause and Prevention Research	93.393			
Pass-Through From University of Kentucky	93.393			70,041
Promoting Safe and Stable Families	93.556		10,443,919	
Temporary Assistance for Needy Families	93.558		117,046,936	
Child Support Enforcement	93.563		55,666,083	
Child Support Enforcement Research	93.564		141,975	
Refugee and Entrant Assistance-State Administered Programs	93.566		5,456,556	
Low-Income Home Energy Assistance	93.568		43,828,884	
Community Services Block Grant	93.569		10,636,993	
Refugee and Entrant Assistance-Discretionary Grants	93.576		291,505	
Refugee and Entrant Assistance-Targeted Assistance Grants	93.584		515,858	
State Court Improvement Program	93.586		837,497	
Community-Based Child Abuse Prevention Grants	93.590		653,183	
Grants to States for Access and Visitation Programs	93.597		224,756	
Chafee Education and Training Vouchers Program (ETV)	93.599		514,219	
Head Start	93.600		468,246	
Pass-Through From Richmond Public Schools	93.600			1,240,885
Assets for Independence Demonstration Program	93.602			
Pass-Through From Lewin Group	93.602			159,532
Adoption Incentive Payments	93.603		8,519	
Voting Access for Individuals with Disabilities-Grants to States	93.617		98,133	
Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	93.618		35,955	
Developmental Disabilities Basic Support and Advocacy Grants	93.630		2,265,461	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		576,954	
Children's Justice Grants to States	93.643		342,613	
Child Welfare Services-State Grants	93.645		6,327,930	
Social Services Research and Demonstration	93.647		1,379	
Adoption Opportunities	93.652		388,203	
Foster Care-Title IV-E	93.658		65,386,691	
Adoption Assistance	93.659		17,481,059	
Social Services Block Grant	93.667		57,052,627	
Child Abuse and Neglect State Grants	93.669		385,012	
Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	93.671		1,942,708	
Chafee Foster Care Independence Program	93.674		1,617,526	
State Children's Insurance Program	93.767		125,920,873	
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768		536,327	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		1,011,020	
Alternatives to Psychiatric Residential Treatment Facilities for Children	93.789		164,011	
Allergy, Immunology and Transplantation Research	93.855		1,969	
Microbiology and Infectious Diseases Research	93.856		641,489	
Pass-Through From University of Maryland	93.856			1,023
Biomedical Research and Research Training	93.859		374,873	
Child Health and Human Development Extramural Research	93.865		27,982	
Vision Research	93.867		22,500	
Medical Library Assistance	93.879		157,758	
Grants for Residency Training in Primary Care Medicine and Dentistry	93.884		44,469	
Specially Selected Health Projects	93.888		93,793	
National Bioterrorism Hospital Preparedness Program	93.889		10,306,277	
Rural Health Outreach and Rural Network Development Program	93.912		6,794	
Grants to States for Operation of Offices of Rural Health	93.913		181,117	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
HIV Care Formula Grants	93.917		27,380,180	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		449,761	
Healthy Start Initiative	93.926		1,021,526	
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938		387,001	
HIV Prevention Activities-Health Department Based	93.940		4,687,953	
HIV Demonstration, Research, Public and Professional Education Projects	93.941		48,698	
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		1,538,112	
Assistance Programs for Chronic Disease Prevention and Control	93.945		224,762	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946		63,699	
Block Grants for Community Mental Health Services	93.958		10,650,620	
Block Grants for Prevention and Treatment of Substance Abuse	93.959		43,117,088	
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977		1,847,848	
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988		317,254	
Preventive Health and Health Services Block Grant	93.991		3,386,861	
Maternal and Child Health Services Block Grant to the States	93.994		9,497,086	
Adolescent Family Life-Demonstration Projects	93.995		302,172	
Other Assistance:				
Pass-Through From United Way	93.000	90LO0151/01		109,391
Pass-Through From Boat People SOS	93.000	IAPH PA002100-01		18,304
Pass-Through From International Institute of Tropical Agriculture	93.000			11,416
Pass-Through From American College of Radiology	93.000	ACRIN 6678		237
NIMH Neuropathology Contract	93.000	# N01MH12003	181,898	
Feed Inspection	93.000	HHSF223200740105P	15,713	
Intergovernmental Personnel Act-McAuley	93.000		5,896	
FDA Mammography Contract	93.000	# HHSF223200640085C	144,916	
Social Marketing Training	93.000		2,083	
Food Inspection	93.000	HHSF22320070046	347,223	
Food Safety	93.000	1R13FD003254	5,218	
Testing and Evaluation for Low Literacy	93.000	790625 0	3,193	
Total Excluding Clusters Identified Below			741,113,656	2,447,715
Aging Cluster:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		10,261,268	
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045		10,729,568	
Nutrition Services Incentive Program	93.053		2,055,691	
Total Aging Cluster			23,046,527	-
CCDF Cluster:				
Child Care and Development Block Grant	93.575		58,681,069	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		58,998,614	
Total CCDF Cluster			117,679,683	-
Medicaid Cluster:				
State Medicaid Fraud Control Units	93.775		3,345,168	
State Survey and Certification of Health Care Providers and Suppliers	93.777		5,601,487	
Medical Assistance Program	93.778		2,706,266,252	
Total Medicaid Cluster			2,715,212,907	-
Student Financial Assistance Cluster:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342		8,226,068	

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Nursing Student Loans	93.364		2,136,515	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		267,656	
Total Student Financial Assistance Cluster			10,630,239	-
Research and Development Cluster:				
Medical Reserve Corps Small Grant Program	93.008		18,633	
HIV Prevention Programs for Women	93.015		82,940	
Innovations in Applied Public Health Research	93.061			
Pass-Through From University of Utah	93.061			318,356
Centers for Genomics and Public Health	93.063			
Pass-Through From University Of California, Los Angeles	93.063			440,343
Food and Drug Administration-Research	93.103		14,234	
Pass-Through From Nano Interface Technology	93.103			(1,154)
Pass-Through From Alpha Gamma Technologies	93.103			(740)
Pass-Through From Johns Hopkins University	93.103			12,025
Pass-Through From Research Triangle Institute	93.103			154,466
Maternal and Child Health Federal Consolidated Programs	93.110		657,914	
Pass-Through From Association of University Centers	93.110			107,199
Pass-Through From University of Pennsylvania	93.110			55,380
Pass-Through From Wadsworth Foundation	93.110			787
Environmental Health	93.113		1,234,258	
Oral Diseases and Disorders Research	93.121		2,446,650	
Pass-Through From Luna Innovations, Incorporated	93.121			30,018
Pass-Through From University of Medicine & Dentistry	93.121			27,692
Pass-Through From University of Georgia	93.121			21,600
Emergency Medical Services for Children	93.127		20,246	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135			
Pass-Through From Harvard University	93.135			2,844
Injury Prevention and Control Research and State and Community Based Programs	93.136		877,348	
Intramural Research Training Award	93.140		212,758	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		271,751	
Rural Health Research Centers	93.155		33,871	
Human Genome Research	93.172		771,086	
Pass-Through From University of North Carolina	93.172			14,675
Pass-Through From University of Chicago Argonne Lab	93.172			794,272
Research Related to Deafness and Communication Disorders	93.173		3,379,107	
Pass-Through From University of Maryland	93.173			59,436
Pass-Through From Gallaudet University	93.173			140,345
Pass-Through From University Of Pittsburgh	93.173			70,176
Pass-Through From Ohio University	93.173			104,301
Pass-Through From University Of Minnesota	93.173			199,358
Disabilities Prevention	93.184		19	
Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197		3,261	
Research and Training in Complementary and Alternative Medicine	93.213		1,720,728	
Research on Healthcare Costs, Quality and Outcomes	93.226		470,668	
Pass-Through From University of North Carolina	93.226			52,263
Pass-Through From Medical University of South Carolina	93.226			22,595
Pass-Through From Michigan State University	93.226			36,623
Consolidated Knowledge Development and Application (KD&A) Program	93.230		356,215	
Mental Health Research Grants	93.242		7,320,851	
Pass-Through From Harvard University	93.242			38,745
Pass-Through From Indiana University	93.242			80,394
Pass-Through From Texas Tech University Health Sciences Center	93.242			4,438
Pass-Through From Northwestern University	93.242			409,721
Pass-Through From Informed Simplifications, LLC	93.242			59,278
Pass-Through From Boston University	93.242			32,115
Pass-Through From Columbia University	93.242			(27,042)

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243			
Pass-Through From Central Virginia Community Services Board	93.243			14,854
Pass-Through From Mental Health Association of the New River Valley	93.243			25,998
Advanced Education Nursing Grant Program	93.247		30,628	
Poison Control Stabilization and Enhancement Grants	93.253		145,479	
Occupational Safety and Health Research Projects	93.262		581,295	
Immunization Grants	93.268		352	
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271		33,142	
Alcohol National Research Service Awards for Research Training	93.272		96,231	
Alcohol Research Programs	93.273		3,624,987	
Pass-Through From The University Of Rhode Island	93.273			16,252
Pass-Through From University of Arkansas	93.273			11,771
Pass-Through From University of Tennessee	93.273			13,403
Pass-Through From Silverchair Science & Communications, Incorporated	93.273			14,724
Pass-Through From Wake Forest University School of Medicine	93.273			48,734
Pass-Through From Prevention Research Center	93.273			918
Drug-Free Communities Support Program Grants	93.276		97,888	
Drug Abuse Research Programs	93.279		12,621,736	
Pass-Through From Organix Incorporated	93.279			73,263
Pass-Through From Duke University	93.279			211,527
Pass-Through From Johns Hopkins University	93.279			246,697
Pass-Through From University Of Pittsburgh	93.279			231,225
Pass-Through From University of Washington	93.279			76,075
Pass-Through From Adenosine Therapeutics, LLC	93.279			33,274
Pass-Through From University Of Oregon	93.279			158,187
Pass-Through From Morgan State University	93.279			10,679
Pass-Through From Research Triangle Institute	93.279			165,778
Pass-Through From Wayne State University	93.279			123,926
Pass-Through From University of North Carolina	93.279			74,845
Pass-Through From University of Memphis	93.279			17,890
Pass-Through From University of Arkansas	93.279			9,186
Pass-Through From Scripps Research Institute	93.279			293,169
Mental Health Research Career/Scientist Development Awards	93.281		903,006	
Mental Health National Research Service Awards for Research Training	93.282		311,097	
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		1,107,002	
Pass-Through From Wake Forest University	93.283			47,877
Pass-Through From University Of Pennsylvania	93.283			96,134
Pass-Through From Johns Hopkins University	93.283			2,180
Pass-Through From Special Olympics	93.283			16
Pass-Through From National Center on Birth Defects	93.283			51,617
Pass-Through From Bon Secours St Mary's Hospital	93.283			40,876
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		5,250,947	
Pass-Through From The Children's Hospital of Philadelphia (CHOP)	93.286			206,148
Pass-Through From University of Pittsburgh	93.286			8,971
Minority Health and Health Disparities Research	93.307		1,941,255	
Trans-NIH Research Support	93.310		584,178	
Pass-Through From Duke University	93.310			95,170
Advanced Education Nursing Traineeships	93.358		72,948	
Nursing Research	93.361		2,596,825	
Pass-Through From University of North Carolina	93.361			10,939
Pass-Through From Research Foundation Of State University of New York At Binghamton	93.361			25,710
Pass-Through From Pocketsonics	93.361			92,810
National Center for Research Resources	93.389		10,128,049	
Pass-Through From University of California, Los Angeles	93.389			34,293
Pass-Through From University of Connecticut	93.389			17,665
Pass-Through From Wake Forest University School of Medicine	93.389			12,222
Cancer Cause and Prevention Research	93.393		5,403,510	
Pass-Through From University of North Carolina	93.393			7,297
Pass-Through From Booz Allen & Hamilton, Incorporated	93.393			26,840
Pass-Through From University Of Chicago	93.393			56,976

COMMONWEALTH OF VIRGINIA
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Cancer Detection and Diagnosis Research	93.394		2,809,769	
Pass-Through From INCOGEN, Incorporated	93.394			13,221
Pass-Through From University of Houston	93.394			38,602
Pass-Through From American College of Radiology	93.394			1,806
Cancer Treatment Research	93.395		8,359,537	
Pass-Through From American College of Radiology	93.395			210,621
Pass-Through From Georgetown University	93.395			163,691
Pass-Through From Mayo Clinic Rochester	93.395			4,007
Pass-Through From National Childhood Cancer Foundation	93.395			77,658
Pass-Through From Duke University	93.395			25,061
Pass-Through From Ohio State University	93.395			2,205
Pass-Through From University of Nebraska Medical Center	93.395			18,324
Pass-Through From Columbia University	93.395			162,328
Pass-Through From Michigan State University	93.395			4,948
Pass-Through From St Luke's Roosevelt Hospital	93.395			114,707
Pass-Through From Stanford University	93.395			4,191
Cancer Biology Research	93.396		9,186,347	
Pass-Through From Georgetown University Medical Center	93.396			25,907
Pass-Through From Emory University	93.396			21,007
Pass-Through From Vanderbilt University Medical Center	93.396			67,899
Cancer Centers Support Grants	93.397		4,057,866	
Pass-Through From Frontier Science & Technology Research Foundation	93.397			9,523
Pass-Through From Massachusetts Institute of Technology	93.397			23,707
Pass-Through From Wake Forest University School of Medicine	93.397			42,590
Cancer Research Manpower	93.398		1,168,985	
Cancer Control	93.399		1,406,053	
Pass-Through From Advanced Sensor Development Radiation Monitoring Devices, Incorporated	93.399			5,208
Pass-Through From Barron Associates, Incorporated	93.399			2,875
Pass-Through From Mt. Sinai School of Medicine	93.399			223,529
Pass-Through From Georgetown University	93.399			5,169
Pass-Through From University of North Carolina Charlotte	93.399			27,646
Pass-Through From Southwest Oncology Group	93.399			733
Pass-Through From National Surgical Adjuvant Breast and Bowel Project Foundation	93.399			10,990
Pass-Through From Fred Hutchinson Cancer Research	93.399			(1,079)
Developmental Disabilities Projects of National Significance	93.631		40,002	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		916,203	
Pass-Through From Virginia Center on Aging	93.779			5,149
Heart and Vascular Diseases Research	93.837		22,106,107	
Pass-Through From Adenosine Therapeutics, LLC	93.837			1,252
Pass-Through From Boston University School of Medicine	93.837			27,951
Pass-Through From Wake Forest University School of Medicine	93.837			13,723
Pass-Through From Saint Lukes Health System	93.837			1
Pass-Through From Case Western Reserve University	93.837			39,143
Pass-Through From Sloan Kettering Institute	93.837			99,180
Pass-Through From McGuire Research Institute	93.837			154,990
Pass-Through From University of Missouri-Columbia	93.837			40,209
Pass-Through From Abbott Labs	93.837			63,449
Pass-Through From Boston University	93.837			110,259
Pass-Through From Cedars-Sinai Medical Center	93.837			423,565
Pass-Through From Brigham & Women's Hospital, Incorporated	93.837			66,865
Pass-Through From University of Central Florida	93.837			51,020
Pass-Through From University of Pittsburgh	93.837			95,360
Pass-Through From Wake Forest University	93.837			38,271
Pass-Through From Empirical Technologies Corporation	93.837			159,135
Lung Diseases Research	93.838		5,172,573	
Pass-Through From Dartmouth College	93.838			32,666
Pass-Through From The Cleveland Clinic Foundation	93.838			149,087
Blood Diseases and Resources Research	93.839		1,294,155	
Pass-Through From NovelMed Therapeutics Incorporated	93.839			14,518
Pass-Through From National Marrow Donor Program	93.839			16,463

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From CW Optics Incorporated	93.839			7,956
Pass-Through From Mount Sinai School of Medicine	93.839			2,185
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		3,687,912	
Pass-Through From University of Pittsburgh	93.846			250,383
Pass-Through From Adenosine Therapeutics, LLC	93.846			(45)
Pass-Through From University of Iowa	93.846			10,977
Diabetes, Endocrinology and Metabolism Research	93.847		23,715,644	
Pass-Through From Kaiser Foundation Research Institute	93.847			62,847
Pass-Through From Henry Ford Health System	93.847			17,181
Pass-Through From Boston University	93.847			(126)
Pass-Through From Wake Forest University	93.847			28,234
Pass-Through From University of Texas Health Sciences Center At San Antonio	93.847			1,637
Pass-Through From Targeson, LLC	93.847			17,806
Pass-Through From Medical College of Georgia Research Institute	93.847			8,293
Pass-Through From Adenosine Therapeutics, LLC	93.847			30,241
Pass-Through From George Washington University	93.847			231,463
Digestive Diseases and Nutrition Research	93.848		9,754,048	
Pass-Through From University of Michigan	93.848			9,639
Pass-Through From Emmes Corporation	93.848			3,092
Pass-Through From Mayo Foundation	93.848			5,447
Pass-Through From University of Texas Southwestern	93.848			13,263
Kidney Diseases, Urology and Hematology Research	93.849		4,809,262	
Pass-Through From University of Texas Southwestern	93.849			22,883
Pass-Through From Johns Hopkins University	93.849			5,997
Pass-Through From Joslin Diabetes Center Incorporated	93.849			111,285
Pass-Through From Montefiore Medical Center	93.849			1,017
Pass-Through From Wake Forest University	93.849			37,711
Pass-Through From Angion Biomedical Corporation	93.849			27,014
Pass-Through From Georgetown University	93.849			23,715
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		15,284,692	
Pass-Through From Mt. Sinai School of Medicine	93.853			48,747
Pass-Through From University of Medicine & Dentistry	93.853			9,257
Pass-Through From University of Kentucky	93.853			9,154
Pass-Through From Children's National Medical Center	93.853			137,187
Pass-Through From Johns Hopkins University	93.853			15,662
Pass-Through From University of Florida	93.853			14,464
Pass-Through From University Hospital Antwerp	93.853			15,206
Pass-Through From Monteiore Medical Center	93.853			528,483
Pass-Through From University Of Cincinnati	93.853			26,760
Pass-Through From Beth Israel Deaconess Medical Center	93.853			39
Pass-Through From Colorado State University	93.853			28,048
Pass-Through From Massachusetts General Hospital	93.853			15,233
Pass-Through From Mayo Clinic Jacksonville	93.853			137,369
Pass-Through From Mayo Clinic Rochester	93.853			46,909
Pass-Through From Mayo Foundation	93.853			44
Pass-Through From Erasmus University Medical Center	93.853			81,902
Pass-Through From University of California, San Francisco	93.853			14,426
Pass-Through From University of Maryland	93.853			35,481
Pass-Through From University of Medicine and Dentistry of New Jersey	93.853			157,604
Pass-Through From University of Minnesota	93.853			24,081
Pass-Through From University of Rochester	93.853			26,030
Pass-Through From Yale University	93.853			(1,402)
Pass-Through From Children's Hospital of Philadelphia	93.853			21,987
Pass-Through From University of California, Los Angeles	93.853			16,351
Allergy, Immunology and Transplantation Research	93.855		24,190,778	
Pass-Through From University of California, Los Angeles	93.855			102,717
Pass-Through From University of Alabama	93.855			22,017
Pass-Through From University of Medicine & Dentistry	93.855			6,092
Pass-Through From Institute of Clinical Research	93.855			979,414
Pass-Through From Carnegie-Mellon University	93.855			52,829

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pass-Through From University of Maryland Baltimore	93.855			167,584
Pass-Through From Mayo Clinic	93.855			160,459
Pass-Through From George Washington University	93.855			317,956
Pass-Through From Johns Hopkins University	93.855			34,502
Pass-Through From Wake Forest University School of Medicine	93.855			47,597
Pass-Through From University of Bahia, Brazil	93.855			46,540
Pass-Through From The University of Vermont	93.855			77,582
Pass-Through From Techlab Research	93.855			331,420
Pass-Through From Program For Appropriate Technology In Health (Path)	93.855			68,708
Pass-Through From Phthisis Diagnostics,LLC	93.855			9,554
Pass-Through From Henry Ford Health System	93.855			26,518
Pass-Through From Adenosine Therapeutics, LLC	93.855			159,335
Microbiology and Infectious Diseases Research	93.856		2,923,708	
Pass-Through From University of Minnesota	93.856			(163,678)
Pass-Through From Vaccine Research Institute	93.856			70,963
Pass-Through From Tufts University	93.856			212,085
Pass-Through From Social & Scientific Systems	93.856			116,277
Pass-Through From Portland State University	93.856			64,681
Pass-Through From University of California Los Angeles	93.856			95,852
Pass-Through From University Of Maryland	93.856			1,714,691
Pass-Through From University Of Colorado	93.856			235,194
Pass-Through From Marine Biological Laboratory	93.856			52,165
Pass-Through From Wake Forest University School of Medicine	93.856			6,583
Pass-Through From Cornell University	93.856			19,088
Pass-Through From VLP Biotech Incorporated	93.856			51,024
Biomedical Research and Research Training	93.859		29,405,388	
Pass-Through From University of Alabama at Birmingham	93.859			13,408
Pass-Through From Jackson Labs	93.859			42,530
Pass-Through From Utah State University	93.859			230,247
Pass-Through From Johns Hopkins University	93.859			120,850
Pass-Through From University of Texas Southwestern Medical	93.859			189,696
Pass-Through From University of California, Los Angeles	93.859			124,449
Pass-Through From Luna Innovations, Incorporated.	93.859			23,793
Pass-Through From Duke University	93.859			20,053
Child Health and Human Development Extramural Research	93.865		15,036,531	
Pass-Through From University of California, San Diego	93.865			3,605
Pass-Through From Barron Associates, Incorporated	93.865			8,098
Pass-Through From Simbex	93.865			89,920
Pass-Through From University of Minnesota	93.865			158,789
Pass-Through From Columbia University	93.865			(5,358)
Pass-Through From University of Pittsburgh	93.865			88,698
Pass-Through From University of Pennsylvania	93.865			491,049
Pass-Through From University of New Mexico	93.865			(2,116)
Pass-Through From Ohio State University Research Foundation	93.865			44,606
Aging Research	93.866		3,325,271	
Pass-Through From Harvard University	93.866			40,962
Pass-Through From University of Maryland	93.866			31,126
Pass-Through From University of Southern California	93.866			56,555
Pass-Through From Iasis Molecular Sciences LLC	93.866			49,425
Pass-Through From University of Rochester	93.866			3,945
Pass-Through From University of California Los Angeles	93.866			101,499
Pass-Through From Wake Forest University School of Medicine	93.866			13,253
Pass-Through From Boston University	93.866			(596)
Pass-Through From Mayo Clinic Rochester	93.866			122,550
Pass-Through From University of Michigan	93.866			34,238
Pass-Through From Gencia Corporation	93.866			217,527
Pass-Through From Duke University	93.866			150,498
Pass-Through From Pacific Health Research Institute	93.866			111,130
Pass-Through From University of Illinois	93.866			46,807
Pass-Through From University of Southern Mississippi	93.866			5,449

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Vision Research	93.867		1,394,283	
Pass-Through From EyeRx Research, Incorporated	93.867			92,049
Medical Library Assistance	93.879		783,038	
Pass-Through From University of Maryland	93.879			50,436
Grants for Residency Training in Primary Care Medicine and Dentistry	93.884		122,387	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		398,097	
International Research and Research Training	93.989		1,673,385	
Pass-Through From University of Memphis	93.989			4,555
Maternal and Child Health Services Block Grant to the States	93.994		217,640	
Other Assistance:				
Pass-Through From BioSpherex LLC	93.000	1-R41-HG-003944-01		10,086
Pass-Through From University of Michigan - Ann Arbor	93.000	3000 584627		12,353
Pass-Through From Booz Allen & Hamilton	93.000	90523CBS17		8,275
Pass-Through From Pennsylvania State University	93.000	7-R01-MH050006-14		61,579
Pass-Through From Aframe Digital LLC	93.000	CONTRACT AFD-12		19,223
Pass-Through From University of Maryland Baltimore	93.000	LETTER DTD 1-22-08		9,465
Pass-Through From Social & Science Systems Incorporated	93.000	LOG-SUBCON DMID1-VBI		720,026
Pass-Through From Georgetown University Medical Center	93.000	RX440-118-VT		11
Pass-Through From Loma Linda University	93.000	5R01AG020948-04		26,141
Pass-Through From L-3 Services Incorporated	93.000	SYC-TS2-07-CDCWM-004		59,631
Pass-Through From TriboFilm Research Incorporated	93.000	RES AGRMT DTD 9/23/05		876
Pass-Through From Cornell University	93.000	HH5N271200577531C		127,082
Other Assistance	93.000		8,822	
Other Assistance	93.000	90YR0020/01	4,215	
Other Assistance	93.000	HHSN266200400035C	2,718,135	
Other Assistance	93.000	1 R15 HL085229-01 A1	48,868	
Other Assistance	93.000	5 R25 RR018529-05	285,384	
Other Assistance	93.000	663-C-00-02-00340-00	344,114	
Other Assistance	93.000	5 R01 OH007882-04	69,785	
Other Assistance	93.000	HHSF223200730891P	35,415	
Other Assistance	93.000	HHSN2612007003 39P	58,792	
Other Assistance	93.000	08IPA8947093	15,141	
Other Assistance	93.000	HHSN269200700203P	37,882	
Other Assistance	93.000	200-2007-M-23402	4,243	
Other Assistance	93.000	HHSN275200503405C	361,389	
Academic Research Enhancement Award	93.000	1R15HL089925-01	38,669	
Academic Research Enhancement Award	93.000	1R15GM072525-01A2	48,989	
Dendritic Morphology	93.000	2R01NS39600-07	173,047	
Total Research and Development Cluster			262,915,644	20,129,294
Total U.S. Department of Health and Human Services			3,870,598,656	22,577,009

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

State Commissions	94.003		283,074	
Learn and Serve America-School and Community Based Programs	94.004		495,721	
Learn and Serve America-Higher Education	94.005		111,263	
Pass-Through From Morehouse School of Medicine	94.005			7,171
Pass-Through From University of Washington	94.005			6,316
AmeriCorps	94.006		3,093,773	
Pass-Through From Jumpstart New York	94.006			58,357
Planning and Program Development Grants	94.007		2,581	
Training and Technical Assistance	94.009		121,485	
Total Corporation for National and Community Service			4,107,897	71,844

COMMONWEALTH OF VIRGINIA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
SOCIAL SECURITY COMMISSION				
Social Security-Work Incentives Planning and Assistance Program	96.008		94,225	
Other Assistance:				
Operations and Maintenance Management	96.000	FM115	103	
Facility Planning and Design	96.000		103	
Facilities Management	96.000		177	
Total Excluding Cluster Identified Below			94,608	-
Disability Insurance/SSI Cluster:				
Social Security-Disability Insurance	96.001		36,726,861	
Pass-Through From Cornell University	96.001			19,426
Total Disability Insurance/SSI Cluster			36,726,861	19,426
Total Social Security Administration			36,821,469	19,426
DEPARTMENT OF HOMELAND SECURITY				
Pilot Demonstration or Earmarked Projects	97.001		134,846	
Urban Areas Security Initiative	97.008		1,070,299	
Pass-Through From District of Columbia	97.008			49,950
Pass-Through From Office of the Deputy Mayor for Public Safety and Justice	97.008			392,399
Boating Safety Financial Assistance	97.012		2,166,275	
Pre-Disaster Mitigation (PDM) Competitive Grants	97.017		172,603	
National Fire Academy Educational Program	97.019		10,827	
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023		123,500	
Flood Mitigation Assistance	97.029		197,584	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		24,366,675	
Hazard Mitigation Grant	97.039		3,982,430	
National Dam Safety Program	97.041		67,469	
Emergency Management Performance Grants	97.042		3,411,463	
State Fire Training Systems Grants	97.043		11,743	
Cooperating Technical Partners	97.045		19,305	
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050		70,572	
Citizen Corps	97.053		158,720	
Port Security Grant Program	97.056		1,275,632	
Map Modernization Management Support	97.070		5,832	
Metropolitan Medical Response System	97.071		1,275,381	
Pass-Through From Metropolitan Medical Response System	97.071			182,001
State Homeland Security Program (SHSP)	97.073		8,833,674	
Law Enforcement Terrorism Prevention Program (LETPP)	97.074		5,060,988	
Homeland Security Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	97.077		78,306	
Buffer Zone Protection Program (BZPP)	97.078		47,918	
Other Assistance:				
Other Assistance	97.000	AGRMT DTD 2/9/07	173,107	
Effective Training Needs Assessment Seminar	97.000		137	
Total Excluding Clusters Identified Below			52,715,286	624,350
Homeland Security Cluster:				
State Domestic Preparedness Equipment Support Program	97.004		158,051	
Homeland Security Grant Program	97.067		701,582	
Total Homeland Security Cluster			859,633	-

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Research and Development Cluster:				
Pilot Demonstration or Earmarked Projects	97.001			
Pass-Through From Dartmouth College	97.001			850,024
State and Local Homeland Security Exercise Support	97.006		15,980	
Urban Areas Security Initiative	97.008		2,751	
Pass-Through From George Washington University	97.008			3,600
Boating Safety Financial Assistance	97.012			
Pass-Through From American Canoe Association	97.012			2,500
Flood Insurance	97.022		47,212	
Flood Mitigation Assistance	97.029		73,272	
Hazard Mitigation Grant	97.039		15,575	
Cooperating Technical Partners	97.045		100,805	
Competitive Training Grants	97.068			
Pass-Through From University of Tennessee	97.068			5,930
Map Modernization Management Support	97.070		14,919	
Other Assistance:				
Pass-Through From Maryland Department of the Environment	97.000	U00P8200159		11,630
Pass-Through From National Institute of Building Science	97.000	VT07-01		8,976
Integrated Topological Vulnerability and Asset Management	97.000	FA8750-05-C-0212	419,991	
Total Research and Development Cluster			690,505	882,660
Total Department of Homeland Security			54,265,424	1,507,010

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Cooperative Development Program (CDP)	98.002			
Pass-Through From National Academy of Science	98.002			151,581
John Ogonowski Farmer-to-Farmer Program	98.009		389,547	
Other Assistance:				
Pass-Through From Association Liaison Office for University Cooperation in Development	98.000			102
Total Excluding Clusters Identified Below			389,547	151,683
Research and Development Cluster:				
USAID Foreign Assistance for Programs Overseas	98.001		6,064,300	
Pass-Through From International Service for the Acquisition of Agri-biotech Applications South East Asia Center	98.001			26,251
Pass-Through From International Executive Service Corporation	98.001			61,870
Non-Governmental Organization Strengthening (NGO)	98.004		5,877	
John Ogonowski Farmer-to-Farmer Program	98.009		17,356	
USAID Development Partnerships for University Cooperation and Development	98.012			
Pass-Through From American Council on Education	98.012			45,002
Other Assistance:				
Pass-Through From Research Corporation of the University	98.000	LAG G009700002 00		14,106
Pass-Through From University of Georgia	98.000	RC710-013/4184487		23,478
Pass-Through From University of Georgia	98.000	RD309-022/4092164		10,108
Pass-Through From Purdue University	98.000	8000021024		471
Other Assistance	98.000	685-A-00-05-00133-00	121,208	
Other Assistance	98.000	0331080 AGMT DATE 9/21/07	46,128	
Total Research and Development Cluster			6,254,869	181,286
Total U.S. Agency for International Development			6,644,416	332,969

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
OTHER FEDERAL ASSISTANCE				
Research and Development Cluster:				
Pass-Through From Science Applications International Corporation	99.000	N443600-000-019		140,210
Pass-Through From Science Applications International Corporation	99.000	N443600*000		30,422
Other Assistance:				
Other Assistance	99.000	14204	75,433	
Other Assistance	99.000	REL NO. 3	47,021	
Central Intelligence Agency Monitoring Individuals and Organizations Technical Working Group Program (MI & O TWG)	99.000	2004-G877300-000	369,888	
Total Other Federal Assistance			492,342	170,632
Total Federal Grantor Agencies			$ 8,727,484,819	$ 69,974,042

The accompanying notes to the Schedule of Federal Expenditures of Federal Awards are an integral part of this schedule.

COMMONWEALTH OF VIRGINIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

1. PURPOSE OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, requires a schedule of expenditures of federal awards showing total federal expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA). The accompanying schedule includes all expenditures of federal awards of the Commonwealth of Virginia's departments, institutions, authorities, and component units except for the entities that were not audited by the Auditor of Public Accounts. Other auditors issued reports for the following organizations within the Commonwealth: Virginia Commonwealth University Health System Authority, Institute for Advanced Learning and Research, Virginia Housing Development Authority, Virginia Resources Authority, the Hampton Roads Sanitation District Commission, Virginia Outdoors Foundation, Virginia Horse Center Foundation, Virginia Museum of Fine Arts Foundation, Fort Monroe Federal Area Development Authority, Virginia State Crime Commission, Commission on Virginia Alcohol Safety Action Program, and the Division of Capitol Police.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in the accompanying "Schedule of Expenditures of Federal Awards" is presented in accordance with OMB Circular A-133. The schedule presents a summary of direct and indirect federal financial assistance by federal department and CFDA Number.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance. Nonmonetary federal assistance including food stamps, food commodities, and surplus property, is considered federal assistance and, therefore, is reported on the "Schedule of Expenditures of Federal Awards." Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts in a vendor relationship between the Commonwealth of Virginia and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Direct Federal Assistance – Assistance received directly from the Federal government or received in a pass-through relationship from other State entities is classified as direct expenditures on the "Schedule of Expenditures of Federal Awards."

Indirect Federal Assistance – Assistance received in a pass-through relationship from entities other than the Federal government or other State entities is classified as indirect expenditures on the "Schedule of Expenditures of Federal Awards."

Major Programs – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for the Commonwealth of Virginia were determined using a risk-based approach in accordance with OMB Circular A-133.

Catalog of Federal Domestic Assistance – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number) which is reflected in the accompanying schedule.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the Commonwealth:

Aging
CCDF
Child Nutrition
CDBG-Entitlement and (HUD-Administered) Small Cities
Disability Insurance/SSI
Emergency Food Assistance
Employment Service
Federal Transit
Fish and Wildlife
Food Stamp
Highway Planning and Construction
Highway Safety
Homeland Security
Medicaid
Research and Development
Public Works and Economic Development
Schools and Roads
Special Education
Student Financial Assistance
Transit Services Programs
TRIO
WIA

Research and Development, Student Financial Assistance, and Highway Planning and Construction clusters expend funds from several Federal departments. The amount expended for these three clusters is reported under the appropriate federal department.

The total amount expended for Student Financial Assistance was $ 998,451,390 consisting of the following federal departments:

Federal Department	Amount Expended
Department of Education	$987,821,151
Department of Health and Human Services	10,630,239
Total	$998,451,390

The total for Highway Planning and Construction was $849,912,840 from the Department of Transportation. The total direct amount expended for Research and Development was $ 486,257,802 consisting of the following federal departments:

Federal Department	Amount Expended
Department of Health and Human Services	$262,915,644
National Science Foundation	64,060,709
Department of Defense	51,436,909
Department of Agriculture	19,170,834
National Aeronautics and Space Administration	18,320,855
Department of Energy	15,780,810
Department of Commerce	14,736,734
Department of Education	14,217,954
Department of Transportation	7,077,197
Agency for International Development	6,254,869
Department of the Interior	3,661,669
Department of Justice	2,918,766
Environmental Protection Agency	2,050,285
National Foundation on the Arts and the Humanities	1,454,997
Department of Homeland Security	690,505
National Archives and Records Administration	402,128
Department of State	251,164
Department of Veterans Affairs	138,502
Department of Housing and Urban Development	114,526
Library of Congress	80,135
Appalachian Regional Commission	24,428
Office of Personnel Management	5,840
Other Federal Assistance	492,342
	$486,257,802

B. Basis of Accounting

Federal program expenditures included in the accompanying schedule are presented using the cash basis of accounting. Under the cash basis of accounting, expenditures are recognized when paid rather than when the obligation is incurred. Federal non-cash assistance and loan/loan guarantee program activities are presented as described in Notes 2-C and 2-D below.

C. Non-Cash Assistance

The Commonwealth of Virginia participated in several federal programs in which non-cash benefits are provided through the state to eligible program participants. These include:

Food Distribution Programs (CFDA Numbers 10.550, 10.555, 10.559, 10.569) – The value of food commodities was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists. The accompanying schedule includes commodity distributions of:

CFDA #	Amount
10.550	$ 340,838
10.555	28,246,841
10.559	104,866
10.569	4,395,889

The accompanying schedule does not include Commonwealth-stored undistributed food commodities of:

CFDA #	Amount
10.550	$64,253
10.555	79,750

Donation of Federal Surplus Personal Property (CFDA Number 39.003) – Donated federal surplus property is valued at 23.3 percent of the original acquisition cost as assigned by the federal government. The amount included in the accompanying schedule reflects distribution to other governmental entities during the year ended June 30, 2008. Administrative expenditures of $366,429 are not included in the accompanying schedule. The value of surplus property on hand at June 30, 2008 totaled $245,873.

Childhood Immunization Grants (CFDA Number 93.268) – The U.S. Department of Health and Human Services purchases and now distributes immunizations through McKesson, the federal national distribution vendor, directly to our local health departments. The amount presented in the accompanying schedule reflects the cost of immunizations to the federal government of $39,166,603. The remaining amount of $4,347,428 is administrative expenditures.

D. Loan/Loan Guarantee Programs

Family Federal Education Loans (CFDA Number 84.032) – The amount in the accompanying schedule reflects the value of new Stafford, PLUS, and SLS loans disbursed to students during the fiscal year.

Federal Perkins Loans - Federal Capital Contributions (CFDA Number 84.038) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2008.

Federal Direct Loan Program (CFDA Number 84.268) – The amount in the accompanying schedule reflects the value of new Federal Direct Loans disbursed to students during the fiscal year.

Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (CFDA Number 93.342) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2008.

Nursing Student Loans (CFDA Number 93.364) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2008.

College Housing and Academic Facilities Loans (CFDA Number 84.142) – The amount in the accompanying schedule reflects the outstanding balance of loans payable at June 30, 2008.

Capitalization Grants for State Revolving Funds (CFDA Number 66.458) and Capitalization Grants for Drinking Water State Revolving Fund (CFDA Number 66.468) – The Commonwealth receives capitalization grants to create and maintain the Clean Water State Revolving Fund (CWSRF) program (CFDA # 66.458) and the Drinking Water State Revolving Fund (DWSRF) program, (CFDA # 66.468). Both programs offer long-term, low interest rate loans to enable the loan recipients to construct or maintain infrastructures necessary to comply with the Clean Water Act and Safe Drinking Water Act requirements. Capitalization grants expended for the CWSRF for the year ended June 30, 2008 were $13,137,826 and are included on the schedule. Capitalization grants expended for the DWSRF for the fiscal year ended June 30, 2008, were $9,308,982 and are also included on the schedule. In addition, the Commonwealth distributed additional second generation CWSRF and DWSRF loan disbursements totaling $219,805,732 during the fiscal year ended June 30, 2008, which are not included on the schedule.

Economic Adjustment Assistance (CFDA Number 11.307) – The amount in the accompanying schedule reflects the cash on hand and the outstanding balance of loans receivable from subrecipients at June 30, 2008.

E. Emergency Unemployment Benefits

The amount included in the accompanying schedule for Unemployment Insurance (CFDA Number 17.225) includes $51,082,659 administrative costs, $17,904,905 federal unemployment benefits paid to federal employees, ($88,368) Temporary Extended Unemployment Compensation paid to all benefit recipients, and $419,549,633 state unemployment benefits paid to non-federal employees.

F. Program Expenditures

Certain transaction relating to federal financial assistance may appear in the records of more than one state recipient agency. To avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the Commonwealth of Virginia, the following policies have been adopted:

1. When federal financial assistance is received by one state recipient agency and redistributed to another state agency (i.e., a pass-through of funds by the primary recipient state agency to a subrecipient state agency), the federal financial assistance will be reflected as expenditures by the subrecipient state agency.

2. When federal financial assistance is received by one state agency to purchase goods or services from another state agency, the federal financial assistance will be reflected as expenditures by the recipient (purchaser) agency.

3. OTHER ASSISTANCE PROGRAMS

Federal financial assistance programs that have not been assigned a CFDA Number have been included in the accompanying "Schedule of Expenditures of Federal Awards." Programs for which the grantor agency is known are reported as other assistance and are identified as CFDA Number XX.000, where XX represents the federal grantor agency.

4. ASSISTANCE PROVIDED TO NON-STATE SUBRECIPIENTS

The Commonwealth of Virginia disbursed pass-through funds to non-state subrecipients from the following programs:

CFDA #	Name of Federal Program	Amount
10.226	Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	$ 7,799
10.305	International Science and Education Grants	13,000
10.500	Cooperative Extension Service	226,466
10.550	Food Donation	98,947
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	1,708,858
10.560	State Administrative Expenses for Child Nutrition	1,650
10.572	WIC Farmers' Market Nutrition Program (FMNP)	185,566
10.664	Cooperative Forestry Assistance	574,191
10.761	Technical Assistance and Training Grants	970
11.419	Coastal Zone Management Administration Awards	1,575,417
11.457	Chesapeake Bay Studies	28,550
11.611	Manufacturing Extension Partnership	150,000
12.000	Other Assistance	143,754
12.112	Payments to States in Lieu of Real Estate Taxes	47,860
12.910	Research and Technology Development	25,895
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	20,919,580
14.231	Emergency Shelter Grants Program	1,711,343
14.235	Supportive Housing Program	31,945
14.239	HOME Investment Partnerships Program	16,416,988
14.241	Housing Opportunities for Persons with AIDS	827,662
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing	760,236
15.608	Fish and Wildlife Management Assistance	9
15.616	Clean Vessel Act	156,181
15.622	Sportfishing and Boating Safety Act	21,325
15.809	National Spatial Data Infrastructure Cooperative Agreements Program	630,204
15.904	Historic Preservation Fund Grants-In-Aid	70,791
15.921	Rivers, Trails and Conservation Assistance	2,400
16.523	Juvenile Accountability Block Grants	663,884
16.528	Enhanced Training and Services to End Violence and Abuse of Women Later in Life	14,108
16.540	Juvenile Justice and Delinquency Prevention-Allocation to States	2,029,457

CFDA #	Name of Federal Program	Amount
16.548	Title V-Delinquency Prevention Program	$ 16,084
16.575	Crime Victim Assistance	9,051,509
16.579	Edward Byrne Memorial Formula Grant Program	286,417
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	1,366,197
16.588	Violence Against Women Formula Grants	2,203,574
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	89,369
16.593	Residential Substance Abuse Treatment for State Prisoners	274,441
16.710	Public Safety Partnership and Community Policing Grants	346,132
16.727	Enforcing Underage Drinking Laws Program	20,750
16.738	Edward Byrne Memorial Justice Assistance Grant Program	4,032,523
16.751	Edward Byrne Memorial Competitive Grant Program	8,848
17.261	WIA Pilots, Demonstrations, and Research Projects	13,188
17.720	Disability Employment Policy Development	295,028
17.805	Homeless Veterans Reintegration Project	20,000
19.000	Other Assistance	13,500
19.415	Professional Exchanges-Annual Open Grant	14,856
20.000	Other Assistance	29,447
20.505	Federal Transit-Metropolitan Planning Grants	1,803,291
20.509	Formula Grants for Other Than Urbanized Areas	14,807,265
20.514	Public Transportation Research	19,405
20.607	Alcohol Open Container Requirements	3,659,856
20.614	National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants	17,938
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	26,539
23.001	Appalachian Regional Development (See individual Appalachian Programs)	1,010,740
39.000	Other Assistance	200,640
39.011	Election Reform Payments	139
43.000	Other Assistance	60,000
45.310	Grants to States	122,299
47.076	Education and Human Resources	495,802
59.037	Small Business Development Center	802,070
66.454	Water Quality Management Planning	8,333
66.458	Capitalization Grants for Clean Water State Revolving Funds	13,117,196
66.463	Water Quality Cooperative Agreements	5,061
66.468	Capitalization Grants for Drinking Water State Revolving Funds	7,613,602
66.605	Performance Partnership Grants	254,683
66.805	Leaking Underground Storage Tank Trust Fund Program	51,864
66.951	Environmental Education Grants	14,819
81.000	Other Assistance	9,574
81.042	Weatherization Assistance for Low-Income Persons	3,927,666
84.000	Other Assistance	18,750
84.002	Adult Education-State Grant Program	10,148,827
84.010	Title I Grants to Local Educational Agencies	213,321,125

CFDA #	Name of Federal Program	Amount
84.011	Migrant Education-State Grant Program	$ 596,003
84.013	Title I Program for Neglected and Delinquent Children	300,642
84.048	Career and Technical Education-Basic Grants to States	18,269,687
84.069	Leveraging Educational Assistance Partnership	226,000
84.116	Fund for the Improvement of Postsecondary Education	10,210
84.144	Migrant Education-Coordination Program	24,880
84.181	Special Education-Grants for Infants and Families with Disabilities	8,498,254
84.184	Safe and Drug-Free Schools and Communities-National Programs	16,525
84.186	Safe and Drug-Free Schools and Communities-State Grants	4,833,160
84.196	Education for Homeless Children and Youth	779,643
84.213	Even Start-State Educational Agencies	2,271,739
84.243	Tech-Prep Education	27,688
84.264	Rehabilitation Training-Continuing Education	10,000
84.287	Twenty-First Century Community Learning Centers	16,862,983
84.298	State Grants for Innovative Programs	2,538,066
84.318	Education Technology State Grants	3,900,739
84.323	Special Education - State Personnel Development	122,484
84.330	Advanced Placement Program	236,486
84.332	Comprehensive School Reform Demonstration	1,680,418
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	325,677
84.336	Teacher Quality Enhancement Grants	588,885
84.357	Reading First State Grants	15,516,042
84.358	Rural Education	1,109,386
84.359	Early Reading First	172,178
84.365	English Language Acquisition Grants	8,508,594
84.366	Mathematics and Science Partnerships	1,104,999
84.367	Improving Teacher Quality State Grants	47,646,187
90.401	Help America Vote Act Requirements Payments	184,604
93.003	Public Health and Social Services Emergency Fund	404,430
93.041	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	107,153
93.042	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	349,869
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	472,821
93.048	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	50,000
93.051	Alzheimer's Disease Demonstration Grants to States	260,205
93.052	National Family Caregiver Support, Title III, Part E	3,309,569
93.069	Public Health Emergency Preparedness	558,903
93.107	Model State-Supported Area Health Education Centers	325,822
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	322,236
93.136	Injury Prevention and Control Research and State and Community Based Programs	761,361
93.150	Projects for Assistance in Transition from Homelessness (PATH)	1,078,535

CFDA #	Name of Federal Program	Amount
93.165	Grants to States for Loan Repayment Program	$ 157,921
93.217	Family Planning-Services	146,419
93.235	Abstinence Education Program	82,308
93.241	State Rural Hospital Flexibility Program	914,408
93.243	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	1,056,075
93.256	State Planning Grants Health Care Access for the Uninsured	120,278
93.268	Immunization Grants	150,950
93.283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	2,572,331
93.301	Small Rural Hospital Improvement Grant Program	160,999
93.556	Promoting Safe and Stable Families	8,648,098
93.558	Temporary Assistance for Needy Families	62,784,140
93.563	Child Support Enforcement	37,837
93.564	Child Support Enforcement Research	56,428
93.566	Refugee and Entrant Assistance-State Administered Programs	3,433,528
93.568	Low-Income Home Energy Assistance	9,332,420
93.569	Community Services Block Grant	10,284,738
93.576	Refugee and Entrant Assistance-Discretionary Grants	179,190
93.584	Refugee and Entrant Assistance-Targeted Assistance Grants	403,542
93.590	Community-Based Child Abuse Prevention Grants	541,153
93.597	Grants to States for Access and Visitation Programs	224,445
93.599	Chafee Education and Training Vouchers Program (ETV)	503,123
93.600	Head Start	40,172
93.603	Adoption Incentive Payments	8,232
93.617	Voting Access for Individuals with Disabilities-Grants to States	82,500
93.645	Child Welfare Services-State Grants	5,415,359
93.647	Social Services Research and Demonstration	1,379
93.652	Adoption Opportunities	388,203
93.658	Foster Care-Title IV-E	63,899,221
93.659	Adoption Assistance	16,693,101
93.667	Social Services Block Grant	53,678,092
93.669	Child Abuse and Neglect State Grants	215,705
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	1,892,723
93.674	Chafee Foster Care Independence Program	1,417,407
93.767	State Children's Insurance Program	4,698,235
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	768,077
93.889	National Bioterrorism Hospital Preparedness Program	9,630,843
93.913	Grants to States for Operation of Offices of Rural Health	26,052
93.917	HIV Care Formula Grants	3,312,970
93.926	Healthy Start Initiative	102,634
93.940	HIV Prevention Activities-Health Department Based	2,168,942

CFDA #	Name of Federal Program	Amount
93.945	Assistance Programs for Chronic Disease Prevention and Control	$ 177,226
93.958	Block Grants for Community Mental Health Services	8,919,518
93.959	Block Grants for Prevention and Treatment of Substance Abuse	39,649,131
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	63,402
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	38,865
93.991	Preventive Health and Health Services Block Grant	503,153
93.994	Maternal and Child Health Services Block Grant to the States	9,189
93.995	Adolescent Family Life-Demonstration Projects	77,806
94.004	Learn and Serve America-School and Community Based Programs	439,402
94.006	AmeriCorps	2,462,734
94.007	Planning and Program Development Grants	435
94.009	Training and Technical Assistance	1,812
97.008	Urban Areas Security Initiative	715,949
97.019	National Fire Academy Educational Program	10,827
97.029	Flood Mitigation Assistance	197,584
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	23,461,895
97.039	Hazard Mitigation Grant	4,031,440
97.042	Emergency Management Performance Grants	1,337,464
97.043	State Fire Training Systems Grants	11,744
97.053	Citizen Corps	55,125
97.056	Port Security Grant Program	180,453
97.071	Metropolitan Medical Response System	1,275,381
97.073	State Homeland Security Program (SHSP)	4,208,442
97.074	Law Enforcement Terrorism Prevention Program (LETPP)	2,956,904
97.078	Buffer Zone Protection Program (BZPP)	47,918
	Research and Development Cluster	31,568,256
	Child Nutrition Cluster	217,483,144
	Food Stamp Cluster	64,848,950
	Emergency Food Assistance Cluster	4,395,889
	Schools and Roads Cluster	966,875
	WIA Cluster	30,011,285
	Highway Planning and Construction Cluster	76,063,429
	Transit Services Programs Cluster	352,683
	Highway Safety Cluster	3,751,158
	Special Education Cluster (IDEA)	242,922,561
	Aging Cluster	22,373,610
	CCDF Cluster	102,539,847
	Medicaid Cluster	51,403,581
	Homeland Security Cluster	579,404
	Total	$1,689,432,095

ACRONYMS FOR AGENCIES AND INSTITUTIONS

Acronym	Agency / Institution
ABC	Department of Alcoholic Beverage Control
APA	Auditor of Public Accounts
DEQ	Department of Environmental Quality
DGS	Department of General Services
DMHMRSAS	Department of Mental Health, Mental Retardation, and Substance Abuse Services
DMV	Department of Motor Vehicles
DOA	Department of Accounts
DOC	Department of Corrections
DRPT	Department of Rail and Public Transportation
TAX	Department of Taxation
TNCC	Thomas Nelson Community College
VCCS	Virginia Community College System
VCU	Virginia Commonwealth University
VDEM	Virginia Department of Emergency Management
VDH	Virginia Department of Health
VDOT	Virginia Department of Transportation
VITA	Virginia Information Technologies Agency

CONTACT LIST FOR AUDIT FINDING RESOLUTION

Dabney S. Lancaster Community College
Sandy Haverlack
Coordinator of Financial Aid & Veterans Affairs
P.O Box 1000
Clifton Forge, VA 24422
(540) 863-2822

Department of Health
Richard Corrigan
Director of Internal Audit
109 Governor Street
Richmond, VA 23219
(804) 864-7450

Department of Medical Assistance Services

Charles Lawver
Internal Audit Director
600 East Broad Street, Suite 1300
Richmond, VA 23219
(804) 786-0241

Department of Mental Health, Mental Retardation, and Substance Abuse Services
Ken Gunn
Director of Budget and Financial Reporting
P.O. Box 1797
Richmond, VA 23218
(804) 786-1555

New River Community College
John Van Hemert
Vice President of Finance and Technology
P.O. Box 1127
Dublin, VA 24086
(540) 674-3621

Thomas Nelson Community College
Kathryn Anderson
Director of Financial Aid
P.O. Box 9407
Hampton, VA 23670
(757) 825-2848

Virginia Commonwealth University

Patricia Perkins
Associate Controller
P.O. Box 843035
Richmond, VA 23284
(804) 828-5474

Virginia Department of Emergency Management
Deborah Miller
Accounts Payable Supervisor
10501 Trade Court
Richmond, VA 23235
(804) 897-6500

Virginia Information Technologies Agency

Jim Roberts
Director of Finance and Administration
11751 Meadowville Lane
Chester, VA 23836
(804) 416-6008

Virginia Polytechnic Institute and State University
Ken Miller
Controller
201 Southgate Center
Blacksburg, VA 24061
(540) 231-7448

Virginia Western Community College
Lori Baker
Dean of Student Services
P.O. Box 14007
Roanoke, VA 24038
(540) 857-6348