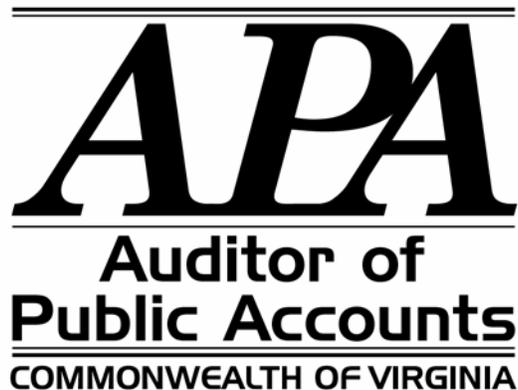


**COMMONWEALTH OF VIRGINIA
SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2003**



EXECUTIVE SUMMARY

The results of our single audit of the Commonwealth of Virginia for the year ended June 30, 2003 are summarized below:

- We issued an unqualified opinion on the basic financial statements;
- We found certain matters that we consider reportable conditions, one of which we identified as a material weakness in internal control over financial reporting;
- We did not identify instances of noncompliance with selected provisions of applicable laws and regulations which could have a material effect on the basic financial statements;
- We did not identify material weaknesses in the internal control over major programs; however, we did find 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."

- TABLE OF CONTENTS -

	<u>Pages</u>
EXECUTIVE SUMMARY	
INTRODUCTION LETTER	1
INDEPENDENT AUDITOR’S REPORTS:	
Report on Compliance and on Internal Control over Financial Reporting Based on the Audit of the Basic Financial Statements Performed in Accordance With Government Auditing Standards	3-4
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	5-6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Summary of Auditor’s Results	7-8
Financial Statement Findings	9-32
Federal Awards Findings and Questioned Costs:	
U.S. Department of Agriculture	33
U.S. Department of Transportation	34-37
U.S. Department of Health and Human Services	38-45
AUDITOR’S COMMENTS ON RESOLUTION OF PRIOR YEAR AUDIT FINDINGS	47-50
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	
Independent Auditor’s Report on the Schedule of Expenditures of Federal Awards	51
Schedule of Expenditures of Federal Awards	53-78
Notes to the Schedule of Expenditures of Federal Awards	79-88
ACRONYMS OF AGENCIES AND INSTITUTIONS AND STATE AGENCY CONTACTS	89-90



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

March 22, 2004

The Honorable Mark R. Warner
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Lacey E. Putney
Vice 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, 2003.

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

JHT:whb

Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORTS



Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON THE AUDIT OF THE BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the basic financial statements of the Commonwealth of Virginia, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 12, 2003. This report relates only to the Commonwealth and not to certain agencies and component units that were audited by other auditors discussed in Note 1-B of the "Notes to Financial Statements."

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commonwealth of Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Commonwealth's ability to record, process, summarize, and report financial data consistent with the assertions of management in the basic financial statements. These reportable conditions are described in the accompanying "Schedule of Findings and Questioned Costs" as items 03-1 through 03-13.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 03-01 to be a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the individual state agencies and institutions.

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 entities, 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 is not limited.

AUDITOR OF PUBLIC ACCOUNTS
December 12, 2003

JHT:whb



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH

MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE

IN ACCORDANCE WITH OMB CIRCULAR A-133

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, 2003. 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 discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 of Virginia 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, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying "Schedule of Findings and Questioned Costs" as items 03-15 through 03-18.

Internal Control Over Compliance

The management of the Commonwealth is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Commonwealth's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. These reportable conditions are described in the accompanying "Schedule of Findings and Questioned Costs" as items 03-14 through 03-21.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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 entities, 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 is not limited.

AUDITOR OF PUBLIC ACCOUNTS
March 22, 2004

JHT:whb

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

COMMONWEALTH OF VIRGINIA
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2003

Financial Statements

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>Yes</u>
Reportable conditions identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal Control over major programs:	
Material weakness identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>Yes</u>

Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
---	---------------------------

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>Yes</u>
---	-------------------

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
17.225	Unemployment Insurance
17.245	Trade Adjustment Assistance - Workers
66.468	Capitalization Grants for Drinking Water State Revolving Fund
83.548	Hazard Mitigation Grant
84.010	Title I – Grants to Local Educational Agencies
84.027	Special Education – Grants to States
84.048	Vocational Education – Basic Grants to States
93.268	Immunization Grants
93.558	Temporary Assistance for Needy Families (TANF)

CFDA Number(s)	Name of Federal Program or Cluster
93.563	Child Support Enforcement (CSE)
93.658	Foster Care: Title IV-E
93.767	State Children's Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
10.551 10.561	Food Stamp Cluster
10.553 10.555 10.559	Child Nutrition Cluster
17.258 17.259 17.260	Workforce Investment Act (WIA) Cluster
20.205 23.003	Highway Planning and Construction Cluster
93.575 93.596	Child Care Cluster
93.775 93.777 93.778	Medicaid Cluster
84.007 84.032 84.033 84.038 84.063 84.268 93.342 93.364 93.925	Student Financial Assistance Cluster
(Footnote 2A)	Research and Development Cluster

Dollar threshold used to distinguish between

Type A programs:

\$21,924,561

Type B programs:

\$ 2,192,456

Commonwealth qualified as low-risk auditee?

No

FINANCIAL STATEMENT FINDINGS

DEPRECIABLE CAPITAL ASSETS

03-01 Improve Capital Asset Management and Reporting

Applicable to: Department of Transportation

Transportation does not have a designated individual, a capital asset manager, responsible for proper recording, managing, inventorying, and reporting of all of its capital assets. Transportation groups its fixed assets into many smaller categories. Transportation records and tracks the different categories of capital assets using several different systems and an Access database. Transportation's use of multiple systems and schedules makes tracking capital assets extremely difficult. Multiple individuals, divisions, and districts have varying responsibility for recording, managing, inventorying, and reporting these assets. There is limited communication between these individuals, divisions, and districts and the Fiscal division and no consistent set of policies and procedures.

Transportation reports financial information, including asset values and depreciation, related to all of its capital assets for inclusion in the Commonwealth's Comprehensive Annual Financial Report (CAFR). Currently the Controller's Senior Accountant compiles all of this information from multiple individuals and sources as part of the annual reporting process. However, Transportation needs a capital asset manager that can monitor, coordinate, and manage its assets throughout the year as well as compile financial information at year end. The capital asset manager could assist in creating open lines of communication between all divisions and positions responsible for capital asset management. The capital asset manager should be knowledgeable in all laws, regulations, and financial reporting standards for capital assets. With this understanding, the capital asset manager could ensure that Transportation properly and consistently records capital asset transactions throughout the year to increase the efficiency and accuracy of the year end compilation of financial information for CAFR and Transportation's own financial reporting purposes. The capital asset manager should prepare written agency-wide policies and procedures for recording and reporting capital assets and ensure compliance with these policies. The policies should include uniform financial recording procedures so that Transportation can readily identify all asset acquisition expenses, capture all asset additions and disposals, and depreciate capitalized assets in accordance with state accounting policies. The capital asset manager should also provide appropriate training to all individuals and divisions responsible for capital asset management and reporting.

We identified several issues related to capital assets described in the findings "Improve Internal Controls over Capital Assets," "Evaluate and Improve the Equipment Management System," "Improve Controls over Computer Equipment," and "Improve Controls over Major Equipment Inventory." Some of these findings are repeat findings from the previous year and others are new issues. Given the vast amount of assets that Transportation owns and the issues we found, we recommend that they designate a capital asset manager to oversee and coordinate all aspects of capital asset management and financial reporting. In addition, we believe the controls surrounding capital assets are inadequate and that these issues are so pervasive that they represent a material weakness in Transportation's internal controls.

Management Plan for Corrective Action:

Transportation has hired KPMG to conduct an independent assessment and make recommendations surrounding the capital asset function. The Chief Financial Officer will recommend organizational changes to the Commissioner to address capital asset internal controls

and other KPMG recommendations. Transportation will recruit financial reporting staff, including a leader. Transportation will implement organizational changes and assign capital asset functions to a team. Transportation will revise policies and procedures as needed and communicate policy and procedure revisions to staff. Transportation will perform field visits to train and educate staff on policies and procedures.

Responsible Position: Commissioner, Chief Financial Officer, Capital Asset Functions Team, and Financial Reporting Team

Estimated Completion Date: June 1, 2005

03-02 Improve Controls over Major Equipment Inventory

Applicable to: Department of Transportation

Transportation did not properly perform inventories over major equipment and did not adequately record changes in assets throughout the fiscal year. The Commonwealth's accounting policies require Transportation to perform a complete inventory every two years. As previously reported, Transportation attempted to perform a complete inventory in fiscal year 2002; however, four divisions and one district did not complete the inventory, resulting in ten percent of the asset inventory not being counted. For fiscal year 2003, Transportation only performed a partial inventory, counting approximately one-third of the items in inventory. Of the divisions and district that did not perform an inventory in fiscal year 2002, the Construction division and the Northern Virginia district only completed a partial inventory in fiscal year 2003. The partial inventory was not a statistical inventory; therefore, these two areas did not perform complete physical inventories within the two year period set by the Commonwealth's accounting policies. In addition, some districts and divisions did not follow directions or document the inventory process to the point where the auditor could not determine what items they had counted. Several districts and divisions were late performing the inventory.

The results of the inventories taken demonstrate that personnel are not properly monitoring, tracking, and recording changes to equipment during the year. In the Central Office, 22.1 percent of the items counted required a change in location, change in tag number, or had been disposed of but not recorded in the system. In the districts, 7.0 percent of the items counted required similar changes. In addition, during the count, personnel identified at least ten assets purchased during the year which they had not recorded.

The Administrative Service Division, which oversees the major equipment database and administers the yearly inventory counts, does not appear to have the authority or influence to ensure that the districts and divisions properly perform the annual inventories. Transportation should delegate this authority to the capital asset manager recommended in the finding entitled "Improve Capital Asset Management and Reporting." The capital asset manager would be able to monitor, coordinate, and manage the assets within the major equipment database and throughout Transportation on a continual basis therefore lowering the risk that improper annual inventories could occur.

Management Plan for Corrective Action:

The Administrative Services Division Director will develop an action plan to implement 100 percent inventory counts statewide. District and Division Administrators will conduct 100 percent

inventory of all computer, major equipment, and other fixed assets. District and Division Administrators will report inventory results to the Fixed Asset Accounting and Control System (FAACS) inventory manager, update information in FAACS on inventory, and certify FAACS inventory by District and Division.

Responsible Position: Administrative Services Division Director and District and Division Administrators

Estimated Completion Date: June 15, 2005

03-03 Improve Internal Controls over Capital Assets

Applicable to: Department of Transportation

Due to a lack of oversight and management of Transportation's capital assets, we found several internal control weaknesses and errors, including an issue from the prior year that remains unresolved, that support the need for a central capital asset manager.

- As reported in fiscal year 2002, Transportation was not recording improvements other than buildings before fiscal year 2002 since it had an exemption from the Department of Accounts prior to the implementation of Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*. This exemption is no longer valid since GASB Statement No. 34 requires the capitalization of infrastructure. GASB Statement No. 34 allows governmental entities to report infrastructure prospectively for the fiscal years 2002 through 2005. By 2006, governments must report infrastructure retroactively back to 1980. Transportation properly recorded current year improvements other than buildings for fiscal year 2003. However, Transportation still has not developed a method to capture and capitalize the costs of improvements other than buildings for existing assets so that they can capitalize this information by 2006. This methodology must allow Transportation to determine and record accumulated depreciation on those assets based on year of acquisition and useful life.
- Transportation does not have consistent and updated methodologies to assign salvage values and useful lives to all of its assets. For some asset categories, Transportation does not have a methodology and for other classes Transportation established the method 30 to 40 years ago. The Commonwealth's accounting policies require agencies to develop and periodically update a methodology for estimating salvage value that considers the type of asset, its obsolescence and degree of usefulness at disposal, and the nature of the disposal process. Agencies should also develop and periodically update a methodology for assigning asset useful lives that considers actual use patterns for different types of assets and takes into account the actual length of time the agency has used different assets over time.

- In July 2002, Transportation began a pilot program for the Automated Fuel Management Program (AFMP), which automated the fueling, tracking, and billing of fuel consumption for Transportation employees as well as other state agencies. As part of the implementation, the vendor installed Fuel Control Terminals at each fueling site. The terminals range in cost from \$7,700 to \$8,700. There are approximately 284 fuel sites across the state. The vendor installed 80 terminals before the end of fiscal year 2003. However, Transportation did not record the terminals as assets in any of its asset systems. The Asset Management Division is overseeing the implementation of AFMP. This division also manages the Equipment Management System which records equipment that districts and residencies use, such as vehicles, tractors, and lawn mowers. However, the fuel terminals should be in a different asset system, the Access database for major equipment which the Administrative Services Division manages. Due to a lack of controls to ensure capitalization of all equipment purchases, a lack of communication between divisions, and a lack of oversight by one responsible individual, Transportation did not capitalize the fuel terminals in any system.

Transportation should develop a method to capture and capitalize the costs of improvements other than buildings for existing assets so that they can capitalize this information by 2006. Transportation should develop and update its methodologies for assigning asset salvage values and useful lives in accordance with Commonwealth policies. As recommended in the finding “Improve Capital Asset Management and Reporting,” Transportation needs a capital asset manager to develop and enforce controls over capital assets and improve coordination between the various individuals and divisions responsible for asset management and reporting.

Management Plan for Corrective Action:

Transportation will assemble an asset methodology team. The asset methodology staff will review and update as needed methodologies for all assets using value to determine order of review. The asset methodology staff will review and update as needed methodologies for salvage value and useful lives. Once updated, Transportation will reaffirm current methodologies with the Auditor of Public Accounts. The asset methodology staff will draft a methodology for retroactive reporting of improvements other than buildings. Transportation will put the methodology through a peer review, test the methodology through a “dry run” of reporting, adjust the methodology as needed, and then implement retroactive reporting for fiscal year 2006.

Responsible Position: Chief Financial Officer, Asset Methodology Staff, and Financial Reporting Staff

Estimated Completion Date: July 1, 2005

03-04 Evaluate and Improve the Equipment Management System

Applicable to: Department of Transportation

Transportation originally developed its Equipment Management System (EMS) as an asset maintenance and management system. Transportation records over \$194 million of its \$200 million of capitalized equipment in EMS. This is equipment that districts and residencies use, such as

vehicles, tractors, and lawn mowers. When Transportation implemented GASB Statement No. 34, Transportation needed depreciation information for the assets maintained in EMS. However, due to its original design, EMS could not easily or efficiently provide the information necessary for financial reporting. In the fiscal year 2002 report, we noted that Transportation did not record or report accumulated depreciation or depreciation expense for one category of equipment. This depreciation related to some of the equipment maintained in EMS for which the system did not calculate depreciation. For fiscal year 2002 and 2003, the Controller's Senior Accountant estimated the depreciation for these assets to provide accurate financial information for the Commonwealth. However, Transportation needs to evaluate and modify EMS so that it can calculate depreciation for these assets to provide a more accurate and efficient method of obtaining this information. This information should be obtainable from EMS and compiled by the capital asset manager.

During fiscal year 2003, the Commonwealth elected to change the capitalization threshold for reporting capital assets. The Commonwealth increased the capitalization threshold from \$5,000 for all classes of assets to \$50,000 for equipment and \$100,000 for land, buildings, infrastructure, and construction in progress. Since Transportation owns a substantial portion of the Commonwealth's assets, the change in threshold had a significant impact on how Transportation reported its capital asset information for financial reporting purposes. Transportation experienced difficulty implementing this change due to system constraints in the Equipment Management System. EMS is an old system and Transportation cannot easily query information out of the system. As a result, the Controller's Senior Accountant had to calculate the amounts using reports generated for the \$5,000 threshold and manually remove assets between \$5,000 and \$50,000. This was a very inefficient and time consuming process, and the capital asset manager should coordinate it rather than the Senior Accountant. Transportation should develop a way to extract the financial information from EMS necessary to meet the Commonwealth's requirements in the future.

Transportation, specifically a capital asset manager, should determine the financial reporting needs and assist in the review of the EMS. In addition the capital asset manager should determine how to increase efficiencies in generating, accumulating, and reporting financial information from EMS as we noted throughout this finding.

Management Plan for Corrective Action:

Transportation will assign a financial/business analyst to evaluate EMS data and reporting capabilities. The analyst will determine the information needed, what gaps exist in the data, and reports that can provide needed data. The Asset Management Assistant Division Director for Systems will determine if capitalized equipment information can be captured and reported in the asset management system under development for fiscal year 2005 and beyond. If so, the requirement will be incorporated into the second phase of the system development and implementation. If not, the Chief Financial Officer will determine other options and select an option for further development.

Responsible Position: Chief Financial Officer, Chief Information Officer, Asset Management Assistant Division Director for Systems, Financial/Business Analyst

Estimated Completion Date: December 31, 2004

03-05 Improve Controls over Computer Equipment

Applicable to: Department of Transportation

Transportation does not have adequate controls over the accounting and managing of computer equipment. Transportation has not taken a complete inventory of its computer equipment and updated the Fixed Asset Accounting and Control System (FAACS) since fiscal year 2000. During that time, Transportation entered into an operating lease for Seat Management which provides computer hardware and software from a single source. Seat Management services include hardware, software, support, and disposal. As a result, Transportation no longer owns many desktops and laptops. During this transition, Transportation did not update its inventory records to account for the transfer and disposal of its inventory of desktops and laptops. In addition, during fiscal year 2003, responsibility for computer equipment changed from a contractor to two Transportation employees. These employees did not receive adequate training or guidance on how to manage and account for the computer equipment. Therefore, these employees did not understand the concepts of controlled and capitalized assets, reporting thresholds, or the functionality of FAACS. In addition, Transportation does not have written policies and procedures for them to follow related to the recording, inventorying, and reporting of these assets.

As a result of this lack of controls over computer equipment, there is currently \$9.8 million in computer equipment on FAACS that is either passed its useful life or that Transportation no longer owns due to the Seat Management lease. In response to issues that we noted in the prior year, Transportation has already removed over \$7 million in computer equipment that they had disposed of or surplused but not removed from the system. Furthermore, there is over \$3.8 million in computer equipment related to the implementation of the Financial Management System in 1997 that Transportation never recorded or reported as part of its computer equipment inventory.

In response to this finding, Transportation planned to develop policies and procedures for computer equipment and conduct a complete inventory of all computer equipment in November 2003. We recommend that Transportation update its inventory records to reflect the outcome of this inventory. A complete and accurate record of computer equipment is increasingly important as Transportation prepares for the transfer of all computer equipment to the Virginia Information Technologies Agency during the next year. Transportation should provide the employees responsible for computer equipment the appropriate training and guidance. This should be the role of the capital asset manager recommended in the finding "Improve Capital Asset Management."

Management Plan for Corrective Action:

The Administrative Services Division Director will develop an action plan to implement 100 percent inventory counts statewide. District and Division Administrators will conduct 100 percent inventory of all computer, major equipment, and other fixed assets. District and Division Administrators will report inventory results to the FAACS inventory manager, update information in FAACS on inventory, and certify FAACS inventory by District and Division.

Responsible Position: Administrative Services Division Director and District and Division Administrators

Estimated Completion Date: June 15, 2005

FINANCIAL REPORTING

03-06 Improve Controls Over Financial Reporting Process

Applicable to: Department of Accounts

During the 2003 audit of the Commonwealth's Comprehensive Annual Financial Report (CAFR), we noted the need for the Comptroller to improve several areas in the internal controls over the report preparation process. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the information contained in the financial reports prepared by an entity.

In planning and performing our audit, we consider the Comptroller's internal controls over financial reporting in order to determine the nature, timing, and extent of our auditing procedures. The internal control improvements suggested below resulted from our auditors having to propose several material adjustments.

- *Inform the Auditor of Material Journal Entries* – The Comptroller's staff recorded several material journal entries before discussing the nature of or the process used to prepare the entries with the Auditor. Failure to notify the Auditor in a timely manner of material adjustments to the financial statements and the process used to develop the adjustments could result in a scope limitation on the audit. Because there is a risk of misstatement often linked to nonstandard journal entries and other adjustments, the Comptroller should disclose such entries to the Auditor to ensure there is sufficient time to perform an audit to review the internal control process surrounding the development of these entries.
- *Update Procedures in a Timely Manner* – Accounts often updates its procedures that document the financial statement preparation process as they are preparing or after they have completed the financial statements. The procedures used to prepare the financial statements are an important internal control over the financial reporting process and should serve as a tool to ensure the proper recording of all necessary journal entries and balances and use of the appropriate sources of the financial data. In order for the internal control to be effective, staff should update the procedures before preparing the financial statements and provide the information to the auditors.
- *Educate Agency Financial Staff on the Financial Reporting Process* – Since the Comptroller has ultimate responsibility for the financial information included in the CAFR, he must ensure that the information submitted by agencies outside of Accounts is accurate. During the audit, we noted several instances where an agency submitted incorrect or incomplete information. In some cases, these submission errors arose because agency personnel sending the information lacked an understanding of how and why the Comptroller needed the information. In other cases, the submission errors were the result of agency personnel not taking the time to properly prepare the information in order to meet established deadlines.

The Comptroller and his staff should ensure that each agency submitting financial information understands how its information fits into the financial reporting process and the annual report. In addition, the Comptroller should cite agencies for noncompliance with the Comptroller's directives if they submit incomplete information in order to meet established deadlines. Finally, the Comptroller should ensure the internal controls governing the financial reporting process at the agency level are adequate since those controls are a vital element of the overall internal control process for preparing the CAFR.

The Comptroller and his staff have the ultimate responsibility for the completeness and reliability of the information presented within the CAFR. Receiving accurate and timely information depends on the strength of the internal controls surrounding the financial reporting process. The Comptroller and his staff often rely on the review of the Auditor of Public Accounts to ensure the controls are operating as intended. As previously stated, we consider the internal controls when developing our audit procedures in order to provide reasonable assurance about whether the financial statements are free of material misstatements. However, the Auditor's reviews cannot serve as substitute for the Comptroller's responsibility to have well trained and informed staff in all agencies providing information for the CAFR. The Comptroller needs to take the appropriate on-going steps to ensure the accuracy and timeliness of information used in the financial reporting process.

Management Plan for Corrective Action:

The Department of Accounts (DOA) understood that auditors had reviewed and approved the process used to develop all adjustments to the financial statements. However, in the future DOA will revise CAFR procedures to ensure APA is alerted to all material adjustments in a timely manner and that these adjustments are thoroughly discussed and reviewed with the auditor prior to recordation. In addition, DOA will expand our efforts to work with agency financial reporting staffs prior to, and during, CAFR preparation to increase DOA and the APA's knowledge of potential financial reporting risks in order to provide sufficient time to resolve financial reporting issues prior to CAFR preparation.

In conjunction with the revised procedures mentioned above, DOA will alert APA to any CAFR preparation procedural updates prior to implementation.

DOA acknowledges the merits of additional monitoring, oversight and training of agency financial reporting staff. When DOA's budget reductions and the resulting staff layoffs necessitated elimination of DOA's Financial Management Training Program, DOA's financial reporting staff continued their diligent efforts to provide targeted agency assistance. Recent budget reductions have also resulted in the elimination of our Disbursements Review unit, severely curtailing our Disbursements Review program. Past DOA budget reductions resulted in the elimination of DOA's Agency Review and Assistance unit. Both of these actions, resulting directly from budget reductions, severely affected DOA's agency monitoring, oversight and training capabilities. DOA will make every effort to increase resources dedicated to these critical areas through budget adjustments or redeployment of existing resources in order to strengthen the Commonwealth's internal control structure.

DOA will optimize and target our scarce training resources to those agencies that provide material financial information to the CAFR to ensure these agencies maintain a well-trained agency financial reporting staff. In this regard, your report acknowledges DOA's reliance on APA staff to ensure controls are operating as intended. DOA closely monitors APA audit reports and reports all internal control findings in the Comptroller's Quarterly Report. We will focus additional attention

on financial reporting findings related to agencies that provide material financial information to the CAFR and will target these agencies for additional training and assistance.

Responsible Position: Ronald D. Necessary, Manager, Financial Reporting

Estimated Completion Date: December 15, 2004

03-07 Properly Record and Update Contracts in the Financial Management System

Applicable to: Department of Transportation

Transportation continues to not properly record or track its commitments for current or ongoing highway contracts, as we reported in the prior year audit. When Transportation enters into a contract for goods or services, personnel record the total value of the contract in the Financial Management System (FMSII). As Transportation makes payments, processes change orders against the contract, and closes contracts, the remaining commitment of the contract changes if personnel properly record the information in FMSII. At fiscal year end, Central Office personnel perform a manual reconciliation of the highway contractual commitment liabilities to develop the contractual commitment balance for inclusion in the Commonwealth's Comprehensive Annual Financial Report (CAFR). As of June 30, 2003, Transportation's contractual commitments totaled over \$1.9 billion. We found the following internal control weaknesses related to the recording of contract payments and the preparation of the contractual commitment disclosure that caused material adjustments to Transportation's fiscal year end contractual commitment disclosure in the CAFR.

- Transportation personnel did not properly close contracts in FMSII at the end of the contract. We selected a sample of contracts that Transportation signed prior to 1997, and fifty-five percent of the contracts tested had ended but were not properly closed out in FMSII, resulting in a \$20 million adjustment to reduce the commitment liability. Transportation executed the majority of these contracts in the 1980's and early 1990's, and the contracts ended several years ago.
- Transportation did not include some new contracts executed in fiscal year 2003 in the contractual commitment balance. Since construction and maintenance contracts originate in Transportation's Trans*Port System, FMSII does not receive the contractual information until after the first payment on the contract. Therefore, if Transportation has executed a contract but has not made a payment at the time Transportation prepares the contractual commitment liabilities amount, the new contract liability is not included. As a result, we increased the contractual commitment liability by \$31.7 million to include these new contracts.
- Transportation's personnel improperly included non-highway contracts in the highway contractual commitments. Two of the contracts tested were improperly recorded as a highway contract, totaling an \$8.5 million dollar overstatement.
- As we reported in the prior year audit, Transportation still does not have proper procedures for tracking outstanding contractual commitments. Due to internal control weaknesses documented above, FMSII cannot generate

an accurate contractual commitment figure and Central Office personnel must perform a manual reconciliation of the contractual commitment liability. The manual reconciliation, which is labor intensive and ineffective, resulted in over \$145 million in internal adjustments to Transportation's contractual commitments listed in FMSII. The \$145 million adjustment was the result of Central Office personnel reversing negative balances and researching contracts that had ended but were still included in the contractual commitment value. Adjustments for expired contracts are the result of agency personnel not properly processing a final voucher in FMSII to close out the contract in the system.

Transportation needs to ensure the financial and contractual information included in FMSII is accurate and complete. Transportation also needs to develop policies and procedures to ensure that personnel properly record new information in FMSII. Transportation needs to review all contracts in FMSII executed before 1995 to determine whether the contracts are still active and update FMSII accordingly. Implementing these recommendations should improve the reconciliation process at fiscal year end, decrease the risk of incorrectly reporting the contractual commitment liability to the CAFR, and improve the accuracy and reliability of financial information in FMSII.

Management Plan for Corrective Action:

Transportation's Controller will develop guidelines and procedures on FMS II contract types and categories. Division Contract Administrators and District Business Administrators will review and confirm contract information. The Controller will update FMS II with all necessary adjustments. Division Contract Administrators and District Business Administrators will certify contract information on all contracts. The financial reporting staff will develop a process for determining contractual commitments for financial reporting, test the process by performing a "dry run," adjust the process as needed, and implement the process by June 30, 2004.

Responsible Position: Controller, Division Contract Administrators, District Business Administrators, and Financial Reporting Staff

Estimated Completion Date: June 30, 2004

03-08 Properly Track and Record Leases

Applicable to: Department of Transportation

As reported in the fiscal year 2002 audit, Transportation still does not have a consistent, documented methodology to calculate future lease payments for the Seat Management lease. In this lease, the monthly payments fluctuate based on the total equipment rented. In addition, Transportation renegotiates the Seat Management lease, which has resulted in cost savings each year. Transportation inconsistently calculated the future lease payments between fiscal years 2002 and 2003. This inconsistency resulted in an audit adjustment to increase the future lease payments by \$12.4 million, which was important information for the Commonwealth's Comprehensive Annual Financial Report. Transportation should develop and document a consistent methodology to calculate future lease payments for Seat Management.

Management Plan for Corrective Action:

The Administrative Services Division Director will develop an action plan to implement 100 percent inventory counts statewide. District and Division Administrators will conduct 100 percent inventory of all computer, major equipment, and other fixed assets. District and Division Administrators will report inventory results to the FAACS inventory manager, update information in FAACS on inventory, and certify FAACS inventory by District and Division.

Responsible Position: Administrative Services Division Director and District and Division Administrators

Estimated Completion Date: June 15, 2005

03-09 Improve Financial Reporting

Applicable to: Department of Treasury

The Operations Division, Trust Accounting section (Trust) handles and accounts for all bond issues within Treasury. Trust operations are critical to controlling and monitoring the Commonwealth's debt. Because of the importance of this section's functions, during the fiscal year the Treasurer began an internal review of Trust to identify redundant processes, find ways to automate processes, and assess the effectiveness of the management structure.

In connection with this review, the Treasurer sought the assistance of both this Office and Treasury's internal audit director. We commend the Treasurer for the actions taken to date and the items contained in this report are issues the Treasurer should consider in this on-going effort.

Create Policies & Procedures

Treasury does not have adequate written policies and procedures for the following activities:

- Financial statement preparation for Virginia College Building Authority (VCBA), Virginia Public Building Authority (VPBA), Virginia Public School Authority (VPSA), Local Government Investment Pool (LGIP), and Treasury's Division of Risk Management;
- Statewide disclosures of state accounts in the State Non-Arbitrage Program (SNAP);
- Statewide cash and investment disclosures;
- Statewide debt disclosures; and,
- General accounting for VCBA, VPBA, VPSA, LGIP, and Treasury's Division of Risk Management.

With the lack of adequate written policies and procedures, Treasury has a significant risk to operations since the department depends on key personnel to understand and remember their duties and provide staff with only verbal instructions. If key personnel leave or become unable to perform their duties there are inadequate procedures to ensure that operations can continue. Verbal policies and procedures are extremely susceptible to misunderstandings and increase the risk that the operations will not occur if a key personnel leaves or cannot perform the duties.

The Treasurer had the Trust personnel begin documenting their policies and procedures with the internal auditor. The Treasurer should have Trust personnel complete the written policies and procedures. The internal auditor should ensure that these policies include a schedule for year-end close and documented procedures for preparing timely financial statements and other financial information. Finally, the Treasurer should have the internal auditor use this document as a basis to begin a review of how, what, and why personnel do their work within Trust. We believe that there are a number of procedures and tasks performed which debt agreements no longer require and that can be automated, reducing extensive manual efforts, and in several cases, could reduce the staff's workload.

Provide Adequate Accounting Systems

Virginia College Building Authority

Trust does not operate an accounting system for the Virginia College Building Authority and to compile monthly financial statements, personnel must enter information manually from approximately 183 hard copy bank statements into Excel spreadsheets. Most of these accounts have little or no activity, and therefore, Trust should examine alternatives for reporting and summarizing information, before considering an accounting system. Trust staff should analyze the VCBA bank accounts and close inactive accounts. In addition, they should explore electronic reporting options with the VCBA banks. By only keeping active bank accounts open and automating accounting and financial reporting, Treasury can create time efficiencies for staff and potentially avoid the need for an accounting system.

Eliminate Redundant Accounting Systems

Trust operates redundant accounting systems for the LGIP and the Commonwealth's General Account Investments. Trust staff manually enter and maintain investment records in a system known as Series II. These investment records are already available through Treasury's Master Custodian JPMorganChase. Treasury should analyze Series II to determine if it provides any additional benefits other than what is provided by the Master Custodian.

Debt Database

Trust began a project to create an automated database of debt schedules, which it never completed. Staff currently rely on this partial database and additional manual processes to bill state agencies, institutions of higher education, and local governments for principal and interest payments due for debt service on bonds which is a time consuming process. This partial database and manual information are the same sources Trust staff rely on for reporting debt information in the Commonwealth's Annual Financial Report, while other Treasury staff rely on different sources of debt data to prepare the budget and ad hoc reporting.

Treasury should update their current database to include all Commonwealth debt, institute controls and written procedures for data security and input, and define users and their needs from the database to create effective user reports. While the existing database, when completed, may not fully handle variable rate debt, it would greatly reduce manual efforts and improve the efficiency for receiving data for budget preparation, ad hoc reporting, and financial statement preparation. We believe a properly maintained central information source has the potential to significantly reduce staff time, not only at the Department of Treasury but also at other executive branch agencies.

Management Structure

The current management structure in Trust coupled with a lack of inadequate written policies and procedures creates a considerable risk to the operations of the agency. Managers must review and approve all work output before release, and this structure's inflexibility does not allow for adequate cross training or delegation of responsibilities for performance and review of work. Loss of one or more key personnel could significantly disrupt daily operations and could affect the Commonwealth's ability to produce its annual financial report. Additionally, the current structure results in a few people working excessive overtime to avoid missing deadlines. The Treasurer should review this structure and create a structure where multiple individuals receive cross training. There can be delegation of who can perform and review work assignment which indirectly may reduce overtime and more evenly allocate work among staff.

Performance Management

Trust does not have a mechanism to monitor the performance effectiveness and efficiency of staff and transaction processing. A performance management mechanism will allow Trust to continually evaluate processes, determine what changes it can make to improve internal controls, ensure compliance with accounting standards, cut costs, and save time. Management should devise a proactive method to monitor and improve the timeliness of transaction processing, track the number of errors during processing, and ensure compliance with reporting standards.

Management Plan for Corrective Action:

Create Policies and Procedures

Trust Accounting has policies and procedures covering most of its activities. A few GASB tasks have been newly documented this year. As indicated by you, Treasury is in the process of updating its Trust Accounting policies and procedures and the documentation thereof. Our Internal Auditor and Trust Accounting's management will continue to work towards completing this project by June 30, 2004, which will include documented procedures for preparing financial statement and other financial information.

The Internal Auditor will pay particular attention to how, what, and why personnel do their work within Trust to determine if there are procedures and tasks performed which debt agreements no longer require and/or that can be automated to reduce manual efforts and streamline the staff's workload.

Provide Adequate Accounting Systems

A. Virginia College Building Authority

We recognize that there may be a better alternative to the current spreadsheet process for compiling data. An accounting system will change the fashion in which the data is input, but unless we are able to obtain information electronically, it will not significantly reduce the manual entry. We are exploring with The Bank of New York the possibility of downloading data from its system. If that option is viable, we will seek to improve the process by which we compile our financial statement data.

The Bank of New York is the Trustee on VCBA bond issues. Accordingly, we must defer to it on the appropriateness of combining and/or closing bank accounts. We have submitted a

listing of possible accounts to close and will work with The Bank of New York to close as many accounts as possible before June 30, 2004. We will continue to research whether there is a more efficient structure to manage the various funds required in the VCBA bond indentures.

B. Eliminate Redundant Accounting Systems

We devoted significant time to evaluating the possibility of eliminating our internal investment system (APS2 2002 – formerly known as Series 2) for maintaining investment data and concluded that it would be imprudent to do so. We use our internal system to verify the accuracy of the data provided by the Master Custodian. We believe that verification is the industry standard.

C. Debt Database

The existing debt database was designed and implemented to track and bill locality debt, higher education debt, and other debt for which the Treasurer serves as paying agent. The system has effectively served that purpose for years.

A few years ago, we converted the database to an Access database. We designed the new database to permit incorporation of other Commonwealth debt. We are working to add other Commonwealth debt issues to the system prior to June 30, 2004.

In addition, we are exploring moving the existing database to a Microsoft SQL server environment, which would enable us to add security features and allow broader access to users outside of Trust Accounting. This is a longer-range project that may require additional funds, and we do not anticipate completion for the FY 04 reporting cycle.

Management Structure

We agree that there is a need for more cross training within Trust Accounting and have begun implementation of cross training activities. We are working on, and will establish, a plan to ensure that at least two people are trained on all functions so that all tasks can be accomplished in the event that key personnel discontinue service to Treasury.

We will do an evaluation of our year-end work assignments and the assignment of ongoing operations at year-end to determine the most effective distribution of tasks. Internal review prior to distribution outside of the Department is necessary to maintain quality control.

Each year end, our workflow priorities are established to conform to the deadlines established by the Department of Accounts for preparation of the CAFR. We successfully meet DOA's deadlines each year. We are willing to discuss with both DOA and the Auditor of Public Accounts any mutually beneficial modifications to the schedule.

Performance Management

We monitor operational performance through our monthly reconciliations. If there are significant problems, the volume and nature of the reconciling items will reflect such problems. Transaction review is also accomplished prior to release to the accounting system, as required by the Comptroller, allowing us to monitor and rectify staff performance prior to posting transactions. As a result of both processes, we continually look for ways to improve what we do and implement appropriate changes as needed.

Our internal review of the Trust Accounting function should be completed in the current fiscal year; however, full implementation of all recommendations related to that review may not be completed by June 30, 2004.

Responsible Position: Kristin Reiter, Director of Operations

Estimated Completion Date: June 30, 2004

DATA PROCESSING CONTROLS

Access Controls

03-10 Improve Application Access Management

Applicable to: Department of Taxation

We found impaired controls over Taxation's process for granting and administering access to certain applications.

- For the Remittance Data Capture System application, a formal request process documenting authorization and approval of access additions and deletions does not exist. A formal request process would help to prevent unauthorized access and possible abuse of the system, as well as enable the monitoring of user access.
- For the Electronic Filing (ELF) application, the two primary users of the application also serve as the security administrators for the application. Administrator privileges allow the user to add and delete new and existing users as well as grant themselves privileges within the system. Given their roles and responsibilities, it is inappropriate for these individuals to serve as security administrator or have administrator privileges. With this access and their knowledge of the application, they have the ability to give themselves levels of access they could use to Taxation's detriment.

For all applications, Taxation should ensure compliance with the policy and procedures outlined in their Security Plan. Compliance with application access policies and procedures should include a formal and documented request process for user updates, deletions, and modifications; as well as separation of duties with respect to the establishment and maintenance of user application access.

Management Plan for Corrective Action:

With respect to the comment Improve Application Access Management, Taxation acknowledges that the procedures for granting and administering access to certain applications should be strengthened. Taxation plans the following actions:

- *Remittance Data Capture System Application – Beginning in mid-February 2004, Taxation will use the agency's LAN-1 request form to supplement the e-mail requests used exclusively in the current practice. The practice of using e-mail messages developed because of those Channel operations that require that access be provided on*

a quick turnaround basis, sometimes within 24 hours or less. LAN-1 requests will now be completed for all operators and be sent to both the Help Desk and the applicable Channel Business System Administrator (BSA). The Channel BSA's will use this form as the official request to add operators to the systems. Taxation's Notice of Separation Process will continue to serve as the mechanism by which deletions are made.

Responsible Position: Nancy Wilson, Manager, Data Capture

Estimated Completion Date: February 2004

- *Electronic Filing (ELF) Application – The Office of Technology, IT Risk Management group, will determine what additional controls can be incorporated into the ELF process to mitigate the risk of federal data alteration prior to being uploaded to STARS. As part of this determination, the group will assess whether improved audit logging can be instituted and whether fewer privileges can be granted to the current users of the ELF software while still allowing them to perform their duties efficiently and effectively.*

Responsible Position: Craig Drain, Manager, IT Risk Management

Estimated Completion Date: May 2004

Program Change Controls

03-11 Strengthen Controls Over Program Change Control

Applicable to: Department of Taxation

While Taxation has developed, approved, and implemented several policies and procedural documents related to program change management during the past year, we found that controls over program change are still inadequate to ensure a secure, dependable environment for their applications. Our concerns lie in four areas: Policies and Procedures, Separation of Duties, Configuration Management Coordinator Responsibilities, and Documentation Management.

Policies and Procedures

Taxation uses a decentralized approach to change management due to the various applications and operating environments in place. Change management is the process by which Taxation alters or improves both existing programs and new programs under development, and how various programs and processes interact with the changes. Taxation currently has five policies and procedures documenting the change management process approved by management between September 2002 and July 2003. We also observed the use of two additional documents to support change management, which Taxation has not formally approved.

The various policies state that some apply only to mainframe applications and some apply only to client-server applications; however, the detailed information of each policy refers to all applications. The abundance of policies and additional documents makes it difficult to recognize a single comprehensive process for change management and how the various applications or environments fit into that process.

Separation of Duties

As previously reported, Taxation has not implemented proper controls to ensure adequate separation of duties within the change management process. We identified several instances within the client server environment where developers initiated a change request, performed the development, and implemented the change. Lack of proper separation of duties in relation to changes made to a production system can allow developers to bypass the approval workflow and implement potentially harmful code. Taxation's Internal Audit Department cited similar weaknesses in their Computer Assisted Collection System for Government report issued March 31, 2003.

Taxation developed an action plan in March 2003 to address this issue, with a final resolution date of March 2004. Due to competing priorities as a result of other projects, such as Tax Amnesty, management has revised this date to September 2004.

Configuration Management Coordinator's Responsibilities

According to Taxation's Policies and Procedures and the Configuration Management Coordinator's position description, it is the Coordinator's responsibility to oversee the entire program change management process; manage the Program Version Control System; provide training for staff members in the use of change management tools; and verify compliance with established policies. However, during our review we found that the Coordinator's duties were limited to reviewing the change request database and developing policies, while certain other responsibilities were delegated. If the coordinator, or the designee, is not performing all assigned responsibilities, Taxation is at risk of documented controls failing or employees bypassing crucial controls, either intentionally or unintentionally.

Change Management Documentation

Finally, we experienced difficulties locating user and system documentation of changes made. The uncertainty of the location of information caused delays and lead to difficulties in the performance of our review. What information was available did not consistently or sufficiently link the change request to its supporting documentation. In some cases, required fields, such as the change description, back out plan, and impact analysis, were missing important information or were simply blank.

Taxation is in the process of developing a new documentation process and instituting paperless controls. However, in the interim, by not maintaining complete documentation in a central location, Taxation is at risk of system documentation becoming out of sync with the system. If documentation is not current, later changes could cause system failures or other unintended consequences, including not being able to properly restore the system.

Recommendation

Taxation should review its program change management policies and enhance its change control procedures to provide an easily identifiable step-by-step change management process. The policies and procedures should specifically address the separation of duties between programmers, and the movement of changes into production. Taxation should ensure the quality assurance staff receive appropriate training to move code into all production systems, and limit developer access to production.

To support their decentralized change management environment and ensure compliance with their policies and procedures, Taxation should provide the Configuration Management Coordinator the necessary resources, including additional staff as needed, to ensure all aspects of this role are completed. Further, Taxation should provide training for staff to communicate changes to the configuration management plan and change control process, specifically highlighting documentation management.

Finally, Taxation should enhance and enforce the documentation management policies and procedures. At a minimum, Taxation should identify and maintain a central repository (paper or paperless) of information to permit the review of any change request to ensure the critical steps of the process are completed in compliance with Taxation's policies and procedures.

Management Plan for Corrective Action:

Until Taxation's new Advantage Revenue (AR) system is operational in September 2004, however, Taxation will be unable to address and implement all the elements recommended under the audit finding Strengthen Controls Over Program Change Control. I note that the comment does not recite the significant efforts Taxation has made over the last several years to improve controls in this area despite maintaining two different system architectures.

A recap of Taxation's plan in response to the audit follows:

- *Policies and Procedures: Taxation will eliminate redundant change management policies and procedures relevant to its current mainframe system, State Tax Accounting and Reporting System (STARS), when Advantage Revenue becomes operational in September 2004, and consolidate all remaining change management client-server policies and procedures in the new environment into a single, comprehensive process for change management. This has been, and continues to be Taxation's goal, but, maintaining two operating system architectures while making the transition to the new system has not allowed that to be accomplished as soon as we would prefer.*
- *Separation of Duties: This issue was identified in last year's audit, at which time Taxation submitted an action plan that included full resolution by March 2004. Taxation has utilized the Change Control Committee to evaluate and approve the appropriateness of production environment changes. Taxation continues its efforts, as indicated in the response to this issue to the Department of Accounts in April 2003, to prevent staff from both modifying code and moving program changes into production in the long term. Nonetheless, Taxation's limited production staffing coupled with the training necessary to compile and move new programming code into production, as well as the Advantage Revenue delays caused by Tax Amnesty, prevent Taxation from meeting that goal in the short term. Taxation's current staff is experienced in mainframe-related code migration, but not experienced in managing the migration of the new client-server programming languages introduced by the Partnership Project.*

Once the Partnership concludes, Taxation will move additional staff to this role, as necessary, to ensure staffing levels are adequate to handle the volume of code migrations as well as training the staff to move this code into production. This should result in the proper separation of duties and prevent development staff from modifying production programs. Until that time and because it is in Taxation's and the developers' best interest to ensure the production programs are working correctly,

lead developers will be required to move code to production after approval by the Change Control Committee. Taxation expects to be in a position to achieve an acceptable level of separation of duties after Advantage Revenue is operational in September 2004. As it has done in the past, Internal Audit will monitor and review modifications and documentation requirements concerning program code migration to production during the course of its ongoing examinations.

- Configuration Management Staff Responsibilities: Taxation agrees there is lack of clarity in the role of the Configuration Management Coordinator and that additional staff is needed to perform the function optimally. Configuration Management is a new function at Taxation, brought about because of the new client-server computing environment implemented through the Partnership Project. As you indicated during our exit conference, Taxation is the first state agency to be audited against these configuration management standards and that both of our agencies are learning. While the introduction of leading-edge technologies has allowed Taxation to achieve significant operational gains and offer many innovative services to customers, it has also introduced more complex standards that did not apply to the old environment. Taxation has already made a significant investment in configuration management, including adding staff with strong credentials that have made visible and important contributions. Taxation will clarify the roles involved in Configuration Management and add additional staff to this function, as necessary, once the work of the Partnership is completed.
- Change Management Documentation: Taxation agrees that there are insufficiently clear policies and procedures concerning the type of documentation that is to be maintained, where it should be maintained (in PVCS versus other document management systems at Taxation), and who is responsible for maintaining it. Taxation will review these documentation standards and resolve those areas needing improvement.

Responsible Position: Craig Drain, Manager, IT Risk Management

Estimated Completion Date: September 2004

Information System Policies and Procedures

03-12 Assess Needs and Develop Policies and Procedures over the Fuels Tax Program

Applicable to: Department of Motor Vehicles

With the change to “Tax at the Rack,” Motor Vehicles implemented a new automated system, the Motor Fuels Tracking System (MFTS) to track the collection and reporting of motor fuels tax. We reviewed MFTS’s processes and the critical automated and manual internal control components over the system. Our review identified several important issues noted below that could adversely affect the tax collection and reporting processes.

1. The new system is a shared computer system that a number of other states use. The use of an existing shared system reduces and eliminates the cost to Motor Vehicles of having to design and develop a new independent system. However, like most modern systems, this approach requires the

users to change how they process transactions and perform their work. Motor Vehicles' staff has not fully adopted new processing procedures to conform to the system.

Adopting new processing procedures and expanding the use of the system automated process such as accepting electronic tax filing will reduce the number of errors, speed processing, and increase accuracy. As an example, tests of the electronic filing process has reduced errors and increased the accuracy of filer information.

2. Motor Vehicles does not have formal policies and procedures addressing transaction processing on the new system by employees within the Fuels Tax Division. Policies and procedures should provide essential information for user reference, efficiency of operations, and general knowledge over the system.
3. The new system does not provide reliable reports containing information relating to accounts receivable, non-filers, and discrepancies. Motor Vehicles has requested system changes to provide information relating to accounts receivable. Personnel continue to manually process non-filers reports, since they cannot rely on the automated report.
4. Motor Vehicles' Tax Division is using extensive manual processes to obtain important tax information. These manual processes cause inefficient use of time and increase the possibility of errors in reporting. Manual processes include identifying non-filers of tax reports, preparing bills for outstanding payments due, issuing refunds for overpayments, and providing statistical data for reports and letters forwarded to internal and external customers. System capabilities include each of these processes.

Taxpayers can submit their informational reports on paper or electronically. Beginning June 30, 2003 suppliers, terminal operators, and importers are required to file reports electronically. Electronic submission of all other reports will be mandatory beginning in 2005. Motor Vehicles should encourage the early adoption of electronic submission since it speeds the process and increases accuracy.

Motor Vehicles should assess its way of processing and reviewing information to determine if the system can reduce the manual oversight and reviews. This assessment should compare not how Motor Vehicles would like to process information, but what method is most efficient for processing information on the new system. Trying to continue to process information in a manner not compatible with the system will continue to lead to delay in processing data, inaccurate reports, and confusion between Motor Vehicles and the taxpayer.

Management Plan for Corrective Action:

Automated system does not provide automated reports: Although the system does not provide the statistical reports (collected gallons, dollars, and revenue code information), the system is providing many automated reports. The non-filer, accounts receivables, billing and refund reports are not being totally relied on due to inconsistent data entry of tax information and the initial electronic filing of reports.

A new manual process was developed and implemented for statistical data collection that drastically reduced the amount of time required to complete this task. Information from tax returns is entered and automatically populates various reports in accordance with the needs of the external and internal customers. This process will be used until the system is fully functional.

The vendor has supplied Motor Vehicles with a target-complete date for all statistical reports; however, clarification of the information is needed and cannot be produced in time for this reporting. Motor Vehicles changed report formats in September 2003 due to legislation and made other necessary modifications that required programming changes to the system. Motor Vehicles will confirm the target dates provided by the vendor in a letter from the Commissioner explaining the nature of the matter.

Account receivable reports, etc, will be relied upon in 30-90 days when Phase I –Electronic Filing of Suppliers, Terminal Operators, and Importers Fuel Tax Reports is completed.

Responsible Position: Director of Tax Services

Estimated Completion Date: Pending Vendor completion

Formal policies and procedures: Motor Vehicles has acquired Policies and Procedure manuals which provide essential information for users reference, efficiency of operations, and general knowledge over the system.

*Responsible Position: Director of Tax Services
Tax Services Project Manager*

Estimated Completion Date: June 2003

Periodic review of user access: The Fuels Tax division reviews access to the system on a quarterly basis. The next access review is scheduled for March 2004.

Responsible Position: Director of Tax Services

Estimated Completion Date: March 2004

All essential data received from taxpayers has not been entered into the Motor Fuels Tracking System (MFTS): All summary tax returns have been entered into the system that was received up through January 8, 2004. 92 percent of the details for report months through July 2003(due September 20, 2003) have been processed by the fuels tax staff and the data entry vendor. Approximately 56 percent of the mandatory filers submitted details electronically for report month September 2003 which was due November 20th. 67 percent of the mandatory filers submitted reports for the report month of October 2003 which was due December 20th. Refunds have been identified by the system for Distributors and Importers though the report months of October 2003 (due date December 20, 2003) and have been processed. Late Filers have been addressed manually up through December 2003. Underpayments identified through automated billing correspondence are being researched to determine validity. Motor Vehicles will have all mandatory filers submit November and December 2003 reports electronically. The reports are due January 20th and February 20th 2004 respectively. All efforts associated with the completion of this task relates to the vendor's

resource availability and the customer's technical abilities. Motor Vehicles will also rely fully on automated reports for 2003 details that are due by March 20, 2004. Completion of this task is determined by the outside vendor resource availability.

Responsible Position: Fuels Tax Manager

Estimated Completion Date: Pending Vendor Availability

Extensive manual processes used to obtain important tax information: Procedures have been established to track and follow up on the receipt of monthly reports to eliminate manual processes. These include identifying and pursuing non-filers, identifying and removing refunds from the automated system, and the collection of underpayments. Tax Services has identified more than 100 desktop policies and procedures that need to be documented which relate to processes beyond the automated system. In the process of documenting the policies and procedures, efficiencies will be addressed. Target dates that extend beyond FY05 have been established for completion of this task. The process to document the procedures is very cumbersome and involves other work units. Motor Vehicles will continue to document the desktop procedures in accordance with expert resource availability and review efficiencies as they relate to manual processes.

Responsible Position: Fuels Tax Manager

Estimated Completion Date: October 2005

Requiring the taxpayers to report data through electronic means: Motor Vehicles will require all licensed Suppliers, Terminal Operators and Importers to electronically file reports and schedules beginning with the July 2003 report (due to Motor Vehicles in September 2003). Effective July 2005, all other license types will be required to submit reports electronically. Motor Vehicles will complete Phase I -Electronic filing of Supplier, Terminal Operators, and Importers reports by or before April 1, 2004. To date the Phase is over 67 percent complete. All efforts associated with completion relate to the vendor's resource availability and the customer's technical abilities. Motor Vehicles will complete Phase II – Electronic Filing of Remaining Fuels Tax Reports by or before December 2005. Motor Vehicles will encourage Phase II filers to submit reports before mandatory due date of September 20, 2005 for report month July 2005.

Responsible Position: Director of Tax Services

Estimated Completion Date: Phase I- April 2004
Phase II- Fiscal Year 06

INTERNAL SERVICE OPERATIONS

03-13 Install an Emergency Alternative Power Source for the Data Center

Applicable to: Department of Information Technology – Service Bureau

The Department of Information Technology's (DIT) data center lacks adequate emergency power in the event of a power disruption from its commercial supplier. The Data Center has equipment for maintaining conditioned power to its computer equipment and heating and cooling systems only for a short period of time; approximately two hours.

DIT is currently in transition to the new Virginia Information Technologies Agency (VITA). Also, the Operations Division is beginning a review of its facilities' needs. As the Department performs these activities, it should strongly consider the installation of an alternative emergency power source such as a diesel generator. Such a power source could provide DIT with reliable electricity to continue operating the Data Center and other critical operations for extended periods of time.

Management Plan for Corrective Action:

Because VITA is planning on building and operating from two new data centers in the future, this response will be two-fold (Phase I and Phase II). Phase I will cover the provisioning of a mobile diesel generator and other necessary facilities for the current data center located in the Richmond Plaza Building in Richmond, Virginia. Phase II will cover the engineering and planning for alternative power source capabilities in the two new data centers, still to be designed.

Phase I

DATE	ACTION
7/22/03	Architectural and Engineering contractor's recommended Scope of Work to perform an Emergency Power Scoping Study document delivered by vendor
8/8/03	Document approved by VITA COD Management
8/21/03	Home Land Security Sub-Panel Report
8/29/03	Architectural and Engineering contractor Emergency Power Scoping Study document recommendation due to be delivered to VITA
9/05/03	Secure HLS Sub-Panel Approval & submit to Governor
9/19/03	VITA Management decides on a plan of action
10/06/03	Governor's Approves Home Land Security Recommendation
10/07/03	VITA Emergency funding approval
10/08/03	Architectural and Engineering contractor charged with managing job
10/14/03	Detail Design Proposal completed
10/21/03	Field Work completed
11/20/03	Preliminary Design submittal completed
12/04/03	VITA/BCOM & CEGG Review Completed
12/11/03	Comment, Design and Resolution actions completed
12/25/03	Bid Documents issued for final design
01/26/04	Advertise Bid completed
02/02/04	Contractors Selected
05/04/04	Preliminary Construction finished
06/03/04	Final Construction completed
06/07/04	Final Walk-Through Inspection completed
06/14/04	Operational Procedures/Training completed
06//14/04	All facility work completed, vendor on-going contracts signed

Phase II

Years 2004-2006

VITA will research options for consolidation of agency in-scope Data Centers and servers. Data Centers will have mandatory requirements for the following power items:

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

Other Internal Control Matters

03-14 Improve WIC Policies and Procedures

10.557

Applicable to: Department of Health

Control Finding: Medicaid recipients are automatically eligible for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits but Health does not require local health districts to validate a participant's Medicaid eligibility using Medica. Medica is the Department of Medical Assistance Service's automated real-time recipient Medicaid eligibility verification system. It is Health's policy to review the Medicaid card to validate Medicaid eligibility. The Medicaid card only displays the recipient's name and identification number. Since the card does not indicate a period of eligibility, a recipient could obtain WIC benefits using an expired or invalid card. Therefore, merely reviewing the Medicaid card is not sufficient.

Recommendation: Health should require local health departments to validate participant's Medicaid eligibility using Medica. This control will help limit benefits to only eligible recipients.

Management Plan for Corrective Action: *The Division of WIC & Community Nutrition Services is unable to utilize the Department of Medical Assistance Service's Medica system to validate Medicaid eligibility as the disruption to clinic flow and interference with in-coming phone calls would be too great. The Division recognizes the need to ensure that Medicaid eligibility is current, and has already begun to take the necessary steps to put a system in place. The Division is implementing a computerized system of checking Medicaid eligibility through our WICNet system, and will have this system in place by June 2004.*

Responsible Position: *Donna T. Seward, Director of Division of WIC and Community Nutrition Services*

Estimated Completion Date: *June 2004*

U.S. DEPARTMENT OF TRANSPORTATION

Davis-Bacon Act

03-15 Comply with the Davis-Bacon Act

20.401

Applicable to: Virginia Port Authority

\$ 433,135

Control and Compliance Finding: The Port Authority did not comply with the provisions of the Davis-Bacon Act for construction contracts entered into under the new federal Port Security grant. The Port Authority received a federal grant totaling \$5,293,140 from the United States Department of Transportation, Maritime Administration (MARAD), to improve security around the ports of Virginia in the wake of the terrorist attack on September 11, 2001. During fiscal year 2003, the Port Authority spent \$838,795 of which they used \$433,135 on construction projects.

The Port Authority spent \$433,135 on construction contracts for the replacement and improvement of rail gates and fencing to improve physical security around the ports. However, the Port Authority did not include provisions in their contracts to ensure payment of prevailing wages to the laborers and mechanics employed through the contracts. As a result, we must question the costs of \$433,135.

Requirement: Section 49 CFR 18.36(i)(5) “Procurement” of the Code of Federal Regulations requires that grantee’s and subgrantee’s contracts must contain provisions to ensure compliance with the Davis-Bacon Act. The Davis-Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor. Construction contracts include contracts for the actual construction, alteration and/or repair including painting and decorating, of a public building or public work, or building or work financed in whole or in part from federal funds. The contract must include a clause requiring payment of prevailing wages.

Recommendation: Since the original Port Security grant, the Port Authority has received additional grants from the Maritime Administration. The Port Authority needs to develop and implement controls to ensure that all construction contracts funded in whole or in part from federal funds from the original grant and future grants comply with the requirements of the Davis-Bacon Act.

Management Plan for Corrective Action: *Prior to December 9, 2003 the MARAD Contracting/Grants Officers (CGO) had consistently indicated that the Port Authority procurement rules controlled any and all issues relating to procurement. Although you have noted that the Port Authority’s commercial procedures were not posted to the grant web site*

until recently, the Port Authority's procurement policies and procedures were previously approved by the CGO. Only after considerable discussion between the MARAD CGO, Port Authority personnel, and the Auditor of Public Accounts, did the Port Authority finally receive a statement that in the CGO's opinion, the Davis-Bacon Act applied to the audited projects.

There is no statement that the Act applies in the grant application or award materials, nor is there such a statement in OMB Circular A-102, the applicable federal circular for this grant. The only indication that the Davis-Bacon Act might have applied to this particular grant was on the OMB website that references a "Codification of Governmentwide Grant Requirements by Department." This website also states that applicants or grantees are asked to consult with the grantmaking agency regarding requirements. It is unclear at this point as to whether the granting agency will be justified in enforcing the CGO's recent declaration, based on the course of dealing or perhaps even an implied warranty of specification. The Port Authority may also appeal the wage rates or obtain a project wage determination. We reserve the right to take any appropriate action to comply with the terms and conditions of the grant. If it is determined that the Davis-Bacon Act does apply to this grant, and that contractors did not pay prevailing wages, the Port Authority will diligently work with contractors to resolve this issue to the satisfaction of MARAD administrators. In addition, the Port Authority will develop and implement policies and procedures for administering federally funded projects.

Responsible Position: Rodney W. Oliver, Director of Finance

Estimated Completion Date: March 31, 2004

Subrecipient Monitoring

03-16 Perform Subrecipient Monitoring of Localities

Highway
Planning and
Construction
Cluster

Applicable to: Department of Transportation

Control and Compliance Finding: Transportation continues to not properly monitor Federal funds passed through to localities. Transportation has still not established procedures to determine which subrecipients must receive an audit, whether these applicable subrecipients have been audited, or what findings in their audit reports require follow up or adjustment to Transportation's records. We noted this lack of procedures in the fiscal year 2002 audit; however, Transportation did not implement new procedures to correct this weakness.

As a pass-through entity, Transportation must be familiar with OMB Circular A-133. Transportation must understand the roles and responsibilities of a pass-through entity as well as those of a subrecipient. They must know how to structure award agreements in accordance with OMB Circular A-133. The Transportation and Mobility Planning Division ensures that Transportation is in compliance with OMB Circular A-133 with regards to subrecipient monitoring of Metropolitan Planning Organizations and Planning District Commissions; however, Transportation has not developed similar procedures for the localities receiving pass-through funds.

Requirement: OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” Section .400(d), requires that a pass-through entity shall perform the following for Federal awards it makes:

- Ensure that subrecipients expending over \$300,000 or more in Federal awards during the subrecipient’s fiscal year have met the audit requirements of this part for that fiscal year.
- Issue a management decision on audit findings within six months after receipt of the subrecipient’s audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- Consider whether subrecipient audits necessitate adjustment of the pass-through entity’s own records.

Recommendation: Transportation should develop appropriate procedures and designate an employee or division as responsible for ensuring that Transportation is in compliance with OMB Circular A-133 with regard to ensuring subrecipients receive an annual audit and reviewing any findings that may cause an adjustments to Transportation’s records. Without assigned responsibilities and proper procedures, federal funds passed-through to subrecipients are susceptible to abuse.

Management Plan for Corrective Action: The Local Assistance Division will notify each locality in writing of the audit requirement. The Transportation and Mobility Planning Division will notify each Metropolitan Planning Organization and Planning District Commission. Within 150 days of the audit being received by the External and Construction Audit Division (ECAD), ECAD will review the single audits to ensure that sub-recipients expending \$500,000 or more in Federal Awards during the sub-recipient’s fiscal year have met the audit requirement of OMB Circular A-133, Subpart B – Audits, Section 200. ECAD will submit a written report to the responsible program manager, detailing any sub-recipient audit findings identified in the Schedule of Findings and Questioned Costs related to Transportation pass-through Federal awards.

The pass-through entity program manager shall notify the sub-recipient of the audit findings that relate to the federal awards and requesting from the sub-recipient certification that appropriate and timely corrective action has been taken. The program manager shall also notify the Fiscal Division of the audit findings that relate to the federal awards for Fiscal Division's determination of whether the sub-recipient audit findings necessitate adjustment of Transportation's own financial records. The program manager will notify the Chief Financial Officer when taking these steps and the Chief Financial Officer will take appropriate action.

Responsible Position: Chief Financial Officer

Estimated Completion Date: Completed

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Eligibility

03-17 Comply with Eligibility Requirements

93.917 Applicable to: Department of Health \$ 42,233

Control and Compliance Finding: For 5 of the 15 participants tested, the local health district never followed up to determine Medicaid eligibility but continued to provide AIDS Drug Assistance Program (ADAP) benefits. Health also overrode one person's ineligibility and granted benefits anyway. As a result, we identified questioned costs of \$42,233 for these six individuals.

Requirement: To be eligible, an individual must have a medical diagnosis of Human Immunodeficiency Virus (HIV) disease and be a low income individual, as defined by the State (42 USC 300 ff-26(b)). According to State Policy, eligibility is limited to persons who do not have insurance, do not qualify for Medicaid, and meet low income requirements. In addition, the patient is to bring back evidence of Medicaid approval or denial to continue on the program because eligibility for Medicaid disallows eligibility for ADAP program.

Recommendation: Health should comply with program requirements and not grant benefits to ineligible persons. Local health districts should adhere to established procedures and require the patient to provide evidence of Medicaid denial or approval to ensure only eligible persons receive ADAP benefits.

Management Plan for Corrective Action: The decision to allow ADAP benefits for a person who does not meet the criteria has been made in rare instances. A policy has been drafted and forwarded for review and approval that would delegate the authority for granting exceptions to Casey Riley, Director of the Division of HIV/STD. In those instances, only state ADAP funding would be used for medications for those patients. No Ryan White funding will be used to support ADAP benefits for ineligible persons.

This recommendation, while fully supported, can be difficult to ensure with 35 health districts handling ADAP eligibility. Program criteria are updated as needed and distributed to the health districts throughout the year. In addition, the Division of HIV/STD will send a written reminder to all health directors reminding them of the importance of following ADAP program policy and procedures. The necessity of following up on Medicaid applications will be emphasized.

For ADAP clients, Web-VISION offers some limited benefits for verifying Medicaid eligibility. Since ADAP is not available for Medicaid clients, very few clients are already approved for Medicaid at the time of application at the local health department. The system does not indicate

whether someone has applied or whether that person has been denied, only that the person is currently approved to receive Medicaid services. We are advising local health departments to develop a tickler system to verify Medicaid eligibility within sixty days to see if clients have been approved.

Faye Bates, ADAP Coordinator, is also pursuing access to the Medicaid database electronically. For back billing purposes, this would decrease the time it takes to verify Medicaid eligibility.

Responsible Position: Casey Riley, Director of Division of STD/AIDS

Estimated Completion Date: September 2004

Special Tests and Provisions

03-18 Properly Administer Return of Title IV Funds

Financial Aid
Cluster

Applicable to: Central Virginia Community College,
Mountain Empire Community College,
Northern Virginia Community College,
Paul D. Camp Community College

Control and Compliance Finding: Central Virginia Community College failed to properly calculate Title IV refund amounts. Paul D. Camp and Northern Virginia Community Colleges performed Title IV refunds accurately, but did not return federal funds to the federal Department of Education in a timely manner. Additionally, Mountain Empire, Paul D. Camp, and Central Virginia Community Colleges do not have adequate procedures to identify students who withdraw or cease attendance without notifying college staff. There are no questioned costs reported because the known or likely questioned costs are less than \$10,000.

Requirement: 34 CFR Part 668.22 (c) requires that colleges have a mechanism in place to identify students who have withdrawn or ceased attendance, in order to promptly and properly calculate any return of Title IV funds. Part 668.22 (e) sets forth the manner to properly calculate the amounts due to be refunded to the Title IV programs. Part 668.22 (j) requires that colleges return unearned Title IV funds as soon as possible to the federal Department of Education, but no later than 30 days after the college determined the student withdrew.

Recommendation: Colleges should follow the return of Title IV funds procedures prescribed by the federal government to ensure that withdrawals are properly identified and that refunds are properly calculated and returned to the federal Department of Education.

Management Plan for Corrective Action:

Central Virginia Community College: All Title IV refunds are now being calculated using the percentage calculation for the last date of attendance that is used by the college in withdrawing students from the college.

Effective with the Spring 04 term, faculty members will receive an e-mail reminding them to notify the Financial Aid Officer when students have ceased attendance and/or failed to start attending classes. In addition, the College has instituted a new process with the Admission and Records Office that requires them to term withdraw all students that withdraw from all classes at the college. This enables the Office of Financial Aid Services to identify those students earlier. A follow-up procedure will be developed and implemented at the end of the term to ensure that the College has identified students who have withdrawn or ceased attendance.

Responsible Position: Financial Aid Officer

Estimated Completion Date: January 2004

Mountain Empire Community College: The College will continue to rely on faculty members to provide notification to the Financial Aid Office of students who fail to attend. However, to enhance this current policy and ensure compliance with the Federal Student Aid Handbook, the College will also implement the following course of action as identified in the finding by the Auditor of Public Accounts:

At the end of each semester, students with all failing grades or a combination of failing and withdrawal grades will be identified and reviewed to determine if they stopped attending all classes prior to the passage of 60 percent of the semester. Title IV refund calculations will be performed on these students to determine the appropriate amount of financial aid dollars that must be refunded to the Title IV financial aid accounts by the College and the student.

Responsible Position: Director of Financial Aid and Information Technology Specialist

Estimated Completion Date: April 2004

Northern Virginia Community College: Northern Virginia Community College (NVCC) has effective procedures to provide for the timely return of Title IV in accordance with federal regulations. There is one business office responsible for the timely restoration of funds after receiving the calculation from the Financial Aid Office. The business office processes

hundreds of refunds in a timely manner, however in these cases there were extenuating circumstances that precluded efficient processing.

Normal procedure is to process refunds as they arrive at the business office. During the April/May time period the staff was undergoing extensive training in PeopleSoft for the conversion of the Student Information System. This caused some processing delays in the Business Office. These were exceptions rather than the rule and were one-time occurrences.

NVCC has reviewed the procedures with the appropriate staff and trained additional personnel in order to process refunds in accordance with federal requirements. Internal follow-ups will be conducted to ensure that these measures are met.

Responsible Position: Business Manager, Loudoun Campus

Estimated Completion Date: January 2004

Paul D. Camp Community College: A new business process will be developed and implemented to ensure that federal funds are returned in a timely manner. The new procedures will also allow the College to identify students who withdraw or cease attendance without notifying the college staff.

Responsible Position: Financial Aid Assistant

Estimated Completion Date: April 2004

Other Internal Control Matters

03-19 Improve Controls Over the ADAP Program

93.917

Applicable to: Department of Health

Control Finding: Health's division of HIV/STD did not monitor the administration of the AIDS Drug Assistance Program by local health districts. Program objectives and procedures consist of central office performing site reviews for each local health district at least once a year; however, central office did not perform any local health district site visits during the fiscal year. Site visits determine if providers understand program regulations and is important to ensure only eligible participants receive program benefits. The performance of site visits may have identified the lack of verification for Medicaid eligibility.

Recommendation: Health should improve its controls over ADAP by developing and adhering to a quality control program that includes local health district site visits. Health should continue to provide training and

communicate the expectations and program requirements to the appropriate district personnel.

Management Plan for Corrective Action: Site visits (explained in more detail below) are being conducted in all health districts to ensure understanding and compliance with ADAP program policy and procedures. As a component of these visits, the ADAP Coordinator reviews patient's records for appropriate documentation of evidence that ADAP patients were ineligible for Medicaid. Although no site visits were conducted within the 2003 state fiscal year, the Department of Health operates on the grant year when implementing federal programs. During that grant fiscal year, there were three site visits that were documented in written summaries. In addition, during the 2003 state fiscal year, another site visit was conducted to Roanoke Health District, although the formal summary was not prepared.

Staff shortages prevented the health department from conducting additional site visits during the time reviewed. The current ADAP Coordinator has made site visits a priority. Since she was hired in August 2003, she has completed six district reviews. In addition, one of the health departments cited for deficiencies in Medicaid eligibility follow up received a second technical assistance visit from the ADAP Coordinator. The ADAP Coordinator participates in monthly national technical assistance conference calls sponsored by the federal funding agency, the Health Resources and Services Administration. These calls offer suggestions for improving quality assurance program controls.

The ADAP Coordinator participates in monthly national technical assistance conference calls sponsored by the federal funding agency, the Health Resources and Services Administration. These calls offer suggestions for improving quality assurance program controls. The ADAP Coordinator is also planning to conduct training for staff that conducts eligibility screening at local health departments. This training will include program policy and procedures as well as suggestions for effectively monitoring Medicaid status.

Responsible Position: Casey Riley, Director of Division of STD/AIDS

Estimated Completion Date: September 2004

03-20 Develop Formal Medicaid Eligibility Quality Control (MEQC) Review Policies and Procedures

Medicaid Cluster

Applicable to: Department of Medical Assistance Services (DMAS)

Control Finding: The Department does not have adequate policies and procedures to monitor and control the submission, resolution, and completion of the Medicaid Eligibility Quality Control pilots. DMAS did not send the error rate analysis and corrective action plans for the two

pilots that ended in March 2002 and April 2002 to the Center for Medicaid and State Operations (CMS) until November 2003, over 19 months after the sample period ended. For other pilots reviewed, we could not determine the submission dates to CMS of error analysis and corrective action plans due to inadequate documentation. Furthermore, the error rate analysis and corrective action plans for all pilots were developed anywhere from 1 year and 7 months to over 2 years after the sample period ended.

The Department has not developed formal policies and procedures to ensure:

- Memorandums of Understanding include realistic target dates of information received from the Department of Social Services (DSS)
- DMAS submits error summary results and corrective action plans to CMS on a timely basis
- DMAS maintains adequate documentation supporting pilot

The Department spent almost \$2 billion in federal dollars for the Medicaid program. DSS plays a very critical role in determining eligibility for the Medicaid program. The Department should ensure that they receive the necessary information timely from DSS in order for the Department to review and improve controls over the Medicaid eligibility function. If DSS cannot provide the information in a timely manner, the Department should consider hiring an outside contractor to perform the function.

The Department appears to be performing MEQC pilot requirements; however, failure to develop pilot policies and procedures that address timely submission and analysis of results and failure to maintain adequate documentation may result in the inability of the Commonwealth to participate in future MEQC pilots. Furthermore, material weaknesses in internal controls around MEQC pilots could result in the auditor questioning some, most, or all costs relating to determining eligibility for the Medicaid program.

Recommendation: The Department should develop pilot policies and procedures that address timely submission and analysis of results and maintain adequate documentation.

Management Plan for Corrective Action: DMAS agrees that there could be improvement in the documentation of future Medicaid Eligibility Quality Control pilots. DMAS and DSS are developing pilot study implementation plans including deliverables and timelines that will improve the documentation and management of the pilot studies by

DMAS and DSS. In addition, the Memorandum of Understanding is being revised to ensure timely submission of corrective action plans to CMS.

Responsible Position: Debbie Giffin, Human Services Program Manager

Estimated Completion Date: February 29, 2004

03-21 Timely Submit Final Results and Corrective Action Plans of Medicaid Eligibility Quality Control Pilot Reviews

Medicaid
Cluster

Applicable to: Department of Social Services

Control Finding: The Department did not timely complete and submit final results and corrective action plans to DMAS for the two fiscal year 2002 Medicaid Eligibility Quality Control pilots. The sample period for one pilot ended in March 2002 and the other pilot ended in April 2002. DSS did not submit final results and corrective actions plans for these pilots to DMAS until November 2003, over 19 months after the sample period ended. Although this submission met federal deadlines, DSS did not provide the information timely to DMAS personnel for review and appropriate action.

DSS periodically submits results and holds meetings with DMAS to discuss issues resulting from the pilot reviews. However, final results and corrective action plans are not prepared and submitted to DMAS, in some cases, until over two years after the end of the sample period. This is not timely for DMAS to review and improve controls over the Medicaid eligibility function.

DMAS spent almost \$2 billion in federal dollars for the Medicaid program. DSS plays a very critical role in determining eligibility for the Medicaid program. Although DSS did meet the federal deadline for federal fiscal year 2002 pilots, failing to submit future final error rate analysis and corrective action plans to DMAS on a timely basis may result in the inability of the Commonwealth to participate in future MEQC pilots.

Recommendation: The Department should adequately review pilot case information to timely submit final error rates and corrective action plans to DMAS in order for DMAS to take appropriate action.

Management Plan for Corrective Action: While the Department agrees that the information submitted to DMAS could have been more timely, we would reemphasize the auditor's acknowledgement that all federal deadlines were met. DMAS submitted the final results and corrective action plans to CMS on November 12, 2003—two days before the federal deadline. We would also point out that DSS' and DMAS' participation

Page Left Intentionally Blank

**RESOLUTION OF PRIOR
YEAR AUDIT FINDINGS**

COMMONWEALTH OF VIRGINIA
Comments on Resolution of Prior Year Audit Findings
For the Year Ended June 30, 2003

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
-------------	-------------	----------------	------------------	-------------	--------------	------------------	----------------

FINANCIAL STATEMENT FINDINGS

Department of Health

2002	12	02-02	Improve Reporting and Recording of Leases	N/A	VDH	-	Corrective action implemented.
2002	20	02-08	Strengthen Operating System Security Policies	N/A	VDH	-	Corrective action implemented.
2001	13	01-6		N/A	VDH	-	

Department of Information Technology - Service Bureau

2002	27	02-14	Develop Better Controls for Ensuring Tapes are Available for Disaster Recovery Testing	N/A	DIT	-	Corrective action implemented.
2002	27	02-15	Improve Disaster Recovery Testing Procedures for DB2 Files	N/A	DIT	-	Corrective action implemented.
2002	28	02-16	Implement Physical Security Controls Over the Server Farm for Individual Agency Use	N/A	DIT	-	Corrective action implemented.

Department of Motor Vehicles

2002	18	02-06	Strengthen Controls Over Program Changes	N/A	DMV		Corrective action implemented.
2002	20	02-09	Strengthen Operating System Security Policies	N/A	DMV		Corrective action implemented.
2002	24	02-13	Assess Needs and Develop Policy and Procedures Over the Fuels Tax Program.	N/A	DMV		See Audit Control No. 03-12.

Department of Social Services

2002	21	02-10	Comply With The Commonwealth of Virginia (COV) Informative Technology Resource Management (ITRM) Standard 2000-01.1.	N/A	DSS		Corrective action implemented.
------	----	-------	--	-----	-----	--	--------------------------------

Department of Taxation

2002	18	02-07	Strengthen Controls Over Program Change Procedures	N/A	TAX	-	See Audit Control No. 03-11.
2002	22	02-11	Approve and Implement Formalized Information Security Policy	N/A	TAX	-	Corrective action implemented
2001	16	01-9	Update Information System Security and Risk Assessment Plan	N/A	TAX	-	Estimated Completion date for this finding is not until December 2004.

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings
For the Year Ended June 30, 2003

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
-------------	-------------	----------------	------------------	-------------	--------------	------------------	----------------

Department of Transportation

2002	9	02-01	Improve Internal Controls Over Assets to Prevent Capital Asset Misstatements.	N/A	VDOT	-	See Audit Control No. 03-01, 03-02, 03-03, 03-04, and 03-05.
2002	13	02-03	Properly Track and Record Leases and Lease Payments	N/A	VDOT	-	See Audit Control No. 03-08.
2002	14	02-04	Develop Proceures to Properly Track Contractual Commitments	N/A	VDOT	-	See Audit Control No. 03-07.

University of Virginia Medical Center

2002	23	02-12	Continue Security Initiative Over Critical Information Systems and Network	N/A	UVAMC	-	Corrective action implemented.
2001	18	01-11					
2000	18	00-13					
1999	15	99-7					
1998	12	98-6					
1997	15	97-6					

Virginia College Savings Plan

2002	16	02-05	Improve Timeliness of Financial Reporting	N/A	VCSP	-	Corrective action implemented.
------	----	-------	---	-----	------	---	--------------------------------

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

U.S. Department of Agriculture

2002	30	02-17	Follow Electronic Benefit Transfers (EBT) Policies and Provide Separation of Duties for EBT Users	Food Stamp Cluster	DSS	-	Corrective action implemented.
------	----	-------	---	--------------------	-----	---	--------------------------------

U. S. Department of Labor

2002	32	02-18	Accurately Complete Financial Status Reports	WIA Cluster	VEC	-	Corrective action implemented.
------	----	-------	--	-------------	-----	---	--------------------------------

U.S. Department of Transportation

2002	33	02-19	Perform Subrecipient Monitoring of Localities	Highway Planning and Construction Cluster	VDOT	-	See Audit Control No. 03-16.
------	----	-------	---	---	------	---	------------------------------

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings

For the Year Ended June 30, 2003

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
-------------	-------------	----------------	------------------	-------------	--------------	------------------	----------------

Federal Emergency Management Agency

2002	35	02-20	Improve Subrecipient Monitoring	83.548	VDEM	-	Corrective action implemented.
------	----	-------	---------------------------------	--------	------	---	--------------------------------

U.S. Department of Health and Human Services

2002	37	02-22	Comply with the Cash Management Improvement Act Agreement	Medicaid Cluster	DMAS	-	Corrective action implemented.
------	----	-------	---	------------------	------	---	--------------------------------

2002	47	02-28	Resolve Unidentifiable Child Support Payments Timely	93.563	DSS	-	Corrective action implemented.
------	----	-------	--	--------	-----	---	--------------------------------

2002	48	02-29	Modify the Family Access to Medical Insurance Security (FAMIS) State Plan	93.767	DMAS	-	Corrective action implemented.
------	----	-------	---	--------	------	---	--------------------------------

2002	49	02-30	Develop Corrective Action Plans for Medicaid Eligibility Quality Control (MEQC) Reviews	Medicaid Cluster	DMAS	-	Corrective action implemented.
------	----	-------	---	------------------	------	---	--------------------------------

2000	54	00-51	Investigate Medicaid Eligibility Quality Control Error Cases	Medicaid Cluster	DMAS	-	Corrective action implemented;
1999	45	99-43				\$43,000	Questioned costs resolved.

2002	47	02-27	Improve Usage of the Income Eligibility Verification System	93.558	DSS	-	Corrective action implemented.
------	----	-------	---	--------	-----	---	--------------------------------

2001	44	01-31	Improve Use of Income Eligibility Verification System				
2000	56	00-53					
1999	47	99-46					

2002	50	02-31	Enhance Interagency Agreement Administration	Medicaid Cluster	DMAS	-	Corrective action implemented.
------	----	-------	--	------------------	------	---	--------------------------------

2002	52	02-32	Enhance Monitoring of the Fiscal Agent Contract				
------	----	-------	---	--	--	--	--

2001	51	01-36	Review Fiscal Agent Contract Management Oversight				
------	----	-------	---	--	--	--	--

U.S. Department of Health and Human Services - Findings Affecting Multiple Federal Departments

2002	36	02-21	Develop a Formal Effort Reporting Policy	R & D Cluster	VPISU	-	Corrective action implemented.
------	----	-------	--	---------------	-------	---	--------------------------------

2002	38	02-23	Strengthen Management Oversight in the Office of Scholarships and Financial Aid	Financial Aid Cluster	VPISU	-	Corrective action implemented.
------	----	-------	---	-----------------------	-------	---	--------------------------------

2002	44	02-25	Properly Administer Return of Title IV Funds	Financial Aid Cluster	DSLCC, NRCC, and SSVCC	-	Corrective action implemented.
------	----	-------	--	-----------------------	------------------------	---	--------------------------------

2002	45	02-26	Provide Campus Security Report to all Current and Prospective Students and Employees	Financial Aid Cluster	DSLCC, SSVCC, and SWVCC	-	Corrective action implemented.
------	----	-------	--	-----------------------	-------------------------	---	--------------------------------

2002	43	02-24	Improve Financial Reporting over Grant Accounting	All Programs	VDH	-	Corrective action implemented.
------	----	-------	---	--------------	-----	---	--------------------------------

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings

For the Year Ended June 30, 2003

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
2002	56	02-35	Improve Use and Maintenance of the Time Activity Project and Expense Reporting System (TAPERS) System	All Programs	DSS	-	Corrective action implemented.
2001	35	01-27	Properly Charge Payroll to Federal Programs				
2000	40	00-33					
1999	38	99-31					
1998	39	98-36					
2001	36	01-28	Improve Procedures Over Revenue Maximization Process	All Programs	DSS	\$1.1 Million	Corrective action implemented; questioned costs remain unresolved.
2002	53	02-33	Improve Contract Management and Administration	All Programs	VDH	-	Corrective action implemented.
2001	51	01-37	Manage Contracts and Update Procurement Policies and Procedures				
2000	42	00-36					
2002	55	02-34	Enhance Communication Between Human Resource Department and Payroll Department Regarding Employee Status Changes	All Programs	DSS	-	Corrective action implemented.
2001	56	01-39	Improve Internal Controls Over Payroll				
2000	43	00-37					
2002	57	02-36	Strengthen Operating System Security Policies	N/A	VDH	-	Corrective action implemented.
2001	60	01-42					
2002	57	02-37	Comply With The Commonwealth of Virginia (COV) Informative Technology Resource Management (ITRM) Standard 2000-01.1.	N/A	DSS	-	Corrective action implemented.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of the Commonwealth of Virginia as of and for the year ended June 30, 2003, and have issued our report thereon dated December 12, 2003. These financial statements are the responsibility of the Commonwealth's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit federal assistance programs for the agencies and component units discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

We conducted our audit 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 Office of Management and Budget (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 the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying "Schedule of Expenditures of Federal Awards" is presented for the purpose 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.

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 entities, 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 is not limited.

AUDITOR OF PUBLIC ACCOUNTS
December 12, 2003

JHT:whb

Page Left Intentionally Blank

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				
Distribution of Mobile Home Inspection Fees	02.145	\$ 147,457		
Other Assistance:	02.000	846,889		
Other			\$ 25,960	The Mountain Institute
Other			72,338	American International Health Alliance
Other			27,241	American International Health Alliance
Total Excluding Cluster Identified Below		994,346	125,539	
Research and Development Cluster:				
Other Assistance:	02.000	2,670,924		
Other			50,173	Association Liaison Office Cooperative
Other			45,157	Chemonics International Incorporated
Other			81,026	Contraceptive Research & Development
Other			230,307	Harvard University
Other			38,108	Michigan State University
Other			482,334	Pal Tech Incorporated
Other			406	South East Consortium for International Development
Other			95,520	University of Georgia
Other			24,912	Woods Hole Research Center
Total Research and Development Cluster		2,670,924	1,047,943	
Total U.S. Agency for International Development		3,665,270	1,173,482	
U.S. DEPARTMENT OF AGRICULTURE				
Agricultural Research - Basic and Applied Science	10.001	87,999		
Plant and Animal Disease, Pest Control, and Animal Care	10.025	428,151		
Federal-State Marketing Improvement Program	10.156	6,921		
Market Protection and Promotion	10.163	18,500		
Grants for Agricultural Research, Special Research Grants	10.200	1,890		
Grants for Agricultural Research, Special Research Grants	10.200		200	Mississippi State University
Grants for Agricultural Research, Special Research Grants	10.200		1,925	University of Arkansas - Fayetteville
Payments to 1890 Land - Grant Colleges and Tuskegee University	10.205	1,758,433		
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	36,508		
Sustainable Agriculture Research and Education	10.215	875		
1890 Institution Capacity Building Grants	10.216	450,390		
Higher Education Challenge Grants	10.217	146,584		
Higher Education Challenge Grants	10.217		303	Cornell University
Higher Education Multicultural Scholars Program	10.220	45,000		
Fund for Rural America: Research, Education, and Extension Activities	10.224		7,345	University of Georgia
Integrated Programs	10.303	2,209		
Integrated Programs	10.303		5,603	University of Maryland
Crop Insurance	10.450	141,648		
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	1,271,908		
Cooperative Extension Service	10.500	10,641,325		
Cooperative Extension Service	10.500		45,067	Auburn University
Cooperative Extension Service	10.500		2,936	North Carolina State University
Cooperative Extension Service	10.500		2,443	Texas A & M University
Cooperative Extension Service	10.500		149,519	University of Arizona
Cooperative Extension Service	10.500		8,095	University of Georgia
Cooperative Extension Service	10.500		34,361	University of Wisconsin Madison
Cooperative Extension Service	10.500		14,385	Northwestern University
Food Donation	10.550	32,711		
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	70,380,884		
Child and Adult Care Food Program	10.558	20,676		
State Administrative Expenses for Child Nutrition	10.560	1,417,159		
State Administrative Matching Grants for Food Stamp Program	10.561	2,617,442		
Commodity Supplemental Food Program	10.565	1,919,527		
Nutrition Services Incentive	10.570	2,094,887		
Senior Farmer's Market Nutrition Program	10.576	414,420		
Forestry Research	10.652	37,452		
Cooperative Forestry Assistance	10.664	3,630,412		
Rural Development, Forestry, and Communities	10.672	51,190		
Technical Assistance and Training Grants	10.761	(26,402)		
Rural Business Enterprise Grants	10.769	107,112		
Rural Cooperative Development Grants	10.771	1,186		
Empowerment Zones Program	10.772	47,934		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Rural Business Opportunity Grants	10.773	29,112		
Distance Learning and Telemedicine Loans and Grants	10.855	404,291		
Resource Conservation and Development	10.901	57,970		
Wildlife Habitat Incentive Program	10.914	103,997		
Other Assistance:	10.000	969,011		
Other			25,790	City of Charlottesville
Other			16,056	University of Maryland
Total Excluding Clusters Identified Below		99,349,312	314,028	
Food Stamp Cluster:				
Food Stamps	10.551	337,205,114		
State Administrative Matching Grants for Food Stamp Program	10.561	80,834,907		
Total Food Stamp Cluster		418,040,021		
Child Nutrition Cluster:				
School Breakfast Program	10.553	27,777,230		
National School Lunch Program (NSLP)	10.555	135,703,978		
Special Milk Program for Children	10.556	59,672		
Summer Food Service Program for Children	10.559	142,102		
Total Child Nutrition Cluster		163,682,982		
Emergency Food Assistance Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568	1,046,884		
Emergency Food Assistance Program (Food Commodities)	10.569	8,037,491		
Total Emergency Food Assistance Cluster		9,084,375		
Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	991,909		
Research and Development Cluster:				
Agricultural Research - Basic and Applied Science	10.001	1,598,783		
Agricultural Research - Basic and Applied Science	10.001		3,851	University of Florida
Plant and Animal Disease, Pest Control, and Animal Care	10.025	39,175		
Plant and Animal Disease, Pest Control, and Animal Care	10.025		14,000	Louisiana State University Agricultural Center
Wildlife Services	10.028			
Marketing Agreements and Orders	10.155	43,987		
Inspection Grading and Standardization	10.162	76,861		
Grants for Agricultural Research, Special Research Grants	10.200	1,474,478		
Grants for Agricultural Research, Special Research Grants	10.200		49,934	Cornell University
Grants for Agricultural Research, Special Research Grants	10.200		7,028	Mississippi State University
Grants for Agricultural Research, Special Research Grants	10.200		3,335	North Carolina State University
Grants for Agricultural Research, Special Research Grants	10.200		26,617	Oregon State University
Grants for Agricultural Research, Special Research Grants	10.200		3,337	Texas A & M University
Grants for Agricultural Research, Special Research Grants	10.200		(1,700)	University of Arkansas - Fayetteville
Grants for Agricultural Research, Special Research Grants	10.200		5,243	University of Maine
Grants for Agricultural Research, Special Research Grants	10.200		10,380	Southern Illinois University
Grants for Agricultural Research, Special Research Grants	10.200		5,810	Langston University
Cooperative Forestry Research	10.202	588,131		
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	3,342,488		
Payments to 1890 Land - Grant Colleges and Tuskegee University	10.205	753,663		
Grants for Agricultural Research - Competitive Research Grants	10.206	1,884,960		
Grants for Agricultural Research - Competitive Research Grants	10.206		13,117	University of North Carolina - Greensboro
Grants for Agricultural Research - Competitive Research Grants	10.206		40,846	University of South Florida
Animal Health and Disease Research	10.207	106,404		
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	(692)		
Small Business Innovation Research	10.212	5,171		
Small Business Innovation Research	10.212		13,927	H&T Alternative Controls LLC
Sustainable Agriculture Research and Education	10.215	499		
Sustainable Agriculture Research and Education	10.215		88,029	University of Georgia
Higher Education Challenge Grants	10.217	11,033		
Fund for Rural America - Research, Education, and Extension Activities	10.224	115,728		
Agricultural and Rural Economic Research	10.250		17,481	Mississippi State University
Initiative for Future Agriculture and Food Systems	10.302	452,230		
Initiative for Future Agriculture and Food Systems	10.302		11,234	Michigan State University
Initiative for Future Agriculture and Food Systems	10.302		45,135	University of Pennsylvania
Initiative for Future Agriculture and Food Systems	10.302		12,737	Kentucky State University
Integrated Programs	10.303	320,050		
Integrated Programs	10.303		1,805	North Carolina State University

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Integrated Programs	10.303		60,764	University of Florida
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443	123,020		
Crop Insurance	10.450	43,284		
Cooperative Extension Service	10.500	2,116,298		
Cooperative Extension Service	10.500		31,576	Kansas State University
Cooperative Extension Service	10.500		532	North Carolina State University
Cooperative Extension Service	10.500		14,215	SARE
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	64,255		
Forestry Research	10.652	1,164,054		
Cooperative Forestry Assistance	10.664	742,239		
Cooperative Forestry Assistance	10.664		21,866	Limestone Bluffs RC & D Incorporated
Cooperative Forestry Assistance	10.664		8,882	Mississippi State University
Rural Development, Forestry, and Communities	10.672	29,936		
Empowerment Zones Program	10.772		12,778	Old Dominion University Foundation
National Sheep Industry Improvement Center	10.774	12,740		
Distance Learning and Telemedicine Loans and Grants	10.855	37,494		
Great Plains Conservation	10.900	27,082		
Resource Conservation and Development	10.901	14,634		
Soil and Water Conservation	10.902	50,206		
Wildlife Habitat Incentive Program	10.914		20,999	Tennessee Wildlife Resources Agency
Scientific Cooperation and Research	10.961	1,356		
Other Assistance:	10.000	137,759		
Other			51,987	Fermi National Accelerator Laboratory
Other			161,527	ITN Energy Systems, Incorporated
Other			167,393	NCI-Frederick
Other			110,593	Science Applications International Corporation
Other			51,580	Smithsonian Astrophysical Observatory
Other			41,148	Southeastern Universities Research Association
Other			9,919	University of Maryland
Other			39,462	Vanderbilt University
Other			22,783	Mississippi State University
Other			15,778	North Carolina State University
Other			56,650	Expert System Designs
Total Research and Development Cluster		15,377,306	1,272,578	
Total U.S. Department of Agriculture		706,525,905	1,586,606	
U.S. DEPARTMENT OF COMMERCE				
Economic Development - Technical Assistance	11.303	219,638		
Interjurisdictional Fisheries Act of 1986	11.407	144,390		
Sea Grant Support	11.417	491,147		
Coastal Zone Management Administration Awards	11.419	2,419,086		
Coastal Zone Management Administration Awards	11.419		17,147	Middle Peninsula Planning District Commission
Fisheries Development and Utilization Research and Development	11.427	(31,977)		
Fisheries Development and Utilization Research and Development	11.427		17,075	Virginia Oyster Reef Foundation
Integrated Flood Observing and Warning System (IFLOWS)	11.450	121,432		
Chesapeake Bay Studies	11.457	17,075		
Chesapeake Bay Studies	11.457		899,700	Virginia Oyster Reef Heritage Foundation
Habitat Conservation	11.463	11,377		
Habitat Conservation	11.463		3,133	The Nature Conservancy
Atlantic Coastal Fisheries Cooperative Management Act	11.474	258,369		
Measurement and Engineering Research and Standards	11.609	12,753		
Manufacturing Extension Partnership	11.611	2,987,795		
Other Assistance	11.000	1,607,626		
Total Excluding Clusters Identified Below		8,258,711	937,055	
Public Works and Economic Development Cluster:				
Economic Adjustment Assistance	11.307	14,510,688		
Research and Development Cluster:				
Census Geography	11.003	15,671		
Anadromous Fish Conservation Act Program	11.405	73,452		
Sea Grant Support	11.417	3,648,283		
Sea Grant Support	11.417		8,343	Marine Biological Laboratories
Coastal Zone Management Administration Awards	11.419	853,309		
Coastal Zone Management Estuarine Research Reserves	11.420	1,011,608		
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	343,169		
Undersea Research	11.430	66,656		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Climate and Atmospheric Research	11.431	133,780		
Environmental Sciences, Applications, Data and Education	11.440	49,137		
Regional Fishery Management Councils	11.441	27,180		
Unallied Management Projects	11.454	271,270		
Cooperative Science and Education Program	11.455	239,560		
Chesapeake Bay Studies	11.457	689,227		
Habitat Conservation	11.463	17,092		
Meteorologic and Hydrologic Modernization Development	11.467	(2,986)		
Office of Administration Special Programs	11.470	3,618		
Unallied Science Program	11.472	318,900		
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	11.478	84,114		
Public Telecommunications Facilities - Planning and Construction	11.550	260,991		
Public Telecommunications Facilities - Planning and Construction	11.550		155,254	Blacksburg Electronic Village Incorporated
Technology Opportunities	11.552	(976)		
Measurement and Engineering Research and Standards	11.609	133,368		
Measurement and Engineering Research and Standards	11.609		348	Aeroprobe Corporation
Measurement and Engineering Research and Standards	11.609		52,071	Clemson University
Other Assistance:	11.000	245,649		
Other			132,729	University of Connecticut
Total Research and Development Cluster		8,482,072	348,745	
Total U.S. Department of Commerce		31,251,471	1,285,800	
U.S. DEPARTMENT OF DEFENSE				
Procurement Technical Assistance For Business Firms	12.002	168,818		
Planning Assistance to States	12.110	3,931		
Payments to States in Lieu of Real Estate Taxes	12.112	21,614		
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	632,300		
Collaborative Research and Development	12.114	33,387		
Basic and Applied Scientific Research	12.300	262,455		
Military Construction, National Guard	12.400	306,304		
National Guard Military Operations and Maintenance (O & M) Projects	12.401	17,171,852		
National Guard Civilian Youth Opportunities	12.404	1,596,143		
Military Medical Research and Development	12.420	3,658		
Basic Scientific Research	12.431	12,920		
International Education - U.S. Colleges and Universities	12.550	119,952		
Basic, Applied, and Advanced Research in Science and Engineering	12.630	4,948		
Donations/Loans of Obsolete DOD Property	12.700	90,476		
Air Force Defense Research Sciences Program	12.800	10,530		
Mathematical Sciences Grants Program	12.901	87,498		
Information Security Grant Program	12.902	142,675		
Research and Technology Development	12.910	202,632		
Other Assistance:	12.000	931,815		
Other			(24)	NEXCOM
Other			910	SCALANT
Other			47,226	Booz-Allen Hamilton
Other			12,918	Calibre
Other			4,874	DTS
Other			30,826	Innolog
Other			101	IT Group
Other			22,355	Mirum
Other			(2,349)	NCI
Other			16,407	Northrop Grumman
Other			63,149	TRW
Other			59,890	Unified Incorporated
Other			271,835	Logicon
Total Excluding Cluster Identified Below		21,803,908	528,118	
Research and Development Cluster:				
Aquatic Plant Control	12.100	1,277,314		
Flood Control Projects	12.106	246,304		
Navigation Projects	12.107	157,435		
Collaborative Research and Development	12.114	51,747		
Collaborative Research and Development	12.114		13,626	Luna Innovations
Collaborative Research and Development	12.114		22,918	Toxsor Incorporated
Basic and Applied Scientific Research	12.300	18,202,658		
Basic and Applied Scientific Research	12.300		359,908	University of California - Santa Barbara
Basic and Applied Scientific Research	12.300		192,054	University of Colorado

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Basic and Applied Scientific Research	12.300		160,250	University of Illinois
Basic and Applied Scientific Research	12.300		43,201	ADOPTTECH Incorporated
Basic and Applied Scientific Research	12.300		54,367	Accurate Automation Corporation
Basic and Applied Scientific Research	12.300		19,313	Adaptive Technologies Incorporated
Basic and Applied Scientific Research	12.300		21,260	American Competitiveness Institute
Basic and Applied Scientific Research	12.300		(5)	Anteon Incorporated
Basic and Applied Scientific Research	12.300		48,369	Concurrent Technologies Corporation
Basic and Applied Scientific Research	12.300		660	Eikos Limited Liability Corporation
Basic and Applied Scientific Research	12.300		39,402	Hydrosize Technologies Incorporated
Basic and Applied Scientific Research	12.300		18,272	John J McMullen Associates Incorporated
Basic and Applied Scientific Research	12.300		4,975	Nanosonic Incorporated
Basic and Applied Scientific Research	12.300		28,966	South Carolina Research Authority
Basic and Applied Scientific Research	12.300		151,937	The Boeing Company
Basic and Applied Scientific Research	12.300		231,944	University of Maryland
Basic and Applied Scientific Research	12.300		43,005	Wake Forest University School of Medicine
Basic and Applied Scientific Research	12.300		9,054	Washington State University
Basic and Applied Scientific Research	12.300		164,746	Carnegie-Mellon University
Basic and Applied Scientific Research	12.300		36,340	University of Nebraska at Lincoln
Military Construction, National Guard	12.400	60,394		
Military Medical Research and Development	12.420	2,707,251		
Military Medical Research and Development	12.420		92,957	Carnegie-Mellon University
Basic Scientific Research	12.431	2,637,532		
Basic Scientific Research	12.431		48	National Ground Intelligence Center (NGI)
Basic Scientific Research	12.431		10,142	General Electric Corporate Research
Basic Scientific Research	12.431		17,556	Luna Innovations Incorporated
Basic Scientific Research	12.431		40,619	Nanosonic Incorporated
Basic Scientific Research	12.431		14,939	Penn State University
Basic Scientific Research	12.431		18,804	University of Michigan - Ann Arbor
Basic, Applied, and Advanced Research in Science and Engineering	12.630	2,412,182		
Basic, Applied, and Advanced Research in Science and Engineering	12.630		451,759	National Ground Intelligence Center (NGI)
Basic, Applied, and Advanced Research in Science and Engineering	12.630		24,551	Pennsylvania State University
Basic, Applied, and Advanced Research in Science and Engineering	12.630		126,261	Lambda Instruments Incorporated
Basic, Applied, and Advanced Research in Science and Engineering	12.630		19,794	Triton Systems Incorporated
Basic, Applied, and Advanced Research in Science and Engineering	12.630		48,307	University of Michigan
Air Force Defense Research Sciences Program	12.800	3,260,747		
Air Force Defense Research Sciences Program	12.800		20,745	University of Cincinnati
Air Force Defense Research Sciences Program	12.800		3,647	AdTech Systems Research Incorporated
Air Force Defense Research Sciences Program	12.800		36,182	Adaptive Technologies Incorporated
Air Force Defense Research Sciences Program	12.800		20,984	AeroSoft Incorporated
Air Force Defense Research Sciences Program	12.800		8,365	Georgia Institute of Technology
Air Force Defense Research Sciences Program	12.800		11,359	Innovative Scientific Solutions Incorporated
Air Force Defense Research Sciences Program	12.800		61,689	Luna Innovations Incorporated
Air Force Defense Research Sciences Program	12.800		98,907	Nanosonic Incorporated
Air Force Defense Research Sciences Program	12.800		1,438	Research & Development Laboratories
Air Force Defense Research Sciences Program	12.800		58,977	Sparta Incorporated
Air Force Defense Research Sciences Program	12.800		7,823	Sverdrup Technology Incorporated
Air Force Defense Research Sciences Program	12.800		20,180	Syndetix Incorporated
Air Force Defense Research Sciences Program	12.800		88,065	TYBRIN Corporation
Air Force Defense Research Sciences Program	12.800		22,675	Technology in Blacksburg Incorporated
Air Force Defense Research Sciences Program	12.800		69,155	University of Southern California
Air Force Defense Research Sciences Program	12.800		117,047	Vibro-Acoustic Sciences Incorporated
Air Force Defense Research Sciences Program	12.800		71,565	Yale University
Air Force Defense Research Sciences Program	12.800		52,007	City College of New York
Mathematical Sciences Grants Program	12.901	89,718		
Research and Technology Development	12.910	3,040,157		
Research and Technology Development	12.910		129,936	ITN Energy Systems, Incorporated
Research and Technology Development	12.910		32,440	MIT
Research and Technology Development	12.910		13,070	Nanosonic Incorporated
Research and Technology Development	12.910		4,066	Raytheon Systems Company
Research and Technology Development	12.910		121,959	The Boeing Company
Research and Technology Development	12.910		93,828	University of Southern California
Research and Technology Development	12.910		(1,347)	Xilinx Incorporated
Other Assistance:	12.000	14,794,156		
Other			25	Engineering Research & Development Center
Other			3,166	Science Applications International Corporation
Other			31,282	Anteon Incorporated
Other			94,119	UT Battelle Limited Liability Corporation
Other			16,369	CH2M Hill Incorporated
Other			18,641	Concurrent Technologies Corporation
Other			176,717	Luna Innovations Incorporated
Other			27,533	Nanosonic Incorporated
Other			(7,458)	Raytheon Company

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Other			21,896	Technology in Blacksburg Incorporated
Other			32,434	UTD Incorporated
Other			4,313	Stress Technology
Other			74,034	Cermet, Incorporated
Other			49,511	Conducting Materials Corporation
Other			1,096	MUSC Foundation for Research Development
Other			55,936	ABS
Other			52,680	APTI
Other			81,651	BBN Technologies
Other			36,843	Berkeley National Laboratories
Other			11,485	CACI
Other			1,160,554	CTC
Other			48,718	DAC
Other			296	DOD
Other			177,695	IITR
Other			122,018	Johns Hopkins University
Other			52,784	Lockheed Martin
Other			26,217	MTI
Other			10,644	New Jersey Institute of Technology
Other			59,814	NITEK
Other			311,601	SAIC
Other			5,281	Smithsonian Institute
Other			179,139	Sparta
Other			1,051	TASC
Other			13,210	University of Colorado
Other			4,348	University of Connecticut
Other			84,273	University of Southern California
Other			18,481	University Research Foundation
Other			97,191	Veridian
Other			45,953	Darhmouth University
Other			63,885	IREX
Other			314,778	George Washington University
Other			20,104	Old Dominion University
Other			76,351	Ohio State University
Total Research and Development Cluster		48,937,595	7,371,720	
Total U.S. Department of Defense		70,741,503	7,899,838	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grants/State's Program	14.228	24,696,789		
Emergency Shelter Grants Program (ESG)	14.231	1,452,892		
Supportive Housing Program	14.235	116,523		
Shelter Plus Care	14.238	169,503		
HOME Investment Partnerships Program	14.239	15,484,084		
Housing Opportunities for Persons with AIDS	14.241	463,991		
Opportunities for Youth - Youthbuild Program	14.243	249,787		
Community Development Block Grants/Economic Development Initiative	14.246	1,000,000		
Fair Housing Assistance Program - State and Local	14.401	238,662		
Community Outreach Partnership Center Program	14.511	196,133		
Community Development Work-Study Program	14.512	48,002		
Historically Black Colleges and Universities Program	14.520	154,600		
Historically Black Colleges and Universities Program	14.520		36,729	City of Norfolk
Demolition and Revitalization of Severely Distressed Public Housing	14.866	46,476		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	420,107		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		3,986	City of Richmond
Total Excluding Clusters Identified Below		44,737,549	40,715	
Research and Development Cluster:				
Supportive Housing for the Elderly	14.157	70,329		
Manufactured Home Construction and Safety Standards	14.171	162,899		
Housing Opportunities for Persons with AIDS	14.241		23,300	City of Richmond
Empowerment Zones Program	14.244	12,778		
Community Outreach Partnership Center Program	14.511	58,894		
Other Assistance:	14.000	136,762		
Other			10,799	City of Richmond
Total Research and Development Cluster		441,662	34,099	
Total U.S. Department of Housing and Urban Development		45,179,211	74,814	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
U.S. DEPARTMENT OF THE INTERIOR				
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	3,125,412		
Abandoned Mine Land Reclamation (AMLR) Program	15.252	5,712,980		
Fish and Wildlife Management Assistance	15.608	323		
Coastal Wetlands Planning, Protection and Restoration Act	15.614	20,957		
Cooperative Endangered Species Conservation Fund	15.615	136,038		
Clean Vessel Act	15.616	174,955		
North American Wetlands Conservation Fund	15.623	739,279		
Wildlife Conservation and Restoration	15.625	107,788		
Multi-State Conservation Grants	15.628	2,745		
Assistance to State Water Resources Research Institutes	15.805	8,500		
U.S. Geological Survey - Research and Data Acquisition	15.808	210,331		
Historic Preservation Fund Grants-In-Aid	15.904	619,426		
Outdoor Recreation - Acquisition, Development and Planning	15.916	1,689,258		
Rivers, Trails and Conservation Assistance	15.921	211,868		
Other Assistance	15.000	1,229,216		
Total Excluding Clusters Identified Below		13,989,076		
Fish and Wildlife Cluster:				
Sport Fish Restoration	15.605	\$ 2,990,984		
Wildlife Restoration	15.611	3,859,997		
Total Fish and Wildlife Cluster		6,850,981		
Research and Development Cluster:				
Water Reclamation and Reuse Program	15.504		80,681	URS Corporation
Sport Fish Restoration	15.605	584,447		
Fish and Wildlife Management Assistance	15.608	19,506		
North American Wetlands Conservation Fund	15.623	25,203		
Multi-State Conservation Grants	15.628	90,957		
Assistance to State Water Resources Research Institutes	15.805	329,295		
Earthquake Hazards Reduction Program	15.807	76,659		
U.S. Geological Survey - Research and Data Acquisition	15.808	2,223,518		
Historic Preservation Fund Grants-In-Aid	15.904	44,406		
Historic Preservation Fund Grants-In-Aid	15.904		10,589	National Park Service (NPS)
National Historic Landmark	15.912	132,207		
Technical Preservation Services	15.915		363,555	National Park Service (NPS)
Outdoor Recreation - Acquisition, Development and Planning	15.916	147,193		
Rivers, Trails and Conservation Assistance	15.921	149,784		
National Center for Preservation Technology and Training	15.923	82,567		
American Battlefield Protection	15.926	11,082		
Other Assistance	15.000	314,579		
Total Research and Development Cluster		4,231,403	454,825	
Total U.S. Department of the Interior		25,071,460	454,825	
U.S. DEPARTMENT OF JUSTICE				
Law Enforcement Assistance: Narcotics and Dangerous Drugs Training	16.004	232,629		
State Domestic Preparedness Equipment Support Program	16.007	6,769,147		
Sex Offender Management Discretionary Grant	16.203	59,645		
Juvenile Accountability Incentive Block Grants	16.523	3,006,298		
Grants to Reduce Violent Crimes Against Women on Campus	16.525	169,193		
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	3,369,722		
National Institute for Juvenile Justice and Delinquency Prevention	16.542	193,641		
Victims of Child Abuse	16.547		46,410	Virginia CASA Association
Part E - State Challenge Activities	16.549	165,246		
State Justice Statistics Program for Statistical Analysis Centers	16.550	316,137		
National Criminal History Improvement Program (NCHIP)	16.554	830,064		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	77,379		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		8,358	National Academy of Sciences
Crime Laboratory Improvement - Combined Offender DNA Index System Backlog Reduction	16.564	216,572		
Crime Victim Assistance	16.575	9,234,753		
Crime Victim Compensation	16.576	400,000		
Byrne Formula Grant Program	16.579	11,023,139		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	5,170,242		
Drug Court Discretionary Grant Program	16.585	154,758		
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	14,462,140		
Violence Against Women Formula Grants	16.588	2,347,685		
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589	76,545		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	229,804		
Local Law Enforcement Block Grants Program	16.592	1,751,278		
Residential Substance Abuse Treatment for State Prisoners	16.593	953,225		
Corrections: Technical Assistance/Clearinghouse	16.603	56,250		
Public Safety Partnership and Community Policing Grants	16.710	2,325,989		
Police Corps	16.712	283,002		
Juvenile Mentoring Program	16.726	10,139		
Enforcing Underage Drinking Laws Program	16.727	346,149		
Drug-Free Communities Support Program Grants	16.729	25		
Other Assistance	16.000		17,131	State Justice Institute
Total Excluding Cluster Identified Below		64,230,796	71,899	
Research and Development Cluster:				
Law Enforcement Assistance - Narcotics and Dangerous				
Drugs - Laboratory Analysis	16.001	125,351		
Law Enforcement Assistance - FBI Advanced Police Training	16.300	15,352		
Law Enforcement Assistance - National Crime Information Center	16.304	977		
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	691		
National Institute of Justice Research, Evaluation, and Development				
Project Grants	16.560	10,634		
Byrne Formula Grant Program	16.579	30,079		
Violence Against Women Formula Grants	16.588	34,671		
Other Assistance:	16.000	497,296		
Other			4,762	National Academy of Sciences
Other			10,005	University of Florida
Total Research and Development Cluster		715,051	14,767	
Total U.S. Department of Justice		64,945,847	86,666	
U.S. DEPARTMENT OF LABOR				
Labor Force Statistics	17.002	1,594,115		
Compensation and Working Conditions	17.005	108,669		
Registered Apprenticeship and Other Training	17.201		58,611	Shenandoah Valley Workforce Investment Board
Certification of Foreign Workers for Temporary Agricultural Employment	17.202	(18,326)		
Labor Certification for Alien Workers	17.203	1,396,675		
Unemployment Insurance	17.225	944,955,280		
Senior Community Service Employment Program	17.235	1,807,227		
Senior Community Service Employment Program	17.235		1,066,017	National Council on Aging
Senior Community Service Employment Program	17.235		58,022	Thomas Jefferson Planning Commission
Trade Adjustment Assistance - Workers	17.245	21,605,187		
Welfare-to-Work Grants to States and Localities	17.253	5,526,159		
Welfare-to-Work Grants to States and Localities	17.253		437,825	Welfare to Work Local Area
Welfare-to-Work Grants to States and Localities	17.253		132,996	City of Charlottesville
Welfare-to-Work Grants to States and Localities	17.253		52,913	Regional Virginia WIB
One-Stop Career Center Initiative	17.257	112,080		
One-Stop Career Center Initiative	17.257		17,994	City of Richmond
One-Stop Career Center Initiative	17.257		16,247	Southeastern Virginia Job Training Administration
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261	9,385,802		
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261		199,969	Arlington County
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261		63,269	Shenandoah Valley WIB
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261		5,197	Thomas Jefferson Planning Commission
Work Incentives Grant	17.266		12,730	Henrico County
Occupational Safety and Health - State Program	17.503	2,788,219		
Consultation Agreements	17.504	973,334		
Mine Health and Safety Grants	17.600	256,738		
Employment Programs for People with Disabilities	17.720	228,174		
Other Assistance	17.000		48,585	Northrop Grumman
Total Excluding Clusters Identified Below		990,719,333	2,170,375	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Employment Services Cluster:				
Employment Service	17.207	18,044,289		
Employment Service	17.207		10,839	State of South Carolina
Disabled Veterans' Outreach Program (DVOP)	17.801	1,725,405		
Local Veterans' Employment Representative Program	17.804	1,184,157		
		<u>20,953,851</u>	<u>10,839</u>	
Total Employment Services Cluster				
JTPA Cluster:				
Job Training Partnership Act	17.250	361,027		
		<u>361,027</u>		
Total JTPA Cluster				
WIA Cluster:				
WIA Adult Program	17.258	15,760,511		
WIA Adult Program	17.258		2,357,492	Local Area One Stops
WIA Adult Program	17.258		209,799	Bay Consortium-WIB
WIA Adult Program	17.258		459,940	Greater Peninsula Workforce Investment Board
WIA Adult Program	17.258		284,278	Thomas Jefferson Planning Commission
WIA Adult Program	17.258		564,870	West Piedmont WIB
WIA Adult Program	17.258		20,561	Region 2000 Regional Commission
WIA Youth Activities	17.259	17,718,142		
WIA Youth Activities	17.259		23,615	Fifth District Training Consortium
WIA Youth Activities	17.259		23,787	People Incorporated of Southwest Virginia
WIA Youth Activities	17.259		19,363	Wise Skill Center
WIA Youth Activities	17.259		27,234	Region 2000 Regional Commission
WIA Youth Activities	17.259		140,972	Bay Consortium-WIB
WIA Dislocated Workers	17.260	18,270,898		
WIA Dislocated Workers	17.260		1,595,654	State of Maryland - Metrotek
WIA Dislocated Workers	17.260		2,125,399	Local Area One Stops
WIA Dislocated Workers	17.260		56,912	Bay Consortium-WIB
WIA Dislocated Workers	17.260		107,717	City of Danville
WIA Dislocated Workers	17.260		396,018	Greater Peninsula Workforce Development Consortium
WIA Dislocated Workers	17.260		1,781,531	Opportunity Incorporated
WIA Dislocated Workers	17.260		210,404	Region 2000 Regional Commission
WIA Dislocated Workers	17.260		35,541	Thomas Jefferson Planning Commission
WIA Dislocated Workers	17.260		5,949	Virginia Workforce Council
WIA Dislocated Workers	17.260		499,798	West Piedmont WIB
		<u>51,749,551</u>	<u>10,946,834</u>	
Total WIA Cluster				
Research and Development Cluster:				
WIA Youth Activities	17.259	35,714		
Other Assistance	17.000	(32,745)		
		<u>2,969</u>		
Total Research and Development Cluster				
Total U.S. Department of Labor		<u>1,063,786,731</u>	<u>13,128,048</u>	
U.S. DEPARTMENT OF STATE				
Special Domestic Assignments	19.202	55,245		
Program for Study of Europe and the Independent States of the Former Soviet Union	19.300		11,141	NCEER
College and University Partnerships Program	19.405	60,977		
College and University Partnerships Program	19.405		31,480	RONCO Consulting
Cooperative Grants	19.420	119,558		
Other Assistance	19.000	153,820		
		<u>389,600</u>	<u>42,621</u>	
Total Excluding Cluster Identified Below				
Research and Development Cluster:				
US Dept. of State - Unidentified Funds	19.000	45,071		
Educational Partnerships Program	19.424	7,126		
		<u>52,197</u>		
Total Research and Development Cluster				
Total U.S. Department of State		<u>441,797</u>	<u>42,621</u>	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
U.S. DEPARTMENT OF TRANSPORTATION				
Boating Safety Financial Assistance	20.005	1,012,076		
Aviation Education	20.100		18,893	Booz-Allen Hamilton
Airport Improvement Program	20.106	294,519		
Motor Carrier Safety	20.217	46,371		
National Motor Carrier Safety	20.218	3,441,120		
Recreational Trails Program	20.219	707,377		
High Speed Ground Transportation: Next Generation High Speed Rail Program	20.312	237,748		
Port Security Grants	20.401	838,795		
Federal Transit - Metropolitan Planning Grants	20.505	1,466,740		
Formula Grants for Other Than Urbanized Areas	20.509	8,095,369		
Federal Transit Technical Assistance	20.512	14,280		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	1,375,212		
Job Access - Reverse Commute	20.516	1,084,686		
Pipeline Safety	20.700	398,074		
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	271,056		
Historically Black Colleges and Universities: Entrepreneurial Training and Technical Assistance	20.907		19,603	South Carolina State University
Other Assistance:	20.000	3,165,172		
Other			156,655	District of Columbia - Department of Public Works
Total Excluding Clusters Identified Below		22,448,595	195,151	
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	688,292,830		
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	20.500	1,393,455		
Highway Safety Cluster:				
State and Community Highway Safety	20.600	4,551,135		
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	401,557		
Occupant Protection	20.602	325,641		
Federal Highway Safety Data Improvements Incentive Grants	20.603	110,565		
Safety Incentive Grants for Use of Seatbelts	20.604	1,257,084		
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	1,642,294		
Total Highway Safety Cluster		8,288,276		
Research and Development Cluster:				
Aviation Research Grants	20.108	660,009		
Air Transportation Centers of Excellence	20.109	321,004		
Highway Planning and Construction	20.205	1,386,562		
Highway Training and Education	20.215	166,205		
Motor Carrier Safety	20.217	785,555		
Railroad Safety	20.301	796,418		
State Planning and Research	20.515	57,559		
State and Community Highway Safety	20.600	256,054		
University Transportation Centers Program	20.701	1,378,635		
University Transportation Centers Program	20.701		95,968	Pennsylvania State University
Historically Black Colleges and Universities: Entrepreneurial Training and Technical Assistance	20.907	16		
Other Assistance:	20.000	3,710,966		
Other			54,184	IBM Business Consulting Services
Other			48,972	National Academy of Sciences
Other			(429)	PB Farradyne Incorporated
Other			146,505	Pennsylvania State University
Other			482	The National Academies
Other			15,000	University of Iowa
Total Research and Development Cluster		9,518,983	360,682	
Total U.S. Department of Transportation		729,942,139	555,833	
INTERNAL REVENUE SERVICE				
Other Assistance	21.000	6,441		
Total Internal Revenue Service		6,441		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
APPALACHIAN REGIONAL COMMISSION				
Appalachian Regional Development	23.001	183,692		
Appalachian Regional Development	23.001		2,837	East Tennessee State University
Appalachian Area Development	23.002	6,119		
Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011		46,734	Appalachian Regional Commission
Total Excluding Cluster Identified Below		<u>189,811</u>	<u>49,571</u>	
Highway Planning and Construction Cluster: Appalachian Development Highway System	23.003	<u>65,226</u>		
Research and Development Cluster: Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011		488	East Tennessee State University
Other Assistance	23.000		37,654	University of South Florida
Total Research and Development Cluster			<u>38,142</u>	
Total Appalachian Regional Commission		<u>255,037</u>	<u>87,713</u>	
OFFICE OF PERSONNEL MANAGEMENT				
Research and Development Cluster: Intergovernmental Personnel Act (IPA) Mobility Program	27.011	<u>45,418</u>		
Total Office of Personnel Management		<u>45,418</u>		
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Employment Discrimination - State and Local Fair Employment Practices	30.002	<u>38,811</u>		
FEDERAL TRADE COMMISSION				
Fair Competition Counseling and Investigation of Complaints	36.001	<u>8,595</u>		
GENERAL SERVICES ADMINISTRATION				
Donation of Federal Surplus Personal Property	39.003	<u>2,720,342</u>		
Research and Development Cluster: Other Assistance	39.000	<u>815,754</u>		
Total General Services Administration		<u>3,536,096</u>		
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Aerospace Education Services Program	43.001	206,650		
Aerospace Education Services Program	43.001		8,791	Elizabeth City State University
Technology Transfer	43.002	60,323		
Technology Transfer	43.002		2,838	Bay Mills Community College
Other Assistance	43.000	104,527		
Total Excluding Cluster Identified Below		<u>371,500</u>	<u>11,629</u>	
Research and Development Cluster: Aerospace Education Services Program	43.001	7,615,330		
Aerospace Education Services Program	43.001		196,147	National Space Biomedical Research Institute
Aerospace Education Services Program	43.001		93,501	Ohio Research Institute
Aerospace Education Services Program	43.001		133,711	Smithsonian Astrophysical Observatory
Aerospace Education Services Program	43.001		73,234	University of Arizona
Aerospace Education Services Program	43.001		71	University of Maryland
Aerospace Education Services Program	43.001		15,490	University of Michigan
Aerospace Education Services Program	43.001		48,366	Institute of Atmospheric Science
Aerospace Education Services Program	43.001		27,708	Oklahoma State University
Aerospace Education Services Program	43.001		3,900	Old Dominion University Research Foundation
Technology Transfer	43.002	1,064,880		
Technology Transfer	43.002		42,744	Clark University
Technology Transfer	43.002		26,082	Pennsylvania State University
Technology Transfer	43.002		52,258	Smithsonian Astrophysical Observatory
Technology Transfer	43.002		40,201	University of Massachusetts

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Technology Transfer	43.002		6,222	University of Michigan
Technology Transfer	43.002		29,367	Luna Innovations Incorporated
Other Assistance:	43.000	12,570,968		
Other			13,012	Jet Propulsion Laboratory
Other			22,968	Logistics Management Institute
Other			113,094	Luna Innovations Incorporated
Other			106,917	Nanosonic Incorporated
Other			118,742	National Consortium for Aviation
Other			127,532	National Institute of Aerospace Association
Other			54,955	Prime Photonics Incorporated
Other			24,991	Sverdrup Technology Incorporated
Other			31,094	Technology in Blacksburg Incorporated
Other			31,621	University of Georgia
Other			189,553	University of New Orleans
Other			159,750	Old Dominion University
Other			27,787	Open GIS Consortium
Other			133,066	Raytheon
Other			24,398	Smithsonian Institute
Other			10,620	University of New Mexico
		<u>21,251,178</u>	<u>1,979,102</u>	
Total Research and Development Cluster				
Total National Aeronautics and Space Administration		<u>21,622,678</u>	<u>1,990,731</u>	

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Promotion of the Arts - Grants to Organizations and Individuals	45.024	73,855		
Promotion of the Arts - Partnership Agreements	45.025	843,500		
Promotion of the Humanities - Federal/State Partnership	45.129	941,660		
Promotion of the Humanities - Federal/State Partnership	45.129		1,998	Virginia Foundation for the Humanities
Promotion of the Humanities - Challenge Grants	45.130	19,268		
Promotion of the Humanities - Division of Preservation and Access	45.149	307,223		
Promotion of the Humanities - Education Development and Demonstration	45.162	96,419		
Promotion of the Humanities - Public Programs	45.164	595		
Promotion of the Humanities - Extending the Reach Grants to Presidentially-Designated Minority Institutions	45.167	25,133		
Institute of Museum and Library Services	45.301	42,336		
Museum Assessment Program	45.302	63,957		
Conservation Project Support	45.303	50,000		
Conservation Assessment Program	45.304	60		
State Library Program	45.310	3,175,280		
Institute of Museum and Library Services: National Leadership Grants	45.312	78,571		
Other Assistance	45.000	37,627		
		<u>5,755,484</u>	<u>1,998</u>	
Total Excluding Cluster Identified Below				

Research and Development Cluster:

Promotion of the Arts: Grants to Organizations and Individuals	45.024	29,444		
Promotion of the Humanities - Federal/State Partnership	45.129	7,382		
Promotion of the Humanities - Federal/State Partnership	45.129		6,000	Virginia Foundation for the Humanities
Promotion of the Humanities - Challenge Grants	45.130	80,219		
Promotion of the Humanities - Division of Preservation and Access	45.149	53,821		
Promotion of the Humanities - Research	45.161	430,678		
Promotion of the Humanities - Education Development and Demonstration	45.162	43,122		
Promotion of the Humanities - Seminars and Institutes	45.163	269,906		
Promotion of the Humanities - Public Programs	45.164	169,951		
Institute of Museum and Library Services - National Leadership Grants	45.312	16,101		
Other Assistance:	45.000	6,682		
Other			44,651	Assoc Writing Project
		<u>1,107,306</u>	<u>50,651</u>	
Total Research and Development Cluster				
Total National Foundation on the Arts and the Humanities		<u>6,862,790</u>	<u>52,649</u>	

NATIONAL LABOR RELATIONS BOARD

Other Assistance	46.000	<u>6,985</u>		
------------------	--------	--------------	--	--

NATIONAL SCIENCE FOUNDATION

Engineering Grants	47.041	708,915		
Engineering Grants	47.041		5,441	University of California - Berkeley

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Engineering Grants	47.041		180,506	University of Florida
Mathematical and Physical Sciences	47.049	108,945		
Geosciences	47.050	934,060		
Geosciences	47.050		3,072	University of Minnesota
Computer and Information Science and Engineering	47.070	120,814		
Biological Sciences	47.074	56,142		
Social, Behavioral, and Economic Sciences	47.075	94,954		
Education and Human Resources	47.076	2,567,528		
Education and Human Resources	47.076		6,241	Howard University
Education and Human Resources	47.076		95,540	Howard University
Education and Human Resources	47.076		3,817	George Washington University
Education and Human Resources	47.076		17,298	Virginia Union University
Other Assistance	47.000	32,646		
Total Excluding Cluster Identified Below			311,915	
		4,624,004		
Research and Development Cluster:				
Engineering Grants	47.041	10,399,878		
Engineering Grants	47.041		12,086	Hampton University
Engineering Grants	47.041		(404)	Johns Hopkins University
Engineering Grants	47.041		71,696	Northwestern University
Engineering Grants	47.041		31,503	U.S. National Radio Astronomy Observatory
Engineering Grants	47.041		27,906	University of Tennessee
Engineering Grants	47.041		78,691	American Council of Learned Societies
Engineering Grants	47.041		153	Clemson University
Engineering Grants	47.041		1,883	Directed Technologies Incorporated
Engineering Grants	47.041		47,849	Luna Innovations Incorporated
Engineering Grants	47.041		9,450	North Carolina State University
Engineering Grants	47.041		5,866	Nanosonic Incorporated
Engineering Grants	47.041		1,215	Old Dominion University Research Foundation
Engineering Grants	47.041		42,169	Penn State University
Engineering Grants	47.041		47,505	The Research Foundation of State University
Engineering Grants	47.041		72,061	University of Central Florida
Engineering Grants	47.041		64,668	Drexel University
Mathematical and Physical Sciences	47.049	10,150,934		
Mathematical and Physical Sciences	47.049		6,510	Lockheed Martin Tactical Communication
Mathematical and Physical Sciences	47.049		51,520	Michigan Technological University
Mathematical and Physical Sciences	47.049		11,178	University of Maryland
Mathematical and Physical Sciences	47.049		55,377	University of Texas
Mathematical and Physical Sciences	47.049		42,617	Luna Innovations Incorporated
Mathematical and Physical Sciences	47.049		79,917	University of Georgia
Mathematical and Physical Sciences	47.049		3,877	Hampton University
Mathematical and Physical Sciences	47.049		6,141	Colorado State University
Mathematical and Physical Sciences	47.049		1,654	University of Illinois
Geosciences	47.050	3,018,484		
Geosciences	47.050		28,103	The Research Foundation of State University of New York
Computer and Information Science and Engineering	47.070	6,896,229		
Computer and Information Science and Engineering	47.070		111,390	Carnegie-Mellon University
Computer and Information Science and Engineering	47.070		409,811	University of California
Computer and Information Science and Engineering	47.070		1,958	University of Illinois
Computer and Information Science and Engineering	47.070		35,881	Clemson University
Computer and Information Science and Engineering	47.070		52,414	Purdue University
Computer and Information Science and Engineering	47.070		61,065	University of Illinois
Computer and Information Science and Engineering	47.070		14,082	University of North Carolina at Wilmington
Computer and Information Science and Engineering	47.070		86	Georgia Institute of Technology
Biological Sciences	47.074	7,905,005		
Biological Sciences	47.074		30,000	Arizona State University
Biological Sciences	47.074		94,502	Oklahoma State University
Biological Sciences	47.074		138	SUNY at Cortland
Biological Sciences	47.074		2,679	University of Georgia
Biological Sciences	47.074		41,689	University of Nevada - Reno
Biological Sciences	47.074		186,506	University of Tennessee
Biological Sciences	47.074		7,198	University of North Carolina
Social, Behavioral, and Economic Sciences	47.075	2,053,561		
Social, Behavioral, and Economic Sciences	47.075		108,460	Ohio State University Research Foundation
Education and Human Resources	47.076	4,302,958		
Education and Human Resources	47.076		7,627	Clemson University
Education and Human Resources	47.076		113,280	Harvard University
Education and Human Resources	47.076		92,048	University of Florida
Education and Human Resources	47.076		67,270	City of Richmond
Polar Programs	47.078	930,483		
Polar Programs	47.078		68,839	University of Alaska

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Other Assistance:	47.000	671,297		
Other			64,719	Rutgers, The State University of New York
Other			34,790	University of Illinois
Other			5,694	ATCC
Other			55,417	Brigham Young University
Other			(4,879)	Carnegie Foundation
Other			4,077	Harvard University
Other			(2,052)	SRI
Other			8,712	TEES
Other			14,056	University of Massachusetts
Other			34,069	Vanderbilt University
Total Research and Development Cluster		46,328,829	2,522,717	
Total National Science Foundation		50,952,833	2,834,632	
SMALL BUSINESS ADMINISTRATION				
Small Business Development Center	59.037	2,360,449		
Microloan Demonstration Program	59.046	17,614		
Other Assistance	59.000	1,121,868		
Total Small Business Administration		3,499,931		
TENNESSEE VALLEY AUTHORITY				
Research and Development Cluster:				
Other Assistance	62.000	35,920		
U.S. DEPARTMENT OF VETERANS AFFAIRS				
All-Volunteer Force Educational Assistance	64.124	346,955		
Other Assistance	64.000	69,247		
Total Excluding Cluster Identified Below		416,202		
Research and Development Cluster:				
Veterans State Hospital Care	64.016	68,405		
Other Assistance	64.000	11,329		
Total Research and Development Cluster		79,734		
Total U.S. Department of Veterans Affairs		495,936		
ENVIRONMENTAL PROTECTION AGENCY				
Air Pollution Control Program Support	66.001	2,886,863		
State Indoor Radon Grants	66.032	52,328		
Water Pollution Control - State and Interstate Program Support	66.419	2,632,433		
State Public Water System Supervision	66.432	1,659,123		
Water Quality Management Planning	66.454	282,802		
Capitalization Grants for State Revolving Funds	66.458	13,793,354		
Nonpoint Source Implementation Grants	66.460	2,816,952		
Wetlands Grants	66.461	108,287		
Chesapeake Bay Program	66.466	2,474,796		
Wastewater Operator Training Grant Program (Technical Assistance)	66.467	36,393		
Capitalization Grants for Drinking Water State Revolving Fund	66.468	18,936,115		
State Grants to Reimburse Operators of Small Water Systems for Training and Certification	66.471	47,497		
Beach Monitoring and Notification Program Development Grants	66.472	55,975		
Water Protection Coordination Grants to States	66.474	74,374		
Environmental Protection - Consolidated Research	66.500	152,191		
Office of Research and Development - Consolidated Research	66.511	1,792		
Performance Partnership Grants	66.605	594,268		
Surveys, Studies, Investigations and Special Purpose Grants	66.606	668,447		
Surveys, Studies, Investigations and Special Purpose Grants	66.606		5,000	Canaan Valley Institute
Training and Fellowships for the Environmental Protection Agency	66.607	7,345		
State Information Grants	66.608	198,386		
Children's Health Protection	66.609	7,127		
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	66.707	182,190		
Pollution Prevention Grants Program	66.708	102,481		
Capacity Building Grants and Cooperative Agreements for States and Tribes	66.709	4,329		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Hazardous Waste Management State Program Support	66.801	1,794,021		
Superfund State Political Subdivision, and Indian Tribe Site:Specific Cooperative Agreements	66.802	674,896		
State and Tribal Underground Storage Tanks Program	66.804	207,453		
Leaking Underground Storage Tank Trust Fund Program	66.805	1,171,308		
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	347,409		
Environmental Education and Training Program	66.950	1,897		
Environmental Education Grants	66.951	20,062		
Other Assistance:	66.000	(1,400)		
Other			830	Maryland Judicial Center
Total Excluding Cluster Identified Below		51,991,494	5,830	
Research and Development Cluster:				
Water Pollution Control - State and Interstate Program Support	66.419	1,197,191		
Water Quality Management Planning	66.454	62,960		
Water Quality Management Planning	66.454		664	Chesapeake Bay Local Assistance
Nonpoint Source Implementation Grants	66.460	519,536		
Wetlands Grants	66.461	326,012		
Water Quality Cooperative Agreements	66.463	25,635		
Chesapeake Bay Program	66.466	855,878		
Chesapeake Bay Program	66.466		9,547	University of Maryland
Environmental Protection - Consolidated Research	66.500	1,146,247		
Environmental Protection - Consolidated Research	66.500		239,921	Purdue University
Environmental Protection - Consolidated Research	66.500		2,533	QST Environmental Incorporated
Environmental Protection - Consolidated Research	66.500		527	Indiana University
Environmental Protection Consolidated Grants - Program Support	66.600	52,604		
Surveys, Studies, Investigations and Special Purpose Grants	66.606	14,261		
Surveys, Studies, Investigations and Special Purpose Grants	66.606		29,646	Maryland Department of the Environment
Surveys, Studies, Investigations and Special Purpose Grants	66.606		1,679	Virginia Cattlemen's Association
Training and Fellowships for the Environmental Protection Agency	66.607	14,103		
Environmental Education and Training Program	66.950	10,695		
Environmental Education Grants	66.951	10,998		
Other Assistance:	66.000	224,479		
Other			63,181	District of Columbia Health Department
Other			12,500	RVARC
Total Research and Development Cluster		4,460,599	360,198	
Total Environmental Protection Agency		56,452,093	366,028	
NUCLEAR REGULATORY COMMISSION				
Research and Development Cluster:				
Other Assistance:	77.000	202,426		
Other			141,540	Veridian Systems Division, Incorporated
Total for Nuclear Regulatory Commission		202,426	141,540	
U.S. DEPARTMENT OF ENERGY				
Inventions and Innovations	81.036	17,867		
State Energy Program	81.041	712,975		
Weatherization Assistance for Low-Income Persons	81.042	3,366,305		
Office of Science Financial Assistance Program	81.049	68,993		
Office of Scientific and Technical Information	81.064		31,974	National Renewable Energy Laboratory
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	25,887		
State Energy Program Special Projects	81.119	325,453		
Other Assistance:	81.000			
Other			499,016	Jefferson Laboratories
Other			87,261	Wachenhut
Total Excluding Cluster Identified Below		4,517,480	618,251	
Research and Development Cluster:				
Granting of Patent Licenses	81.003		(4,377)	Airak, Incorporated
Granting of Patent Licenses	81.003		(566)	Lawrence Livermore National Laboratory
National Energy Information Center	81.039	(1)		
National Energy Information Center	81.039		12,967	UT Battelle Limited Liability Corporation
National Energy Information Center	81.039		33,401	Oak Ridge National Laboratory
National Energy Information Center	81.039		385,040	UT Battelle Limited Liability Corporation

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
State Energy Program	81.041	49,505		
Office of Science Financial Assistance Program	81.049	5,740,318		
Office of Science Financial Assistance Program	81.049		7,238	A BWXT/Bechtel Enterprise
Office of Science Financial Assistance Program	81.049		7,719	Incorporated
Office of Science Financial Assistance Program	81.049		(800)	University of Alabama
Office of Science Financial Assistance Program	81.049		1,667	Brookhaven National Laboratory
Office of Science Financial Assistance Program	81.049		2,665	Foresters Incorporated
Office of Science Financial Assistance Program	81.049		14,138	Brookhaven National Laboratory
Office of Science Financial Assistance Program	81.049		14,018	Pennsylvania State University
University Coal Research	81.057	265,960		
University Coal Research	81.057		73,033	Los Alamos National Laboratory
University Coal Research	81.057		141,385	Wackenhut Services Incorporated
Office of Scientific and Technical Information	81.064	415,464		
Office of Scientific and Technical Information	81.064		210,085	Clemson University
Office of Scientific and Technical Information	81.064		(2,204)	Foster Miller Incorporated
Office of Scientific and Technical Information	81.064		6,796	Lawrence Livermore National Laboratory
Office of Scientific and Technical Information	81.064		(1,339)	Los Alamos National Laboratory
Office of Scientific and Technical Information	81.064		34,674	Rensselaer Polytechnic Institute
Office of Scientific and Technical Information	81.064		208,006	Sandia National Laboratories
Regional Biomass Energy Programs	81.079	103,623		
Conservation Research and Development	81.086	942,113		
Renewable Energy Research and Development	81.087	8,855		
Renewable Energy Research and Development	81.087		33,089	National Renewable Energy Laboratory
Renewable Energy Research and Development	81.087		47,976	Southeastern Universities Research
Renewable Energy Research and Development	81.087		571,625	URS Corporation
Renewable Energy Research and Development	81.087		24,333	UT Battelle Limited Liability Corporation
Renewable Energy Research and Development	81.087		21,762	University of California, Berkeley
Fossil Energy Research and Development	81.089	534,230		
Fossil Energy Research and Development	81.089		5,702	Nanosonic Incorporated
Fossil Energy Research and Development	81.089		16,106	UT Battelle Limited Liability Corporation
Fossil Energy Research and Development	81.089		18,600	Clemson University
Office of Science and Technology for Environmental Management	81.104	140,308		
Office of Science and Technology for Environmental Management	81.104		13,239	Georgia University
Office of Science and Technology for Environmental Management	81.104		53,586	Bechtel BWXT, Idaho Limited Liability Corporation
National Industrial Competitiveness through Energy, Environment, and Economics	81.105		5,014	University of Washington
National Industrial Competitiveness through Energy, Environment, and Economics	81.105		114	Wackenhut Services Incorporated
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	27,376		
Other Assistance:	81.000	1,010,680		
Other			51,987	Fermi National Accelerator Laboratory
Other			276,646	Atkins Benham Constructors
Other			22,000	Education Research & Development Association
Other			(706)	Holmes & Narver
Other			22,797	Luna Innovations Incorporated
Other			49,760	McDermott Technology Incorporated
Other			77,511	Mississippi State University
Other			58,786	National Renewable Energy Laboratory
Other			10,644	Oak Ridge National Laboratory
Other			288,683	Pacific Northwest National Laboratory
Other			17,672	Southern States Energy Board
Other			162,345	UTC Fuel Cells
Other			64,908	University of Texas - Austin
Other			76,430	VPT Incorporated
Other			369,876	Wackenhut Services Incorporated
Other			15,767	Brookhaven National Laboratory
Other			44,834	Los Alamos National Laboratory
Other			19,654	Thomas Jefferson Laboratory
Other			7,582	George Washington University
Other			38,801	Los Alamos National Laboratory
Other			145,800	University of Kentucky Research Foundation
Other			16,417	University of Utah
Total Research and Development Cluster		9,238,431	3,792,886	
Total U.S. Department of Energy		13,755,911	4,411,137	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Hazardous Materials Assistance Program	83.012	8,372		
Community Assistance Program - State Support				
Services Element (CAP-SSSE)	83.105	89,305		
Flood Mitigation Assistance	83.536	118,254		
Crisis Counseling	83.539	410,372		
Individual and Family Grants	83.543	799,186		
Public Assistance Grants	83.544	10,756,569		
First Responder Counter-Terrorism Training Assistance	83.547	104,176		
Hazard Mitigation Grant	83.548	2,565,516		
Emergency Management Performance Grants	83.552	3,104,658		
Cooperating Technical Partners	83.555	41,689		
Fire Management Assistance Grant	83.556	650,276		
Pre-Disaster Mitigation	83.557	87,032		
State and Local All Hazards Emergency Operations	83.562	2,036,156		
Emergency Operations Centers	83.563	50,000		
Citizen Corps	83.564	387,215		
Other Assistance:	83.000		3,974	ACSB
Other			61,590	Fairfax County
			61,590	
Total Excluding Cluster Identified Below			21,208,776	65,564
Research and Development Cluster:				
Flood Mitigation Assistance	83.536	314,900		
Individual and Family Grants	83.543	25,788		
Other Assistance	83.000		72,384	National Institute of Building Science
			72,384	
Total Research and Development Cluster		340,688	72,384	
Total Federal Emergency Management Agency		21,549,464	137,948	
U.S. DEPARTMENT OF EDUCATION				
Adult Education - State Grant Program	84.002	11,318,859		
Adult Education - State Grant Program	84.002		3,551	Massanutten Technology Center
Adult Education - State Grant Program	84.002		81,531	Pulaski County
Title I Grants to Local Educational Agencies	84.010	135,540,142		
Migrant Education - State Grant Program	84.011	915,729		
Title I Program for Neglected and Delinquent Children	84.013	670,554		
National Resource Centers and Fellowships Program for Language Programs	84.015	667,909		
Undergraduate International Studies and Foreign Language Programs	84.016	117,732		
International: Overseas - Faculty Research Abroad	84.019	35,667		
International: Overseas - Group Projects Abroad	84.021	78,681		
International: Overseas: Doctoral Dissertation	84.022	(358)		
Higher Education - Institutional Aid	84.031	6,884,575		
Vocational Education - Basic Grants to States	84.048	25,537,440		
Leveraging Educational Assistance Partnership	84.069	395,161		
Fund for the Improvement of Postsecondary Education	84.116	469,548		
Fund for the Improvement of Postsecondary Education	84.116		49,680	Florida Community College Jacksonville
Fund for the Improvement of Postsecondary Education	84.116		4,270	Education Communication Foundation Incorporated
Fund for the Improvement of Postsecondary Education	84.116		5,581	Hampton University
Minority Science and Engineering Improvement	84.120	20,395		
Minority Science and Engineering Improvement	84.120		6,238	Elizabeth City State University
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	59,681,012		
Rehabilitation Long-Term Training	84.129	288,966		
National Institute on Disability and Rehabilitation Research	84.133	33,454		
College Housing and Academic Facilities Loans	84.142	11,829,370		
Business and International Education Projects	84.153	47,285		
Business and International Education Projects	84.153		10,616	Montana State University
Rehabilitation Services - Client Assistance Program	84.161	267,168		
Eisenhower Professional Development - Federal Activities	84.168	159,938		
Independent Living - State Grants	84.169	468,448		
Javits Fellowships	84.170	113,375		
Rehabilitation Services - Independent Living Services for				
Older Individuals Who are Blind	84.177	756,036		
Special Education - Grants for Infants and Families with Disabilities	84.181	12,219,036		
Safe and Drug-Free Schools and Communities - National Programs	84.184	546,507		
Byrd Honors Scholarships	84.185	911,437		
Safe and Drug-Free Schools and Communities - State Grants	84.186	7,474,037		
Supported Employment Services for Individuals with Severe Disabilities	84.187	820,543		
Bilingual Education - Professional Development	84.195	712,302		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Bilingual Education - Professional Development	84.195		12,500	Salisbury University
Education for Homeless Children and Youth	84.196	66,021		
Graduate Assistance in Areas of National Need	84.200	4,988		
Javits Gifted and Talented Students Education Grant Program	84.206	203,113		
Even Start - State Educational Agencies	84.213	2,143,055		
Even Start - State Educational Agencies	84.213		117,421	Halifax County Public Schools
Fund for the Improvement of Education	84.215	1,411,099		
Fund for the Improvement of Education	84.215		135,994	Center for Civic Education
Fund for the Improvement of Education	84.215		16,236	Rockbrige County Schools
Fund for the Improvement of Education	84.215		18,610	Great Cities Universities Foundation
Fund for the Improvement of Education	84.215		17,203	University of New Orleans Foundation
Assistive Technology	84.224	641,809		
Rehabilitation Services Demonstration and Training - Special Demonstration Programs	84.235	43,461		
Rehabilitation Services Demonstration and Training - Special Demonstration Programs	84.235		30,469	ServiceSource
Program of Protection and Advocacy of Individual Rights	84.240	353,000		
Tech-Prep Education	84.243	2,505,863		
Tech-Prep Education	84.243		9,155	Chesterfield County Schools
Tech-Prep Education	84.243		3,146	Richmond City Schools
Tech-Prep Education	84.243		9,154	Hanover County Schools
Tech-Prep Education	84.243		9,155	Henrico County Schools
Rehabilitation Training - State Vocational Rehabilitation Unit National Institute for Literacy	84.257	6,664		
Rehabilitation Training: State Vocational Unit In-Service Training	84.265	160,209		
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	4,048,203		
Eisenhower Professional Development State Grants	84.281	6,328,214		
Charter Schools	84.282	609,679		
Twenty-First Century Community Learning Centers	84.287	6,173		
Innovative Education Program Strategies	84.298	7,046,293		
Regional Technology in Education Consortia	84.302		297,204	Future of Piedmont Foundation
Even Start - Statewide Family Literacy Program	84.314	155,088		
Technology Literacy Challenge Fund Grants	84.318	5,431,372		
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	1,114,948		
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324	356,545		
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324		23,996	North Dakota Center for Persons with Disabilities
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324		67,504	University of Tennessee
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	931,367		
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	319,010		
Special Education - Technology and Media Services for to Improve Services and Results for Children with Disabilities	84.326		5,564	University South Florida
Special Education - Technology and Media Services for to Improve Services and Results for Children with Disabilities	84.326		7,134	University of Kentucky
Individuals with Disabilities	84.327	341,494		
Advanced Placement Incentive Program	84.330	70,651		
Grants to States for Incarcerated Youth Offenders	84.331	223,595		
Comprehensive School Reform Demonstration	84.332	2,020,807		
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333	298,196		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	2,120,554		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		10,741	Richmond City Schools
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		33,341	Richmond Public Schools
Child Care Access Means Parents in School	84.335	169,026		
Teacher Quality Enhancement Grants	84.336	981,731		
Teacher Quality Enhancement Grants	84.336		64,256	Western Kentucky University
Reading Excellence	84.338	3,185,428		
Reading Excellence	84.338		50,072	Accomack County Public Schools
Learning Anytime Anywhere Partnerships	84.339	47,516		
Class Size Reduction	84.340	15,677,580		
Community Technology Centers	84.341	360,579		
Preparing Tomorrow's Teachers to Use Technology	84.342	1,898,343		
Preparing Tomorrow's Teachers to Use Technology	84.342		2,616	University of Northern Iowa
Assistive Technology - State Grants for Protection and Advocacy	84.343	60,971		
TRIO - Dissemination Partnership Grants	84.344	117,911		
Occupational and Employment Information State Grants	84.346	150,266		
Title I Accountability Grants	84.348	454,020		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Grants for School Repair and Renovation	84.352	7,525,907		
Reading First State Grants	84.357	91,019		
Rural Education Achievement Program	84.358	1,149,391		
English Language Acquisition Grants	84.365	3,181,161		
Improving Teacher Quality State Grants	84.367	20,043,991		
Grants for State Assessments and Related Activities	84.369	17,660		
Other Assistance:	84.000	299,506		
Other			28,272	University of California
Other			1,414	Fairfax County Public Schools
Total Excluding Clusters Identified Below		373,354,425	1,132,624	
Student Financial Assistance Programs Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	8,065,999		
Federal Family Education Loans	84.032	130,246,226		
Federal Work-Study Program	84.033	11,185,744		
Federal Perkins Loan Program: Federal Capital Contributions	84.038	75,047,643		
Federal Pell Grant Program	84.063	145,332,679		
Federal Direct Student Loans	84.268	363,413,031		
Total Student Financial Assistance Programs Cluster		733,291,322		
Special Education Cluster:				
Special Education - Grants to States	84.027	166,457,982		
Special Education - Preschool Grants	84.173	9,844,725		
Total Special Education Cluster		176,302,707		
TRIO Cluster:				
TRIO - Student Support Services	84.042	4,310,752		
TRIO - Talent Search	84.044	2,450,482		
TRIO - Upward Bound	84.047	4,543,649		
TRIO - Educational Opportunity Centers	84.066	248,302		
TRIO: McNair Post-Baccalaureate Achievement	84.217	297,324		
Total TRIO Cluster		11,850,509		
Research and Development Cluster:				
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	201,478		
International Research and Studies	84.017	228,383		
International: Overseas - Faculty Research Abroad	84.019	123,568		
International: Overseas - Group Projects Abroad	84.021	25,840		
International: Overseas - Doctoral Dissertation	84.022	110,763		
Special Education - Grants to States	84.027	772,928		
Higher Education - Institutional Aid	84.031	755,224		
TRIO - Upward Bound	84.047	81,641		
Leveraging Educational Assistance Partnership	84.069	15,342		
Fund for the Improvement of Postsecondary Education	84.116	575,021		
Fund for the Improvement of Postsecondary Education	84.116		203	Georgia Institute of Technology
Fund for the Improvement of Postsecondary Education	84.116		4,352	The Research Foundation of State University of New York
Minority Science and Engineering Improvement	84.120	110,468		
National Institute on Disability and Rehabilitation Research	84.133	1,978,858		
National Institute on Disability and Rehabilitation Research	84.133		803,479	University of North Carolina - Chapel Hill
National Institute on Disability and Rehabilitation Research	84.133		7,668	University of Pittsburgh
National Institute on Disability and Rehabilitation Research	84.133		285	Moss Rehabilitation Research Institute
National Institute on Disability and Rehabilitation Research	84.133		45,029	University of Hawaii
Special Education - Preschool Grants	84.173	(440,340)		
Safe and Drug-Free Schools and Communities - National Programs	84.184	102,086		
Safe and Drug-Free Schools and Communities - National Programs	84.184		20,144	Shenandoah University
Safe and Drug-Free Schools and Communities - National Programs	84.184		8,001	University Research Council
Safe and Drug-Free Schools and Communities - State Grants	84.186	7,498		
Education for Homeless Children and Youth	84.196	630,676		
Graduate Assistance in Areas of National Need	84.200	617,331		
Javits Gifted and Talented Students Education Grant Program	84.206	941,891		
Fund for the Improvement of Education	84.215	1,424		
Assistive Technology	84.224	64,993		
Rehabilitation Services Demonstration and Training-Special Demonstration Programs	84.235	421,917		
Eisenhower Professional Development State Grants	84.281	269,808		
Innovative Education Program Strategies	84.298	17,745		
National Institute on Student Achievement, Curriculum, and Assessment	84.305	11,657		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	271,217		
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324	484,617		
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	621,910		
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	144,327		
Special Education - Technology and Media Services for Individuals with Disabilities	84.327	200,598		
Technological Innovation and Cooperation for Foreign Information Access	84.337	96,573		
Preparing Tomorrow's Teachers to Use Technology	84.342	1,152,903		
Assistive Technology: State Grants for Protection and Advocacy	84.343	35,844		
Untitled Writing Program	84.928	26,771		
Other Assistance:	84.000	10,800		
Other			485	Nanosonic Incorporated
Total Research and Development Cluster		10,671,760	889,646	
Total U.S. Department of Education		1,305,470,723	2,022,270	
SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS				
Other Assistance	85.000	15,557		
U.S. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				
National Historical Publications and Records Grants	89.003	384,605		
Research and Development Cluster:				
National Historical Publications and Records Grants	89.003	13,723		
Total U.S. National Archives and Records Administration		398,328		
U.S. INSTITUTE OF PEACE				
Unsolicited Grant Program	91.001	131		
Research and Development Cluster:				
Unsolicited Grant Program	91.001	17,858		
Unsolicited Grant Program	91.001	131		
Solicited Grant Program	91.002	3,057		
Total Research and Development Cluster		21,046		
Total U.S. Institute of Peace		21,177		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Public Health and Social Services Emergency Fund	93.003	1,482,029		
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	127,514		
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	357,221		
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	464,525		
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Title II: Discretionary Projects	93.048	559,532		
Alzheimer's Disease Demonstration Grants to States	93.051	59,864		
Nation Family Caregiver Support	93.052	3,807,453		
Nutrition Services Incentive Program	93.053	427,001		
Model State-Supported Area Health Education Centers	93.107	839,171		
Maternal and Child Health Federal Consolidated Programs	93.110	216,305		
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1,338,446		
Grants for Technical Assistance Activities Related to the Block Grant for Community Services	93.119	37,578		
Nurse Anesthetist Traineeships	93.124	116,051		
Emergency Medical Services for Children	93.127	133,502		
Emergency Medical Services for Children	93.127		95,794	Dartmouth College
Primary Care Services - Resource Coordination and Development -	93.130	128,282		
Primary Care Services - Resource Coordination and Development -	93.130		37,925	Dartmouth College

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Injury Prevention and Control Research and State and Community Based Programs	93.136	1,187,073		
Protection and Advocacy for Individuals with Mental Illness	93.138	490,491		
AIDS Education and Training Centers	93.145		1,634	Retozon Group
AIDS Education and Training Centers	93.145		340,571	University of Pittsburgh
Projects for Assistance in Transition from Homelessness (PATH)	93.150	817,292		
Centers of Excellence	93.157		10,000	Howard University
Grants for State Loan Repayment	93.165	19,840		
Disabilities Prevention	93.184	52,120		
National Research Services Awards	93.186	262,791		
Allied Health Special Projects	93.191	56,439		
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	698,026		
Rural Telemedicine Grants	93.211	236,834		
Research and Training in Complementary and Alternative Medicine	93.213	240,162		
Family Planning - Services	93.217	4,858,210		
Consolidated Knowledge Development and Application (KD & A) Program	93.230	2,642,622		
Traumatic Brain Injury - State Demonstration Grant Program	93.234	94,694		
Abstinence Education	93.235	282,088		
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238	203,915		
State Rural Hospital Flexibility Program	93.241	128,733		
Substance Abuse and Mental Health Services: Projects of Regional and National Significance	93.243		5,189	Chesterfield County
Advanced Education Nursing Grant Program	93.247	155,061		
Universal Newborn Hearing Screening	93.251	128,364		
Community Access Program	93.252	1,281,982		
National Poison Control Systems Stabilization and Enhancement Grants	93.253	125,853		
Rural Access to Emergency Devices Grant	93.259	159,026		
Immunization Grants	93.268	21,519,717		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	12,448,307		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		80,137	University of Pennsylvania
Small Rural Hospital Improvement Grants	93.301	123,506		
Health Professions Student Loans, Including Primary Care Loans/ Loans for Disadvantaged Students	93.342	8,357,541		
Advanced Education Nursing Traineeships	93.358	276,612		
Basic Nurse Education and Practice Grants	93.359	392,640		
Cancer Treatment Research	93.395	14,649		
Cancer Treatment Research	93.395		145,170	American College of Radiology
Promoting Safe and Stable Families	93.556	8,847,564		
Temporary Assistance for Needy Families	93.558	134,733,333		
Temporary Assistance for Needy Families	93.558		128,624	City of Charlottesville
Temporary Assistance for Needy Families	93.558		307,601	City of Norfolk
Child Support Enforcement	93.563	52,365,360		
Child Support Enforcement Research	93.564	17,693		
Refugee and Entrant Assistance - State Administered Programs	93.566	4,716,131		
Low-Income Home Energy Assistance (LIHEAP)	93.568	37,220,104		
Community Services Block Grant	93.569	9,788,616		
Community Services Block Grant - Discretionary Awards	93.570	224,577		
Community Services Block Grant - Discretionary Awards	93.570		64,489	National Youth Sports Foundation
Community Services Block Grant Discretionary Awards - Community Food and Nutrition	93.571	41,917		
Refugee and Entrant Assistance - Discretionary Grants	93.576	838,127		
Early Learning Fund	93.577		73,529	United Way
Refugee and Entrant Assistance - Targeted Assistance	93.584	531,814		
Empowerment Zone Programs	93.585	500,000		
State Court Improvement Program	93.586	261,070		
Community Based Family Resource and Support Grants	93.590	479,150		
Family Violence Prevention and Services/Grants for Battered Women	93.592	115,838		
Welfare Reform Research, Evaluations and National Studies	93.595	(604,491)		
Grants to States for Access and Visitation Programs	93.597	162,568		
Head Start	93.600	162,312		
Head Start	93.600		1,185,816	Richmond Public Schools
Adoption Incentive Payments	93.603	890,196		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2,137,514		
Developmental Disabilities Projects of National Significance	93.631	148,589		
University Centers for Excellence in Developmental Disabilities Education, Research	93.632	391,091		
Children's Justice Grants to States	93.643	276,490		
Child Welfare Services - State Grants	93.645	3,564,262		
Child Welfare Services Training Grants	93.648	135,795		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Foster Care - Title IV-E	93.658	98,166,279		
Adoption Assistance	93.659	13,643,303		
Social Services Block Grant (SSBG)	93.667	55,583,109		
Child Abuse and Neglect State Grants	93.669	483,124		
Family Violence Prevention and Services/Grants for Battered Women	93.671	1,791,981		
Chafee Foster Care Independent Living (CFCIP)	93.674	1,562,929		
State Children's Insurance Program (SCHIP)	93.767	43,408,781		
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768	408,531		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstration and Evaluations	93.779	468,379		
Health Careers Opportunity Program	93.822	443,851		
Basic/Core Area Health Education Centers	93.824	91		
Basic/Core Area Health Education Centers	93.824		2,000	Southwest Virginia Health Education Center
Heart and Vascular Diseases Research	93.837	221		
Blood Diseases and Resources Research	93.839	118,349		
Diabetes, Endocrinology and Metabolism Research	93.847	4,432		
Kidney Diseases, Urology and Hematology Research	93.849	62,669		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	167		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		500	Wake Forest University
Microbiology and Infectious Diseases Research	93.856	2,605		
Population Research	93.864	79,765		
Center for Research for Mothers and Children	93.865	105,988		
Medical Library Assistance	93.879	179,676		
Minority Access to Research Careers	93.880	687		
Health Care and Other Facilities	93.887	167,265		
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896	468,536		
Rural Health Outreach and Rural Network Development Program	93.912	467,049		
Grants to States for Operation of Offices of Rural Health	93.913	103,049		
HIV Care Formula Grants	93.917	20,874,822		
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	598,910		
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	1,206,092		
Healthy Start Initiative	93.926	1,023,496		
Health Centers Grants for Residents of Public Housing	93.927	39,970		
Fogarty International Research Collaboration Award	93.934	62,470		
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	366,503		
HIV Prevention Activities - Health Department Based	93.940	5,314,372		
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	489,808		
Assistance Program for Chronic Disease Prevention and Control	93.945	1,131,556		
Improving EMS/Trauma Care in Rural Areas	93.952	5,288		
Block Grants for Community Mental Health Services	93.958	9,551,406		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	42,570,393		
Special Minority Initiatives	93.960	426,706		
Special Minority Initiatives	93.960		12,741	Hampton University
Health Administration Traineeships and Special Projects Program	93.962	50,167		
Geriatric Education Centers	93.969	266,652		
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	1,855,814		
Mental Health Disaster Assistance and Emergency Mental Health	93.982	6,559,069		
Academic Administrative Units in Primary Care	93.984	381,693		
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	311,653		
Senior International Fellowships	93.989	13,638		
Senior International Fellowships	93.989		33,580	University of Memphis
Preventive Health and Health Services Block Grant	93.991	2,732,848		
Maternal and Child Health Services Block Grant to the States	93.994	11,969,438		
Other Assistance:	93.000	611,240		
Other			21,103	Mather Institute on Aging
Other			29,203	University of Iowa
Other			5,010	United Negro College Fund Special Program
Total Excluding Clusters Identified Below		651,429,502	2,580,616	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	10,568,047		
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	9,523,063		
Total Aging Cluster		20,091,110		
Student Financial Assistance Programs Cluster:				
Nursing Student Loans	93.364	1,432,325		
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	231,409		
Total Student Financial Assistance Programs Cluster		1,663,734		
Child Care Cluster:				
Child Care and Development Block Grant (CCDF)	93.575	73,903,695		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	55,839,378		
Total Child Care Cluster		129,743,073		
Medicaid Cluster:				
State Medicaid Fraud Control Units	93.775	896,414		
State Survey and Certification of Health Care Providers and Suppliers	93.777	4,727,827		
Medical Assistance Program (Medicaid)	93.778	1,988,243,269		
Total Medicaid Cluster		1,993,867,510		
Research and Development Cluster:				
Food and Drug Administration - Research	93.103	20,246		
Food and Drug Administration - Research	93.103		83,046	Iowa State University
Food and Drug Administration - Research	93.103		17,015	Johns Hopkins University
Minority International Research Training Grant in the Biomedical and Behavioral Sciences	93.106	175,381		
Maternal and Child Health Federal Consolidated Programs	93.110	397,311		
Maternal and Child Health Federal Consolidated Programs	93.110		39,146	University of Pennsylvania
Maternal and Child Health Federal Consolidated Programs	93.110		11,348	University of Pennsylvania
Biological Response to Environmental Health Hazards	93.113	815,226		
Biological Response to Environmental Health Hazards	93.113		22,860	Michigan State University
Applied Toxicological Research and Testing	93.114	12,394		
Oral Diseases and Disorders Research	93.121	3,927,769		
Oral Diseases and Disorders Research	93.121		2,025	Industry - Various
Oral Diseases and Disorders Research	93.121		27,231	Boston University School of Medicine
Oral Diseases and Disorders Research	93.121		163,469	Ohio University
Oral Diseases and Disorders Research	93.121		9,257	University of Iowa
Technical and Non-Financial Assistance to Health Centers and National Health Service Corps (NHSC) Delivery Sites	93.129	2,016		
Grants to Increase Organ Donations	93.134		100,031	Lifenet
Injury Prevention and Control Research and State and Community Based Programs	93.136	1,519,995		
Coordinated Services and Access to Research for Children, Youth, Women, and Families	93.153	316,766		
International Cooperative Biodiversity Groups Program	93.168	765,519		
Human Genome Research	93.172	237,073		
Human Genome Research	93.172		75,843	University of Washington
Research Related to Deafness and Communication Disorders	93.173	4,415,941		
Research Related to Deafness and Communication Disorders	93.173		46,013	Biomedical Sciences, Incorporated
Research Related to Deafness and Communication Disorders	93.173		24,415	Northwestern University
Research Related to Deafness and Communication Disorders	93.173		14,630	Baylor College of Medicine
Research Related to Deafness and Communication Disorders	93.173		8,683	Galludet University
Research Related to Deafness and Communication Disorders	93.173		154,913	Neo Gen Screening
Research Related to Deafness and Communication Disorders	93.173		21,964	University of Miami
Research Related to Deafness and Communication Disorders	93.173		17,009	University of Texas
Research and Training in Complementary and Alternative Medicine	93.213	2,703,163		
Research on Healthcare Costs, Quality and Outcomes	93.226	782,913		
Research on Healthcare Costs, Quality and Outcomes	93.226		68,091	University of North Carolina
Consolidated Knowledge Development and Application (KD & A) Program	93.230	1,294,729		
Consolidated Knowledge Development and Application (KD & A) Program	93.230		(15)	Research Triangle Institute
National Center on Sleep Disorders Research	93.233	53,034		
Mental Health Research Grants	93.242	6,764,632		
Mental Health Research Grants	93.242		63,528	Minneapolis Medical Research Foundation
Mental Health Research Grants	93.242		326,132	Duke University
Mental Health Research Grants	93.242		8,435	UCLA

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Mental Health Research Grants	93.242		91,864	University of Pennsylvania
Mental Health Research Grants	93.242		7,701	University of Pittsburgh
Poison Control Stabilization and Enhancement Grants	93.253	176,493		
Occupational Safety and Health Research Grants	93.262	310,610		
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	204,939		
Alcohol National Research Service Awards for Research Training	93.272	19,410		
Alcohol Research Programs	93.273	1,482,642		
Alcohol Research Programs	93.273		(2,605)	University of Texas Southwestern Medical
Alcohol Research Programs	93.273		44,515	Research Foundation for Mental Hygiene
Drug Career Development Awards	93.277	1,123,390		
Drug Abuse National Research Service Awards for Research Training	93.278	802,115		
Drug Abuse Research Programs	93.279	7,473,413		
Drug Abuse Research Programs	93.279		37,985	University of California
Drug Abuse Research Programs	93.279		121,428	University of Washington
Drug Abuse Research Programs	93.279		653,801	Johns Hopkins University
Drug Abuse Research Programs	93.279		16	Plowshare Technologies, Incorporated
Drug Abuse Research Programs	93.279		64,979	Research Triangle Institute
Drug Abuse Research Programs	93.279		132,691	Scripps Research Institute
Drug Abuse Research Programs	93.279		60,895	Wayne State University
Mental Health Research Career/Scientist Development Awards	93.281	529,916		
Mental Health National Research Service Awards for Research Training	93.282	416,523		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	1,571,028		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		84,050	University of Maryland
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		40,819	University of Pennsylvania
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		232,764	Association of American Medical Colleges
Biomedical Imaging Research	93.286	129,097		
Comparative Medicine	93.306	760,499		
Bioinformatics and Computational Biology Research	93.309	79,964		
Clinical Research	93.333	6,115,150		
Advanced Education Nursing Traineeships	93.358	179,652		
Nursing Research	93.361	1,182,674		
Biomedical Technology	93.371	1,129,640		
Minority Biomedical Research Support	93.375	110		
Research Infrastructure	93.389	75,774		
Academic Research Enhancement Award	93.390	99,458		
Cancer Cause and Prevention Research	93.393	3,882,189		
Cancer Detection and Diagnosis Research	93.394	2,614,382		
Cancer Detection and Diagnosis Research	93.394		58,057	American College of Radiology
Cancer Detection and Diagnosis Research	93.394		1,938	Duke University
Cancer Treatment Research	93.395	6,696,078		
Cancer Treatment Research	93.395		1,580	American College of Radiology
Cancer Treatment Research	93.395		24,411	Duke University
Cancer Treatment Research	93.395		5,644	American College of Radiology
Cancer Treatment Research	93.395		8,664	Duke University
Cancer Treatment Research	93.395		1,185	John Wayne Cancer Institute
Cancer Treatment Research	93.395		1,917	National Childhood Cancer Foundation
Cancer Treatment Research	93.395		593	New York University
Cancer Treatment Research	93.395		11,637	Thomas Jefferson University
Cancer Treatment Research	93.395		55,059	University of Texas
Cancer Biology Research	93.396	6,186,588		
Cancer Centers Support Grants	93.397	3,480,644		
Cancer Research Manpower	93.398	1,446,987		
Cancer Control	93.399	656,973		
Cancer Control	93.399		2,200	Martha Washington Hospital
Cancer Control	93.399		2,566	NSABP Foundation
Low-Income Home Energy Assistance (LIHEAP)	93.568	10,583		
Community Services Block Grant (CSBG)	93.569		50,525	East Carolina University
Child Care and Development Block Grant (CCDF)	93.575	73,899		
Refugee and Entrant Assistance: Wilson/Fish Programs	93.583	349,809		
Welfare Reform Research, Evaluations, and National Studies	93.595	206,051		
Head Start	93.600	243,136		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	40,792		
Child Abuse and Neglect Discretionary Activities	93.670	99,532		
Center for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	299,856		
Cell Biology and Biophysics Research	93.821	17,193,928		
Cell Biology and Biophysics Research	93.821		540,328	Florida State University
Heart and Vascular Diseases Research	93.837	19,248,784		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Heart and Vascular Diseases Research	93.837		38,161	Carnegie-Mellon University
Heart and Vascular Diseases Research	93.837		20,657	University of California
Heart and Vascular Diseases Research	93.837		53,770	University of Pittsburgh
Heart and Vascular Diseases Research	93.837		(3,584)	University of Pittsburgh
Lung Diseases Research	93.838	2,815,632		
Blood Diseases and Resources Research	93.839	2,587,105		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	3,387,691		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		(2,354)	Hospital for Joint Diseases Orthopedic Institute
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		110,186	University of Pittsburgh
Diabetes, Endocrinology and Metabolism Research	93.847	6,695,464		
Diabetes, Endocrinology and Metabolism Research	93.847		133,280	Adenosine Therapeutics, Limited Liability Corporation
Diabetes, Endocrinology and Metabolism Research	93.847		17,676	Chaotic Dynamical Systems
Diabetes, Endocrinology and Metabolism Research	93.847		84,743	University of Texas
Digestive Diseases and Nutrition Research	93.848	8,779,573		
Digestive Diseases and Nutrition Research	93.848		147,354	Barnes-Jewish Hospital
Digestive Diseases and Nutrition Research	93.848		7,260	Mayo Clinic
Digestive Diseases and Nutrition Research	93.848		363	University of Michigan
Digestive Diseases and Nutrition Research	93.848		172,306	University of Texas
Kidney Diseases, Urology and Hematology Research	93.849	4,949,372		
Kidney Diseases, Urology and Hematology Research	93.849		6,567	University of California
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	10,265,157		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		60,450	Mayo Clinic Jacksonville
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		495	Mayo Foundation
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		25,962	Erasmus Medical Center
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		136,464	Karolinski Institute (Sweden)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		133,052	Montefiore Medical Center
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		145,564	Rush Presbyterian
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		(1,298)	University of California
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		94	University of Medicine & Dentistry
Allergy, Immunology and Transplantation Research	93.855	9,236,205		
Allergy, Immunology and Transplantation Research	93.855		3,224	University of Alabama
Allergy, Immunology and Transplantation Research	93.855		18,572	University of Minnesota
Allergy, Immunology and Transplantation Research	93.855		25,926	University of California - Los Angeles
Microbiology and Infectious Diseases Research	93.856	13,942,418		
Microbiology and Infectious Diseases Research	93.856		15,548	Techlab Research
Microbiology and Infectious Diseases Research	93.856		64,014	Vanderbilt University Medical Center
Microbiology and Infectious Diseases Research	93.856		672	Wake Forest University
Microbiology and Infectious Diseases Research	93.856		4,088	Nanodelivery Incorporated
Microbiology and Infectious Diseases Research	93.856		2,457	The Institute for Genomic Research
Microbiology and Infectious Diseases Research	93.856		81,137	Social & Scientific System, Incorporated
Microbiology and Infectious Diseases Research	93.856		14,557	University of California - Los Angeles
Microbiology and Infectious Diseases Research	93.856		63,197	Vaccine Research Institute of San Diego
Microbiology and Infectious Diseases Research	93.856		20,667	University of Washington
Pharmacology, Physiology, and Biological Chemistry Research	93.859	4,217,801		
Pharmacology, Physiology, and Biological Chemistry Research	93.859		(966)	University of Texas Southwestern Medical
Pharmacology, Physiology, and Biological Chemistry Research	93.859		72,422	Utah State University
Pharmacology, Physiology, and Biological Chemistry Research	93.859		185,338	University of Minnesota
Pharmacology, Physiology, and Biological Chemistry Research	93.859		59,820	University of North Carolina
Genetics and Developmental Biology Research and Research Training Population Research	93.862	6,725,466		
Center for Research for Mothers and Children	93.864	5,291,927		
Center for Research for Mothers and Children	93.865	4,452,269		
Center for Research for Mothers and Children	93.865		71,310	University of New Mexico
Aging Research	93.866	1,759,103		
Aging Research	93.866		114,509	Duke University
Aging Research	93.866		262,072	Washington University
Aging Research	93.866		22,615	Boston University
Vision Research	93.867	1,758,350		
Vision Research	93.867		25,000	Mass. Eye & Ear Infirmary
Medical Library Assistance	93.879	624,569		
Minority Access to Research Careers	93.880	323,240		
Resource and Manpower Development in the Environmental Health Sciences	93.894	152,460		
Resource and Manpower Development in the Environmental Health Sciences	93.894		2,688	Galaxy Scientific Corporation
Grants for Faculty Development in Family Medicine	93.895	2,375		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	510,562		
Cooperative Agreements for State-Based Comprehensive Center for Medical Rehabilitation Research	93.929	1,106,934		
Fogarty International Research Collaboration Award	93.934	194,093		
Special Minority Initiatives	93.960	60,738		
Special Minority Initiatives	93.960		66,754	University of Maryland
Academic Administrative Units in Primary Care	93.984	90,593		
Senior International Fellowships	93.989	341,221		
Other Assistance:	93.000	4,168,602		
Other			24,500	Adenosine Therapeutics, Limited Liability Corporation
Other			(1,034)	Imarx Pharmaceutical
Other			2,275	Medical University of South Carolina
Other			167,944	Morehouse School of Medicine
Other			21,734	UCSF
Other			84,621	University of Iowa
Other			40,352	BioDefense Technologies Incorporated
Other			11,945	Chemomics International Incorporated
Other			4,584	Experimental Pathology Laboratories
Other			273,178	University of Georgia
Other			(1,116)	University of Kentucky Research Foundation
Other			14,669	Woods Hole Research Center
Other			42,370	H.M. Jackson Foundation
Other			103,697	District of Columbia
Other			13,398	George Washington University
Other			1,291	Massachusetts General Hospital
Other			33,580	University of Texas
Other			30,920	AED, Association
Other			2,996	American Medical Student Association
Other			25,086	ATCC
Other			38,743	Carnegie-Mellon University
Other			35,907	Northern Virginia Family Mediation
Other			100,132	University of Maryland
Other			25,943	University of Utah
		<u>205,235,736</u>	<u>7,222,780</u>	
Total Research and Development Cluster				
		<u>3,002,030,665</u>	<u>9,803,396</u>	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
State Commissions	94.003	80,944		
Learn and Serve America - School and Community Based Programs	94.004	324,291		
Learn and Serve America - Higher Education	94.005	448,582		
Learn and Serve America - Higher Education	94.005		3,106	Clemson University
Learn and Serve America - Higher Education	94.005		2,674	University of North Carolina - Chapel Hill
Learn and Serve America - Higher Education	94.005		13,940	American Association of Community Colleges
AmeriCorps	94.006	1,258,262		
Planning and Program Development Grants	94.007	531		
Training and Technical Assistance	94.009	106,368		
		<u>2,218,978</u>	<u>19,720</u>	
Total Corporation for National and Community Service				
SOCIAL SECURITY ADMINISTRATION				
Social Security - Benefits Planning, Assistance, and Outreach Program	96.008	49,288		
Disability Insurance/SSI Cluster:				
Social Security - Disability Insurance	96.001	30,105,987		
Other Assistance	96.000		245	
		<u>30,155,275</u>	<u>245</u>	
Total Social Security Administration				
		<u>\$ 7,261,189,402</u>	<u>\$ 48,156,542</u>	
Total Federal Grantor Agencies				

The accompanying Notes to the Schedule of 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, 2003

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: Commission on the Virginia Alcohol Safety Action Program, Virginia Commonwealth University Health System Authority, Virginia Housing Development Authority, Virginia Resources Authority, and the Virginia State Crime Commission.

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: Food Stamp, Child Nutrition, Emergency Food Assistance, Schools and Roads, Public Works and Economic Development, Fish and Wildlife, Employment Services, JTPA, WIA, Highway Planning and Construction, Federal Transit, Highway Safety, Student Financial Assistance Programs, Special Education, TRIO, Aging, Child Care, Medicaid, Disability Insurance/SSI, and Research and Development. Research and Development, Student Financial Assistance Programs, and Highway Planning and Construction clusters expend funds from several Federal departments. The amount expended for these three clusters are reported under the appropriate federal department. The total amount expended for Student Financial Assistance was \$734,955,056 consisting of \$ 733,291,322 from the Department of Education and \$1,663,734 from the Department of Health and Human Services. The total amount expended for Highway Planning and Construction was \$688,358,056, consisting of \$688,292,830 from the Department of Transportation and \$65,226 from the Appalachian Regional Commission. The total amount expended for Research and Development was \$418,254,115, consisting of the following federal departments:

<u>Federal Department</u>	<u>Amount Expended</u>
Department of Health and Human Services	\$ 212,458,516
Department of Defense	56,309,315
National Science Foundation	48,851,546
National Aeronautics and Space Administration	23,230,280
Department of Agriculture	16,649,884
Department of Energy	13,031,317
Department of Education	11,561,406
Department of Transportation	9,879,665
Department of Commerce	8,830,817
Environmental Protection Agency	4,820,797
Department of the Interior	4,686,228
Agency for International Development	3,718,867
National Foundation on the Arts and the Humanities	1,157,957

General Services Administration	815,754
Department of Justice	729,818
Department of Housing and Urban Development	475,761
Federal Emergency Management Agency	413,072
Nuclear Regulatory Commission	343,966
Department of Veterans Affairs	79,734
Department of State	52,197
Office of Personnel Management	45,418
Appalachian Regional Commission	38,142
Tennessee Valley Authority	35,920
Institute of Peace	21,046
National Archives and Records Administration	13,723
Department of Labor	<u>2,969</u>
	<u>\$ 418,254,115</u>

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 10.555, 10.565, 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 \$20,608,454, \$1,148,864, and \$8,037,491 for CFDA Numbers 10.555, 10.565, and 10.569, respectively. The accompanying schedule does not include Commonwealth-stored undistributed food commodities of \$1,413,041 and \$710,572 for CFDA Numbers 10.555 and 10.565, respectively.

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, 2003. Administrative expenditures of \$1,133,102 are not included in the accompanying schedule. The value of surplus property on hand at June 30, 2003 totaled \$1,797,153.

Childhood Immunization Grants (CFDA Number 93.268) – The U.S. Department of Health and Human Services purchases and distributes immunizations to the Virginia Department of Health for use by the local health departments. The amount presented in the accompanying schedule reflects the cost of immunizations to the federal government of \$16,650,587. The remaining amount of \$4,869,130 is administrative expenditures. The value of inventory on hand at June 30, 2003 was \$412,946.

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, 2003.

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, 2003.

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, 2003.

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, 2003.

Capitalization Grants for State Revolving Funds (CFDA Number 66.458) and Capitalization Grants for Drinking Water State Revolving Fund (CFDA Number 66.468) – The amounts in the accompanying schedule reflects disbursements for administrative costs and distributions to the Virginia Resources Authority for subsequent disbursement to subrecipients.

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, 2003.

E. Emergency Unemployment Benefits

The amount included in the accompanying schedule for Unemployment Insurance (CFDA Number 17.225) includes \$48,772,918 administrative costs, \$21,972,011 federal unemployment benefits paid to federal employees, \$42,618 federal disaster unemployment benefits paid to federal and non-federal employees, \$174,289,094

Temporary Extended Unemployment Compensation paid to all benefit recipients, and \$699,878,639 state unemployment benefits paid to non-federal employees.

F. Program Expenditures

Certain transactions 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 Number	Name of Federal Program	Amount
10.000	U.S. Department of Agriculture - Other Assistance	\$ 562
10.025	Plant and Animal Disease, Pest Control, and Animal Care	5,159
10.217	Higher Education Challenge Grants	5,938
10.500	Cooperative Extension Service	658,764
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	1,222,768
10.568	Emergency Food Assistance Program (Administrative Costs)	954,759
10.664	Cooperative Forestry Assistance	753,515
10.672	Rural Development, Forestry, and Communities	69,986
10.901	Resource Conservation and Development	9,034
11.303	Economic Development: Technical Assistance	122,041
11.417	Sea Grant Support	131,453

CFDA Number	Name of Federal Program	Amount
11.419	Coastal Zone Management Administration Awards	730,820
12.000	U.S. Department of Defense - Other Assistance	3,151,649
12.112	Payments to States in Lieu of Real Estate Taxes	21,614
12.550	International Education: U.S. Colleges and Universities	853
14.238	Shelter Plus Care	169,503
14.511	Community Outreach Partnership Center Program	4,000
15.000	U.S. Department of the Interior - Other Assistance	20,800
15.615	Cooperative Endangered Species Conservation Fund	10,888
15.616	Clean Vessel Act	102,868
15.904	Historic Preservation Fund Grants-In-Aid	91,567
16.007	State Domestic Preparedness Equipment Support Program	6,223,020
16.523	Juvenile Accountability Incentive Block Grants	1,559,622
16.540	Juvenile Justice and Delinquency Prevention: Allocation to States	1,355,244
16.549	Part E: State Challenge Activities	3,750
16.575	Crime Victim Assistance	8,709,181
16.579	Byrne Formula Grant Program	5,527,910
16.588	Violence Against Women Formula Grants	2,208,380
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	30,036
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	64,461
16.592	Local Law Enforcement Block Grants Program	1,695,478
16.710	Public Safety Partnership and Community Policing Grants	134,817
17.235	Senior Community Service Employment Program	1,066,017
17.253	Welfare-to-Work Grants to States and Localities	4,730
17.257	One-Stop Career Center Initiative	43,615
17.261	Employment and Training Administration Pilots, Demonstrations, and Research Projects	7,782,192
20.000	U.S. Department of Transportation - Other Assistance	1,786,592
20.312	High Speed Ground Transportation: Next Generation High Speed Rail Program	237,748
20.505	Federal Transit: Metropolitan Planning Grants	165,143
20.509	Formula Grants for Other Than Urbanized Areas	8,095,369
20.516	Job Access: Reverse Commute	1,084,686
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	69,128
39.000	U.S. Department of General Services Administration - Other Assistance	172,991
43.000	U.S. Department of Aeronautics and Space Administration - Other Assistance	493,448
45.000	National Foundation on the Arts and the Humanities - Other Assistance	11,384

CFDA Number	Name of Federal Program	Amount
45.149	Promotion of the Humanities: Division of Preservation and Access	9,623
47.076	Education and Human Resources	41,007
59.037	Small Business Development Center	737,464
59.046	Microloan Demonstration Program	16,669
64.124	All-Volunteer Force Educational Assistance	1,441
66.001	Air Pollution Control Program Support	136,120
66.419	Water Pollution Control: State and Interstate Program Support	18,156
66.454	Water Quality Management Planning	197,446
66.460	Nonpoint Source Implementation Grants	28,071
66.466	Chesapeake Bay Program	51,052
66.468	Capitalization Grants for Drinking Water State Revolving Fund	17,341,122
66.606	Surveys, Studies, Investigations and Special Purpose Grants	10,000
81.000	U.S. Department of Energy - Other Assistance	33,535
83.012	Hazardous Materials Assistance Program	8,372
83.536	Flood Mitigation Assistance	118,254
83.539	Crisis Counseling	405,412
83.544	Public Assistance Grants	5,413,572
83.548	Hazard Mitigation Grant	2,385,622
83.552	Emergency Management Performance Grants	1,627,777
83.557	Pre-Disaster Mitigation	51,794
83.562	State and Local All Hazards Emergency Operations Planning	1,894,347
83.564	Citizen Corps	353,135
84.000	U.S. Department of Education - Other Assistance	188,632
84.002	Adult Education: State Grant Program	9,094,007
84.010	Title I Grants to Local Educational Agencies	133,687,490
84.011	Migrant Education: State Grant Program	742,894
84.048	Vocational Education: Basic Grants to States	19,359,627
84.116	Fund for the Improvement of Postsecondary Education	3,842
84.181	Special Education: Grants for Infants and Families with Disabilities	10,857,121
84.184	Safe and Drug-Free Schools and Communities: National Programs	418,680
84.186	Safe and Drug-Free Schools and Communities: State Grants	6,497,541
84.213	Even Start: State Educational Agencies	1,986,714
84.215	Fund for the Improvement of Education	231,935
84.243	Tech-Prep Education	301,354
84.276	Goals 2000 State and Local Education Systemic Improvement Grants	3,749,805
84.281	Eisenhower Professional Development State Grants	5,307,920
84.282	Charter Schools	609,679
84.298	Innovative Education Program Strategies	6,484,720
84.302	Regional Technology in Education Consortia	133,227

CFDA Number	Name of Federal Program	Amount
84.318	Technology Literacy Challenge Fund Grants	5,242,728
84.323	Special Education: State Program Improvement Grants for Children with Disabilities	317,871
84.327	Special Education: Technology and Media Services for Individuals with Disabilities	136,286
84.330	Advanced Placement Program	70,651
84.332	Comprehensive School Reform Demonstration	1,668,160
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	281,429
84.338	Reading Excellence	2,709,408
84.340	Class Size Reduction	15,615,863
84.342	Preparing Tomorrow's Teachers to Use Technology	63,622
84.344	TRIO: Dissemination Partnership Grants	98,666
84.348	Title I Accountability Grants	367,783
84.352	School Renovation Grants	7,525,907
84.358	Rural Education Achievement Program	1,148,589
84.365	English Language Acquisition Grants	3,044,592
84.367	Improving Teacher Quality State Grants	20,038,037
93.000	U.S. Department of Health and Human Services – Other Assistance	280,293
93.003	Public Health and Social Services Emergency Fund	1,271,069
93.107	Model State-Supported Area Health Education Centers	581,663
93.110	Maternal and Child Health Federal Consolidated Programs	35,473
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	296,255
93.136	Injury Prevention and Control Research and State and Community Based Programs	619,428
93.145	AIDS Education and Training Centers	1,634
93.150	Projects for Assistance in Transition from Homelessness (PATH)	742,747
93.197	Childhood Lead Poisoning Prevention Projects: State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	132,414
93.230	Consolidated Knowledge Development and Application (KD&A) Program	1,976,907
93.235	Abstinence Education	37,812
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	50,000
93.241	State Rural Hospital Flexibility Program	32,798
93.259	Rural Access to Emergency Devices Grant	159,026
93.268	Immunization Grants	330,433
93.283	Centers for Disease Control and Prevention: Investigations and Technical Assistance	1,471,819

CFDA Number	Name of Federal Program	Amount
93.301	Small Rural Hospital Improvement Grants	117,180
93.556	Promoting Safe and Stable Families	8,657,127
93.558	Temporary Assistance for Needy Families	60,975,069
93.563	Child Support Enforcement	318,598
93.566	Refugee and Entrant Assistance: State Administered Programs	3,190,423
93.568	Low-Income Home Energy Assistance (LIHEAP)	2,121,772
93.576	Refugee and Entrant Assistance: Discretionary Grants	575,815
93.584	Refugee and Entrant Assistance: Targeted Assistance	531,814
93.590	Community-Based Family Resource and Support Grants	472,903
93.597	Grants to States for Access and Visitation Programs	162,568
93.600	Head Start	134,553
93.603	Adoption Incentive Payments	855,247
93.658	Foster Care: Title IV-E	92,982,003
93.659	Adoption Assistance	13,435,137
93.667	Social Services Block Grant (SSBG)	48,458,119
93.669	Child Abuse and Neglect State Grants	156,969
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to States and Indian Tribes	1,729,609
93.674	Chafee Foster Care Independent Living (CFCIP)	1,464,006
93.767	State Children's Insurance Program (SCHIP)	(300)
93.778	Medical Assistance Program (Medicaid)	(888,114)
93.822	Health Careers Opportunity Program	56,711
93.896	Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	50,509
93.913	Grants to States for Operation of Offices of Rural Health	28,469
93.917	HIV Care Formula Grants	3,610,698
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	25,768
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	153,760
93.926	Healthy Start Initiative	323,043
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	13,709
93.940	HIV Prevention Activities: Health Department Based	2,012,654
93.945	Assistance Programs for Chronic Disease Prevention and Control	84,936
93.958	Block Grants for Community Mental Health Services	8,376,207
93.959	Block Grants for Prevention and Treatment of Substance Abuse	39,345,499
93.960	Special Minority Initiatives	20,336
93.977	Preventive Health Services: Sexually Transmitted Diseases Control Grants	91,350

CFDA Number	Name of Federal Program	Amount
93.982	Mental Health Disaster Assistance and Emergency Mental Health	6,023,507
93.991	Preventive Health and Health Services Block Grant	271,757
93.994	Maternal and Child Health Services Block Grant to the States	404,858
94.004	Learn and Serve America: School and Community Based Programs	300,812
94.005	Learn and Serve America: Higher Education	7,500
94.006	AmeriCorps	136,995
	Research and Development Cluster	30,802,232
	Food Stamp Cluster	66,295,050
	Child Nutrition Cluster	140,239,026
	Schools and Roads Cluster	991,909
	WIA Cluster	42,909,732
	Highway Planning and Construction Cluster	28,677,400
	Federal Transit Cluster	1,393,455
	Highway Safety Cluster	3,414,611
	Special Education Cluster	163,197,358
	Child Care Cluster	117,339,083
	Medicaid Cluster	<u>46,272,367</u>
	Total Assistance Provided to Non-state Subrecipients	<u>\$ 1,291,969,824</u>

**AGENCY ACRONYMS AND
CONTACT LIST**

ACRONYMS FOR AGENCIES AND INSTITUTIONS

<u>ACRONYM</u>	<u>AGENCY/INSTITUTION</u>
DIT	Department of Information Technology
DMAS	Department of Medical Assistance Services
DMV	Department of Motor Vehicles
DSLCC	Dabney S. Lancaster Community College
DSS	Department of Social Services
SSVCC	Southside Virginia Community College
SWVCC	Southwest Virginia Community College
TAX	Department of Taxation
VCCS	Virginia Community College System
VCSP	Virginia College Savings Plan
VDH	Virginia Department of Health
VDOT	Virginia Department of Transportation
VDEM	Virginia Department of Emergency Management
VEC	Virginia Employment Commission
VPISU	Virginia Polytechnic Institute and State University
UVAMC	University of Virginia – Medical Center

COMMONWEALTH OF VIRGINIA

CONTACT LIST FOR AUDIT FINDING RESOLUTION

**Department of Medical Assistance
Services**

Charles Lawver
Director of Internal Audit
600 East Broad Street, 11th Floor
Richmond, VA 23219
(804) 786-0241

Virginia Community College System

Tricia Perkins
Financial Reporting Manager
101 N. 14th Street
Richmond, VA 23219
(804) 819-4793

Virginia Port Authority

Rodney W. Oliver
Director of Finance
600 World Trade Center
Norfolk, VA 23510
(757) 683-2170

Department of Social Services

Betty Jenkins
Internal Audit Manager
7 North Eight Street
Richmond, VA 23219
(804) 726-7673

Virginia Department of Health

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

Virginia Department of Transportation

Stacy McCracken
Controller
1221 East Broad Street
Richmond, VA 23219
(804) 786-2759