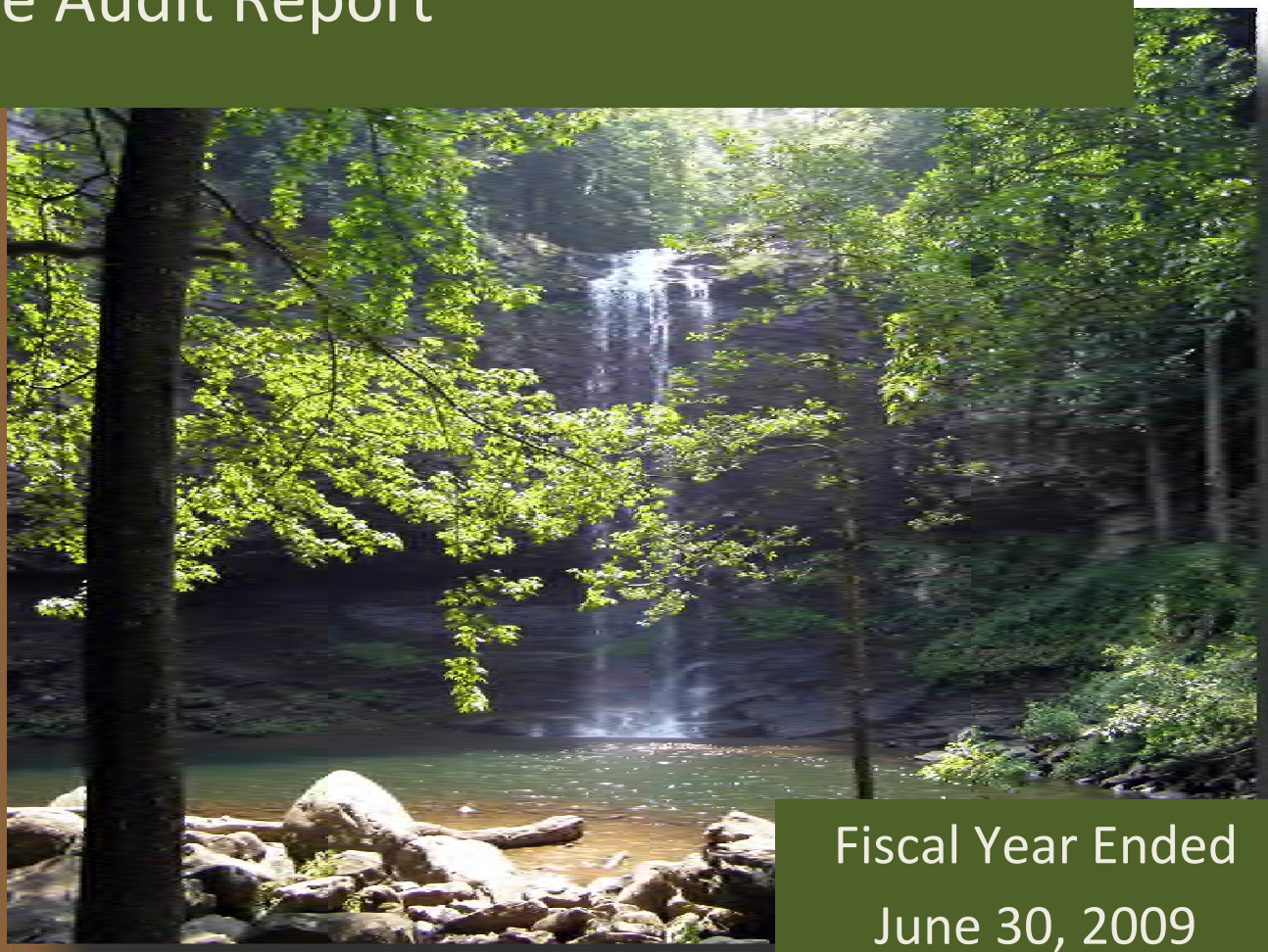
State of Georgia

Single Audit Report



Fiscal Year Ended
June 30, 2009

Cloudland Canyon State Park

Cloudland Canyon is located west and south of Chattanooga. The park features hiking, camping, swimming, and tennis. The park no longer maintains the extensive backcountry trail system it once had, but the walk into Cloudland Canyon is challenging even for experienced hikers. Rock City, Georgia's oldest and most well known attraction is just a few miles from the entrance. For more information on Cloudland Canyon and other Georgia State Parks, please visit their website at http://www.gastateparks.org.

State of Georgia

SONNY PERDUE, GOVERNOR

Single Audit Report For the Fiscal Year Ended June 30, 2009

Prepared by
State Accounting Office and
Georgia Department of Audits and Accounts

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

March 5, 2010

The Honorable Sonny Perdue
Governor of Georgia
and
Members of the General Assembly
Citizens of the State of Georgia

We are honored to present the *Single Audit Report* of the State of Georgia for the fiscal year ended June 30, 2009. Organizational units comprising the State of Georgia reporting entity are listed in Appendix "A" of this report.

Federal laws and regulations require that the State undergo an annual audit in conformity with the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit organizations*. Accordingly, the *Single Audit Report* of the State of Georgia discloses the results of the financial operations of the State of Georgia reporting entity, as well as its compliance with requirements applicable to Federal financial assistance programs administered by the State.

This report is the culmination of extensive planning, coordination, cooperation, testing and evaluation, and we would like to express our appreciation to all those involved in its preparation and completion. We believe the results of this statewide audit provide valuable information to the State's decision makers and others interested in the activities of the State of Georgia.

Respectfully submitted,

Greg S. Griffin, CPA
State Accounting Officer

Russell W. Hinton, CPA, CGFM
State Auditor

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Table of Contents
June 30, 2009

AUDITOR'S SECTION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*..... 3

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133..... 11

FINDINGS AND QUESTIONED COSTS
- *Summary of Auditor's Results*..... 21
- *Financial Statement Findings*..... 25
- *Federal Awards Findings and Questioned Costs*..... 93

AUDITEE'S SECTION

EXPENDITURES OF FEDERAL AWARDS
- *Schedule of Expenditures of Federal Awards*..... 143
- *Notes to the Schedule of Expenditures of Federal Awards*..... 223
- *Schedule of Cluster Programs*..... 231

AUDITEE'S RESPONSES
- *Summary Schedule of Prior Year Findings and Questioned Costs*..... 247
- *Corrective Action Responses to Current year Findings and Questioned Costs*..... 277

APPENDIX "A" – ORGANIZATIONAL UNITS
- *Listing of Organizational Units Comprising the State of Georgia Reporting Entity*..... AP3

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Auditor’s Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St. S.W. Suite 1-156
Atlanta, Georgia 30334

RUSSELL W. HINTON
STATE AUDITOR
(404) 656-2174

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

The Honorable Sonny Perdue
Governor of Georgia
and
Members of the General Assembly
of the State of Georgia

We have audited the financial statements of the governmental activities, business-type activities, the aggregated discretely presented component units, each major fund and the aggregated remaining fund information of the State of Georgia as of and for the year ended June 30, 2009, which collectively comprise the State of Georgia's basic financial statements and have issued our report thereon dated December 31, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other auditors audited the following percentages of total assets and revenues or additions of the indicated opinion units as described in our report on the State of Georgia's financial statements.

Opinion Unit	Percent of Opinion Unit's Total Assets	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities	11%	29%
Business-Type Activities	5%	17%
Aggregate Discretely Presented Component Units	93%	94%
Governmental Fund - General Fund	11%	20%
Governmental Fund - Georgia State Financing and Investment Commission	100%	100%
Proprietary Fund/Enterprise Fund - State Employees' Health Benefit Plan	100%	100%
Aggregate Remaining Fund Information	87%	52%

This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Georgia Lottery Corporation, Georgia College and State University Foundation, Georgia

Southern University Housing Foundation, Inc., Georgia State University Foundation, Georgia Tech Athletic Association, Georgia Tech Facilities, Inc., Georgia Tech Foundation, Inc., Kennesaw State University Foundation, Inc., Medical College of Georgia Foundation, Inc., Medical College of Georgia Physician's Practice Group Foundation, University of Georgia Athletic Association, Inc., University of Georgia Foundation, University System of Georgia Foundation and the Valdosta State University Auxiliary Services Real Estate Foundation audited by other auditors were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State of Georgia's financial statements that is more than inconsequential will not be prevented or detected by the State of Georgia's internal control. We consider the deficiencies identified below, as described in the Financial Statement Findings section of the accompanying schedule of *Findings and Questioned Costs*, to be significant deficiencies in internal control over financial reporting.

Statewide:	*Prosecuting Attorney's Council:*
FS-SW-09-01	FS-418-09-01
FS-SW-09-02	FS-418-09-02
	FS-418-09-03
Department of Agriculture:	
FS-402-09-01	*Department of Community Health:*
FS-402-09-02	FS-419-09-01
	FS-419-09-02
Department of Education:	FS-419-09-03
FS-414-09-01	
FS-414-09-02	*Department of Human Resources:*
FS-414-09-03	FS-427-09-01
FS-414-09-04	FS-427-09-02
FS-414-09-05	FS-427-09-03

Department of Human Resources: (continued)	*Department of Revenue: (continued)*
FS-427-09-04	FS-474-09-05
FS-427-09-05	FS-474-09-06
FS-427-09-06	
FS-427-09-07	*Secretary of State:*
FS-427-09-08	FS-478-09-01
FS-427-09-09	
	Georgia Aviation Hall of Fame:
Department of Economic Development:	FS-483-09-01
FS-429-09-01	FS-483-09-02
Judicial Council:	*Department of Transportation:*
FS-434-09-01	FS-484-09-01
	FS-484-09-02
Superior Courts:	FS-484-09-03
FS-436-09-01	FS-484-09-04
	FS-484-09-05
Supreme Court:	FS-484-09-06
FS-438-09-01	FS-484-09-07
	FS-484-09-08
Department of Labor:	
FS-440-09-01	*Department of Veterans Service:*
FS-440-09-02	FS-488-09-01
FS-440-09-03	FS-488-09-02
FS-440-09-04	
FS-440-09-05	*Georgia Public Defenders Standards Council:*
	FS-492-09-01
Department of Juvenile Justice:	FS-492-09-02
FS-461-09-01	FS-492-09-04
Department of Natural Resources:	*Armstrong Atlantic State University:*
FS-462-09-01	FS-524-09-01
FS-462-09-02	FS-524-09-02
FS-462-09-03	FS-524-09-03
FS-462-09-04	
FS-462-09-05	*Fort Valley State University:*
FS-462-09-06	FS-533-09-01
FS-462-09-07	FS-533-09-02
	FS-533-09-03
Department of Corrections:	FS-533-09-04
FS-467-09-02	FS-533-09-05
Department of Revenue:	*Georgia Southern University:*
FS-474-09-01	FS-539-09-01
FS-474-09-02	
FS-474-09-03	*Savannah State University:*
FS-474-09-04	FS-548-09-01

Abraham Baldwin Agricultural College:	*Georgia Seed Development Commission:*
FS-557-09-01	FS-919-09-01
FS-557-09-02	
	State Road and Tollway Authority:
Bainbridge College:	FS-927-09-01
FS-562-09-01	
	Sapelo Island Heritage Authority:
North Georgia Mountains Authority:	FS-942-09-01
FS-912-09-01	
FS-912-09-02	*Georgia Medical Center Authority:*
	FS-982-09-01

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we and other auditors consider the following findings to be material weaknesses.

Statewide:	*Department of Revenue:*
FS-SW-09-01	FS-474-09-01
	FS-474-09-04
Department of Education:	
FS-414-09-04	*Department of Transportation:*
	FS-484-09-03
Prosecuting Attorney's Council:	FS-484-09-06
FS-418-09-01	FS-484-09-07
Department of Community Health:	*Department of Veterans Service:*
FS-419-09-01	FS-488-09-01
FS-419-09-02	
	Georgia Public Defenders Standards Council:
Department of Human Resources:	FS-492-09-01
FS-427-09-01	
FS-427-09-03	*Fort Valley State University:*
FS-427-09-07	FS-533-09-01
Supreme Court:	*Abraham Baldwin Agricultural College:*
FS-438-09-01	FS-557-09-02
Department of Labor:	*State Road and Tollway Authority:*
FS-440-09-02	FS-927-09-01

Compliance and Other Matters

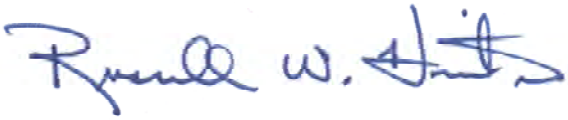
As part of obtaining reasonable assurance about whether the State of Georgia's financial statements are free of material misstatement, we and other auditors performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

In separate letters, we and other auditors noted certain other matters that were reported to the management of the State of Georgia and to the management of various organizational units of the State of Georgia, respectively.

The State of Georgia's responses to the findings identified in our audit are described in the Corrective Action Responses to Current Year Audit Findings and Questioned Costs section of the accompanying schedule of *Auditee's Responses*. We did not audit the State of Georgia's responses and, accordingly, we express no opinion on in.

This report is intended solely for the information and use of the management of the State of Georgia, including the Governor and the Georgia General Assembly, 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.

Respectfully submitted,



Russell W. Hinton, CPA, CGFM
State Auditor

December 31, 2009

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St. S.W. Suite 1-156
Atlanta, Georgia 30334

RUSSELL W. HINTON
STATE AUDITOR
(404) 656-2174

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

The Honorable Sonny Perdue
Governor of Georgia
and
Members of the General Assembly
of the State of Georgia

Compliance

We have audited the compliance of the State of Georgia 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, 2009. The State of Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of *Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Georgia's management. Our responsibility is to express an opinion on the State of Georgia's compliance based on our audit. We did not audit the following major federal programs or percentages of federal programs:

CFDA NO.	PROGRAM NAME	% AUDITED BY OTHER AUDITORS	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
14.231	Emergency Shelter Grants Program	100%	$2,774,270	$0
14.238	Shelter Plus Care	100%	$6,756,149	$0
14.239	Home Investment Partnerships Program	100%	$36,900,220	$0
14.241	Housing Opportunities for Persons with AIDS	100%	$1,696,805	$0
14.316	Housing Counseling Training Programs	100%	$751,854	$0
66.458	Capitalization Grants for Clean Water State Revolving Funds	100%	$12,046,753	$544,087,744
66.468	Capitalization Grants for Drinking Water State Revolving Funds	100%	$20,146,638	$86,806,445
81.041	State Energy Program	100%	$660,268	$0
84.042	Weatherization Assistance for Low-Income Persons	100%	$3,780,680	$0
93.767	State Children's Insurance Program	100%	$222,704,995	$0
	Medicaid Cluster	98%	$5,652,105,302	$0
	Research and Development Cluster	89%	$548,600,490	$0
	Student Financial Assistance Cluster	51%	$993,281,161	$1,747,749,186

The programs listed above were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to compliance requirements for these programs, is based on the reports of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; and OMB Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Georgia'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 State of Georgia's compliance with those requirements.

As described in finding number FA-427-09-03 in the accompanying schedule of ***Findings and Questioned Costs***, the State of Georgia did not comply with requirement regarding Eligibility that is applicable to the Adoption Assistance Program (CFDA 93.659). Compliance with this requirement is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

As described in finding numbers FA-484-09-01, FA-484-09-02, FA-484-09-05, and FA-484-09-07 in the accompanying schedule of ***Findings and Questioned Costs***, the State of Georgia did not comply with requirements regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Reporting and Subrecipient Monitoring that are applicable to the Formula Grants for Other Than Urbanized Areas Program (CFDA 20.509). Compliance with such requirements is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

As described in finding numbers FA-484-09-03 and FA-484-09-04 in the accompanying schedule of ***Findings and Questioned Costs***, the State of Georgia did not comply with requirements regarding Allowable Costs/Cost Principles, Cash Management, Matching, Level of Effort, Earmarking and Reporting that are applicable to the Highway Planning and Construction Program (CFDA 20.205). Compliance with such requirements is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance discussed in the preceding paragraph, the State of Georgia 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, 2009. However, the results of our and other auditors' auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the Federal Awards Findings and Questioned Costs section of the accompanying schedule of ***Findings and Questioned Costs*** as the following items.

Activities Allowed or Unallowed FA-419-09-02 FA-440-09-02 FA-484-09-01 FA-484-09-02 **Allowable Costs/Cost Principles** FA-407-09-01 FA-419-09-01 FA-419-09-02 FA-440-09-02 FA-484-09-01 FA-484-09-02 FA-484-09-03 FA-928-09-01 FA-928-09-02 **Cash Management** FA-427-09-01 FA-440-09-03 FA-484-09-02 FA-484-09-04 FA-484-09-05 **Eligibility** FA-427-09-02 FA-427-09-03 FA-427-09-04 FA-533-09-01	**Eligibility *(Continued)*** FA-533-09-02 **Equipment and Real Property Management** FA-414-09-04 **Matching, Level of Effort, Earmarking** FA-414-09-02 FA-414-09-03 FA-427-09-05 FA-484-09-03 **Period of Availability of Federal Funds** FA-427-09-06 FA-427-09-07 **Procurement and Suspension and Debarment** FA-427-09-08 **Reporting** FA-414-09-06 FA-419-09-02 FA-427-09-09 FA-427-09-10 FA-427-09-11 FA-484-09-02	**Reporting *(Continued)*** FA-484-09-04 FA-484-09-05 FA-484-09-06 FA-533-09-03 FA-918-09-01 **Subrecipient Monitoring** FA-422-09-01 FA-427-09-12 FA-427-09-13 FA-484-09-02 FA-484-09-07 **Special Tests and Provisions** FA-427-09-14 FA-427-09-15 FA-427-09-16 FA-427-09-17 FA-484-09-08 FA-484-09-09 FA-533-09-04 FA-533-09-05 FA-533-09-06 FA-533-09-07 FA-548-09-01 **Accounting Controls (Overall)** FA-440-09-01

Internal Control Over Compliance

The management of the State of Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. We did not consider the internal control structures applicable to the federal programs listed in the table in paragraph one. Those internal control structures were considered by other auditors whose reports have been furnished to us. Our report, insofar as it relates to the internal control structures used in administering the federal programs mentioned previously is based on the reports of the other auditors.

In planning and performing our audit, we and other auditors considered the State of Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the State of Georgia’s internal control over compliance.

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

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

Activities Allowed or Unallowed	**Eligibility *(Continued)***	**Reporting *(Continued)***
FA-419-09-02	FA-533-09-01	FA-427-09-10
FA-419-09-04	FA-533-09-02	FA-427-09-11
FA-440-09-02		FA-484-09-02
FA-484-09-01	**Equipment and Real Property Management**	FA-484-09-04
FA-484-09-02	FA-414-09-04	FA-484-09-05
		FA-484-09-06
Allowable Costs/Cost Principles		FA-533-09-03
FA-407-09-01	**Matching, Level of Effort, Earmarking**	
FA-419-09-01	FA-414-09-01	**Subrecipient Monitoring**
FA-419-09-02	FA-414-09-02	FA-422-09-01
FA-419-09-04	FA-414-09-03	FA-427-09-12
FA-440-09-02	FA-419-09-04	FA-427-09-13
FA-484-09-01	FA-427-09-05	FA-484-09-02
FA-484-09-02	FA-484-09-03	FA-484-09-07
FA-484-09-03		
FA-928-09-01	**Period of Availability of Federal Funds**	**Special Tests and Provisions**
FA-928-09-02	FA-427-09-06	FA-427-09-14
	FA-427-09-07	FA-427-09-15
Cash Management		FA-427-09-16
FA-427-09-01	**Procurement and Suspension and Debarment**	FA-427-09-17
FA-440-09-03	FA-427-09-08	FA-484-09-08
FA-484-09-02		FA-484-09-09
FA-484-09-04	**Reporting**	FA-533-09-04
FA-484-09-05	FA-414-09-05	FA-533-09-05
	FA-414-09-06	FA-533-09-06
Eligibility	FA-419-09-02	FA-533-09-07
FA-419-09-03	FA-427-09-09	FA-548-09-01
FA-427-09-02		
FA-427-09-03		**Accounting Controls (Overall)**
FA-427-09-04		FA-440-09-1

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described above, we and other auditors consider finding numbers FA-407-09-01, FA-419-09-01, FA-419-09-02, FA-419-09-03, FA-427-09-01, FA-427-09-03, FA-484-09-01, FA-484-09-02, FA-484-09-03, FA-484-09-04, FA-484-09-05, FA-484-09-07, FA-533-09-01, and FA-533-09-02 to be material weaknesses.

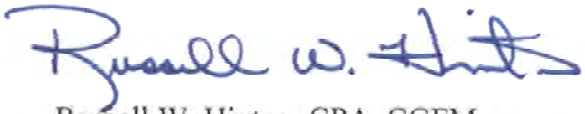
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Georgia as of and for the year ended June 30, 2009, and have issued our report thereon dated December 31, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Georgia's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The State of Georgia's responses to the findings identified in our audit are described in the Corrective Action Responses to Current Year Audit Findings and Questioned Costs section of the accompanying schedule of *Auditee's Responses*. We did not audit the State of Georgia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of the State of Georgia, including the Governor and the Georgia General Assembly, 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.

Respectfully submitted,



Russell W. Hinton, CPA, CGFM
State Auditor

March 5, 2010

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Findings and Questioned Costs

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Summary of Auditor's Results

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Summary of Auditor's Results
For the Fiscal Year Ended June 30, 2009

Financial Statements

Type of auditor's report issued:

Governmental Activities; Business-Type Activities; Aggregate Discretely Presented Component Units; Major Governmental Funds: General Fund and Georgia State Financing and Investment Commission; Major Proprietary Funds/Enterprise Funds: Higher Education Fund, State Employees' Health Benefit Plan and Unemployment Compensation Fund and Aggregate Remaining Fund Information	Unqualified
Internal control over financial reporting:	
Significant Deficiencies identified?	Yes
Significant Deficiencies evaluated as Material Weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant Deficiencies identified?	Yes
Significant Deficiencies evaluated as Material Weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	
Adoption Assistance Program (CFDA 93.659)	Qualified
Formula Grants for Other than Urbanized Areas Program (CFDA 20.509)	Qualified
Highway Planning and Construction Cluster Program	Qualified
All other major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	Yes

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women
10.579	Child Nutrition Discretionary Grants Limited Availability
	Child Nutrition Cluster
	SNAP Cluster
14.231	Emergency Shelter Grants Program
14.238	Shelter Plus Care
14.239	Home Investment Partnerships Program
14.241	Housing Opportunities for Persons with AIDS
14.316	Housing Counseling Training Programs
	CDBG – State-Administered Small Cities Program Cluster
17.225	Unemployment Insurance
	WIA Cluster
20.509	Formula Grants for Other Than Urbanized Areas
	Highway Planning and Construction Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
81.041	State Energy Program
81.042	Weatherization Assistance for Low-Income Persons
84.048	Career and Technical Education-Basic Grants to States
84.287	Twenty-First Century Community Learning Centers

Summary of Auditor's Results
For the Fiscal Year Ended June 30, 2009

CFDA Numbers	Name of Federal Program or Cluster
84.357	Reading First State Grants
	Student Financial Assistance Cluster
	State Fiscal Stabilization Fund Cluster
	Vocational Rehabilitation Cluster
93.563	Child Support Enforcement
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	State Childrens Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
	Child Care and Development Fund Cluster
	Medicaid Cluster
	TANF Cluster
	Disability Insurance/SSI Cluster
	Homeland Security Cluster
	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs - $30,000,000.00

Auditee Qualified as low-risk auditee No

Financial Statement Findings

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

FINANCIAL STATEMENT RELATED FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

ENTITY CODE	ORGANIZATIONAL UNIT	PAGE NO.
SW	Statewide Findings	28
402	Agriculture, Department of	31
414	Education, Department of	32
418	Prosecuting Attorneys' Council	35
419	Community Health, Department of	37
427	Human Resources, Department of	40
429	Economic Development, Department of	47
434	Judicial Council	47
436	Superior Courts	48
436	Supreme Court	49
440	Labor, Department of	51
461	Juvenile Justice, Department of	54
462	Natural Resources, Department of	54
467	Corrections, Department of	61
474	Revenue, Department of	61
478	Secretary of State	64
483	Aviation Hall of Fame, Georgia	65
484	Transportation, Department of	66
488	Veterans Service, Department of	72
492	Public Defender Standards Council, Georgia	75
	Colleges and Universities	
524	Armstrong Atlantic State University	78
533	Fort Valley State University	80
539	Georgia Southern University	83
548	Savannah State University	84
557	Abraham Baldwin Agricultural College	85
562	Bainbridge College	86
912	North Georgia Mountains Authority	88
919	Georgia Seed Development Commission	89
927	Road and Tollway Authority, State	90
942	Sapelo Island Heritage Authority	90
982	Medical Center Authority, Georgia	91

STATEWIDE

Finding Control Number: **FS-SW-09-01**
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Budgetary Compliance Deficiencies

Condition: Based on our examination of Prioritized Program Based Budgeting (PPBB), non-compliance with the 2009 Amended Appropriations Act at the legal level of budgetary control was identified at numerous budget unit organizations. For the fiscal year ended June 30, 2009, 19 out of 49 appropriated budget units reported that 114 funding sources (within program) had overspent the authorized (budgeted) amounts by approximately $822 million at the legal level of budgetary control. Also, 24 of 49 appropriated budget units reported that 168 funding sources (within program) had overspent their actual funds available by approximately $714 million in fiscal year 2009. In addition, the following deficiencies were also noted:

1. The documentation supporting a total of 41 journal entries moving funds between programs or between fund sources within programs were tested. Of the 41 journal entries, 5 (12.2%) were found to be not auditable because of either a lack of documentation or the documentation supplied did not support the transaction.

2. At the overall departmental level, five (5) appropriated agencies were reported in a deficit. These agencies were the Prosecuting Attorneys, the Georgia Public Defender Standards Council, Superior Courts, Supreme Court and the Department of Veterans Service. In addition, due to prior period adjustments, one (1) agency, the Department of Revenue, also reported a deficit at the departmental level.

3. Two agencies, the Department of Transportation and the Department of Economic Development, recorded most of their revenues to the “Administrative” program rather than to the programs that incurred the expenditures. These required adjusting entries prior to presentation in the Budgetary Compliance Report.

4. We found that the allocation of selected expenditures to multiple programs made by the Department of Corrections and the Department of Revenue had no supportable basis for the allocation.

5. Based on our review of six (6) budget amendments, one (1), for the Department of Human Resources, did not have adequate supporting documentation.

6. The Department of Labor (a Non-PeopleSoft organization) was unable to produce accounting system generated budgetary comparison schedules. The Department of Labor uses a system designed primarily to provide information to the U.S. Department of Labor and extensive special programming and changes to the chart of accounts are required to produce program budget reports.

Criteria: The State of Georgia’s budget is enacted each year and serves as an internal control to ensure that spending is limited to authorized areas and amounts. For fiscal year 2009, the Georgia General Assembly enacted PPBB for the fourth consecutive year. The legal level of budgetary control is prescribed by the 2009 Appropriations Act in Section 54 as "…appropriations of State Funds in this Act consist of the amount stated, for each line at the lowest level of detail, associated with the statement of Program Name and Program Purpose.” “The appropriations of Federal Funds and of Other Funds in this Act consist of the amount stated at the highest or summary level of detail associated with the statement of Program Name and Program Purpose, and the lower levels of detail are for information only."

To demonstrate budgetary compliance with the 2009 Appropriations Act, State budget unit organizations must:

1. Record revenues to the appropriate funding source within program.

2. Record expenditures to the correct program at the legal level of budgetary control in an amount not to exceed final budgeted amounts.

3. Record expenditures to the correct program at the legal level of budgetary control in an amount not to exceed actual recorded revenues (reduced by any allotment cuts) plus carryover funds.

Cause: At fiscal year end, the State's primary accounting software, PeopleSoft, did not provide a adequate means to monitor monthly budgetary reporting requirements for expenditures, revenues, fund balance and carryover funds by fund source within program. In addition, poor internal controls and a general lack of knowledge regarding PPBB requirements exist at some budget unit organizations.

Effect: Due to the high percentage of unauditable journal entries and the other noncompliance issues noted, no reliance could be placed upon the validity of the individual budget unit organization's budget comparisons at the legal level of budgetary control, nor could surplus be determined at that level for all agencies.

Recommendation: The State Accounting Office should ensure that a mechanism is in place within PeopleSoft to allow budget unit organizations to track (and control) their expenditures, revenues, fund balance and carryover funds at the legal level of budgetary control, fund source within program. This mechanism should have sufficient detail to allow agencies to easily reconcile their budgetary reports to the trial balance and the related subsystem reports. Additional training and guidance should also be provided to agency personnel to enhance their overall knowledge and ways to improve their internal controls regarding PPBB requirements.

In December 2009, the State Accounting Office implemented budget reference to store 'budget year' for fiscal year 2010 transactions and developed a query to allow budget unit organizations to track (and control) their expenditures, revenues, fund balance and carryover funds at the legal level of budgetary control, fund source within program. Also beginning in December 2009, the State Accounting Office announced training classes on program based budgeting and is implementing a pilot project for the program ledger to be set for budgetary control of expenditures by fund source within program.

Finding Control Number: **FS-SW-09-02**
FINANCIAL REPORTING AND DISCLOSURE
Audit Adjustments to the Comprehensive Annual Financial Report (CAFR)

Condition: The basic financial statements contained in the State of Georgia CAFR, presented for audit by the State Accounting Office, contained seven (7) significant misstatements. Prior to being corrected by audit adjustments, material misstatements were identified in the Discretely Presented Component Units (Opinion Unit 3), the General Fund (Opinion Unit 4) and the Remaining Funds (Aggregated) (Opinion Unit 6).

For the Discretely Presented Component Units, Noncurrent Assets for Notes and Loans Receivable were understated by $1,455,165,000 and Current Assets for Notes and Loans Receivable were overstated by the same amount. Also for the Discretely Presented Component Units Notes Payable were understated by $99,855,000 and Revenue/Mortgage Bonds Payable were overstated by the same amount.

For the General Fund, the liability for unprocessed individual and corporate income tax returns was understated by $114,518,483 and the offsetting Income Tax Revenue was overstated by the same amount. In addition for the General Fund, Intergovernmental Revenues for Operating Grants and Contributions were overstated by $1,684,767 and the offsetting Intergovernmental Receivables were

overstated by the same amount. Finally for the General Fund, Fund Balance Unreserved Undesignated was overstated in the amount of $685,061,486 and the offsetting Reserved Fund Balance for Roads and Bridges (Motor Fuel Tax Funds) was understated by the same amount.

For the Remaining Funds (Aggregated), Due from Other Funds were understated by $1,751,657 and the offsetting Cash and Cash Equivalents were overstated by the same amount. Also for the Remaining Funds (Aggregated), Noncurrent Investments were understated by $99,855,000 and Noncurrent Capital Leases Receivable was overstated by the same amount.

Criteria: Internal controls over the period-end financial reporting process should include controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles. Further, these internal controls should be sufficiently designed and be in-place to identify misstatements due to error or fraud.

Cause: The significant misstatement for the misclassification between Noncurrent and Current Assets relating to the Discretely Presented Component Units was due to the failure of the State Accounting Office to correctly report this information as it appeared in the report of other independent auditors. The misstatement relating to the misclassification of the liability for the Discretely Presented Component Units was due to this amount also being misclassified in the report of other independent auditors.

The significant misstatement for the understated liabilities and overstated revenues in the General Fund occurred because of the failure of the Department of Revenue to provide the State Accounting Office the correct liability amount for unprocessed income tax returns. The significant misstatements relating to the overstated Intergovernmental Revenues and Receivables and the misstated Fund Balance of the General Fund was due to the Department of Transportation not providing the State Accounting Office accurate data regarding purchase orders and what should be recorded as revenues based on encumbrances and an accurate analysis of the Motor Fuel Tax Funds activity for use in determining the Reserved Fund Balance based on these funds.

The significant misstatement for the understated Due from Other Funds and overstated Cash and Cash Equivalents relating to the Remaining Funds (Aggregated) was due to the failure of the State Accounting Office to correctly report a post closing entry provided to them by the Georgia Technology Authority, an Internal Service Fund. The misstatement relating to the misclassification of the asset between Noncurrent Investments and Capital Leases Receivable for the Remaining Funds (Aggregated) was due to the failure of the State Accounting Office to correctly report this information as it appeared in the report of other independent auditors.

Effect: Insufficient internal controls over the period-end financial reporting process increases the risk that material misstatements in the State of Georgia's financial statements will occur and not be detected and may cause a dependency on the external audit function to detect significant and/or material misstatements along with other errors.

Recommendation: The State Accounting Office should ensure the State’s financial statements as presented for audit conform to generally accepted accounting principles. This includes ensuring that recognition criteria for assets, liabilities, revenues and expenses are applied, as appropriate. Also, internal control policies and procedures over the period-end financial reporting process should be strengthened to include a comprehensive final review and an enhanced final analytical review. Effective use of a comprehensive final review and analytical procedures, as an internal control, is essential when consolidating financial statements of a complex entity such as the State of Georgia. Analytical procedures are beneficial in understanding variations among certain data in the absence of known conditions to the contrary.

DEPARTMENT OF AGRICULTURE

Finding Control Number: **FS-402-09-01**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Excess Hours Worked by Retired Employees

Condition: The Department of Agriculture (Department) did not monitor the hours worked by a retired State employee who was rehired parttime by the Department. The retired employee worked more hours than permitted by the Employees Retirement System of Georgia (ERS).

Criteria: ERS rules state, "If you were a service retiree and you go back to a State position covered under ERS, you can only work 1,040 hours (roughly 6 months at full-time) during any calendar year. If you exceed that amount of hours, your ERS monthly benefit will be suspended for the rest of the calendar year."

Cause: The Department does not have internal controls in place to monitor part-time hours worked by retired State employees.

Effect: The Department allowed the employee in question to work more than the maximum hours allowed by ERS policy and still receive monthly retirement benefits.

Recommendation: The Department of Agriculture should establish policies and procedures regarding the employment of retired State employees and monitor their total hours worked to ensure they do not exceed the total hours allowed by ERS policy.

Finding Control Number: **FS-402-09-02**
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Deficiencies in Federal Funding Source Accounting Records

Condition: The Department of Agriculture (Department) failed to adequately monitor Federal funding source accounting records to ensure that revenues and expenditures for individual Federal grants were recorded correctly in the accounting system by the Federal program's Catalog of Federal Domestic Assistance (CFDA) number.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section One, page 1-6-1 states, in part, "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grants, expenditures and revenues from such grants, unobligated grant balances and grant assets and liabilities." A separate fund source (program) must be established for each grant received under a Federal program and must include the Federal program's CFDA number listed in the accounting system.

Cause: The deficiency noted above was the result of the Department's failure to review Federal funding source accounting records to ensure that revenues and expenditures were recorded correctly in the accounting system by each Federal program's CFDA number.

Effect: Failure to maintain accurate Federal funding source accounting records increases the risk of misstatements in the financial statements.

Recommendation: The Department of Agriculture should develop adequate policies and procedures to ensure that Federal funding source accounting records are reviewed on a regular basis in accordance with the ***Accounting Procedures Manual*** for the State of Georgia and reflect the correct CFDA number.

DEPARTMENT OF EDUCATION

Finding Control Number: **FS-414-09-01**
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Deficiencies in Federal Funding Source Accounting Records

Condition: The Department of Education (Department) failed to adequately monitor Federal funding source accounting records to ensure that revenues and expenditures for individual Federal grants were recorded correctly in the accounting system by the Federal program's Catalog of Federal Domestic Assistance (CFDA) number.

Criteria: The Accounting Procedures Manual for the State of Georgia, Section One, page 1-6-1 states, in part, "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grants, expenditures and revenues from such grants, unobligated grant balances and grant assets and liabilities." A separate fund source (program) must be established for each grant received under a Federal program and must include the Federal program's CFDA number listed in the accounting system.

Cause: The deficiency noted above was the result of the Department's failure to review Federal funding source accounting records to ensure that revenues and expenditures were recorded correctly in the accounting system by each Federal program's CFDA number.

Effect: Failure to maintain accurate Federal funding source accounting records increases the risk of misstatements in the financial statements.

Recommendation: The Department of Education should develop adequate policies and procedures to ensure that Federal funding source accounting records are reviewed on a regular basis in accordance with the Accounting Procedures Manual for the State of Georgia and reflect the correct CFDA number.

Finding Control Number: **FS-414-09-02**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Excess Hours Worked by Retired Employees

Condition: The Department of Education (Department) did not monitor the hours worked by retired State employees who were rehired part-time by the Department. One retired employee worked more hours than allowed by the Employees Retirement System of Georgia (ERS).

Criteria: ERS rules state, "If you were a service retiree and you go back to a State position covered under ERS, you can only work 1,040 hours (roughly 6 months at full-time) during any calendar year. If you exceed that amount of hours, your ERS monthly benefit will be suspended for the rest of the calendar year."

Information: The Department had one employee who worked more than the 1040 hours allowed during calendar year 2008.

Cause: The Department does not have internal controls in place to monitor part-time hours worked by retired State employees.

Effect: The Department allowed the employee in question to work more than the maximum hours allowed by ERS policy and still receive monthly retirement benefits.

Recommendation: The Department of Education should establish policies and procedures regarding the employment of retired State employees and monitor their total hours worked to ensure they do not exceed the total hours allowed by ERS policy.

Finding Control Number: **FS-414-09-03**
ACCOUNTING CONTROLS (OVERALL)
FINANCIAL REPORTING AND DISCLOSURE
Failure to Meet Deadlines Established by the State Accounting Office

Condition: The Department of Education (Department) failed to meet deadlines established by the State Accounting Office (SAO) for the submission of forms, data and other information required for the preparation of the Single Audit Report. Our review revealed the following was not submitted to SAO by the prescribed deadline:

Schedule of Expenditures of Federal Awards (SEFA) Information

Criteria: As prescribed by O.C.G.A. 50-5B-4, "All organizations of state government…shall conform to and comply with the rules, regulations, policies, procedures, and forms devised, promulgated, and installed by the state accounting officer. All organizations of state government shall submit statements, reports, information, and data necessary to enable the state accounting officer to complete the reports required under this Code section… All information and reports required in this Code section shall be provided in the form and within the time frame prescribed by the state accounting officer."

Cause: The Department failed to implement adequate policies and procedures to ensure that the SEFA information was submitted by the required date.

Effect: The failure on behalf of the Department to submit the required information to SAO by the prescribed deadlines results in delays in the preparation of the Single Audit Report; delays which could result in those reports not being issued by their deadlines.

Recommendation: The Department of Education should implement policies and procedures, as needed, to ensure that all forms, data and other information required by SAO for the preparation of the Single Audit Report are submitted to SAO by the prescribed deadlines.

Finding Control Number: **FS-414-09-04**
CAPITAL ASSETS
Inadequate Capital Asset Records

Condition: The accounting procedures of the Department of Education (Department) were insufficient to provide adequate internal controls over the Capital Assets management system.

Criteria: The State of Georgia Capital Asset Guide requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Donated assets should be reported at fair value at the time of donation. Capital assets, except for land and other inexhaustible assets, should be depreciated over their estimated useful life.

The Accounting Procedures Manual for the State of Georgia, Section Three, Page 3-1-29, states, in part: "Accurate subsidiary capital asset inventory records must be maintained. Balances and additions to the inventory records should be reconciled periodically (monthly) to the general ledger...A complete physical inventory of all capital assets should be taken and the results reconciled to subsidiary property records and the general ledger capital asset accounts at least every two years."

Information: Our examination of the Capital Assets management system at June 30, 2009, revealed the following internal control deficiencies:

(1) The Department failed to provide documentation supporting the reported amount of $10,130,908.00 for land in the capital asset management system.

(2) The Department failed to perform monthly reconciliations of additions between the Asset Management Module and the general ledger.

(3) For the past few fiscal years including the year under review, the Department failed to perform a complete physical inventory of all capital assets.

(4) The capital asset inventory records contained four (4) equipment items with a cost less than the $5,000 threshold as required in the Capital Asset Guide.

(5) The Department's Capital Assets management system did not utilize the location code feature resulting in the inability to test the physical existence of equipment items without the assistance of a custodian. Also, ninety-seven (97) equipment items listed on the capital asset inventory records were not assigned a custodian.

In addition, fifty-five (55) capital asset (machinery and equipment) items were selected for physical inspection to test the accuracy of the Department's capital asset inventory records. The tested items had a value of $873,500.21 out of a population of $6,159,308.08 and the following deficiencies were noted:

(1) Twenty-nine (29) items totaling $401,647.49 could not be located.

(2) Four (4) items totaling $48,100.23 lacked either a decal or serial number.

Cause: The deficiencies noted above were caused by the Department's failure to implement adequate controls and procedures necessary to properly record and maintain capital asset inventory records in accordance with State guidelines.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and a material misstatement of the financial statements.

Recommendation: The Department of Education should develop appropriate policies and procedures to ensure that all capital assets are properly accounted for and reported in accordance with capitalization guidelines and instructions provided in the State of Georgia Capital Asset Guide and the Accounting Procedures Manual for the State of Georgia.

Finding Control Number: **FS-414-09-05**
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Education (Department) revealed the following deficiency:

The expenditure total initially reported on the SEFA for the National School Lunch Program of $499,772,356.37 included expenditures in the amount of $129,282,206.81 for the School Breakfast Program and expenditures in the amount of $23,165.01 for the Special Milk Program for Children.

Criteria: In accordance with OMB Circular A-133, Subpart C, Section .300(a), "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass through entity."

Information: Adjustments were made to correct the SEFA for the errors identified above.

Cause: The Department failed to implement adequate policies and procedures to ensure that expenditures of Federal awards were accurately reported on the Schedule of Expenditures of Federal Awards.

Effect: Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

Recommendation: The Department of Education should implement policies and procedures to ensure that an accurate Schedule of Expenditures of Federal Awards is prepared and submitted in accordance with Federal regulations.

PROSECUTING ATTORNEYS' COUNCIL

Finding Control Number: **FS-418-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

Condition: The Prosecuting Attorneys Council (PAC) spent or contractually obligated in excess of the State general funds for FY 2009 (current year) which it had available after undertaking voluntary compliance with allotment reductions and according to the sum of its warrants drawn on the Treasury pursuant to appropriation, producing a deficit of $613,940.26. The Prosecuting Attorneys Council also overspent its Federal and Other funds by $67,507.60 resulting in a combined budget fund current year deficit of $681,447.86.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of State general funds to the reduced amount in appropriations it then withdraws by warrant pursuant to the reduced allotment. In the obligation and expenditure of federal funds, a budget unit may not expend or obligate more in federal funds than it has available for obligation by the appropriation and grant of relevant federal funds (with the addition of excess, changed or unanticipated federal funds also available to it). In the obligation and expenditure of other funds, a budget unit may not expend or obligate more than it has in hand for the purpose of the expenditure or encumbrance. 1975 Op. Att'y Gen. 75-88.

Information: On May 28, 2009, the Governor, estimating that actual revenues would fall short of appropriations of State general funds, acted under the Budget Act to withhold a percentage of State allotments, including a percentage of the Council's remaining allotments. The Judicial Branch generally contested the application of the allotment reductions to the Judicial Branch, but PAC with other Judicial Branch budget units undertook to comply with the reductions voluntarily as reflected in its withdrawals of State general funds by warrant. Consequently, FY 2009 State general funds available to it for expenditure or encumbrance were reduced $635,547.00

Cause: The Council having voluntarily accepted the 25% June allotment reduction overspent its current funds available.

Effect: Failure to have procedures in place to keep expenditures and obligations in compliance with allotted or withdrawn appropriations of state general funds, with appropriated or excess, changed or unanticipated federal funds or with other funds on hand may result in expenditures and purported obligations in excess of legally available funds.

Recommendation: The Prosecuting Attorneys should implement policies and procedures to address any future budget reductions and monitor expenditure of federal and other funds to insure that funds are available for these expenditures. State government officers and senior budget and accounting offices are being notified of this deficit fund balance for their respective consideration.

Management Response: Thank you for the opportunity to make a management response, to be included in the Management Report, to the finding that the Prosecuting Attorneys' Council over expended its allotment in violation of the Budget Act. While it is clear that the Council over expended its allotment, it is less clear that the Council violated the Budget Act or any other provision of Georgia law.

In the draft of your Budget Report, you state that the Council voluntarily accepted the 25 percent reduction of our June allotment. This suggests that the Council was consulted prior to the withholding of the allotment; and, of course, that was not the case. In fact, the Council had attempted to draw funds from its appropriation but was denied. We were informed on June 8, 2009, that our allocation would not be forthcoming.

The 25 percent of the June allocation that was withheld was approximately $625,000. After the final payroll for all of the district attorneys' state personnel and the personnel of the Council, we suffered a deficit of approximately $615,000. The Council clearly understands that the treasury cannot give us funds that it does not have. We further are aware of the difficulties placed on our state leaders in these difficult times. Those same conditions applied to our June payroll. When confronted with paying the 2009 obligation from the 2010 allocation—a violation of public policy—or overspending our 2009 allocation, the Council chose what it believed to be the lesser of the evils.

AUDITOR CONCLUDING RESPONSE

A review of the June allotment request submitted by the Prosecuting Attorney's Council indicated that they made an initial request for the full June allotment on May 12, 2009. On June 8, 2009, subsequent to the Governors action on May 28, 2009 to withhold a percentage of the Council's remaining allotment, the Council submitted an amended June allotment request for the reduced amount.

Finding Control Number: **FS-418-09-02**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITIY
GENERAL LEDGER
Inadequate Bank Reconciliation Procedures

Condition: The Prosecuting Attorneys Council (Council) failed to adequately reconcile their operating account bank statement to their general ledger in a timely manner. During the year under review, the Council only completed the June 30th bank reconciliation that contained an unreconciled difference of $392,240.12 between the reconciled bank and book balances.

Criteria: Policy Number CM-100008 of the ***Accounting Procedures Manual*** for the State of Georgia provides bank reconciliation guidelines for all organizations to follow. In addition, an adequate system of internal controls dictates that bank reconciliations be performed, at a minimum, on a monthly basis and in a timely fashion. Also, as appropriate, bank reconciliations should include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.

Cause: The Council's failure to adequately manage and monitor their bank account reconciliations, including their timely preparation and approval.

Effect: Failure to identify and adjust for reconciling items, could result in errors in financial reporting and increase the risk of a material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Prosecuting Attorneys Council should review their current internal control procedures relating to bank reconciliations and implement additional policies and procedures, as needed, to ensure: 1) an effective bank reconciliation process is in place to manage and monitor all bank accounts and 2) compliance with the ***Accounting Procedures Manual*** for the State of Georgia.

Finding Control Number: **FS-418-09-03**
GENERAL LEDGER
Clearing Account Balance

Condition: The fiscal year end financial statements of the Prosecuting Attorneys Council of Georgia had a clearing accounts balance with a remaining balances of $1,976,195.86 at the end of the reporting period.

Criteria: In accordance with the ***Accounting Procedures Manual*** for the State of Georgia, Section Three, page 3-4-1 states: "Balance sheet clearing accounts have been provided in the State Chart of Accounts to facilitate the accumulation of transactions which are later distributed to appropriate accounts. Care should be taken to ensure that clearing accounts do not have balances at the end of each reporting period since such accounts should not be listed on either budgetary or GAAP financial statements."

Cause: This deficiency was a result of Prosecuting Attorneys Council's management failure to monitor their financial activities to ensure that transactions are classified in the proper accounts.

Effect: Balances remaining in the clearing accounts at fiscal year-end could cause the financial statements to be misstated and could lead to erroneous decisions by Council's management.

Recommendation: In accordance with the ***Accounting Procedures Manual*** for the State of Georgia, the Prosecuting Attorneys Council of Georgia should ensure that clearing account balances have been distributed to the appropriate accounts at the end of each accounting period and that balances do not remain in the clearing accounts at the end of the fiscal year.

DEPARTMENT OF COMMUNITY HEALTH (*)

Finding Control Number: **FS-419-09-01**
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Upper Payment Limit Calculation

Condition: During the performance of our annual audit procedures, we obtained UPL calculations that were performed twice during fiscal year 2009, one for first and second quarter and the other for third and fourth quarter. Through examination of the UPL calculations we noted that all second, third and fourth quarter calculations for nursing homes had been performed incorrectly, which led to underpayments of UPL, and an understatement of the respective assets and liabilities associated with this calculation.

Criteria: Title 42 of the Code of Federal Regulations, sections 447.272 for inpatient services and 447.321 for outpatient services and nursing homes, states that the Department of Community Health is eligible to calculate Upper Payment Limit (UPL) for providers that are State Government, Non-State Government and Privately owned and operated facilities. UPL refers to a reasonable estimate of the amount that would be paid for the services furnished by the group of facilities under Medicare payment principles.

Context: The UPL calculations for second, third and fourth quarter for nursing homes resulted in 80 providers being underpaid. The Department of Community health was able to determine the underpayments and plans to correct the error with future UPL calculations.

Cause: The cause for this condition is due to erroneous information provided from one division within the Department of Community Health to the division responsible for performing the UPL calculation.

Effect: The total dollar value of nursing home calculations and payments was understated for the year in the amount of approximately $24.4 million, and the intergovernmental revenues from the federal government were also understated by approximately $18 million.

Recommendation: Management should develop procedures to review UPL calculations to ensure the calculations of the Department of Community Health's obligations and offsetting receivables are properly performed and recorded. Part of this should encompass a review of supporting documentation to ensure the data within the calculation is reasonable and accurate.

Finding Control Number: **FS-419-09-02**
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Reserve for Encumbrances, Accounts Payable and Other Accruals, and Federal Receivables

Condition: This is a modification and partial repeat of finding FS-419-08-01 from the year ended June 30, 2008.

During our auditing procedures, we noted management originally encumbered a dollar amount related to a specific purchase order which resulted from a contractual agreement with another agency of the State of Georgia. As the Department of Community Health applied payments to this purchase order, it became apparent the encumbrance was insufficient to fully fund the related projects set forth in the contract. As a result, the Department of Community Health utilized an alternative control whereby a journal voucher was created for the estimated remaining liability related to the delivery of goods and services provided under the contract agreement. The Department of Community Health applied approximately $16 million to the journal voucher and ultimately released approximately $4 million of the remaining encumbered from the original purchase order. However due to the nature to the agreement and the use of the journal voucher, management was unable to determine in a timely manner using adequate monitoring controls if the costs associated with the contract were in excess of the contract's 'not-to-exceed' amount.

Our procedures also noted two encumbered purchase orders within the reserve for encumbrances for which no further transactions would be forthcoming or pending at June 30, 2009. Management of the responsible division had not notified the Department of Community Health's Financial Services division the amount should be released.

Management of the Department of Community Health provided a detail listing of liabilities supporting the accounts payable and other accruals reported by the Department of Community Health at June 30, 2009. As a result of our audit procedures, we identified several significant obligations which were not included within the detail and thus excluded from the reported balances of the Department of Community Health at year end. Additionally, we noted certain payments to hospital authorities which were supported by documents provided by another department of the State of Georgia which lacked evidence of adequate controls relating to the review and approval by employees of the Department of Community Health.

Management also provided a reconciliation of intergovernmental revenues and receivables from the federal government as of and for the year ended June 30, 2009. Due to the nature of the previously discussed adjustments to the detail listing of liabilities supporting the accounts payable and other accruals, significant adjustments were required to be recorded to properly recognize intergovernmental revenues and receivables from the federal government at year end.

Criteria: The Department of Community Health’s management is responsible for accurately reporting reservations of fund balance which would include a reserve for any encumbrances at year end. A reserve for encumbrance exists when a commitment resulting from a contract, purchase order, salary agreement, travel claim or other such commitment remains unsatisfied and the delivery of goods or services and the related expenditure will occur after year end. Encumbered funds may be release when no further transactions will be forthcoming or are pending related to an encumbrance.

Further, the Department of Community health’s management is responsible for ensuring costs associated with payment obligations are recorded promptly when incurred and measurable, and reported accurately in the schedule of expenditures of federal awards as well as the financial statements. An

account payable exists when the Department of Community Health has benefited from the delivery of goods or services and the related obligation remains unsatisfied. Additionally, management is responsible for consistently applying adequate review and approval control over all disbursements made by the Department of Community Health as well compliance with all terms of contractual agreements where the Department of Community Health is a part to the agreement.

Finally, an accounts receivable is typically calculated and recorded when the Department of Community Health determines benefits have been paid or are payable. The Department of Community Health's management is responsible for recognizing the recording revenues and accounts receivable associated with these benefits.

Context: The design and operation of the Department of Community Health's controls over reporting encumbrances as well as accounts payable and other accruals at year end did not prevent or detect financial statement misstatements in a timely manner. Additionally, the Department of Community Health's normal internal controls over the disbursement of funds were not consistently applied to certain disbursements made to hospital authorities. Further, the Department of Community Health did not have controls in place which would identify and monitor the remaining balance of funds identified with an agreement which included a 'not-to-exceed' amount within the terms of the contract. As a final element of this finding, the Department of Community Health's lack of controls prompted an understatement of revenues as of and for the year ended June 30, 2009.

Cause: Management within the various divisions of the Department of Community Health is not providing to the Financial Services division accurate and timely information related to encumbered funds. Additionally, the Department of Community Health did not have adequate controls in place to monitor the "not-to-exceed' terms included in a contract agreement. Further, the Department of Community Health did not have a system in place to support management's assertions that the accounts payable and other accruals were complete, accurate and properly valued, and certain payments to hospital authorities did not appear to be reviewed and approved, all of which ultimately caused intergovernmental receivables from the federal government to be improperly reported.

Effect: The conditions above resulted in an overstatement of approximately $21.4 million of encumbrances. In addition to the amounts noted in finding FS-419-09-01, the Department of Community Health's accounts payable and other accruals were understated by approximately $57 million and the intergovernmental receivables from the federal government were understated by approximately $32 million.

The conditions noted above were brought to the attention of management and the Department of Community Health determined adjustments were required to properly reflect the amount of funds reserved for encumbrances as well as the amounts reported as accounts payable and other accruals as of June 30, 2009. These amounts were ultimately corrected by management prior to issuance of the June 30, 2009 financial statements.

Recommendation: We understand management's reluctance to release encumbrances when the potential exists that a future invoice may yet be presented for payment or is pending. However, we recommend management of the various divisions within the Department of Community Health recognize their responsibility to monitor more closely the remaining encumbered funds related to their contract responsibilities and to provide the Financial Services division accurate and more timely information related to the need to continue the encumbrance.

We further recommend the Department of Community Health's Office of Inspector General review actual payments for all contracts with 'not-to-exceed' amounts as well as the relevant controls which ensure compliance with such contractual terms.

In a effort to ensure the Department of Community Health's reported obligations and related receivables are not materially misstated, we recommend management implement and maintain a system which carefully reviews material disbursements subsequent to year end with the intended purpose of

identifying liabilities which should be reflected in the Department of Community Health's accounts payable and other accruals at fiscal year end.
We further recommend the Department of Community Health consistently apply its controls over disbursements even for requests received from other State of Georgia agencies.

Finding Control Number: **FS-419-09-03**
ACCOUNTING CONTROLS (OVERALL)
Journal Entries

Condition: During our testing of the journal entry process, we noted two instances, in a sample of 22 financial statement preparation entries, which did not have documented approval or adequate supporting documentation. In addition, we noted the individual who assists in the preparation of the financial statements was able to create and post financial statement entries with no documented reviewed or approval by other individual.

Criteria: The Department of Community Health is responsible for maintaining adequate and effective internal controls over the journal entry process to prevent or detect material misstatements and ensure accurate reporting of financial data.

Context: Management would not have the opportunity to prevent or detect any potential misstatements resulting from financial statement preparation entries that were not subject to additional review.

Cause: The Department of Community Health's controls over the financial statement journal entry process allowed one individual to make financial statement journal entries without any documented supervision or review.

Effect: The design and operation of the Department of Community Health's controls over the financial statement journal entry process were not adequate to prevent or detect potential financial statement misstatements in a timely manner. However, based on our procedures, we did not note a material misstatement related to the entries lacking adequate supporting documentation or approval.

Recommendation: We recommend the Department of Community Health require documented review and approval by a knowledgeable member of management for all journal entries and that all entries include supporting documentation that substantiates the basis for the entry.

DEPARTMENT OF HUMAN RESOURCES

Finding Control Number: **FS-427-09-01**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
BUDGET
Inadequate Journal Entry Documentation

Condition: Our examination included a review of journal entries that were posted to the Department of Human Resources' (Department) general ledger during fiscal year 2009. This review revealed that an excessive number (over 450) of these journal entries were made during periods 12 and 998 (adjustment period) to the expenditure accounts. The number of journal entries posted in these two periods was more than 30% of the total number of journal entries that were posted to the expenditure accounts for the entire year. This excessive use of journal entries at the end of the fiscal year indicates weaknesses in the Department's internal controls.

In addition to our review of journal entry activity on the general ledger, we examined the supporting documentation maintained by the Department for eight (8) journal entries, of which five (5) moved expenditures between funding sources within programs, one (1) was a reversing entry for Child Support costs, one (1) moved expenditures from salaries to indirect costs, and one (1) was an entry to record cost

allocation. We found the following deficiencies with the documentation provided for six (6) out of the eight (8) journal entries.

1. The documentation for three (3) journal entries did not provide evidence to substantiate the rationale for moving expenditures between funding sources within programs.

2. The documentation for one (1) journal entry did not provide evidence to substantiate the rationale for reversing Child Support expenditures.

3. The documentation for one (1) journal entry did not provide evidence to substantiate the rationale for moving expenditures from salaries to indirect costs.

4. One (1) cost allocation journal entry was not approved within a reasonable time frame; it was approved 70 days after the entry was made.

Criteria: The Financial Management Policies and Procedures, policy number 4-8-1, issued by the Office of Planning and Budget and State Accounting Office, states that, "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analyses identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."

Further, the ***Accounting Procedures Manual*** for the State of Georgia (Manual), Section Five, page 5-4-2, states in part that documentation "...involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures to ensure compliance with The Financial Management Policies and Procedures and the ***Accounting Procedures Manual*** for the State of Georgia.

Effect: Approving journal entries without adequate supporting documentation may result in a material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Human Resources should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Additional training on the guidelines included in The Financial Management Policies and Procedures should be provided to employees responsible for preparing and approving journal entries.

Further, the Department should implement additional procedures related to monitoring transactions posted to the subsidiary ledgers during the fiscal year instead of relying on journal entries to correct problems identified just before closing the books.

Finding Control Number: **FS-427-09-02**
EXPENSES/EXPENDITURES AND LIABILITIES
GENERAL LEDGER
A/P Reconciliation Inaccurate/Incomplete

Condition: The Department of Human Resources reconciliation of the accounts payable module (subsidiary ledger) to the general ledger for June 30, 2009 was not completed in an accurate manner. On the June Reconciliation, there were four (4) accounts payable accounts that had debit balances as follows: account 210006 had a debit balance of $665.58, account 221001 had a debit balance of $2,661,611.44, account 231001 had a debit balance of $1,158,732.58, and account 234001 had a debit balance of $37,396,512.90. DHR Personnel could not provide a reasonable explanation for these debit balances. Also, for account 233001, the amount in the Trial Balance column did not tie to the GL427044M.

Criteria: The Department of Human Resources should have policies and procedures in place to ensure that monthly and year-end reconciliations of the accounts payable module to the general ledger for all accounts payable accounts are completed in an accurate manner.

Cause: The deficiencies noted above are caused by the Department's failure to appropriately review the accounts payable reconciliation, including questioning why debit balances exist at all, and getting those balances corrected to accurately reflect actual payables.

Effect: Failure to perform accurate reconciliations could result in the accounts payable module containing invalid information that is not detected in a timely manner. This could result in errors in financial reporting and increase the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Human Resources should implement policies and procedures to ensure monthly and year-end reconciliations of the accounts payable module to the general ledger are completed in an accurate manner.

Finding Control Number: **FS-427-09-03**
GENERAL LEDGER
Federal Program Fund Balances

Condition: The Department of Human Resources (Department) failed to properly monitor federal program fund source balances. At June 30, 2009 the Department had not set up receivables for the debit fund balances, and had not set up reserves for the credit fund balances. The Department has a total of three hundred and eighty-eight (388) Federal fund sources; of which, one hundred and sixty-five (165) were not properly monitored and had a balance as of June 30, 2009. Seventy-two (72) of the fund sources had credit fund balances totaling $17,986,669.29, and ninety-three (93) fund sources had debit fund balances totaling $40,429,977.17.

Criteria: In accordance with the ***Accounting Procedures Manual*** for the State of Georgia, Section One, page 1-6-1 states in part: "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grants, expenditures and revenues from such grants, unobligated grant balances and grant assets and liabilities."

Information: The Department stated that they had one hundred and eleven (111) post closing entries that would correct most of the Federal fund source balances. As of October 7, 2009 only sixty-one (61) of the entries had been provided to the auditors, and the ones that were submitted did not correct the fund source balances. The decision was made by the Department of Audits and Accounts and the State Accounting Office not to record any of the one hundred and eleven (111) post closing adjustments.

Auditors requested that the Department analyze sixteen (16) fund sources making up 85% of the excess balance and 91% of the deficit balance. The Department was able to provide explanations for thirteen (13) of the sixteen (16) balances. After the thirteen (13) approved adjustments were made, seven fund sources were corrected to have a zero (0) balance, seventy-six (76) funds had credit fund balances totaling $26,509,937.74, and eighty-two (82) fund sources had debit fund balances totaling $5,217,923.52. Auditors set up a Federal Reserve in the amount of $23,722,021.58 for these audited fund sources. This still left a credit fund balance of $2,787,916.16 and a debit fund balance of $5,217,923.52. The net effect of this is that $2,430,007.36 of Federal expenditures will have to be covered with State funds.

Cause: The deficiencies were the result of management's failure to monitor Federal program fund source balances on a regular basis and their failure to set up adequate Federal Receivable and Federal Reserve entries. It did not appear that any of the three hundred and eighty-eight (388) fund sources had been

analyzed at any point during the year, and the Department's financial statements did not include a Reserve for Federal funds. Also, program Directors are not being held accountable for the financial status of their programs.

Effect: The failure to maintain accurate federal fund balances creates excess funds that could be lost to surplus if not properly reserved, and/or deficit balances that must be covered by State funds. For fiscal year 2009, the Department was allowed to book a Federal reserve for $23,722,021.58, and the State will have to cover the net $2,430,007.36 deficit balance.

Recommendation: The Department of Human Resources should develop appropriate policies and procedures to ensure the Federal program fund source balances are reviewed on a regular basis in accordance with the ***Accounting Procedures Manual*** for the State of Georgia. Each program Director should be held accountable for the financial side of his or her program, since they are familiar with the specific program requirements for the various sections (i.e. period of availability, matching, etc.) and should approve any re-rates made to the program during the fiscal year. Program Directors should also review the financial position of the program at least monthly, to ensure that all grant awards have been recorded and that all revenues and expenditures are appropriate and accurate.

Finding Control Number: **FS-427-09-04**
GENERAL LEDGER
REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

Condition: The Department of Human Resources (Department) failed to record Federal grant awards in a timely manner. A review of 70 grant awards revealed that 6 grant awards were not recorded on the general ledger for at least 30 days after receipt of the award and 3 were missing the grant award documentation and therefore could not be tested. This review revealed that out of the six (6) grant awards mentioned above, four (4) were not recorded on the general ledger for at least 30 days after receipt of the award, one (1) was not recorded for at least 60 days, and one (1) was not recorded for two years.

Criteria: To accurately account for Federal program revenues and expenditures, grant awards should be recorded on the general ledger in a timely manner.

Cause: The deficiencies noted above were a result of the Department's failure to have adequate internal control procedures to ensure that Federal grant awards are recorded on the general ledger in a timely manner.

Effect: Failure to record grant availability in a timely manner could affect the proper recording of Federal program revenues (and expenditures) which could result in misstatements in the financial statements.

Recommendation: The Department of Human Resources should review their current internal control procedures for recording Federal program activity and implement additional procedures, as needed, to ensure the timely recording of Federal grant awards in the general ledger.

Finding Control Number: **FS-427-09-05**
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
GENERAL LEDGER
Improper Revenue Recognition

Condition: Improper program income revenue recognition criteria was utilized by the Department of Human Resources (Department) that resulted in understated revenue and expenditures. The Department was recording program income revenues, collected by the Child Support Enforcement Division, in expenditure accounts as expense credits.

Criteria: An adequate system of internal controls dictates that controls be in place to ensure that revenue is recorded at its gross amount and costs are not offset against it. Revenue is to be recorded in a manner

that allows the significant types of revenue to be identified. These types include, as a minimum, taxes, non-tax sources and transfers from other Governments. In addition, expenditures are recognized when obligations are incurred and should not be reduced by program income.

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the Office of Financial Services follow basic accounting principles regarding revenue recognition.

Effect: Failure to record revenue, and instead reducing expenditures for the 'Child Support Enforcement' program resulted in revenue and expenditure amounts being understated.

Recommendation: The Department should develop appropriate policies and procedures to ensure that program income revenue for the Child Support Enforcement program is recorded in a revenue account rather than reducing expenditure accounts.

Finding Control Number: **FS-427-09-06**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: Our examination included a review of the Department of Human Resources' (Department) bank reconciliation procedures that were performed on the Child Support, Operating, Payroll, Public Assistance, Women, Infants and Children (WIC), Revenue, and Trust Fund bank accounts. The following deficiencies were noted:

1. In the Operating account, reconciling items were not properly classified on the bank reconciliations. Instances were identified where book errors were incorrectly classified as deposits-in-transit.

2. In the Operating account, transactions that corrected invalid book errors were often identified separately on the bank reconciliation as a new book error or reconciling item.

3. In the Payroll account, items were outstanding for an extended amount of time without correction.

Criteria: An adequate system of internal controls dictates that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.

Cause: The Department's bank account reconciliation process failed to ensure that reconciling items were properly identified and book errors were investigated and corrected in a timely manner.

Effect: Failure to maintain an effective bank account reconciliation process increases the risk of misstatement due to fraud and the possible misappropriation of the Department's assets.

Recommendation: The Department of Human Resources should review their current internal control procedures in relation to bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place to manage and monitor bank accounts.

Finding Control Number: **FS-427-09-07**
REVENUES AND RECEIVABLES
Inadequate Procedures Over Cash Draws of Federal Grants

Condition: Our examination of Cash Management over Federal Financial Assistance Programs disclosed that the Department of Human Resources' (Department) requests for reimbursement were not sufficient to cover

Federal program expenditures. The following table identifies programs that had insufficient cash balances during fiscal year 2009:

CFDA	Program Name	Number of Months of Insufficient Requests	Average Monthly Insufficient Cash Balance
10.557	WIC Administration	8	(9,453,976.88)
10.557	WIC Food	3	(6,693,314.39)
10.561	Food Stamps	11	(11,076,905.83)
93.069	Public Health Emergency Preparedness	10	(2,553,150.94)
93.268	Immunization	9	(1,927,675.38)
93.283	CDC Technical Assistance	7	(3,623,913.09)
93.558	Temporary Assistance for Needy Families	6	(19,494,295.17)
93.575 & 93.596	Child Care	4	(8,349,975.16)
93.658	Foster Care	7	(6,905,902.48)
93.659	Adoption Assistance	5	(2,046,401.00)
93.667	Social Services Block Grant	4	(4,621,677.43)
93.917	HIV	8	(2,897,581.84)
93.959	Substance Abuse	7	(2,662,171.36)

Criteria: The Cash Management and Letter of Credit Procedures of the Department of Human Resources state that the objective of the Department's cash management plan is to draw appropriate amounts of each type of fund available on an as-needed basis to assure that the Department does not have in excess of three days of Federal funds on hand, does not use state funds to subsidize Federal funds, and has sufficient funds to cover checks when they are presented.

Information: See related Federal Award finding number FA-427-09-01.

Cause: The Department's policies and procedures for requesting, recording, and distributing Federal funds to reimburse program costs were inadequate.

Effect: Failure to request, record, and distribute Federal funds in an accurate and timely manner resulted in the use of State funds to subsidize Federal program expenditures and affect the proper recording of Federal program revenues, causing misstatements within the financial statements.

Recommendation: The Department of Human Resources should review their policies and procedures for requesting, recording, and distributing Federal funds to ensure that they are adequate to meet cash management objectives.

Finding Control Number: **FS-427-09-08**
EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Controls over Operating Leases

Condition: The Department of Human Resources (Department) did not verify that the amounts reported to the State Accounting Office for current and future lease obligations at 2 Peachtree and the institutions (hospitals) agreed with the amounts reported in the accounting records.

Criteria: An adequate system of internal controls is one that provides for verification of the information submitted to the State Accounting Office regarding current and future lease obligations. The ***Accounting Procedures Manual*** for the State of Georgia (Manual), Section 5, page 5-4-3, states in part that "Verification is the determination of the completeness, accuracy, authenticity and/or validity of transactions, events or information."

Cause: The Department failed to ensure that adequate internal controls were in place to provide for proper verification of the amounts reported to the State Accounting Office for current and future lease obligations.

Effect: Inadequate internal controls increase the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Human Resources should develop and implement adequate internal controls to ensure that the amounts for current and future lease obligations are verified to the accounting records before being submitted to the State Accounting Office.

Finding Control Number: **FS-427-09-09**
EXPENSES/EXPENDITURES AND LIABILITIES
Invalid and Questionable Encumbrances

Condition: Our examination included a review of the supporting documentation maintained by the Department of Human Resources (Department) for forty-three (43) encumbrances with outstanding balances as of June 30, 2009. Our examination revealed the following deficiencies:

1. In two (2) instances, encumbrances were set up to be charged against programs which were over expended for the current fiscal year.

2. In two (2) instances, adequate documentation was not provided. In addition, one (1) of these contracts was originally set up on 7/20/2007 with the Department of Community Health (DCH) to pay the state share of Medicaid and is currently being disputed due to DCH's inability to provide proper documentation of the reimbursements owed.

3. In three (3) instances, payments were made after the contracted cut-off dates for valid payments to be made.

4. In one (1) instance, the same PO was re-used to amend in additional funds for the contract. These additional funds are for extension of services.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section Three, Pages 3-2-1, 3-2-2, and 3-2-3 state, in part: 1) "All appropriated state funds, except for the mandatory appropriations required by this Constitution, remaining unexpended and not contractually obligated at the expiration of such general appropriations Act shall lapse…" 2) "Under the modified accrual basis of accounting it is not sufficient for an economic event to have occurred for an event to effect the operating statement but, in addition, the related cash flow must occur within a short-enough time frame for the event to have an effect on current spendable resources..." 3)"... transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following:

- a confirmed vendor,
- specific services or goods,
- specific price for the services or goods, and
- a stated time or range of time for delivery or completion."

The presence of these conditions corresponds to the element of an enforceable contract in that they support the concept of mutual assent."

Cause: The Department failed to follow the guidelines as outlined in Sections 3-2-1 through 3-2-3 of the ***Accounting Procedures Manual*** for the State of Georgia.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The

establishment of encumbrances failing to meet the required criteria result in budgetary expenditure/liabilities being overstated with surplus (lapse) being understated.

Recommendation: The Department of Human Resources should implement additional policies and procedures to ensure that encumbrances are recorded as an obligation of state funds only when supported by the required criteria and that any obligated funds that remain unexpended at the completion of a contract are lapsed in accordance with the ***Accounting Procedures Manual*** for the State of Georgia.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Finding Control Number: **FS-429-09-01**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
GENERAL LEDGER
Inadequate Bank Reconciliation Procedures

Condition: The Department of Economic Development failed to adequately reconcile their operating account bank statement to their general ledger. On the June 2009 bank reconciliation prepared by the Department, it was noted that: 1) three (3) wire transactions, totaling $25,582.75, appearing on the bank statement were not recorded on the general ledger prior to year end and 2) there was an unidentified difference of $ 199.43 between the reconciled bank and book balances.

Criteria: Policy Number CM-100008 of the State Accounting Manual Policies and Procedures issued by the State Accounting Office (SAO) provides bank reconciliation guidelines for all agencies to follow.

In addition, an adequate system of internal controls dictate that bank reconciliations include each of the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner and 4) accurate general ledger balances.

Information: The Department of Economic Development was unable to identify the source of the unidentified difference at the time of our engagement and for each of the four months leading up to June 2009. Despite the unidentified difference, the reconciliation was approved at a supervisory level as being accurate and complete.

Cause: The Department's failure to adhere to sound internal control procedures and properly reconcile their operating account bank statement.

Effect: Failure to identify and adjust for non-reconciling items, could result in errors in financial reporting and increase the risk of a material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Economic Development should review their current internal control procedures relating to bank reconciliations and implement additional policies and procedures, as needed, to ensure 1) an effective bank reconciliation process is in place to manage and monitor all bank accounts and 2) compliance with the SAO's State Accounting Manual Policies and Procedures.

JUDICIAL COUNCIL

Finding Control Number: **FS-434-09-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Failure to Maintain a Comprehensive Balance Sheet

Condition: The Judicial Council did not maintain a comprehensive balance sheet in the PeopleSoft accounting system for each of the two agencies the Council was maintaining accounting records for.

Criteria: The Judicial Council was responsible for maintaining the accounting records for the Juvenile Courts, and should have procedures in place to accurately report the activity of these agencies separately.

Cause: The Judicial Council utilized "organization codes", which is not a self-balancing chart field in PeopleSoft, to account for financial activity of the agencies.

Effect: Maintaining the records in this manner made it difficult for management of the two agencies to understand their financial position at any given point in time.

Recommendation: Procedures need to be developed to ensure separate accountability for the entities the Judicial Council is responsible for.

SUPERIOR COURTS

Finding Control Number: **FS-436-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

Condition: The Superior Courts spent or contractually obligated in excess of the State general funds for FY 2009 (current year) which it had available after undertaking voluntary compliance with allotment reductions and according to the sum of its warrants drawn on the Treasury pursuant to appropriation, producing a budget fund deficit of $373,914.88.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of State general funds to the reduced amount in appropriations it then withdraws by warrant pursuant to the reduced allotment. 1975 Op. Att'y Gen. 75-88.

Information: On May 28, 2009, the Governor, estimating that actual revenues would fall short of appropriations of State general funds, acted under the Budget Act to withhold a percentage of State allotments, including a percentage of the Council's remaining allotments. The Judicial Branch generally contested the application of the allotment reductions to the Judicial Branch, but the Council with other Judicial Branch budget units undertook to comply with the reductions voluntarily as reflected in its withdrawals of State general funds by warrant. Consequently, FY 2009 State general funds available to it for expenditure or encumbrance were reduced $1,045,085.00.

Cause: The Superior Courts having voluntarily accepted the 25% June allotment reduction overspent its current funds available.

Effect: Failure to have procedures in place to keep expenditures and obligations in compliance with allotted or withdrawn appropriations of State general funds may result in expenditures and purported obligations in excess of legally available funds.

Recommendation: The Superior Courts should implement policies and procedures to address any future budget reductions. State government officers and senior budget and accounting offices are being notified of this deficit fund balance for their respective consideration.

Management Response: The Council of Superior Court Judges does not concur that the budget deficit in FY 2009 was the result of a failure to have procedures in place to keep expenditures and obligations in compliance with allotted or withdrawn appropriations of State general funds. The budget deficit is the result of an agreement negotiated between the Chief Justice of the Georgia Supreme Court and the Governor of the State of Georgia. We did not overspend our appropriation, but rather did not receive the funds which had been appropriated and then withheld the last month of the fiscal year. CSCJ neither ratified nor accepted the actions of the Governor or the Chief Justice.

Superior Court Judges' salaries are protected under Article VI, Section VII, Paragraph V of the Georgia Constitution. Their salary cannot be reduced during their term in office. No consideration was given to this financial constraint by the Governor in his 25% across the board solution in June though the judges' salaries make up 57% of Superior Court's entire budget. To operate under this constraint and avoid a fiscal year-end budget deficit would have required Superior Courts to furlough all state-paid staff from June 11, 2009, through June 30, 2009. This furlough would have included all payroll, accounting, and budget personnel leaving no personnel in place for the remaining three weeks of the FY 2009 fiscal year-end close. Once the impact of this alternative was examined, it was determined to be an unacceptable solution.

The Chief Justice of the Georgia Supreme Court, acting in her capacity as the head of the Judicial Branch of Georgia, intervened and negotiated an agreement with the Governor. This agreement states that in order to achieve the 25% figure, courts would necessarily have to defer some current obligations and expenses until FY 2010, and, in some instances, will have to make a request for those funds during the FY 2010 Amended Budget process. This clearly states that a budget deficit in FY 2009 will occur in order to achieve the 25% allotment reduction. The Chief Justice informed all classes of court of the negotiated agreement. This agreement resulted in the FY 2009 budget deficit.

SUPREME COURT

Finding Control Number: **FS-438-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

Condition: After an audit adjustment, the Supreme Court of Georgia spent or contractually obligated in excess of the State general funds for FY 2009 (current year) which it had available after undertaking voluntary compliance with allotment reductions and according to the sum of its warrants drawn on the Treasury pursuant to appropriation, producing a budget fund deficit of $182,675.15.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of state general funds to the reduced amount in appropriations it then withdraws by warrant pursuant to the reduced allotment. 1975 Op. Att'y Gen. 75-88.

Information: On May 28, 2009, the Governor, estimating that actual revenues would fall short of appropriations of State general funds, acted under the Budget Act to withhold a percentage of State allotments, including a percentage of the Court's remaining allotments. The Judicial Branch generally contested the application of the allotment reductions to the Judicial Branch, but the Court with other Judicial Branch budget units undertook to comply with the reductions voluntarily as reflected in its withdrawals of State general funds by warrant. Consequently, FY 2009 State general funds available to it for expenditure or encumbrance were reduced $98,922.00.

Cause: The accounting records of the Supreme Court reflected an ending fund balance (surplus) for its State general funds in the amount of $27.85. An audit adjustment of $182,703.00 was made which recorded unpaid membership dues (which were due on March 2, 2009) for the National Center for State Courts. As of the date of this report, this invoice still had not been paid due to a lack of funds.

Effect: Failure to have procedures in place to record liabilities in the proper accounting period increases the risk of material misstatements in the financial statements including misstatements due to fraud. In addition, the failure to record liabilities in the proper period prevents management from monitoring expenditures to insure they are in compliance with the budget.

Recommendation: The Supreme Court should implement policies and procedures to insure expenditures are recorded in the proper accounting period and to address any future budget reductions. State government officers and senior budget and accounting offices are being notified of this deficit fund balance for their respective consideration.

Management Response:

The Supreme Court of Georgia disagrees with the "tone" of this finding and the conclusion that we failed to have procedures in place to record liabilities in the proper accounting period. We request that the report reflect a more thorough and correct explanation of the condition causing the audit and the effect of non-payment of the assessment, which is inaccurately characterized as a contractual obligation.

The Supreme Court of Georgia did not "spend or contractually obligate" itself in excess of State general funds for FY2009 after an audit adjustment. On May 28, 2009, the Governor announced that he was withholding 25% of the Court's June budget allotment giving the Court four weeks to adjust its budget to meet the $98,922 shortfall in appropriations. The Supreme Court was unable to make payment towards the Judicial Branch's annual membership assessment from the National Center for State Courts. The National Center for State Courts bill is not a contractual obligation in the traditional sense, in that the Supreme Court will not be in breach if the bill does not get paid. The State of Georgia Judicial Branch will simply be suspended from the rolls of the national organization.

The announcement that 25% of our June budget allotment would be withheld left us with a Hobson's choice. We could either: (a) fail to pay obligations and receive an audit finding for failing to pay those bills, or (b) pay the obligations with funds from FY2010 and receive an audit finding for paying FY2009 expenses out of funds appropriated for FY2010. Deferring payment of the National Center for State Courts assessment does not reflect that the Court entered into contractual obligations it could not pay.

Additionally, we are concerned about the amount of the adjustment reflected in the report. The National Center for State Courts membership assessment is payable in a calendar year - the assessment was not due on March 2, 2009. Assuming that the National Center for State Court assessment should have been recorded as of June 30th, since the assessment is based on a calendar year, only one-half of the assessed amount, or $91,351.50, should be "obligated" at June 30, 2009, not the full amount of $182,703.00. Thus, if the June 2009 budget allotment of $98,922 had not been withheld, the Court would have had sufficient funds to pay, or accrue or encumber one-half of the National Center for State Courts assessment. Furthermore, there is a potential that the National Center for State Courts will not require the full amount to be paid for membership by the Georgia Judicial Branch.

The Court did not fail to have procedures in place to record liabilities in the proper accounting period nor did any action by the Court increase the risk of material misstatements of the Court's financial statements, especially a misstatement due to fraud. The 25% allotment reduction by the State was an isolated instance under highly unusual circumstances and does not reflect any deficiency in internal control procedures. The Court adeptly monitored expenditures despite the last-minute 25% allotment reduction.

Conclusion:

The Supreme Court of Georgia performs its job with integrity, honesty and a commitment to excellence and always strives to protect the public's trust through utilizing only best practices in accounting for State funds. It is unclear what the Supreme Court of Georgia could have done differently in light of the crisis-based reduction mandated by the Governor. The National Center for State Courts assessment is not a contractual obligation and the National Center for State Courts cannot undertake collection efforts for payment of the assessment. The sole effect of non-payment is that the State of Georgia Judicial Branch will not be reflected as a participant in the National Center for State Courts. While this is not preferable (especially since the State of Georgia has funded comparable memberships for other branches of government) it does not rise to the level of a collection issue, nor does it implicate the accounting policies and procedures already implemented by the Supreme Court.

AUDITOR CONCLUDING RESPONSE
Prior to recording the audit adjustment reflected in the report, we contacted the National Center for State Courts (NCSC) regarding the assessment. They indicated that they had recorded the full amount of the assessment as a receivable and expected to receive the full amount of the assessment at some time. We also obtained a nine (9) year history of payments made by the Supreme Court for the NCSC assessments. This history indicated that the Supreme Court had paid the full amount of the assessment in the budget year in which the assessment was received.

DEPARTMENT OF LABOR

Finding Control Number: **FS-440-09-01**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries

See related Federal Award finding number FA-440-09-01

Condition: Our examination included a review of adjusting journal entries that were posted to the Department of Labor's (Department) general ledger for the month of June 2009 for the major Federal programs. The adjusting journal entries reviewed allocated overhead costs to specific programs, transferred expenses between grant years within programs, or transferred expenses between programs. We noted that the supporting documentation for certain adjusting journal entries was inadequate. The supporting documentation did not contain adequate explanations for the purpose of the journal entries, information was not provided to support the amounts adjusted, nor were there any indication of specific transactions being adjusted.

Criteria: The Financial Management Policies and Procedures, policy number 4-8-1, issued by the Office of Planning and Budget and State Accounting Office, states that, "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analyses identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."

Information: Upon request, additional information was provided by the Department to explain the purposes of the adjusting journal entries, however, specific transactions being adjusted could not be identified.

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures to ensure compliance with The Financial Management Policies and Procedures and the ***Accounting Procedures Manual*** for the State of Georgia.

Effect: Approving journal entries without adequate supporting documentation may result in a material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Labor should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Additional training on the guidelines included in The Financial Management Policies and Procedures should be provided to employees responsible for preparing and approving journal entries.

Finding Control Number: **FS-440-09-02**
BUDGET
Program Budgeting Deficiencies

Condition: The Department of Labor's (Department) accounting system does not generate a budget comparison report by program and fund source that complies with the Prioritized Program Based Budgeting

requirements of the Appropriations Act as approved by the Georgia General Assembly. Also, we were unable to tie federal expenses from the budget comparison report, in total, to Labor's grant activity schedule.

Criteria: The State of Georgia's budget, as approved in the Appropriations Act, is enacted each year and serves as a control to ensure that spending is limited to authorized areas and amounts. For the fiscal year under review, the Georgia General Assembly enacted Prioritized Program Based Budgeting for the fourth consecutive year. The Department must demonstrate their compliance by reporting their revenues and expenditures by fund source within program as compared to their budget.

Cause: This deficiency is due to the limitations of the accounting system utilized by the Department to report their activity in a manner that is prescribed by the Appropriations and Amended Appropriations Acts.

Effect: Without a system generated budget comparison report by program, it is doubtful that the Department was monitoring their expenditures against their program budgets throughout the fiscal year. Also, because the amounts on the budget comparison report do not agree in total with their grant activity schedule is an indication that the budget comparison is not accurate.

Recommendation: The Department of Labor should program their accounting system to create a budget comparison report that complies with the requirements of Prioritized Program Based Budgeting. This report should reconcile to the trial balance report by fund source. In addition, a detailed report should be created to support the activity by program and fund source as reported in the program-based budget comparison report.

Finding Control Number: **FS-440-09-03**
REVENUES AND RECEIVABLES
GENERAL LEDGER
Inadequate Procedures Over Cash Draws of Federal Grants

See related Federal Award finding number FA-440-09-03

Condition: Our examination of Cash Management over Federal Financial Assistance Programs at the Department of Labor (Department) disclosed the following deficiency:

Requests for reimbursement were not sufficient to cover Federal program expenditures. The following table identifies programs that had insufficient cash balances during fiscal year 2009:

CFDA#	Program Name	Number of Months of Insufficient Requests	Average Monthly Insufficient Cash Balance
17.ESC	Employment Service Cluster	4	$(6,028,560.00)
17.225	Unemployment Insurance Administration	3	$(2,591,000.00)

Criteria: The Code of Federal Regulations Title 31, Chapter II, Section 205.33 states, in part: "The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs."

Cause: The Department's policies and procedures for requesting and recording Federal funds to reimburse program costs were inadequate.

Effect: Failure to request Federal funds in an accurate and timely manner resulted in the use of State funds to subsidize Federal program expenditures and affect sub-ledgers within the general ledger in a timely manner may affect the proper recording of Federal program revenues and expenses, which could result in material misstatement in the financial statements.

Recommendation: The Department of Labor should review their policies and procedures for requesting and recording Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for trends.

Finding Control Number: **FS-440-09-04**
EXPENSES/EXPENDITURES AND LIABILITIES
Overpayment of Unemployment Compensation Benefits

See related Federal Award finding number FA-440-09-02

Condition: Our examination of claimants who received unemployment compensation benefits in excess of the maximum weekly benefit amount revealed a duplicate batch was processed resulting in overpayments. The Department of Labor's (Department) host-based computer system did not include sufficient monitoring components relating to batch processing to prevent the incorrect sequence of jobs submitted, resulting in duplicate payments.

Criteria: The Department's management is responsible for designing and maintaining application controls that provide reasonable assurance that duplicate transactions are not processed.

Questioned Costs: $573,469.00

Cause: The deficiency noted above was a result of computer jobs submitted ran out of sequence resulting in the previous day's direct deposit batch being duplicated.

Effect: Approximately 40,000 direct deposits from one (1) daily batch were duplicated resulting in $12,606,034.00 in benefits that were paid twice. The Department was able to collect $12,032,565.00 by claimant repayments and/or deducting the duplication from future benefit weeks payable with the remaining $573,469.00 recorded as overpayments.

Recommendation: The Department of Labor should establish monitoring components within the host-based computer system to prevent the incorrect sequencing of jobs submitted and duplicate payments being processed. The Department should continue to pursue collection of the remaining overpayments in the manner provided by law for the collection of debts or any other method of collection specifically authorized.

Finding Control Number: **FS-440-09-05**
GENERAL LEDGER
Inadequate General Ledger

Condition: The Department of Labor (Department) utilizes a secure, ongoing host-based application to process and account for transactions relating to the State of Georgia Unemployment Insurance Program, whereas the general ledger utilized by the Department to produce the financial statements for the Unemployment Compensation Fund is an Excel-based set of spreadsheets which are manually updated on a daily basis from reports and information produced by the host application. This type of setup is commonly referred to as "end-user computing." The general ledger utilized by the Department is inadequate due to being basically a set of ongoing cash sheets. The current system is incapable of producing accrual based accounting financial statements or of providing a detail of account balances.

Criteria: For all State organizational units, the Accounting Procedures Manual for the State of Georgia requires for financial accountability purposes, that accounting records be uniformly maintained. Also, in order to eliminate potential information systems security concerns with the processing environment and in order to be able to rely on accounting data and other information produced by the systems which are maintained as end-user computers, traditional internal control procedures (i.e., reconciling, balancing, etc.) must be in place and operating without flaws.

Cause: This condition is due to the Department's failure to develop or purchase a sufficient accounting system to utilize as a general ledger for the Unemployment Compensation Fund.

Effect: The failure to maintain an effective general ledger process increases the risk of material misstatement in the financial statements including misstatements due to fraud. In addition, there is potentially unsupported and/or unauditable financial statement account balances and lack of data integrity if traditional internal controls are not in place and operating effectively.

Recommendation: The Department of Labor should seek to develop or obtain a new accounting system to serve as its general ledger for the Unemployment Compensation Fund. This new accounting system should be capable of accrual based accounting and be totally integrated, if possible, with the host-based application.

DEPARTMENT OF JUVENILE JUSTICE

Finding Control Number: **FS-461-09-01**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Excess Hours Worked by Retired Employees

Condition: The Department of Juvenile Justice (Department) failed to establish written policies and procedures to ensure that retired State employees, who were rehired part-time by the Department, were informed of the Employees Retirement System of Georgia (ERS) policy regarding the maximum number of hours that can be worked during a calendar year. As a result, the total number of hours worked by one (1) retired employees exceeded the total number allowed by the ERS.

Criteria: ERS rules state, "Any employer that employs a retired plan member shall within 30 days of the employee's accepting employment notify the board of trustees in writing stating the name of the plan member and the number of hours the employee is expected to work annually and shall provide such other information as needed as the board may request. If the retired plan member performs more than 1,040 hours in any calendar year, the employer shall so notify the board of trustees as soon as such information is available (OCGA Section 47-2-110(c)(4)).

Cause: The Department does not have written policies and procedures in place to inform retired State employees of the ERS policy.

Effect: The employee in question worked more than 1,040 in the calendar year and the board of trustees was not notified.

Recommendation: The Department of Juvenile Justice should establish written policies and procedures to ensure that retired State employees are informed of the ERS policy and to notify the board of trustees when an employee retired under ERS is employed with the Department.

DEPARTMENT OF NATURAL RESOURCES

Finding Control Number: **FS-462-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficiencies in Federal Fund Ledgers

Condition: The accounting records at the Department of Natural Resources (Department) contain old Federal fund source balances, some of which are negative.

Criteria: The Accounting Procedures Manual for the State of Georgia, Section One, page 1-6-1, states in part: "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the

identification of individual grants, expenditures and revenues from such grants, unobligated grant balances and grant assets and liabilities."

Cause: The deficiency noted above was the result of the Department's failure to monitor Federal fund ledgers within the general ledger in a timely manner.

Effect: Failure to monitor Federal fund ledgers within the general ledger in a timely manner could affect the proper recording of Federal program revenues and expenses, which could result in material misstatements in the financial statements.

Recommendation: The Department of Natural Resources should develop and implement policies and procedures to ensure the accounting records are properly maintained and monitored at the fund source level.

Finding Control Number: **FS-462-09-02**
EXPENSES/EXPENDITURES AND LIABILITIES
Unallowed Severance Packages for DNR Executives

Condition: The Department's Chief Financial Officer (CFO) was relieved of her official duties on March 20, 2009, but the Department continued to pay her until May 30, 2009 by utilizing compensatory leave. Our review of the CFO's compensation revealed the following:

1. The Department paid the CFO for services that were apparently not earned from March 21, 2009 through May 30, 2009 in the amount of $25,891.11. In addition, the Department incurred employer (fixed) costs associated with the apparent salary overpayment in the amount of $4,675.93. These payments appear to constitute a gift or gratuity, which is prohibited by the Georgia Constitution.

2. Fifteen days prior to the CFO's termination, 240 hours of compensatory leave time was added to her leave balance. The Department has been unable to document any basis for this accumulated compensatory leave. This undocumented leave was utilized as justification to compensate the CFO from March 21, 2009 through May 30, 2009. Further, Department payroll records indicate the Department allowed her to continue to accrue and utilize annual and sick leave during this time period as well.

Criteria: Article III, Section VI, Paragraph VI (a) of the Georgia Constitution states, in part, as follows:

> "Except as otherwise provided in the Constitution, (1) the General Assembly shall not have the power to grant any donation or gratuity or to forgive any debt or obligation owing to the public,…"

This provision has been interpreted as prohibiting the payment of compensation to a former employee when services have not been rendered. 1945-47 Op. Att'y Gen. 522, 523 ("the [State] is not authorized to provide compensation for a person who is inactive and not performing services for the State in return for the emolument received"); 1948-49 Op. Att'y Gen. 540, 541 (the payment of funds to a former employee who did not perform any services after his resignation violated the gratuities clause of the Georgia Constitution).

Office of Planning and Budget State Personnel Administration Policy No. 7 (revision 5, effective January 1, 2009) states as follows:

> "Each State agency shall establish a procedure whereby all State compensatory time claimed by its employees is properly authorized by appropriate supervisory employees. Appropriate records shall be maintained on employee State compensatory time by each State agency in a manner similar to that used for employee FLSA compensatory time. Under no circumstances shall the official record of State compensatory time be maintained by the affected employee." Policy No. 7 also states that, "In the event that an employee terminates employment with a State agency in the Executive

Branch, all accumulated State compensatory leave is lost and the employee is not entitled to be paid for such leave."

Questioned Cost: $30,567.04

Cause: The Department decided to continue to compensate the CFO through May 30, 2009, even though she was relieved of her duties on March 20, 2009, which in effect, provided the CFO a severance package. The Department on at least one previous occasion (FY 2008) apparently compensated a manager ($15,543.13 salary and associated fixed costs) in similar fashion after relieving the manager of all official duties. It appears as if the Department's decision regarding compensating the CFO through May 30, 2009 followed this previous course of action.

Effect: Payments to the CFO for apparently unearned compensation appear to violate the "gratuities clause" of the Georgia Constitution. Had these apparently improper payments of State funds not been made, the Department would have been able to remit $30,567.04 in additional surplus funds to the State Treasury.

Recommendation: We recommend the Department in conjunction with appropriate State entities conduct a review and establish and adhere to internal controls to ensure that former employees are not compensated for services not provided to the State as well as that all State compensatory time granted complies with Office of Planning and Budget State Personnel Administration policies and Georgia law.

The Department should also consider consulting with the Attorney General's Office regarding the apparent unearned compensation and related costs to the CFO from May 1, 2009 through June 30, 2009, as well as the unearned compensation and related costs paid during FY 2008 to the terminated manager.

Finding Control Number: **FS-462-09-03**
CAPITAL ASSETS
Inadequate Capital Asset Records – Land

Condition: The Department of Natural Resources (Department) failed to correctly report Land amounts to the State Accounting Office. The exceptions are noted as follows:

1. The additions as reported on the Capital Asset ledger submitted to the State Accounting Office are not correct. The additions and deletions activity were netted together, thus understating additions by $136,000.00 and overstating deletions by $136,000.00.

2. The subsidiary listing for Land did not agree with the Capital Assets ledger as reported to the State Accounting Office. No procedures were in place to ensure the subsidiary listing was reconciled to amounts reported to the State Accounting Office.

Criteria: Generally accepted accounting principles (GAAP) specify requirements for reporting financial statement balances and note disclosures for the State's Capital Assets. Information presented for capital assets should include beginning and ending balances, and additions and deletions during the fiscal year. Current year additions should include assets purchased during the fiscal year and non-cash activity such as adjustments, donations and transfers. Retirements should include assets that have been disposed of, removed from service or transferred during the fiscal year.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are reported correctly in accordance with instructions provided by the State Accounting Office.

Effect: The Department could place itself in a condition where potential misrepresentation of financial position could occur.

Recommendation: The Department of Natural Resources should develop appropriate policies and procedures to ensure that Land is correctly reported to the State Accounting Office in accordance with generally accepted accounting principles.

Finding Control Number: **FS-462-09-04**
CAPITAL ASSETS
Inadequate Capital Asset Records – Buildings and Building Improvements

Condition: The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Buildings and Building Improvements management system. The Department failed to properly record and maintain capital assets in accordance with the Accounting Procedures Manual for the State of Georgia. The Department also failed to correctly report its Building and Building Improvements Capital Assets to the State Accounting Office.

Criteria: The Accounting Procedures Manual for the State of Georgia requires that state organizations maintain a complete and accurate capital asset inventory record.

Also, generally accepted accounting principles (GAAP) specify requirements for reporting financial statement balances and note disclosures for the State's Capital Assets. Information presented for capital assets should include beginning and ending balances, and additions and deletions during the fiscal year. Current year additions should include assets purchased during the fiscal year and non-cash activity such as adjustments, donations and transfers. Retirements should include assets that have been disposed of, removed from service or transferred during the fiscal year.

Information: The Department incorrectly recorded capitalized costs of Buildings and Building Improvements, and also did not provide sufficient documentation to support the amounts capitalized for Buildings and Building Improvements, and failed to correctly report its Building and Building Improvements (Capital Assets) to the State Accounting Office. The exceptions are noted as follows:

1. The Department recorded capitalized costs of $672,869.00 for a renovation at the Marine Service Building located in Brunswick, Georgia. According to documentation obtained from the Department, the total cost of the renovation was $676,481.50.

2. The Department recorded capitalized costs of $227,960.00 for an expansion of a museum located at Fort McAllister State Park. According to documentation obtained from the Department, the total cost of the renovation was $239,372.00.

3. The costs for the building projects were at times charged to Repairs and Maintenance rather than Buildings.

4. The adjustment for deletions on the Capital Asset ledger submitted to the State Accounting Office was incorrect. The adjustment was netted for additions and deletions and of the seven (7) adjustments tested, four (4)were not made for the correct amount.

5. The subsidiary listing for Buildings and Building Improvements Capital Assets did not agree with the Capital Assets ledger as reported to the State Accounting Office. No procedures were performed to ensure the subsidiary listing is reconciled to amounts reported to the State Accounting Office.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the Accounting Procedures Manual for the State of Georgia.

Effect: The Buildings and Building Improvements balances are misstated. The extent of the misstatement cannot be determined.

Recommendation: The Department of Natural Resources should develop appropriate policies and procedures to ensure that all of the Department's Buildings and Building Improvements are properly accounted for and reported in accordance with guidelines established in the Accounting Procedures Manual for the State of Georgia.

Financial Statement Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Finding Control Number: **FS-462-09-05**
CAPITAL ASSETS
Inadequate Capital Asset Records – Improvements Other Than Buildings

Condition: The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Improvements Other Than Buildings management system. The Department failed to properly record and maintain capital assets in accordance with the Accounting Procedures Manual for the State of Georgia. Also, the Department failed to correctly report Improvements Other Than Buildings capital assets to the State Accounting Office.

Criteria: The Accounting Procedures Manual for the State of Georgia (Manual) requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Historical costs should include ancillary charges necessary to place the asset in its intended condition for use. The Manual also requires that state organizations should maintain accurate capital asset inventory records.

In addition, generally accepted accounting principles (GAAP) specify requirements for reporting financial statement balances and note disclosures for the State's Capital Assets. Information presented for capital assets should include beginning and ending balances, and additions and deletions during the fiscal year. Current year additions include assets purchased during the fiscal year and non-cash activity, such as adjustments, donations and transfers. Retirements include assets that have been disposed of, removed from service or transferred during the fiscal year.

Information: The Department incorrectly recorded capitalized costs of Improvements Other Than Buildings, and also did not provide sufficient documentation to support the amounts capitalized for Improvements Other Than Buildings. The exceptions are noted as follows:

1. The Department reported capitalized costs on the Capital Assets ledger that was submitted to the State Accounting Office of $619,000.00 for construction of a fishing pier at Lake Hartwell. This project should not have been reported as Improvements Other Than Buildings on the Capital Assets ledger since construction was not completed at June 30, 2009. Also, the supporting documentation for the costs of this project reported on the Capital Asset ledger was inadequate in that actual expenditures should be used and not a contract amount. In addition, the costs of this project were not recorded in the correct expense accounts; costs for this project were charged to Repairs and Maintenance rather than Improvements Other Than Buildings.

2. The Department reported capitalized costs on the Capital Assets ledger submitted to the State Accounting Office of $152,480.00 for construction of a multi-use trail at Red Top Mountain State Park. This project should not have been reported as Improvements Other Than Buildings on the Capital Assets ledger submitted to the State Accounting Office since construction was not completed at June 30, 2009. Also, the supporting documentation for the costs of this project reported on the Capital Asset ledger was inadequate in that actual expenditures should have been used and not a contract amount. In addition, this project was not expensed on the general ledger during the fiscal year.

3. Adjustments reported under Deletions for Improvements Other Than Buildings Capital Assets ledger were overstated by $423,000.00.

4. The subsidiary listing for Improvements Other Than Buildings Capital Assets did not agree with the Capital Assets ledger as reported to the State Accounting Office. No procedures were in place to ensure the subsidiary listing was reconciled to amounts reported to the State Accounting Office.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the Accounting Procedures Manual for the State of Georgia.

Effect: The Improvements Other Than Buildings balances are misstated. The extent of the misstatement cannot be determined.

Recommendation: The Department of Natural Resources should develop appropriate policies and procedures to ensure that all of the Department's Improvements Other Than Buildings are properly accounted for and reported in accordance with guidelines established in the Accounting Procedures Manual for the State of Georgia.

Finding Control Number: **FS-462-09-06**
CAPITAL ASSETS
Inadequate Capital Asset Records – Construction in Progress

Condition: The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Construction in Progress management system. The Department failed to properly record and maintain capital assets in accordance with the Accounting Procedures Manual for the State of Georgia.

Criteria: The Accounting Procedures Manual for the State of Georgia (Manual) requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Historical costs should include ancillary charges necessary to place the asset in its intended condition for use. The Manual also requires that state organizations should maintain accurate capital asset inventory records.

In addition, generally accepted accounting principles (GAAP) specify requirements for reporting financial statement balances and note disclosures for the State's Capital Assets. Information reported for capital assets should include beginning and ending balances, and additions and deletions during the fiscal year. Current year additions include assets purchased during the fiscal year and non-cash activity such as adjustments, donations, and transfers. Retirements include assets that have been disposed of, removed from service, or transferred during the fiscal year.

Information: The Department incorrectly recorded capitalized costs of Construction in Progress, did not provide sufficient documentation to support the amounts capitalized for Construction in Progress, and failed to correctly report Construction in Progress Capital Assets to the State Accounting Office. The exceptions are noted as follows:

1. The Department recorded capitalized costs of $738,323.38 on the Construction in Progress Report for an acquisition of land at River Creek located in Thomasville, Georgia. According to documentation obtained from the Department, the total cost of the acquisition was $731,598.82.

2. A review of the Construction in Progress Capital Asset ledger revealed that two projects with expenditures totaling $10,256,201.82 were not reported to the State Accounting Office.

3. A review of five (5) Construction in Progress projects revealed that the costs were not recorded in the correct expense accounts. Costs for the projects were being charged to Land, Buildings, and Improvements Other Than Buildings rather than Construction in Progress.

4. The subsidiary listing for Construction in Progress Capital Assets did not agree with the Capital Assets ledger as reported to the State Accounting Office. No procedures were implemented to ensure the subsidiary listing is reconciled to amounts reported to the State Accounting Office.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the Accounting Procedures Manual for the State of Georgia.

Effect: The Construction in Progress balance is misstated. The extent of the misstatement cannot be determined.

Recommendation: The Department of Natural Resources should develop appropriate policies and procedures to ensure that all of the Department's Construction in Progress are properly accounted for and reported in accordance with guidelines established in the Accounting Procedures Manual for the State of Georgia.

Finding Control Number: **FS-462-09-07**
CAPITAL ASSETS
Inadequate Capital Asset Records – Depreciation Expense and Accumulated Depreciation

Condition: The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Depreciation Expense and Accumulated Depreciation management system. The exceptions are noted as follows:

1. The subsidiary listing for Building and Building Improvements and Improvements Other Than Buildings utilized in the calculation of depreciation expense is not a complete listing of assets. In addition, some of these assets are not stated at correct amounts. Therefore, depreciation expense and accumulated depreciation are not correctly stated.

2. The depreciation expense reported for Improvements Other Than Buildings Capital Asset ledger did not agree with the supporting documentation.

3. The Department calculated depreciation expense on yurts which have a cost less than the $100,000.00 threshold for Improvements Other Than Buildings. Also, the Department failed to correctly report Depreciation Expense and Accumulated Depreciation to the State Accounting Office.

Criteria: The Accounting Procedures Manual for the State of Georgia (Manual) requires that capital assets be depreciated over their estimated useful lives unless they are inexhaustible. Depreciation data should be calculated and recorded within the state organization's capital asset records for each eligible asset. Accumulated depreciation should be summarized and posted to the general ledger.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the Accounting Procedures Manual for the State of Georgia.

Effect: The Depreciation Expense and Accumulated Depreciation are misstated. The extent of the misstatements cannot be determined.

Recommendation: The Department of Natural Resources should develop appropriate policies and procedures to ensure that all of the Department's Depreciation Expense and Accumulated Depreciation are properly calculated and reported in accordance with guidelines established in the Accounting Procedures Manual for the State of Georgia.

DEPARTMENT OF CORRECTIONS

Finding Control Number: **FS-467-09-02**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures and Outstanding Checks for Over One Year

Condition: The Department of Corrections did not perform adequate bank reconciliation procedures on its bank accounts. As a result, reconciling items were not made to the general ledger in a timely manner. Also, the outstanding checks list for the operating, payroll, and agency fund accounts included checks that have been outstanding for over one year.

Criteria: An adequate system of internal controls calls for the performance of a monthly bank reconciliation between the bank statement and the general ledger in a timely manner. Each reconciling item should be appropriately accounted for and identified. Adjustments should be made to the general ledger for reconciling items when applicable. The ***Accounting Procedures Manual*** for the State of Georgia, Section 4-6, states in part: "checks over a year old should be cancelled or voided."

Cause: These deficiencies were the result of the Department's failure to adequately manage and monitor the bank reconciliation process, including adjusting the general ledger in a timely manner when applicable. Outstanding checks over one year old have not been reviewed to determine the appropriate action to take.

Effect: The failure to maintain an effective bank reconciliation process increases the risk of material misstatements in the financial statements including misstatements due to fraud. Outstanding checks over one year old still reported in the bank reconciliation could result in a violation of the Unclaimed Property Act OCGA 44-12-190 through 44-12-235.

Recommendation: The Department of Corrections should implement additional policies and procedures to ensure an effective bank reconciliation process is in place, and reconciling items are reviewed and adjusted to the general ledger in a timely manner when applicable. In addition, the Department should review outstanding checks and implement policies and procedures to account for outstanding checks in accordance with the ***Accounting Procedures Manual*** for the State of Georgia.

DEPARTMENT OF REVENUE

Finding Control Number: **FS-474-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

Condition: The Department of Revenue (Department) did not spend or contractually obligate in excess of the State general funds it had available for FY 2009 (current year) through the budget process. However, it did end the fiscal year with an accounting deficit in its prior years' State general funds in the amount of $702,916.64.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of State general funds to the reduced amount in appropriations it then withddraws by warrant pursuant to the reduced allotment. 1975 Op. Att'y Gen. 75-88.

Information: As a result of erroneous clearing account balances, the Department may have overstated its surplus in prior fiscal years, and the amounts the Department lapsed to the State Treasury may have been excessive in prior years.

Cause: This deficit occurred as a result of accounting entries made to clean-up erroneous balances remaining in the Department's clearing accounts. As reported as audit findings in previous years, the Department did

not properly maintain and monitor the activity in clearing account No. 196119. The Department was unable to provide adequate supporting documentation for the balance in clearing account No. 196119.

Effect: Failure to properly maintain and monitor clearing accounts in the accounting records increases the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Revenue should implement policies and procedures to ensure that the accounting records are properly maintained and monitored throughout the year. State government officers and senior budget and accounting offices are being notified of this deficit fund balance for their respective consideration.

Finding Control Number: **FS-474-09-02**
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

Condition: The postmark date is not being entered into the Sales Tax Database for deliquent Sales Tax Returns, which nullifies the system edit that would deny ineligible vendor's compensation and impose penalties and interest.

Criteria: According to the Department of Revenue's Data Capture Procedures for Data Entry of Sales Tax Returns, all documents in a deliquent batch must have a postmark date and the earliest received date should be entered.

Information: On May 1, 2009, the Department of Revenue implemented a new system to process Sales Tax Returns which requires the postmark date to be entered for each sales tax return.

Cause: This deficiency is the result of management's failure to adequately oversee data entry to ensure that all applicable data is being captured, and that all applicable system edits are functioning as intended.

Effect: The failure to adequately oversee the data entry function allows ineligible tax payers to receive vendor's compensation and avoid applicable penalties and interest.

Recommendation: The Department of Revenue should implement policies and procedures to ensure that all applicable data for Sales Tax Returns is captured, and that all system edits functions are working as intended.

Finding Control Number: **FS-474-09-03**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Deficiencies in Controls Over Journal Entries

Condition: The Department of Revenue's internal control policies and accounting procedures were not sufficient to provide for adequate supporting documentation for journal entries. Our examination of 53 journal entries revealed 11 journal entries with inadequate supporting documentation.

Criteria: An adequate system of internal controls requires journal entries to be supported by adequate documentation prior to posting to the accounting records.

Information: Of the 11 journal entries that did not have adequate supporting documentation, 8 were reclassifications that did not affect the overall financial position of the Department

Cause: The deficiency noted above is a result of management's failure to obtain adequate documentation of all journal entries.

Effect: The failure to provide adequate documentation of journal entries increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Revenue should implement additional policis and procedures to ensure that all journal entries are supported by adequate documentation.

Finding Control Number: **FS-474-09-04**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: The Department of Revenue (Department) did not perform adequate bank reconciliation procedures on the Income Tax – Control Disbursement account. Reconciling items in the amount of $25,912,124.35 were not adequately identified and an unidentified difference of $1,952,298.22 was listed on the reconciliation. These reconciling items have not been corrected in a timely manner, some of which date back to fiscal year 2005.

Criteria: An adequate system of internal controls dictate that bank reconciliatons be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, and 3) adjustments which are needed are identified and made in a timely manner.

Cause: These deficiencies were the result of the Department's failure to adequately manage and monitor the Income Tax – Control Disbursement account.

Effect: The failure to maintain an effective bank reconciliation process increases the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Revenue should review current internal control procedures regarding their bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process.

Finding Control Number: **FS-474-09-05**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: The Department of Revenue (Department) did not perform adequate bank reconciliations procedures on the Payroll account. Exceptions noted were as follows:

1. Reconciling items identified during the bank reconciliation process were not corrected in a timely manner.

2. Outstanding checks over two years old in the amount of $17,446.75 were still listed on the bank reconciliation and the outstanding checklist contained negative amounts.

Criteria: An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, and 3) adjustments which are needed are identified and made in a timely manner.

Cause: The deficiencies noted above were the result of the Department's failure to adequately manage and monitor the Payroll Account bank reconciliation process.

Effect: Failure to maintain an effective bank reconciliation process increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Revenue should review their current internal control procedures regarding their bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place.

Finding Control Number: **FS-474-09-06**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Outstanding Checks for Over One Year

Condition: The Department of Revenue's (Department) outstanding check list for the General Disbursement account included 1,457 checks totaling $1,666,562.68 that have been outstanding over one year. In addition, the outstanding check list does not contain an accurate issue date for the checks.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section 4-6-2, states, in part: "all checks over a year old should be cancelled or voided."

Cause: The deficiencies noted above were the result of the Department's failure to adequately manage and monitor the General Disbursement account.

Effect: Outstanding checks over one year old still reported in the bank reconciliation could result in violation of the Disposition of Unclaimed Proterty Act (OCGA 44-12-190 through 44-12-235).

Recommendation: The Department of Revenue should review outstanding checks and implement policies and procedures to account for outstanding checks in accordance with the ***Accounting Procedures Manual*** for the State of Georgia.

SECRETARY OF STATE

Finding Number: **FS-478-09-01**
CAPITAL ASSETS
FINANCIAL REPORTING AND DISCLOSURE
Inadequate Capital Asset Records

Condition: The Secretary of State does not have sufficient controls in place to ensure that all equipment items are recorded correctly, have the correct descriptions, and are in the designated location as reported on the capital asset inventory listing. The auditor tested machinery and equipment for the attached agency of the Secretary of State, the Georgia Real Estate Commission. The following exceptions were noted:

(1) The auditor found fourteen vehicles at the Georgia Real Estate Commission. Of those fourteen, six were verified to the capital asset list. The other eight could not be verified.

(2) The auditor was unable to visually verify four of the 10 items on the capital asset list because the Georgia Real Estate Commission uses serial numbers as identifiers and the Secretary of State uses asset ID numbers as identifiers. There is no common identifier to verify the items in question with the items shown.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section Three, Page 3-1-29 requires that, "Accurate subsidiary capital asset inventory records must be maintained."

Cause: The Secretary of State failed to develop and implement adequate policies and procedures that ensured decal numbers, item descriptions, and locations were recorded in the capital asset inventory records.

Effect: Failure to properly identify and document the location of all capital assets could result in the misappropriation of assets and a misstatement of the financial statements.

Recommendation: The Secretary of State should work with the Georgia Real Estate Commission to develop and implement appropriate policies and procedures to ensure that all capital assets listed on the capital asset inventory records for the attached agency can be identified by decal number, description and location.

GEORGIA AVIATION HALL OF FAME

Finding Control Number: **FS-483-09-01**
ACCOUNTING CONTROLS (OVERALL)
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: The Georgia Aviation Hall of Fame did not perform adequate bank reconciliation procedures on their bank accounts. For the bank reconciliations reviewed, exceptions noted were as follows:

1. There was no evidence of a supervisory review and approval.
2. There was no evidence that the reconciliations were performed on a timely basis.
3. The June 2009 reconciliation for the Treasury Account was not correct.

Criteria: Policy Number CM-100008 of the State Accounting Manual Policies and Procedures issued by the State Accounting Office (SAO) provides bank reconciliation guidelines for all organizations to follow. In addition, an adequate system of internal controls dictates that bank reconciliations be performed, at a minimum, on a monthly basis and in a timely fashion. Also, as appropriate, bank reconciliations should include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.

Cause: The Georgia Aviation Hall of Fame's failure to adequately manage and monitor their bank account reconciliations, including their timely preparation and approval.

Effect: A misstatement for assets and revenues relating to interest earned was noted with respect to the Treasury Account due to the ending balance not being reflected on the reconciliation correctly. In addition, the failure to follow adequate bank reconciliation procedures increases the risk of material misstatement in the financial statements, including misstatements due to fraud.

Recommendation: The Georgia Aviation Hall of Fame should review their current internal control procedures relating to bank reconciliations and implement additional policies and procedures, as needed, to ensure: 1) an effective bank reconciliation process is in place to manage and monitor all bank accounts and 2) compliance with the State Accounting Manual Policies and Procedures.

Finding Control Number: **FS-483-09-02**
GENERAL LEDGER
Failure to Maintain an Adequate Trial Balance

Condition: The Georgia Aviation Hall of Fame did not adequately maintain a trial balance. At fiscal year end, debit balances did not equal credit balances and assets did not equal liabilities plus fond balance.

Criteria: Accounting records should be maintained according to the accounting equation, which requires that assets equal liabilities plus fund balance, and should also conform to the double-entry accounting system wherein debits equal credits. Further, the Accounting Procedures Manual for the State of Georgia, Section One, Page 1-2-5 requires that, "The accounting records... must be maintained in such a manner as to allow for the preparation of GAAP financial statements."

Information: The Georgia Aviation Hall of Fame implemented a new accounting system on October 1, 2009. This accounting system accounts for the activity of both the Georgia Aviation Hall of Fame and the Museum of Aviation, a non-State reporting entity organization.

Cause: There was inadequate planning for maintaining separate accountability of the Georgia Aviation Hall of Fame's activity during the implementation of the new accounting system. Also, balance sheet items were not accurately transferred to the new system during migration.

Effect: The Georgia Aviation Hall of Fame ended the State fiscal year with a trial balance that does not follow the accounting equation or conform to double-entry accounting as required by GAAP. As a result, the Georgia Aviation Hall of Fame had to manually prepare statements reflecting their financial activity. These manually prepared statements were also provided to and used by the State Accounting Office in their preparation of the State's Comprehensive Annual Financial Report (CAFR).

Because we were unable to verify the accuracy of the manually prepared financial statements and the State Accounting Office's working trial balance to the accounting system of the Georgia Aviation Hall of Fame, we are uncertain as to whether or not misstatements are present, but it appears that there are likely misstatements present that cannot be quantified. Any misstatements, if present, are not deemed to be material to the State's CAFR.

Recommendation: The Georgia Aviation Hall of Fame should implement the controls necessary to ensure that the deficiencies with their accounting system are corrected to allow for accurate trial balances to be generated by their accounting system.

DEPARTMENT OF TRANSPORTATION

Finding Control Number: **FS-484-09-01**
ACCOUNTING CONTROLS (OVERALL)
Failure to Document Policies and Procedures

Condition: The Department of Transportation (Department) could not provide formal written internal control policies and procedures for the following critical processes and tasks related to identifying, recording, and monitoring financial transactions and file maintenance:

1. Maintenance of prequalification files,
2. Completeness and/or timeliness of recording contractual obligations in PeopleSoft,
3. Recording of payments to construction contractors in PeopleSoft and
4. Reconciling subsidiary ledgers to the general ledger for accounts receivable and revenue accounts.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section 5, pages 5-4-2, 5-4-3 and 5-7-1, state, in part: 1) "Documentation – involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly." 2) "The documentation of an organization's system of internal control should include the organization's structure, policies, control objectives and control activities." 3) "Large State organizations with complex operations should formally document their controls with written policy manuals, formal organization charts, written job descriptions, operating instructions, and information flowcharts."

Cause: The Department failed to properly document internal control policies and procedures in accordance with the guidelines outlined in the ***Accounting Procedures Manual*** for the State of Georgia.

Effect: Failure to properly document internal control policies and procedures could result in the inconsistent application of those policies and procedures, which may impede the Department's ability to prevent and detect material misstatements in the financial statements.

Recommendation: The Department of Transportation should ensure that internal control policies and procedures are formally documented. In addition, documentation should be properly maintained and monitored by management to ensure that internal control procedures are correctly and consistently performed.

Finding Control Number: **FS-484-09-02**
ACCOUNTING CONTROLS (OVERALL)
Sub-ledgers Not Properly Maintained

Condition: The Department of Transportation (Department) did not maintain adequate sub-ledgers at the fund source level (i.e., State General Funds, State Motor Fuel Funds, Federal Awards, etc.). Our examination of the Department's accounting records at the fund source level revealed balances in clearing accounts, negative cash and accounts receivable balances, and deficit fund balances in many fund sources. We also noted fund balances in reimbursable based programs (such as General Obligation Bonds and Federal Highway Administration Highway Planning & Construction), which should not have a fund balance at the end of the fiscal year since revenue is accrued based on expenditures.

Criteria: According to the ***Accounting Procedures Manual*** for the State of Georgia (Manual), Section 2, Page 2-6-1, a full set of balanced financial statements should be available at the fund source level. The Manual states, in Section 3, Page 3-4-1, that procedures should be in place "...to ensure that clearing accounts do not have balances at the end of each reporting period..."

An adequate system of internal controls should include procedures that enable management to monitor the reliability of reporting systems. These procedures should involve the following: 1) periodic reviews of reports to verify the accuracy and reliability of data in the accounting records, and 2) reconciling information used to manage operations with data generated by the financial reporting system.

Cause: The deficiencies noted above were the result of the Department's failure to properly monitor the fund source ledgers. Furthermore, the Department does not have an adequate system in place to maintain correct revenues, accounts receivable, or fund balances at the fund source level.

Effect: Failure to monitor the fund source ledgers in a timely manner could affect the proper recording of revenues and expenditures which could result in material misstatements in the financial statements.

Recommendation: The Department of Transportation should ensure that all fund source ledgers are adequately maintained within the accounting system. This includes correctly maintaining receivable, payable and clearing account balances within the fund source trial balances in accordance with the ***Accounting Procedures Manual*** for the State of Georgia.

A fund source identifier should be used to designate revenue sources and track expenditures made against those revenues. Since a full set of balanced financial statements should be available by fund source, fund source identifiers should also be used to account for assets, liabilities, and fund balances for all specific funding sources.

In addition, State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. Such records must provide for the identification of individual grants, revenues, and expenditures from those grants, unobligated grant balances, and grant assets and liabilities. Therefore, for Federal programs, a separate fund source should be established for each grant received.

Finding Control Number: **FS-484-09-03**
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Inadequate Accounting Records at the Legal Level of Budgetary Control

Condition: The Department of Transportation (Department) did not maintain adequate accounting records at the legal level of budgetary control as prescribed by the 2009 Appropriations Act. Our examination of the Department's general ledger and preliminary Budgetary Comparison Schedule (which did not include any post-closing entries or audit adjustments) revealed that revenues and expenditures were not correctly recorded at the fund source within program level. The following deficiencies were also noted:

1. Revenues reported in the preliminary Budgetary Comparison Schedule were grossly over-stated in the "Administrative" program and were understated in a majority of the other programs.

2. At the fund source within program level, twenty (20) instances were identified in the preliminary Budgetary Comparison Schedule where both revenues and expenditures exceeded the final budgeted amounts. Thirty (30) instances were identified where expenditures also exceeded actual recorded revenues.

3. Two fund sources reported a negative total of $196 million in current year revenues.

4. One fund source reported a negative $37 million in actual expenditures.

5. Advanced Construction expenditures totaling approximately $74 million were improperly reported in the Budgetary Comparison Schedule as Federal Highway Administration Highway Planning & Construction (FHWA) expenditures.

Criteria: The State of Georgia's budget is enacted each year and serves as an internal control to ensure that spending is limited to authorized areas and amounts. For fiscal year 2009, the Georgia General Assembly enacted Prioritized Program Based Budgeting (PPBB) for the fourth consecutive year. The legal level of budgetary control is prescribed by the 2009 Appropriations Act.

To demonstrate budgetary compliance with the 2009 Appropriations Act, State agencies must:

1. Record revenues to the appropriate funding source within program.

2. Record expenditures to the correct program at the legal level of budgetary control (by fund source within program level) in an amount not to exceed final budgeted amounts.

3. Record expenditures to the correct program at the legal level of budgetary control in an amount not to exceed actual recorded revenues plus carryover funds.

Cause: The Department did not have adequate internal control procedures in place to ensure that the accounting records were properly maintained at the legal level of budgetary control as prescribed by the 2009 Appropriations Act.

Effect: Failure to maintain adequate accounting records at the legal level of budgetary control results in unreliable budget comparison data which may prevent the identification of programmatic deficiencies that need to be addressed by management.

Recommendation: The Department of Transportation should utilize the Peoplesoft budget comparison reports and general ledger reports to monitor activity at the funding source within program level to ensure that the accounting records are being properly maintained. Additional controls should be implemented to ensure that transactions are recorded only to those programs identified in the 2009 Appropriations Act. The Department should also obtain additional guidance and training to assist them in developing and implementing internal controls that would provide for compliance with Prioritized Program Based Budgeting requirements.

Finding Control Number: **FS-484-09-04**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Transportation (Department) revealed the following deficiencies:

1. Expenditures for two (2) Federal awards were initially reported on the SEFA under an invalid Catalog of Federal Domestic Assistance (CFDA) number.

2. The expenditure total reported on the SEFA for one (1) Federal award was initially overstated. This was the result of Advanced Construction expenditures totaling $428,347,405.53 and other expenditures from non-Federal fund sources totaling $359,263,550.42 that were incorrectly included in the expenditure total.

3. An expenditure totaling $755,409.00 for one (1) Federal award was initially reported on the SEFA under an incorrect CFDA number.

4. The Schedule did not include expenditure amounts paid to subrecipients outside the state reporting entity.

Criteria: In accordance with OMB Circular A-133 Subpart C Section .300(a) and .310(b), (1) "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity." (2) "...pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program."

The State Accounting Office also issued instructions to all organizations of the State reporting entity for the SEFA which state, "Agency management is responsible to ensure proper accounting and reporting of Federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization's reporting fund and must reconcile to expenditures recorded in the organization's accounting records."

Information: Adjustments were made to correct the SEFA for the first three (3) errors identified above.

Cause: The Department failed to implement adequate policies and procedures to ensure that expenditures of Federal awards were accurately reported on the Schedule of Expenditures of Federal Awards and that all Federal awards received and expended were properly identified, including the Federal programs under which the awards were received.

Effect: Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

Recommendation: The Department of Transportation should implement policies and procedures to ensure that an accurate Schedule of Expenditures of Federal Awards is prepared and submitted in accordance with State Accounting Office instructions and Federal regulations.

Finding Control Number: **FS-484-09-05**
REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

Condition: The Department of Transportation (Department) did not perform adequate monthly reconciliations between accounts receivable and revenue account balances in the general ledger and the relevant subsidiary ledgers. The documentation provided for the monthly reconciliations generally lacked evidence of a supervisory review and support for the reconciling items. Book errors were often not properly identified and/or corrected in a timely manner.

Criteria: An adequate system of internal controls dictate that reconciliations between the general ledger and the relevant subsidiary ledgers be performed as a routine matter and as appropriate, and include the following: 1) adequate supporting documentation for all reconciling items, 2) reconciling items correctly identified by description and amount, 3) adjustments are identified and made in a timely manner, and 4) evidence of an effective supervisory review and approval function.

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate policies and procedures to ensure balances in the general ledger were correctly and consistently reconciled with relevant subsidiary ledgers.

Effect: Accounts receivable and revenue balances in the general ledger were not supported by detail in relevant subsidiary ledgers, which could result in misstatements in the financial statements.

Recommendation: The Department of Transportation should establish and implement policies and procedures to ensure that balances in the general ledger are routinely reconciled with relevant subsidiary ledgers with any variances noted and resolved in a timely manner. A supervisory review of the reconciliations should be consistently performed and documented.

Finding Control Number: **FS-484-09-06**
EXPENSES/EXPENDITURES AND LIABILITIES
Contract Monitoring Deficiencies

Condition: The Department of Transportation (Department) did not properly monitor the status of outstanding contractual obligations. Our examination included a review of thirty-three (33) contracts with outstanding balances that were established prior to July 1, 2008 and had no payment activity in the year under review. Our examination revealed that the outstanding balances for eight (8) of the thirty-three (33) contracts tested, totaling $1,684,766.84, were invalid. The following deficiencies were also noted with regard to the quality of the documentation maintained for the contracts:

1. The expiration date (completion date) was not specified in six (6) contracts.
2. Five (5) contracts expired before time extensions (agreements) were executed.
3. The documentation provided for two (2) contracts included only an e-mail request to encumber funds.
4. Supporting documentation for three (3) contracts was incomplete.

Criteria: The Department's policies and procedures state (in part): "If there has been no payment activity on a project within a certain time frame, a letter is sent to the Project Manager to initiate the project closeout if applicable. PeopleSoft is queried monthly for PO activity. GDOT is placing a strong emphasis on researching projects that are inactive and taking appropriate action to either close the project out or get the project moving again."

The ***Accounting Procedures Manual*** for the State of Georgia, Section Three, pages 3-2-1and 3-2-3 state, in part: 1) "All appropriated state funds, except for the mandatory appropriations required by this Constitution, remaining unexpended and not contractually obligated at the expiration of such general appropriations Act shall lapse." 2)"...transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following: a confirmed vendor, specific services or goods, specific price for the services or goods, and a stated time or range of time for delivery or completion."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal controls that would provide for consistent monitoring of outstanding contractual obligations and ensure that the guidelines outlined in Sections 3-2-1 and 3-2-3 of the ***Accounting Procedures Manual*** for the State of Georgia were properly followed.

Effect: Failure to monitor outstanding contractual obligations resulted in budgetary expenditure/liabilities being overstated with surplus (lapse) being understated.

Recommendation: The Department of Transportation should implement policies and procedures to ensure that outstanding contractual obligations are consistently monitored throughout the year. Additional training on the guidelines outlined in Sections 3-2-1 and 3-2-3 of the ***Accounting Procedures Manual*** for the State of Georgia should be provided to employees responsible for approving and recording encumbrances.

Finding Control Number: **FS-484-09-07**
EXPENSES/EXPENDITURES AND LIABILITIES
Internal Control Weaknesses Regarding the Ability to Record, Process, and Report Contractual Obligations

Condition: The Department of Transportation (Department) did not have adequate internal controls and business processes over recording, processing, and reporting of contractual obligations. Our examination of contractual obligations, which included construction contracts, supplemental agreements, and consultant contracts, revealed unrecorded liabilities and numerous instances where contractual obligations were not recorded in the general ledger in a timely manner. The following deficiencies were noted:

1. Nineteen (19) of the forty-five (45) supplemental agreements tested (from subsystem data) were recorded in the general ledger more than 1 month after execution. Two (2) of the nineteen (19) supplemental agreements were recorded approximately nine (9) months after execution.

2. Three (3) supplemental agreements totaling $2,671,939.00, which were identified in data from the Department's auxiliary database (Trns*port), were not recorded in the general ledger.
3. Twenty-six (26) unrecorded supplemental agreements totaling $4,414,552.56 were identified through vendor confirmation inquiries. Eleven (11) of the twenty-six (26) unrecorded supplemental agreements were related to one vendor.

4. Forty-five (45) of the sixty (60) consultant contracts tested were recorded more than twelve weeks after execution.

5. Contractual obligations were not consistently charged to the correct fund source code. Numerous instances were identified where the total outstanding contractual obligations by fund source code exceeded the total amount of funds available reported by program (FHWA code) on the Federal Highway Programs – Outlays report (FMISM80A). Instances were also noted in the project costing module where total expenditures for a project exceeded the total allotment amount by fund source code.

6. Sub-systems used by the Department to record contractual obligations and to monitor the availability of funds were not reconciled to the general ledger.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia (Manual), Section 3, Page 3-2-2 states, in part: "State budgetary accounting practices require liabilities and expenditures to be recorded when a vendor has been selected and a purchase order approved or a contract executed." The Manual states, in Section 5, pages 5-1-2 and 5-4-2, that, "Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization." One control activity commonly used is documentation, which "…involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."

In addition, an adequate system of internal controls should include procedures that enable management to monitor the reliability of reporting systems. These procedures should involve the following: 1) periodic reviews of reports to verify the accuracy and reliability of data in the accounting records, and 2) reconciling information used to manage operations with data generated by the financial reporting system.

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal controls over recording, processing, and reporting of contractual obligations.

Effect: Inadequate internal controls increase the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Transportation should develop and implement internal control procedures that will enable management to consistently monitor contractual obligations to ensure that they are properly identified and correctly recorded in a timely manner.

Finding Control Number: **FS-484-09-08**
CAPITAL ASSETS
Inadequate Capital Asset Records - Land

Condition: The Department of Transportation (Department) failed to maintain subsidiary capital asset inventory records for land. The Department's records as presented for audit consisted of total estimated land value amounts by fiscal year.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section Three, Page 3-1-29 states: "Accurate subsidiary capital asset inventory records must be maintained." The subsidiary records should include detailed information such as cost, location, parcel, and acreage.

Cause: The deficiency noted above is a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the ***Accounting Procedures Manual*** for the State of Georgia.

Effect: Inaccurate capital asset records could potentially cause a material misstatement in the financial statements.

Recommendation: The Department of Transportation should maintain its land inventory in a manner such that each parcel of land identifies, at a minimum, the number of acres, cost (or estimated historical cost), and location.

DEPARTMENT OF VETERANS SERVICE

Finding Control Number: **FS-488-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

Condition: The Department of Veteran's Service (Department) spent or contractually obligated in excess of its allotments of State general funds for FY 2009 (current year), producing a budget fund deficit of $396,836.99.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of State general funds to the reduced amount in appropriations it then withdraws by warrant pursuant to the reduced allotment. 1975 Op. Att'y Gen. 75-88.

Information: On May 28, 2009, the Governor, estimating that actual revenues would fall short of appropriations of State general funds, acted under the Budget Act to withhold a percentage of State allotments, including a percentage of the Department's remaining allotments. The amount of the withheld allotment in state general funds for the Department was $451,272.00.

Based upon its final allotments and drawn warrants, the Department overspent its current year allotment of State general funds (funds available) by $396,836.99. (It underspent its annual operating budget of State general funds, as authorized by the general appropriations act, by $54,435.01.) However, in recent fiscal years the Department has demonstrated deficiencies in its ability to control spending within authorized amounts and it does not appear that the allotment reduction was a primary factor in the Department's deficit.

Cause: The deficit fund balance noted above was a result of the following:

1. The Department did not properly maintain and monitor its accounting records.
2. Encumbrances were recorded at year end for which funds were not available.
3. The Department did not have a system in place to maintain correct revenues, expenditures, or fund balances at the proper "funding source" level within the accounting records.
4. Numerous fund source account balances have been incorrectly carried forward for several years with no apparent progress made in correcting the underlying accounting records.
5. Federal fund source ledger account balances are not periodically reconciled to actual grant expenditures and subsequent reimbursements.

Effect: Failure to properly maintain and monitor the accounting records, including fund source ledgers, increases the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Veterans Service should implement policies and procedures to ensure that the accounting records are properly maintained and monitored throughout the year. State government officers and senior budget and accounting offices are being notified of this deficit fund balance for their respective consideration.

Management Response: The Department of Veterans Service acknowledges its responsibility to maintain accurate and complete records for all transactions. However, in this ever increasingly complex environment, the Department must rely on several partners for guidance and assistance: the State Accounting Office, the Office of Planning and Budget, and lastly the Department of Audits and Accounts. These partners are an important part of assisting our Department in maintaining its accounting records through their various functions.

An audit includes examining, on a sample basis, transactions as well as the Department's financial statements. While no audit can guarantee with complete assurance no misstatements exist, it does provide reasonable assurance the statements are free from material misstatement. Through the course of their audit work, the Department of Audits and Accounts has never uncovered a single instance that would give any indication of fraud or material misstatement. Our Department has complied with all requested adjustments and corrections as instructed within its means. This included asking for guidance and assistance from the partners listed above.

AUDITOR CONCLUDING REMARKS
While the Department has stated that DOAA has never uncovered any material misstatements, the State of Georgia Single Audit Report's (SAR) in previous years state otherwise, as follows:
2006 SAR
1. Audit finding FS-488-06-02 reported an unidentified variance between the June Operating Account bank statement and the general ledger in the amount of $716,567.43. (Subsequent to the issuance of this finding, the Department hired an outside consultant to teach the Department's accounting staff the proper method of reconciling a bank statement to the general ledger.)
2007 SAR
2. Audit finding FS-488-07-02 reported that the Department's Schedule of Federal Expenditures was understated by $5,672,426.15.
3. Audit finding FS-488-07-04 reported an unidentified variance between the June Operating Account bank statement and the general ledger in the amount of $704,458.83
4. Audit finding FS-488-07-05 reported a $954,098.51 misstatement in the clearing accounts.

Our response will address each cause in turn:

1. The Department has properly maintained and monitored its accounting records. With the ever increasing complexity of transactions being handled, mistakes are inevitable. These mistakes, whether discovered internally or externally, have been corrected as discovered. It should be noted none of these mistakes were a result of fraud or duplicity.

The deficit fund balance in state funds was the result of necessary corrections made to our accounting records with the assistance, direction, and guidance from the State Accounting Office. Without these corrections material misstatements would have existed within the Department's accounting records. The instructions received carried forward the deficit from fiscal year 2008 into fiscal year 2009.

Based on guidance from the State Accounting Office our Department has now implemented the necessary actions to eliminate this deficit within fiscal year 2010. We are currently on track to achieving this objective.

AUDITOR CONCLUDING REMARKS
While the Department has stated that they have properly maintained and monitored their accounting records, the Department has reported the following fund balance (deficit) amounts for the past three (3) fiscal years:

Fiscal year 2007: $(1,548,621.67)
Fiscal year 2008: $(558,718.60)
Fiscal year 2009: $(396,836.99)

2. The encumbrances mentioned were the result of amounts appropriated to the Department in the fiscal year 2007 amended budget. These funds were approved by the General Assembly at the very end of that fiscal year. As instructed by the State Accounting Office, we recorded the revenue and booked purchase orders in those amounts. It would have been unreasonable and wasteful to allow these funds to lapse simply because they were appropriated by the General Assembly near the end of the fiscal year and could not have been spent prior to June 30. These funds were appropriately used and the projects completed within the next fiscal year.

AUDITOR CONCLUDING REMARKS
As stated in the finding, the Department recorded encumbrances at year end for which funds were not available. Had the Department been monitoring their general ledger, they would have been aware of their financial position, thereby cognizant of overspending their reduced allotment.

3. The Department does monitor and strives to maintain correct revenues, expenditures, and fund balances within the accounting records. Any variances discovered from actual are investigated and corrected as appropriate.

4. In the instance of the numerous federal fund source balances that have been carried forward, the Department had requested assistance from the State Accounting Office on numerous occasions for the last three fiscal years. Without their assistance and guidance, our Department is unable to do anything further to resolve this issue. It is noted these fund balances date from fiscal years 1992-2000, which predates the conversion to the current accounting system (PeopleSoft).

   The Department is currently working on reconciling one current federal fund source with regards to construction projects. This reconciliation will be completed before close of fiscal year 2010.

5. The Department monitors, maintains, and reconciles all actual grant expenditures and reimbursements. As stated before, we are currently working on one fund source. This reconciliation will be completed by close of fiscal year 2010.

   For the federal fund balances that date from 1992-2000, the department is unable to make these corrections without the assistance of the State Accounting Office. We have asked for assistance for the past three fiscal years and will continue to request their assistance in resolving this matter.

AUDITOR CONCLUDING REMARKS
While the Department has stated that they monitor, maintain, and reconcile all actual grant expenditures and reimbursements, they were unable to provide supporting documentation for a proposed post-closing journal entry to set-up an accounts receivable for Federal Cemetery funds in the amount of $549,263.69 which would have offset the fund's deficit.

The Department continually strives to maintain the most accurate accounting records possible. With the assistance of the State Accounting Office, the Office of Planning and Budget, and Department of Audits and Accounts, we will work towards correcting all deficiencies noted and eliminating the deficit fund balances.

No instances of material misstatement or fraud have been revealed during our annual audits by the Department of Audits and Accounts.

Finding Control Number: **FS-488-09-02**
ACCOUNTING CONTROLS (OVERALL)
Deficiencies in Accounting Records at the Fund Source Level

Condition: The Department of Veterans Service (Department) did not have a system in place to maintain correct revenues, expenditures, or fund balances at the proper "funding source" level. The following deficiencies were noted:

1. Numerous fund source account balances have been carried forward incorrectly for several years with no apparent progress made in correcting the underlying accounting records.
2. Federal fund source ledger account balances were not periodically reconciled to actual grant expenditures and subsequent reimbursements.

Criteria: The Accounting Procedures Manual for the State of Georgia, Section One, page 1-6-1, states in part: "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grants, expenditures and revenues from such grants, unobligated grant balances and grant assets and liabilities."

In addition, Section Two, page 2-6-1, states in part: "A fund source identifier is a five digit code used to designate revenue sources and track expenditures made against those revenues. A full set of balanced financial statements will be available for a fund source (program). Fund source (program) identifiers are also utilized to account for assets, liabilities and fund balances and/or net assets for a specific funding source. For Federal programs a separate fund source (program) must be established for each grant received."

Information: Although PeopleSoft requires the five digit code for transaction entry, the Department failed to verify that the fund source ledger account balances were correct.

Cause: The deficiencies noted above were a result of the Department's failure to properly monitor the "funding source" ledgers.

Effect: The failure to monitor the "funding source" ledgers could affect the proper recording of revenues and expenditures, possibly resulting in material misstatements in the financial statements.

Recommendation: The Department of Veterans Service should develop policies and procedures to ensure that all fund source ledgers are adequately maintained within the accounting system. This includes correctly maintaining revenues, expenditures and fund balances within the fund source trial balances in accordance with the Accounting Procedures Manual for the State of Georgia.

GEORGIA PUBLIC DEFENDERS STANDARDS COUNCIL

Finding Control Number: **FS-492-09-01**
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

Condition: The Georgia Public Defender Standards Council (GPDSC) spent or contractually obligated in excess of its allotments of State general funds for FY 2009 (current year), producing a budget fund deficit of $385,921.64.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of State general funds to the reduced amount in appropriations it then withdraws by warrant pursuant to the reduced allotment. 1975 Op. Att'y Gen. 75-88.

Information: See audit finding No. FS-492-09-02 for additional information related to the GPDSC deficit.

Cause: The GPDSC did not record its obligations when contracts were entered into for the services of private attorneys and other consultants due to a lack of timely information from the circuit offices. This practice did not ensure that the GPDSC had sufficient funds on hand at the time of incurring an obligation to encumber funds to pay the obligation. As of June 30, 2009, the GPDSC had $385,921.64 in invoices from private attorneys for which it did not have funds available to pay.

Effect: Failure to have procedures in place to keep expenditures and obligations in compliance with the Appropriations Act and the Budget Act may result in expenditures and purported obligations in excess of legally available funds.

Recommendation: GPDSC should implement policies and procedures to ensure that the accounting records are properly maintained and monitored throughout the year. State government officers and senior budget and accounting offices are being notified of this deficit fund balance for their respective consideration.

Management Response: The agency concurs with this finding. Prior to fiscal year 2010 the non-capital conflicts were mostly handled by private attorneys with no fee structure for the type of case being handled. Some cases were not reported to central office in any form. The agency has now implemented guidelines to track the case and to ensure that funds for those cases are encumbered during the fiscal year in which an obligation occurs. In addition, the agency's fiscal year 2010 state appropriation included special funding in the amount of $1,610,168 to pay for all conflict cases still outstanding from fiscal years 2005 - 2008. This special funding will allow the agency to clear any deficit resulting from all 2005 -2008 conflict cases.

Finding Control Number: **FS-492-09-02**
ACCOUNTING CONTROLS (OVERALL)
FINANCIAL REPORTING AND DICLOSURE
Audit Adjustments to remove estimated liability

Condition: Prior to closing fiscal year 2009, the GPDSC accrued liabilities for unbilled time of private attorneys who are under contract to perform legal services for conflict of interest cases. Liabilities estimated and accrued by the GPDSC for conflict of interest cases associated with fiscal year 2005 through 2009 are as follows:

Fiscal Year	***Estimated Liability***
FY 2005	$64,271.00
FY 2006	$230,629.00
FY 2007	$480,436.00
FY 2008	$416,851.00
FY 2009	$1,202,977.00
Total	**$2,395,164.00**

We concur that there are unrecorded contracts and invoices from those contracts for conflict of interest cases. Based on our testing of GPDSC's estimates of unbilled legal costs, however, we removed these liabilities from GPDSC's financial statements due to the following:

1. Substantially all of the contracts with private attorneys lacked limiting contract provisions which would allow recording a definite amount for liability under the contract in the financial statements.

2. We did not believe the methodology used to estimate the outstanding liabilities were adequate for recording to GPDSC's financial statements.

Criteria: Each budget unit subject or subjecting to the allotment process is required to limit the total of its expenditures and contractual obligations of State general funds to the reduced amount in appropriations it then withdraws by warrant pursuant to the reduced allotment.

Information: The deficit balance of $385,921.64, as discussed in audit finding no. FS-492-09-01, does not include any amounts for unbilled costs associated with the open conflict of interest cases described above.

Cause: Our examination of the billing practices related to legal defense services provided by private attorneys and other service providers revealed serious deficiencies with the manner in which bills are submitted through the circuit offices for encumbrance and payment by the GPDSC. The services of private attorneys are retained when conflicts of interest exists preventing legal staff of the judicial circuits from defending an indigent person. The GPDSC is not currently encumbering currently available funds as required by law at the time the contracts are entered into for the services of private attorneys and other service providers due to a lack of timely information from the circuit offices. Invoices from private attorneys and other consultants have been generally submitted only at the conclusion of a case, often after the close of the fiscal year. Controversies with contract parties and general legal issues have arisen.

Effect: The described practices may lead an agency to over-obligate and expend its currents funds of a fiscal year, may prevent an agency from recording its contractual commitments against the correct appropriation year, and may lead an agency to use current year funds to pay for services rendered in previous fiscal years, in conflict with the budget process mandated by law.

Recommendation: GPDSC should establish and maintain procedures and use contract forms which allow it to comply with the budget process. It should complete its process of obtaining information regarding the terms of all unsettled contracts with conflict counsel and other service providers from prior fiscal years, properly address the agreements in its financial statements and resolve any outstanding disputes and other pending liabilities in a lawful manner. It should record the correct and complete amount of its contractual obligations on its accounting records prior to the close of fiscal year 2010, including the amount of services earned against the contracts as of June 30, 2010. Interim billings should be required from private attorneys and other service providers frequently enough and early enough to account for them in complete with the current year's budget.

Finding Control Number: **FS-492-09-04**
GENERAL LEDGER
Deficiencies in General Ledger

Condition: A review of the accounting procedures utilized by the Georgia Public Defender Standards Council (Council) in recording the local portion of the circuits expenditures disclosed that the Council is recording the activity in an Agency fund instead of the Budget fund.

Criteria: All activity that is to be included in the Budget fund must be recorded in a state chart of accounts fund number that will be recognized by all users of the financial records.

Cause: The deficiency noted above was the result of the Council's failure to ensure Budget funds are recorded in a pre-determined Budget fund account number.

Effect: When the State Accounting Office prepares the Council's financial statements and sends them to the Department of Audits the activity recorded in this Agency Fund is excluded.

Recommendation: The Council should contact the State Accounting Office for guidance in determining a new Budget fund number to record the local circuits activity to ensure that all Budget fund amounts are identified as such and included in the proper fund.

ARMSTRONG ATLANTIC STATE UNIVERSITY

Finding Control Number: **FS-524-09-01**
CASH AND CASH EQUIVALENTS
GENERAL LEDGER
Inadequate Accounting Controls

Condition: The accounting procedures of the University were insufficient to provide for adequate controls over Cash and Cash Equivalents.

Criteria: An adequate system of internal controls dictates that bank reconciliations be performed on a monthly basis, and include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description, 3) adjustments identified and made in a timely manner, and 4) evidence of an effective supervisory review and approval function.

Information: A review of the bank reconciliations for the Operating and Payroll accounts revealed the following:

1) Bank reconciliations were not performed in a timely manner. As late as November 2009, all monthly bank reconciliations of the Operating account for fiscal year ended June 30, 2009, were incomplete.
2) The June 2009 operating account bank reconciliation as presented for audit contained an unidentified variance of $89,196.26 along with numerous reconciling items that could not be adequately documented by University personnel.
3) Reconciling items recurred on the bank reconciliations for an extended period of time, including stale dated checks.
4) A variance of $2,096.61 was identified between the June 2009 payroll account bank reconciliation and the outstanding check listing.
5) The bank reconciliations for the Operating and Payroll accounts contained no evidence of supervisory review and approval.
6) The Banner cash clearing account reported a cash overdraft of $10,171.02 at June 30, 2009. No supporting documentation for this amount was available.
7) The University was unable to provide an accurate outstanding check listing for the June 2009 operating bank account.
8) Receipts totaling $9,920.38 for Discover credit card transactions from August 2008 to November 2008 were never posted to the operating bank account.

Cause: University's management failed to implement satisfactory controls to ensure that bank reconciliations were properly performed on a monthly basis and reconciling items were properly identified and corrected within a reasonable amount of time.

Effect: Without satisfactory accounting controls and procedures in place, the University could place itself in a position where the potential misappropriation of assets could occur. In addition, the lack of controls could impact reporting of its financial position and results of operations.

Recommendation: Management should monitor accounting controls and procedures currently in place, identify weaknesses and implement procedures to strengthen the internal controls over the bank reconciliation process.

Financial Statement Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Finding Control Number: **FS-524-09-02**
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Accounting Procedures for Restricted Funds

Condition: The accounting procedures of the University were insufficient to provide adequate general ledger control over the restricted grants account activity.

Criteria: NCGA Statement 1, paragraph 1, prescribes that an accounting system (1) present fairly and fully disclose its financial position including its financial operation of its funds in accordance with generally accepted accounting principles and (2) demonstrate compliance with finance related legal and contractual provisions. Additional administrative requirements are contained in Chapter 20 of the University System of Georgia, Board of Regents Business Procedures Manual and pertinent sections of the Official Code of Georgia Annotated (O.C.G.A.).

Information: The following deficiencies were noted in the review of restricted grant projects:

1) For June 30, 2009, invalid accounts receivable totaling $185,723.19 were identified within numerous restricted grant projects.
2) Instances were identified where restricted grant expenditures were recorded in the wrong funds and the allocation process to post revenues and adjust accounts receivable was not properly performed.
3) Reconciliations of net assets by project were not performed to ensure that revenues equaled expenditures. At June 30, 2009, Restricted Fund projects reported a total deficit of $206,490.23.

Cause: The University failed to implement satisfactory accounting controls to ensure that activity for restricted grant funds was properly recorded in the accounting records.

Effect: Failure to implement adequate accounting controls and procedures could cause internal reports to management, grantor reimbursement requests and other restricted grant information generated from the ledger to be inaccurate and misleading. In addition, the University could place itself in a position where potential misrepresentation of financial activities could occur.

Recommendation: The University should review the accounting procedures in place and design and implement controls relative to restricted grant funds to ensure that all grant activity is properly accounted for by project.

Finding Control Number: **FS-524-09-03**
CAPITAL ASSETS
Inadequate Accounting Procedures for Capital Assets

Condition: Accounting procedures of the University were insufficient to provide adequate control over Capital Assets.

Criteria: The University should maintain capital asset records in accordance with capitalization guidelines and instructions provided in Chapter 7 of the Board of Regents' Business Procedures Manual.

Information: The following weaknesses/deficiencies were noted relating to Capital Assets:

1) The University's Capital Assets Management Module was not properly reconciled to the Capital Ledger. There was an unidentified variance of $23,600.00.
2) Depreciation expense was not recorded for any capital assets for the month of June 2009. Depreciation expense was understated on the financial statements by $337,930.16.

Cause: University's management failed to implement appropriate internal controls and procedures to ensure that capital assets were properly recorded and reconciled.

Effect: Failure to properly record and reconcile capital assets could result in the University placing itself in a position where a misrepresentation of its financial position and results of operations could occur.

Recommendation: The University should establish appropriate procedures and controls to ensure that reconciliations are performed for the Capital Assets Module and the related subsidiary records. In addition, policies and procedures should be implemented to ensure that depreciation expense is properly recorded.

FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FS-533-09-01**
FINANCIAL REPORTING
Inadequate Controls over the Financial Reporting Process

Condition: The University's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.

Criteria: A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statements prepared in accordance with generally accepted accounting principles (GAAP). Additionally, the University is required to annually submit GAAP basis financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR) and the State of Georgia's Single Audit Report.

Information: The following deficiencies were noted in the University's GAAP basis financial statements:

1. The University failed to submit its Annual Financial Report by the established deadlines. The report was submitted after the extension date of August 24, 2009.

2. Numerous misstatements and misclassifications were noted on both the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets.

3. Proceeds of $1,189,387 from a contractual agreement with Sodexho Food Service Company were improperly recorded as revenue in the current year. An audit adjustment was proposed and made by auditors to defer these proceeds over the life of the agreement.

4. Other Liabilities were overstated by $713,824 as a result of an attempt to correct a prior year misstatement in Lease Purchase Obligations. The University made the adjustment twice in error. An audit adjustment was proposed and posted to correct this error.

5. The activity reported on the Statement of Cash Flows could not be reconciled to the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Note Disclosures and the General Ledger.

6. Several errors were noted in the Notes to the Financial Statements requiring adjustment.

7. The Management's Discussion and Analysis required adjustment to agree to the Financial Statements.

8. Material adjustments were required to properly report Federal expenditures on the Schedule of Expenditures of Federal Awards.

Cause: The University's management failed to adequately review the year-end financial statements to ensure that the statements as presented for audit were accurate and properly supported by underlying accounting records.

Effect: Significant misstatements and misclassifications were included in the financial statements presented for audit. In addition, the lack of controls and monitoring could impact the reporting of the University's financial position and results of operations.

Recommendation: The University should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the preparation of the financial statements.

Finding Control Number: **FS-533-09-02**
BUDGET PREPARATION/EXECUTION
GENERAL LEDGER
Inadequate Accounting Procedures

Condition: Through our examination, it was determined that the University failed to properly monitor budgetary financial activity during the year. At June 30, 2009, the University was in an overall deficit situation.

Criteria: Management is responsible for establishing, maintaining and monitoring internal controls, the purpose of which is to ensure the fair presentation of the budget basis financial statements provided for inclusion of the State of Georgia Budgetary Compliance Report.

Information: The University did not submit the Budget Basis Financial Statements until September 18, 2009. The Board of Regents had set a due date of August 31, 2009 for the statements to be completed. The original budget basis statements were adjusted and resubmitted more than once during the course of the audit. Additionally, the University was in a net unreserved deficit position of $146,082.39, at June 30, 2009. The original reported deficit was substantially more, but the University unencumbered all possible activity and utilized all fund balance reserves to reduce the deficit.

Cause: These deficiencies were the result of a lack of internal controls over the preparation of budget basis financial statements. The University also failed to implement adequate controls over its expenditures to ensure that they did not exceed the budget or funds available.

Effect: Failure to prepare and submit accurate budget basis statements in a timely manner prohibits users from having access to pertinent financial information needed for decision making. Budgetary overexpenditures require the Board of Regents to fund the University's deficit.

Recommendation: The University should design and implement controls over its expenditures process to ensure that expenditures do not exceed the budget or funds available.

Finding Control Number: **FS-533-09-03**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Controls over Financial System Access

Condition: The internal control procedures of the University were insufficient to provide for adequate control over user access rights within PeopleSoft Financials.

Criteria: The University's management is responsible for maintaining internal controls that provide for the removal of access rights within PeopleSoft Financials upon employee termination.

Information: Our testing revealed the University did not have adequate internal controls in place to ensure that access rights for terminated employees have been removed within PeopleSoft Financials. Numerous accounts were noted which remained active in the system even though the users were terminated. A minimum of three roles were assigned to each of the individuals noted.

Cause: The University failed to implement satisfactory internal control procedures to ensure that terminated employees' access rights within PeopleSoft Financials were removed. Additionally, the University failed to communicate notice of employees' termination to the personnel responsible for updating this significant system.

Effect: Without proper controls in place, loss, manipulation, or corruption of financial data within this significant system could occur.

Recommendation: Management should enhance policies and procedures to ensure that individuals who are no longer employed by the University have all roles associated with their account removed and their status in PeopleSoft Financials changed to inactive. Strengthening controls along with continuous monitoring will assist in mitigating threats that could cause loss, manipulation, or corruption of data maintained in the financial system.

Finding Control Number: **FS-533-09-04**
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Internal Controls

Condition: This is a repeat finding (FS-533-08-02) from year ended June 30, 2008. The accounting procedures of the University were insufficient to provide for adequate controls over revenues and receivables associated with auxiliary services activity.

Criteria: The University's management is responsible for designing and maintaining internal controls that provide reasonable assurance that revenue activity is properly documented, processed and reported.

Information: The University did not have appropriate policies and procedures in place to ensure that auxiliary revenues associated with student housing and cafeteria sales were valid. Though the University performed a review of the charges placed on student accounts, testing of auxiliary revenues revealed numerous instances in which housing and cafeteria charges were made to students that either were not registered for classes or did not receive services. It was also noted that reviews of student accounts were not made on a timely basis. Many student account balances in the BANNER system were not updated for charges until the year subsequent to when the charges originated. Entity personnel also made adjustments in the PeopleSoft system to correct student accounts, which caused variances between the BANNER and PeopleSoft systems. Furthermore, upon testing a sample of students who were charged for housing and/or cafeteria plans during the fiscal year under review, the auditor found that University athletes did not submit housing applications, which are used to place housing and cafeteria charges on student accounts, and many athletes did not pay the required housing deposit fee.

Cause: The University failed to implement satisfactory accounting procedures to ensure that cafeteria and/or housing charges were valid and properly recorded on the accounting records.

Effect: Without proper accounting controls and procedures in place, the University could place itself in a position where auxiliary revenue could be improperly reported. In addition, lack of controls and reconciling procedures could lead to situations where individuals remained in residency status after dropping out of enrollment status.

Recommendation: Although the University made improvements during the fiscal year in this area, the University should continue to reduce the risk of reporting incomplete and/or inaccurate information. The University should implement policies and procedures to ensure that auxiliary revenues are valid and recorded correctly. The University should also establish reconciliation procedures for student housing and cafeteria charges to ensure that charges are appropriate, services are only provided for students on active enrollment status and adjustments to student accounts are made in a timely manner.

Finding Control Number: **FS-533-09-05**
EMPLOYEE COMPENSATION
Inadequate Internal Controls

Condition: This is a repeat finding (FS-533-08-04) from year ended June 30, 2008. The accounting procedures of the University were insufficient to provide for adequate controls over Compensated Absences.

Criteria: The University's management is responsible for maintaining internal controls that provide reasonable assurance that the Compensated Absences balance reflected on the financial statements is properly documented, processed and reported.

Information: Our testing revealed that the University did not have adequate internal controls in place to ensure that earned and used portions of Compensated Absences activity were properly recorded during the year. Upon testing ten employees from the University's Compensated Absences Report, the following deficiencies were noted:

1. For one employee, the leave taken amounts reflected on the report did not agree to timesheets or leave request forms.

2. One employee earned an incorrect amount of leave based upon hire date. The same employee's pay rate reflected on the report could not be substantiated with an approved Personnel Action Notice.

3. Two employees' ending leave balances were incorrect based upon a review of beginning balances and current year activity.

Cause: The University failed to implement satisfactory accounting procedures to ensure that all leave amounts were entered into PeopleSoft, and that the Compensated Absences Report was accurate prior to the posting of year-end Compensated Absences journal entries.

Effect: Without proper accounting controls and procedures in place, annual leave abuse could occur and the Compensated Absences balance could be misstated on the financial statements.

Recommendation: To reduce the risk of reporting incomplete and/or inaccurate information, the University should implement policies and procedures to ensure that all annual leave taken is properly documented in PeopleSoft. The University should also review compensated absences reports periodically for accuracy, especially at year-end, prior to completing year-end journal entries associated with compensated absences.

GEORGIA SOUTHERN UNIVERSITY

Finding Control Number: **FS-539-09-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Inadequate Accounting Procedures

Condition: The accounting procedures of the University were insufficient to provide adequate documentation for Accounts Receivable and Accounts Payable; and were insufficient to ensure that Short-term Investments, Accounts Receivable, Accounts Payable, Deposits Held for Other Organizations and Capital Assets were properly recorded.

Criteria: NCGA Statement 1, paragraph 1, prescribes that an accounting system (1) present fairly and fully disclose funds of the governmental unit in accordance with generally accepted accounting principles and (2) demonstrate compliance with finance related legal and contractual provisions. Additional administrative requirements contained in the University System of Georgia, Board of Regents' Business Procedures Manual require that the general ledger be reconciled to subsidiary records as a routine matter with any variances noted and resolved in a timely manner.

Information: The following deficiencies were noted:

1. Short Term Investments were not properly recorded on the general ledger resulting in an understatement of $103,899.
2. A total of $5,891,852 recorded as Accounts Receivable and Deposits Held for Other

Organizations for scholarships and loans was determined to be invalid. An audit adjustment was proposed and made to correct these errors.

3. No subsidiary records were provided to support Other Accounts Receivable totaling $20,266.
4. No subsidiary records were provided to support Other Accounts Payable totaling $70,539.
5. The University recorded a Capital Gift of $7,004,183 donated in a prior year as current year Other Nonoperating Revenue rather than as a Restatement of Beginning Net Assets. In addition, the associated accumulated depreciation of $875,523 was not recorded. Audit adjustments were proposed and made to properly reflect a restatement of net assets and record the associated accumulated depreciation.

Cause: The University's management failed to implement satisfactory controls to ensure that account balances were accurate, adequately documented and properly recorded in the accounting records.

Effect: Without satisfactory accounting controls and procedures in place, the University could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of controls and procedures could impact reporting of its financial position and results of operations.

Recommendation: The University should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over these accounting functions.

SAVANNAH STATE UNIVERSITY

Finding Control Number: **FS-548-09-01**
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Control Procedures for Collection of Tuition and Fees

Condition: Internal control procedures were insufficient to provide for adequate collection of tuition and fees. This deficiency was previously reported in findings FS-548-08-02 and FS-548-07-04 from fiscal years ended June 30, 2008 and June 30, 2007, respectively.

Criteria: The Board of Regents Policy Manual Section 704.03 states, "All tuition and fees are due and payable upon registration. Exceptions to the time of payment are as follows:

1. An institution may defer tuition and fees up to the amount authorized for a specific academic term for students whose fees are guaranteed and will be paid by an outside agency under a document agreement with the institution.
2. An institution may defer tuition and fees up to the amount of the aid granted for a specified academic term for students who have an institution administered loan or scholarship in process.
3. An institution may defer tuition and fees up to the limit stated in the certificate or other document for a specified academic term for foreign students who have a certificate or other acceptable documented evidence that payment will be made after a statement of charges from the student has been present for payment."

Information: A test of ten students accounts receivable under one year old revealed five instances in which Savannah State University did not comply with the Board of Regents Policy Manual for collecting tuition and fees. It was determined that out of the $26,651 accounts receivable tested, $12,304 were not supported by approved student financial aid.

Inadequate collection procedures contributed to the increase of $429,626 in Allowance for Doubtful Accounts. Also, the University wrote off $202,057 of accounts receivable considered to be uncollectible during fiscal year 2009.

Cause: University's management failed to implement adequate policies and procedures to ensure that only students with approved financial aid would receive tuition and fee deferments in accordance with the Board of Regents' policies.

Effect: By continuing to allow students to enroll and remain in school without approved financial aid, the University incurs student accounts receivable which are not in accordance with Board of Regents policy. In addition, accounts receivable of this nature have been historically difficult to collect.

Recommendation: The University should follow billing and collection guidelines as set forth in the Board of Regents' Business Procedures Manual. Furthermore, no student should be granted a deferment without having approved financial aid.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE

Finding Control Number: **FS-557-09-01**
CASH AND CASH EQUIVALENTS
Inadequate Accounting Procedures

Condition: The College's cash management procedures did not provide for adequate controls over the bank reconciliation process.

Criteria: An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) accurate general ledger balances and 4) evidence of an effective supervisory review and approval process.

Information: We noted the following weaknesses/deficiencies related to Cash and Cash Equivalents:

1. The monthly bank statements for the operating and payroll accounts were not reconciled with the general ledger in a timely manner.
2. Reconciling items disclosed through the bank reconciliation process were carried as reconciling items for extended periods of time.

Cause: College management failed to ensure that accounting controls for cash and cash equivalents were operating effectively.

Effect: The failure to maintain an effective bank reconciliation process increases the risk of material misstatements to the financial statements including misstatements due to fraud.

Recommendation: The College should ensure that appropriate accounting procedures and controls are operating effectively in an effort to ensure that cash transactions are reviewed and posted on a monthly basis, that detailed records supporting the general ledger are complete, and that reconciling items are resolved in a timely manner.

Finding Control Number: **FS-557-09-02**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Accounting Procedures

Condition: The College's inability to provide adequate accounting records and lack of internal controls necessary to ensure the proper accounting and reporting of the financial activity resulted in a disclaimer of opinion over the financial statements.

Criteria: AICPA Professional Standards, AU 319.04, states that internal control is a process - affected by an entity's board of directors, management and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

Management is responsible for implementing a system of internal control over the preparation of financial statements prepared in accordance with generally accepted accounting principles (GAAP). Additionally, the College is required to annually submit GAAP and budgetary basis financial statements for inclusion in the State of Georgia Comprehensive Annual Financial Report (CAFR), the State of Georgia Single Audit Report and the State of Georgia Budgetary Compliance Report.

Information: The College's management was unable to provide adequate representation of facts and circumstances regarding transactions and financial activities occurring during the fiscal year. We noted the following deficiencies/weaknesses:

1. The College failed to close the accounting system monthly in a timely manner for eleven out of twelve months.
2. The College did not provide adequate supporting documentation for the capital asset balances for fiscal year 2009.
3. The College did not provide adequate supporting documentation for all accounts receivable balances for fiscal year 2009. Also, management failed to ensure that Banner activity was reconciled to the GeorgiaFirst system monthly as required by the Board of Regents.
4. The College did not perform reconciliation procedures on its' Restricted Funds' Sponsored Grants and contracts during the fiscal year. The College's records did not provide sufficient information for the application of other auditing procedures to ascertain whether the amounts reported for Sponsored grants and contracts were recorded in accordance with provisions of grants. Additionally, because of the condition of the records, we could not determine the accuracy of the Federal expenditure information provided to the State Accounting Office on the Schedule of Expenditures of Federal Awards for inclusion in the State of Georgia Single Audit Report.
5. The College failed to provide documentation for auditors to verify that all GAAP closing entries were posted and were for the correct amount.

Cause: College management failed to implement controls over the accounting processes to: (1) ensure amounts posted to the general ledger were accurate and timely; (2) ensure that financial information was properly documented and recorded in the accounting records; and (3) ensure that financial statements as presented for audit were accurate and properly supported by underlying accounting records.

Effect: Management's failure to provide adequate representation of facts and circumstances regarding transactions and financial activities occurring during the fiscal year limited the scope of our audit work to the point that we were unable to express an opinion on the financial statements as presented.

Recommendation: The College should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the accounting functions and financial statements process.

BAINBRIDGE COLLEGE

Finding Control Number: **FS-562-09-01**
REVENUES/RECEIVABLES/RECEIPTS
PROCUREMENT
EXPENDITURES/LIABILITIES/DISBURSEMENTS
EMPLOYEE COMPENSATION
CAPITAL ASSETS
FINANCIAL REPORTING
Inadequate Accounting Procedures

Condition: The accounting procedures of the College were insufficient in numerous areas.

Criteria: The College's management is responsible for designing and maintaining policies and procedures to ensure that financial activity is properly processed and reflected on the College's financial records.

Information: The following deficiencies were noted:

Revenues/Receivables/Receipts

- The College did not have adequate procedures in place to ensure that accounts receivable balances were adequately documented. Numerous GAAP and Budget Basis Financial Statement accounts were not documented, misclassified and understated.
- The College did not have adequate procedures in place to ensure that uncollectible accounts receivable were properly reported. On the GAAP Basis Financial Statements, the allowance for doubtful accounts was understated by $19,429.99. On the Budget Basis Financial Statements, the uncollectible accounts receivable reserve and the accounts receivable balance were understated by $12,466.74.
- The student information system (BANNER) acted as a subsidiary ledger for student accounts receivable, capturing collections of student tuition and fees and various other revenues. Student account activity from the BANNER system interfaces with the GeorgiaFIRST system (general ledger). The College is required to prepare reconciliations of the BANNER activity to the GeorgiaFIRST system to ensure accuracy of the interfaced data. Section 10.6.2 of the Business Procedures Manual published by the Board of Regents, requires that these reconciliations be performed at least on a quarterly basis. At year-end, BANNER did not reconcile to the general ledger by $31,340.83. In addition, BANNER was not reconciled to the general ledger for any month during the year under review.

Procurement

- The College did not have adequate procedures in place to ensure that the procurement process was implemented properly. Three prior year purchase orders totaling $1,524,685.48 for a new building were encumbered solely to the architect; however, payments made to the construction manager and other vendors were applied against these encumbrances.

Expenditures/Liabilities/Disbursements

- The College did not have adequate procedures in place to ensure that accounts payable balances were adequately documented. The accounts payable listings provided by the College did not agree to the GAAP Basis and Budget Basis Financial Statements by $61,034.18 and $5,115.35, respectively.
- A test of purchase card voucher packages revealed unallowable purchases of $2,009.24 were made during the year under review.
- The College failed to reconcile the subsidiary ledger for accounts payable to the general ledger for the first half of the fiscal year under review.
- The College failed to adequately monitor Restricted Fund activity. At June 30, 2009, restricted funds had an overall deficit fund balance of $174,750.90 (excluding encumbrances).

Employee Compensation

- The College did not have adequate procedures in place to ensure that salaries as reported to the Georgia Department of Audits and Accounts reconciled to the accounting records. There was an unreconciled variance of $20,070.18 at year-end.
- The College did not follow the unclaimed property policy as outlined in their policy manual.

Capital Assets

- The College did not have adequate procedures in place to ensure that accumulated depreciation reconciled between the Asset Management Module, the Capital Ledger and the Annual Financial Report.

Financial Reporting

- The College did not have adequate procedures in place to ensure that the Budget Basis Financial Statements were presented accurately. Several adjustments were made to correct

the Budget Basis Financial Statements.

- The College did not have adequate procedures in place to ensure that the Note Disclosures presented as part of the College's Annual Financial Report were presented accurately. Several adjustments were made to correct the note disclosures.

Cause: The deficiencies noted above occurred because of management's failure to implement satisfactory policies and procedures to ensure that: (1) revenues, receivables and receipts are properly documented and recorded in the accounting records, (2) proper procurement procedures are followed, (3) expenditures, liabilities and disbursements are properly documented, allowable and accurately recorded in the general ledger, (4) employee compensation is accurately reconciled, (5) capital assets are properly recorded and maintained, and (6) the financial statement preparation process is properly monitored.

Effect: Without satisfactory policies and procedures in place, the College could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of policies and procedures and failure to adhere to Board of Regents policies could impact reporting of its financial position and results of operations.

Recommendation: The College should review the accounting policies and procedures in place and design and implement procedures relative to the accounting functions in the areas mentioned above.

NORTH GEORGIA MOUNTAINS AUTHORITY

Finding Control Number: **FS-912-09-01**
CAPITAL ASSETS
Inadequate Capital Asset Records – Land

Condition: The accounting procedures of the North Georgia Mountains Authority (Authority) were insufficient to provide adequate internal controls over the Authority's Land management system. The supporting documentation for Land did not agree with the Capital Assets ledger as reported to the State Accounting Office. No procedures were in place to ensure the supporting documentation was reconciled to amounts reported to the State Accounting Office.

Criteria: Generally accepted accounting principles (GAAP) specify requirements for reporting financial statement balances and note disclosure for the State's Capital Assets. Information presented for capital assets should include beginning and ending balances, and additions and deletions during the fiscal year. Current year additions should include assets purchased during the fiscal year and non-cash activity such as adjustments, donations and transfers. Retirements should include assets that have been disposed of, removed from service or transferred during the fiscal year.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Authority's capital assets are reported correctly in accordance with instructions provided by the State Accounting Office.

Effect: The Authority could place itself in a condition where protential misrepresentation of financial position could occur.

Recommendation: The North Georgia Mountains Authority should develop appropriate policies and procedures to ensure that Land is correctly reported to the State Accounting Office in accordance with generally accepted accounting principles.

Finding Control Number: **FS-912-09-02**
CAPITAL ASSETS
Inadequate Capital Asset Records – Building and Building Improvements

Condition: The accounting procedures of the North Georgia Mountains Authority (Authority) were insufficient to provide adequate internal controls over the Authority's Building and Building Improvements

management system. The Authority failed to properly record and maintain capital assets in accordance with the ***Accounting Procedures Manual*** for the State of Georgia.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia (Manual) requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Historical costs should include ancillary charges necessary to place the asset in its intended condition for use. The Manual also requires that state organizations maintain a complete and accurate capital asset inventory record.

Information: The Authority was unable to provide an accurate capital asset inventory record for capitalized costs of $2,600,000.00 recorded on the financial statements for a spa located in Young Harris, Georgia.

Cause: The deficiency noted above is a result of management's failure to implement adequate policies and procedures to ensure that the Authority's capital assets are accounted for and reported in accordance with guidelines established by the Accounting Procedures Manual for the State of Georgia.

Effect: The Authority could place itself in a condition where potential misrepresentation of financial position could occur.

Recommendation: The North Georgia Mountains Authority should develop appropriate polices and procedures to ensure that all of the Authority's Buildings and Building Improvements are properly accounted for and reported in accordance with guidelines established in the ***Accounting Procedures Manual*** for the State of Georgia.

GEORGIA SEED DEVELOPMENT COMMISSION

Finding Control Number: **FS-919-09-01**
ACCOUNTING CONTROLS (OVERALL)
EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS
GENERAL LEDGER
Excessive Year-End Unreserved, Undesignated Fund Balance

Condition: The Georgia Seed Development Commission has not adopted a policy for determining a reasonable reserve amount at the end of each fiscal year. During the year under review, it appears that the Commission maintained an excessive year-end unreserved, undesignated fund balance.

Criteria: The Official Code of Georgia Annotated (OCGA) 2-4-6 states, in part: ....."Any and all profits earned, beyond those required as a reasonable reserve for the future operations of the commission, shall be transmitted to the state treasury."

Information: The Commission's unreserved, undesignated fund balance at year-end was $4,976,005.91. The Commission maintains a $4 million insurance policy that is available to offset any potential financial losses resulting from natural disasters or widely fluctuating commodity prices.

Cause: The Commission has not adopted a policy for determining a reasonable reserve amount at the end of each fiscal year and has not remitted any excess funds to the state treasury.

Effect: When the Commission fails to remit its excess year-end funds, but rather chooses to allocate these funds for other purposes, they ultimately circumvent the authority of the Georgia General Assembly to control appropriations per the Constitution of the State of Georgia.

Recommendation: The Georgia Seed Development Commission should continue to maintain proper insurance policies. In addition, we recommend that the Commission consider a reserve amount equal to 10% of the total expenditures of the fiscal year (just ended) to the extent that funds are available. Once a reasonable reserve policy is established, excess profits should be remitted to the state treasury on an annual basis.

STATE ROAD AND TOLLWAY AUTHORITY (*)

Finding Control Number: **FS-927-09-01**
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS
Reconciliation of Fund Balance

Condition: The Authority improperly recorded interfund receivables and payables between the General Fund and GA400 fund in fund balance.

Criteria: GAAP requires interfund receivables and payables to be classified as assets and liabilities.

Context: We addressed this matter with Authority officials who determined the amounts should have been recorded in fiscal year 2009 and recorded as interfund receivable/payable between funds.

Effect: An audit adjustment to decrease fund balance and increase interfund payables in the amount of $400,000 was required to be reported by the General Fund as of June 30, 2009. An audit adjustment to increase fund balance and increase interfund receivables in the amount of $400,000 was required to be reported by the GA400 Fund as of June 30, 2009.

Recommendation: We recommend the Authority appropriately analyze all interfund activity and perform equity reconciliations during its year-end close out procedures.

SAPELO ISLAND HERITAGE AUTHORITY

Finding Control Number: **FS-942-09-01**
CAPITAL ASSETS
Inadequate Capital Asset Records – Land

Condition: The accounting procedures of the Sapelo Island Heritage Authority (Authority) were insufficient to provide adequate internal controls over the Authority's Land management system. The subsidiary listing for Land did not agree with the Capital Assets ledger as reported to the State Accounting Office. No procedures were in place to ensure the subsidiary listing was reconciled to amounts reported to the State Accounting Office.

Criteria: Generally accepted accounting principles (GAAP) specify requirements for reporting financial statement balances and note disclosures for the State's Capital Assets. Information presented for capital assets should include beginning and ending balances, and additions and deletions during the fiscal year. Current year additions should include assets purchased during the fiscal year and non-cash activity such as adjustments, donations and transfers. Retirements should include assets that have been disposed of, removed from service or transferred during the fiscal year.

Cause: The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Authority's capital assets are reported correctly in accordance with instructions provided by the State Accounting Office.

Effect: The Authority could place itself in a condition where potential misrepresentation of financial position could occur.

Recommendation: The Sapelo Island Heritage Authority should develop appropriate policies and procedures to ensure that Land is correctly reported to the State Accounting Office in accordance with generally accepted accounting principles.

GEORGIA MEDICAL CENTER AUTHORITY (*)

Finding Control Number: **FS-982-09-01**
FINANCIAL REPORTING AND DISCLOSURE
BUDGET
Failure to Adopt Budget

During our audit, we noted that the Board of Trustees did not adopt a budget for the fiscal year ended 2009 and a budget was not incorporated as part of the internal control structure. We consider this to be a significant deficiency in internal control over financial reporting.

(*) THIS FINDING RESULTED FROM AN AUDIT PERFORMED BY OTHER AUDITORS.

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Federal Awards
Findings and Questioned Costs

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Federal Awards Findings and Questioned Costs
Table of Contents
For the Fiscal Year Ended June 30, 2009

ENTITY CODE	ORGANIZATIONAL UNIT	PAGE NO.
407	Accounting Office, State	96
414	Education, Department of	97
419	Community Health, Department of	100
422	Office of the Governor	103
427	Human Resources, Department of	103
440	Labor, Department of	120
484	Transportation, Department of	121
	Colleges and Universities	
533	Fort Valley State University	130
548	Savannah State University	135
918	Higher Education Assistance Corporation, Georgia	136
928	Environmental Facilities Authority, Georgia	137

STATE ACCOUNTING OFFICE

Finding Control Number: **FA-407-09-01**
ALLOWABLE COSTS/COST PRINCIPLES
Failure to Submit Statewide Cost Allocation Plan (SWCAP)

Condition: The State Accounting Office (SAO) failed to prepare and submit the SWCAP for fiscal year 2009 to the U.S. Department of Health and Human Services (HHS) for approval. As of the end of the fiscal year, the last SWCAP submitted to HHS was the one for fiscal year 2005. Central Service Costs for fiscal year 2009 were calculated based on the amounts approved in the fiscal year 2003 SWCAP.

Criteria: The Office of Management and Budget (OMB) Circular A-87, Cost Principles Applicable to grants and Contracts, in attachment C, Paragraph D, requires each State to submit for approval a SWCAP for each year in which the State claims central service costs relating to its Federal programs. It is further required that the SWCAP be prepared and submitted six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs.

Information: According to Maximus, the vendor under contract to prepare the SWCAP for the fiscal years FY 2004 through FY 2009, the status of the plans for those years are as follows:

1. The Georgia FY 2004 SWCAP is currently pending review by the U.S. Department of Health and Human Services, Division of Cost Allocation (HHS/DCA), the State's Federal cognizant agency. On July 16, 2009, the Federal negotiator indicated the plan was currently third in line for review (pending the receipt of any ARRA SWCAPs, which would receive priority review status).

2. The FY 2005 SWCAP has also been submitted to HHS/DCA, however, the Federal negotiator requested that the plan be resubmitted with any required modifications/additions based on the resolution of the FY 2004 plan.

3. The FY 2006 SWCAP is approximately 90% completed. The FY 2006 SWCAP cannot be finalized until the FY 2004 SWCAP has been approved by HHS/DCA (the final FY 2004 fixed costs are required to calculate the roll-forwards applicable to the FY 2006 plan).

According to the State Accounting Office personnel, the most recent approved SWCAP plan for the State of Georgia is for 2003. The 2004 SWCAP is in review with HHS and other years cannot progress until the 2004 plan is approved.

Cause: SAO management's failure to implement adequate internal controls to ensure that OMB Circular A-87 regulations regarding submission requirements for the SWCAP are met.

Effect: The failure to remain current with the submission of the SWCAP could result in significant financial adjustments being required for central service costs charged by the State of Georgia on its Federal programs.

Recommendation: The State Accounting Office should implement policies and procedures to ensure that the SWCAP is prepared and submitted to HHS at least six months prior to the beginning of the fiscal year when the State proposes to claim central service costs on its Federal programs.

DEPARTMENT OF EDUCATION

Finding Control Number: **FA-414-09-01**
MATCHING, LEVEL OF EFFORT, EARMARKING
Lack of Supervisory Review and Approval of the Annual Report of State Revenue Matching
Child Nutrition Cluster
U.S. Department of Agriculture
Grant Award 5GA300324

Condition: The Department of Education (Department) failed to document their review and approval of the Annual Report of State Revenue Matching for the Child Nutrition Cluster prior to submission to the U.S. Department of Agriculture.

Criteria: An adequate system of internal controls dictate that financial reports be reviewed and approved before being submitted to users of the reports.

Cause: The deficiency noted above occurred as a result of the Department's failure to provide evidence that the Annual Report of State Revenue Matching is being reviewed and approved by supervisory personnel.

Effect: Failure to review and approve financial status reports could result in the submission of inaccurate and/or incomplete reports.

Recommendation: The Department of Education should review their internal controls over matching requirements to ensure that the Annual Report of State Revenue Matching contains evidence of a supervisory review and approval function.

Finding Control Number: **FA-414-09-02**
MATCHING, LEVEL OF EFFORT, EARMARKING
Failure to Maintain Maintenance of Effort Expenditure Requirements
Career and Technical Education – Basic Grants to States (CFDA 84.048)
U.S. Department of Education
Grant Awards: S357A060011, S357A060011A

Condition: Our examination disclosed that the Department of Education (Department) incurred a lesser amount of non-Federal expenditures for the administration of the Career and Technical Education - Basic Grants to States grant in fiscal year 2009 than the amount incurred in the previous fiscal year.

Criteria: OMB Circular A-133 Compliance Supplement, Part 4, page 4-84.048-8, states, in part: "A State must provide from non-Federal sources for State administration under the Perkins Act an amount that is not less than the amount provided by the State from non-Federal sources for State administrative costs for the preceding fiscal or program year."

Information: The Department expended $60,790.21 less in State administrative costs during fiscal year 2009 than in fiscal year 2008.

Cause: The deficiency noted above was the result of the Department's failure to maintain internal controls over maintenance of effort requirements pertaining to administrative costs.

Effect: The failure to properly monitor maintenance of effort requirements for administrative costs increases the risk of a reduction in funding to the Department in subsequent fiscal years.

Recommendation: The Department of Education should establish a system of internal control to ensure compliance with Federal regulations regarding maintenance of effort requirements for administrative costs. In addition, the U.S. Department of Education should review to determine if the maintenance of effort deficiency results in a liability to the Georgia Department of Education.

Federal Awards Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Finding Control Number: **FA-414-09-03**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Reading First State Grants (CFDA 84.357)
U.S. Department of Education
Grant Awards: Year 2008 – S357A070011; Year 2009 – S357A080011

Condition: Our examination of expenditures for the Reading First program at the Department of Education (Department) disclosed that the program had expended more than 65% of the State Use funds for Professional Development, resulting in $449,500.71 that were allowable, yet were not expended properly in the accounting records.

Criteria: The Office of Management and Budget OMB Circular A-133 Compliance Supplement, Part 4, page 4-84.357-4 states, in part: "SEAs may not spend more than a total of 20 percent for: professional inservice and preservice development and review; technical assistance for LEAs and schools; and planning, administration, and reporting.... From this amount, a SEA may not spend more than 65 percent on professional inservice and preservice development and review...."

Questioned Costs: $449,500.71

Cause: The deficiency noted above occurred as a result of the Department's failure to maintain internal controls for the Reading First program to ensure compliance with OMB Circular A-133 Compliance Supplement.

Effect: Failure to adhere to the prescribed policies and procedures can result in noncompliance with applicable Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Education should review their internal controls and implement additional controls as needed to ensure compliance with OMB Circular A-133 Compliance Supplement.

Finding Control Number: **FA-414-09-04**
EQUIPMENT AND REAL PROPERTY MANAGEMENT
Inadequate Equipment and Real Property Management

Condition: Our examination of the Equipment and Real Property management system for the Department of Education (Department) at June 30, 2009, revealed the following internal control deficiencies:

1. The Department failed to perform monthly reconciliations of additions between the Asset Management Module and the general ledger.

2. For the past two fiscal years including the year under review, the Department failed to perform a complete physical inventory of all equipment and real property assets.

In addition, eighteen (18) federally funded equipment items out of a population of twenty-four (24) were selected to test the accuracy of the Department's property management records. These items contained a value of $102,703.24 out of a population of $145,826.24 and were selected for the purpose of locating the equipment as recorded in the inventory records. All eighteen (18) inventory items selected for physical observation could not be located.

Criteria: The Code of Federal Regulations, Title 34, Section 80.32, Part (d)(2) states: "A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

Cause: The deficiencies noted above were caused by the Department's failure to implement adequate controls and procedures necessary to properly record and maintain Equipment and Real Property inventory records in accordance with Federal laws and regulations.

Effect: Failure to maintain complete and accurate equipment and real property inventory records could result in misappropriation of assets and noncompliance with provisions set forth in applicable Federal laws and regulations.

Recommendation: The Department of Education should develop appropriate policies and procedures to ensure that all equipment and real property inventories are properly accounted for and reported in accordance with applicable Federal laws and regulations.

Finding Control Number: **FA-414-09-05**
REPORTING
Lack of Supervisory Review and Approval of Financial Status Reports (SF-269)
Child Nutrition Cluster
U.S. Department of Agriculture
Grant Award 5GA300324

Condition: The Department of Education (Department) failed to document their review and approval of financial status reports (SF-269) for the Child Nutrition Cluster prior to submission to the U.S. Department of Education.

Criteria: Documented internal controls provided by the Department indicate that financial reports are reviewed and approved by the Associate Superintendent of Finance and Business Operations before they are submitted to the USDOE.

An adequate system of internal controls dictate that financial reports be reviewed and approved before being submitted to users of the reports.

Cause: The deficiency noted above occurred as a result of the Department's failure to adhere to their own policies and procedures regarding the review and approval of financial status reports.

Effect: Failure to review and approve financial status reports could result in the submission of inaccurate and/or incomplete reports.

Recommendation: The Department of Education should review their internal controls to ensure that financial status reports contain evidence of a supervisory review and approval function.

Finding Control Number: **FA-414-09-06**
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Career and Technical Education – Basic Grants to States (CFDA 84.048)
U.S. Department of Education
Grant Award V048A080010A

Condition: Our examination included a review of Financial Status Reports (FSR) for the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) program at the Department of Education (Department). Amounts included on the FSR were not adequately documented nor reconciled to the accounting records.

Criteria: OMB Circular A-133, Subpart C, Section 300(b), states: "The auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

In addition, an adequate system of internal controls dictates that all program financial reports be supported by adequate documentation and are reconciled to the accounting records.

Cause: The deficiencies noted above were the result of the Department's failure to establish internal control policies and procedures for Financial Reporting requirements of the Perkins IV program.

Effect: Failure to implement adequate internal control policies and procedures with regards to Financial Reporting could result in the submission of inaccurate financial reports.

Recommendation: The Department of Education should develop and implement internal control policies and procedures to ensure Financial Reporting requirements of the Perkins IV program are being met in accordance with Federal regulations.

DEPARTMENT OF COMMUNITY HEALTH (*)

Finding Control Number: **FA-419-09-01**
ALLOWABLE COSTS/COST PRINCIPLES
Upper Payment Limit Calculation
Federal Program CFDA No. 93.777 and 93.778
Medicaid Cluster (State Survey and Certification of Healthcare Providers and Medical Assistance Program)
U.S. Department of Health and Human Services
Grant Award Nos., 5-0705GA5028, 5-0705GA5048, 5-0805GA5028, 5-0805GA5048, 5-0905GA5028, 5-0905GA5048, 5-0905GAARRA
Fiscal Year 2009

Condition: See Financial Audit Finding FS-419-09-01

Criteria: See Financial Audit Finding FS-419-09-01

Question Cost: $18,330,438

Cause: See Financial Audit Finding FS-419-09-01

Effect: See Financial Audit Finding FS-419-09-01

Recommendation: See Financial Audit Finding FS-419-09-01

Finding Control Number: **FA-419-09-02**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
REPORTING
Reserve for Encumbrances, Accounts Payable and Other Accruals
Federal Program CFDA No. 93.777, 93.778 and 93.767
Medicaid Cluster (State Survey and Certification of Healthcare Providers and Medical Assistance Program) and Children’s Health Insurance Program (CHIP)
U.S. Department of Health and Human Services
Grant Award Nos., 5-0705GA5021, 5-0705GA5028, 5-0705GA5048, 5-0805GA5021, 5-0805GA5028, 5-0805GA5048, 5-0905GA5021, 5-0905GA5028, 5-0905GA5048, 5-0905GAARRA
Fiscal Year 2009

Condition: See Financial Audit Finding FS-419-09-02

Criteria: See Financial Audit Finding FS-419-09-02

Questioned Cost: $32,044,716

Information: See Financial Audit Finding FS-419-09-02

Cause: See Financial Audit Finding FS-419-09-02

Effect: See Financial Audit Finding FS-419-09-02

Recommendation: See Financial Audit Finding FS-419-09-02

Finding Control Number: **FA-419-09-03**
ELIGIBILITY
Verification and Documentation of Eligibility
Federal Program CFDA No. 93.777 and 93.778
Medicaid Cluster (State Survey and Certification of Healthcare Providers and Medical Assistance Program)
U.S. Department of Health and Human Services
Grant Award Nos., 5-0705GA5028, 5-0705GA5048, 5-0805GA5028, 5-0805GA5048, 5-0905GA5028, 5-0905GA5048, 5-0905GAARRA
Fiscal Year 2009

Condition: This finding is a modification and partial repeat of finding FA-419-08-01 from the year ended June 30, 2008. The Department of Community Health has contracted with the Department of Human Resources' Division of Family and Children Services (DFCS) to provide enrollment and monitoring services from Medicaid members. During field work we noted nine instances in a sample of 60 of Medicaid recipients whose eligibility was not properly documented. Those nine instances were as follows:

1. One case file was not able to be located.
2. Additional volumes of two case files were not able to be located.
3. Five case files did not contain evidence that eligibility was recertified in accordance with the policies and procedures in place.
4. One case file did not contain acceptable verification of income.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's Medicaid program. The Medicaid program is overseen by the U.S. Department of Health and Human Services through the Centers for Medicare and Medicaid Services (CMS). The Department of Community Health is also responsible for determining that all recipients meet prescribed eligibility requirements and those requirements are appropriately documented.

Information: With the institution of the passive review process, members in the Medicaid program may no longer be eligible to receive payments based upon the lack of documentation of their eligibility status.

Cause: The Department of Community Health does not have an adequately effective monitoring process in place over DFCS to ensure that all CMS guidelines in regards to the documentation of a member's eligibility are properly followed.

Effect: An indeterminate number of participants are inadequately documented as to eligibility for Medicaid. The monetary effect is the federal funds used to fund the Medicaid program may be used to provide benefits for members who are not eligible for the program.

Recommendation: The Department of Community Health should improve their verification and documentation monitoring policy for Medicaid members and create more stringent controls over the eligibility process.

Finding Control Number: **FA-419-09-04**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
MATCHING, LEVEL OF EFFORT, EARMARKING
Matching of Allowable Expenditures
Federal Program CFDA No. 93.767
Children's Health Insurance Program (CHIP)
U.S. Department of Health and Human Services

Grant Award Nos., 5-0705GA5021, 5-0805GA5021, 5-0905GA5021
Fiscal Year 2009

Condition: The State matching rate for its CHIP expenditures is determined in accordance with the federal matching rate for such expenditures, referred to as the enhanced Federal Medical Assistance Percentage (Enhanced FMAP). The Enhanced FMAP rate for federal fiscal year (FFY) 2009 is 75.14 percent and the Enhanced FMAP rate for FFY 2008 is 74.17 percent. During fieldwork we noted five instances in a sample of 40 CHIP administrative expenditures in which an incorrect federal matching rate was applied. Those five instances were as follows:

1. One expenditure was incorrectly matched at the prior year enhanced FMAP rate based on the date of the expenditure.
2. Four expenditures were incorrectly matched at a rate other than the enhanced FMAP for CHIP expenditure.

Criteria: The Department of Community Health is responsible for administering the CHIP. CHIP is overseen by the U.S. Department of Health and Human Services through the Centers for Medicare and Medicaid Services (CMS). The Department of Community Health is responsible for matching federal program expenditures at the federally determined rate.

Information: The Department of Community Health has an extensive chart of accounts to separately denote expenditure funding sources and other details. If the funding and other account information is documented incorrectly and is not corrected during the review and approval process, the expenditure will be recorded incorrectly.

Cause: The Department of Community Health did not adequately monitor the matching rate applied to CHIP administrative expenditures.

Effect: The Department of Community Health did not match CHIP expenditures at the federally determined rate.

Recommendation: The Department of Community Health should improve their monitoring policy for the payment of CHIP administrative expenditures to ensure that expenditures are coded appropriately and matched at the proper rate.

Federal Awards Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

OFFICE OF THE GOVERNOR

Finding Number: **FA-422-09-01**
SUBRECIPIENT MONITORING
Inadequate Subrecipient Monitoring Procedures
Homeland Security Cluster Program
Urban Area Security Initiative (CFDA 97.008)
State Homeland Security Program (CFDA 97.073)
U.S. Department of Homeland Security
Grant Awards: Year 2005 – GE-T-5-0052; Year 2006 – GE-T-6-0066; Year 2007 – TU-XM-0010; Year 2008 – GE-T-8-0017 and TU-T-8-0002

Condition: The Georgia Emergency Management Agency (GEMA), an administratively attached agency to the Office of the Governor, did not have adequate subrecipient monitoring procedures in place to ensure that all required subrecipient audits were completed.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Section 400(d) requires pass-through entities to ensure that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year have met the A-133 audit requirements.

Information: GEMA reviews a report published by the Local Government Division of the Department of Audits and Accounts showing the audits that have been reviewed along with the results. Reviewing this report gives GEMA the necessary audit information for many of its subrecipients, but not all.

Cause: GEMA failed to implement adequate policies and procedures to fully ensure compliance with OMB Circular A-133 requirements.

Effect: Failure to adequately monitor all subrecipient audits is considered a significant deficiency in internal control and results in noncompliance with Federal regulations.

Recommendation: Management should implement policies and procedures to ensure that all subrecipients who are required to have audits are identified and tracked to ensure those audits are completed and, when applicable, audit findings are addressed and corrective action implemented in a timely manner.

DEPARTMENT OF HUMAN RESOURCES

Finding Control Number: FA-**427-09-01**
CASH MANAGEMENT
Inadequate Procedures Over Cash Draws of Federal Grants
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)
Public Health Emergency Preparedness (93.069)
Immunization Grants (CFDA 93.268)
Centers for Disease Control (CDC) and Prevention - Investigations and Technical Assistance (CFDA 93.283)
Temporary Assistance for Needy Families (CFDA 93.558)
Child Support Enforcement (CFDA 93.563)
Low-Income Home Energy Assistance (CFDA 93.568)
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
Foster Care - Title IV-E (CFDA 93.658)
Adoption Assistance (CFDA 93.659)
Social Services Block Grant (CFDA 93.667)
HIV Care Formula Grants (CFDA 93.917)
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
Various Grant Awards

Condition: Our examination of Cash Management over Federal Financial Assistance Programs disclosed that the Department of Human Resources (Department) requested Federal funds in excess of program expenditures. The following table identifies the programs and the number of months with requests in excess of expenditures:

CFDA	Program Name	Number of Months Reimbursements Exceeded Expenditures	Average Balance of Excess Funds On Hand
10.557	WIC Administration	3	4,235,162.73
10.557	WIC Food	3	15,228,879.83
10.561	SNAP	1	7,674,609.12
93.069	Public Health Emergency Preparedness	2	897,468.95
93.268	Immunization	1	247,441.13
93.283	CDC Technical Assistance	1	1,250,676.84
93.558	Temporary Assistance for Needy Families	1	11,051,296.55
93.563	Child Support	12	14,011,393.40
93.568	Low Income Home Energy Assistance Program	3	16,048,698.60
93.575 & 93.596	Child Care	2	41,281,245.59
93.658	Foster Care	3	2,512,616.28
93.659	Adoption Assistance	2	1,534,073.42
93.667	Social Services Block Grant	7	3,151,160.14
93.917	HIV	3	2,489,979.13
93.959	Substance Abuse	2	5,991,983.97

Criteria: Code of Federal Regulations Title 31, Chapter II, Part 205, Subpart A and B indicates that a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A State and Federal Program Agency must limit the amount of funds transferred to the minimum required to meet a State's actual and immediate cash needs.

Information: See related Financial Statement finding number FS-427-09-07.

Cause: The Department's policies and procedures for requesting Federal funds to reimburse program costs were inadequate.

Effect: Failure to drawdown Federal funds on an as-needed basis could result in an interest liability being incurred.

Recommendation: The Department of Human Resources should review their policies and procedures for requesting Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

Finding Control Number: **FA-427-09-02**
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Foster Care – Title IV-E (CFDA 93.658)
U.S. Department of Health and Human Services
Grant Award: Year 2009 – 0901GA1402

Condition: Our examination included a review of a random sample of one hundred four (104) Title IV-E Foster Care program benefit payments. The corresponding client case files were reviewed at various Division

of Family and Children Services (DFCS) offices to determine if the payments were made in accordance with program guidelines.

The following deficiency was noted during the review of the client case files:

1. Benefits continued to be paid to three (3) clients who were deemed ineligible due to income limits, which resulted in overpayments of $29,823.72.

Criteria: The Office and Management and Budget (OMB) Circular A-133 Compliance Supplement, part 4, page 4-93.658-6 states in part that "A child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program...."

Section 1003.10, Financial Need, part c, of the "Social Services Manual" states that, "The income available to the child must be less than the child's monthly Foster Care per diem expenses."

Questioned Costs: $29,823.72

Cause: The deficiencies noted above occurred as a result of the Department's failure to ensure that the established policies and procedures in the "Social Services Manual" regarding Title IV-E Foster Care eligibility were being accurately and consistently followed.

Effect: Failure to adhere to the prescribed policies and procedures can result in noncompliance with applicable Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Human Resources should review their internal controls and implement additional controls as needed to ensure that the established policies and procedures in the "Social Services Manual" are being followed.

Finding Control Number: **FA-427-09-03**
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Adoption Assistance (CFDA 93.659)
U.S. Department of Health and Human Services
Grant Award Programs: Year 2008 – 0801GA1407; Year 2009 – 0901GA1407

Condition: Our examination included a review of one hundred (100) Adoption Assistance program benefit payments with a value of $365,605.03 out of a sample population of $45,938,583.74. The corresponding client case files were reviewed at several Division of Family and Children Services (DFCS) offices to determine if the payments were made in accordance with program guidelines.

The following deficiencies were noted during a review of the client case files:

1. Benefits were paid to nine (9) clients who did not have a completed Title IV-E determination performed by the Revenue Maximization Unit, resulting in overpayments of $46,371.41

2. Benefit payments were made to six (6) clients who were either incorrectly determined Title IV-E or whose Title IV-B determination was not applied, resulting in overpayments of $36,570.18.

3. Benefit payments were made to one (1) client whose file did not contain an initial court order containing the "Contrary to Welfare" language, which is required to make a proper Title IV-E determination, resulting in overpayments of $4,516.93.

4. Benefit payments were made to one (1) client whose Adoption Assistance Agreement in the case file did not contain all of the necessary signatures to make the agreement valid, resulting in overpayments of $4,973.33.

5. Benefit payments were made to one (1) client whose form 403 was not properly completed in accordance with proper record keeping, resulting in an overpayment of $5,102.35.

6. Benefits continued to be paid under Title IV-E after the child's 18th birthday for one (1) client, resulting in overpayments of $1,300.29.

7. Benefits were discontinued for one (1) child who was not yet 18, resulting in underpayments of $1,824.99.

Criteria: The following policies and procedures are included in section 109 of the Department of Human Resources' (Department) "Adoption Services Manual;"

Section 109.10 - "Monthly and Special Services Adoption Assistance benefits are available through the month of the child's 18th birthday."

Section 109.13 - "All initial Monthly Adoption Assistance application packages shall contain specific required documentation. If the child is placed in the permanent custody of a private agency, a copy of the VR or TPR must be included along with the petition date and court order with the contrary to the welfare language...."

Section 109.15 - "The County Director/Designee must approve the amount of Monthly Assistance to be authorized, based on the supporting documentation and the Case Manager's recommendation prior to beginning payment."

Questioned Costs: $100,659.48

Cause: The deficiencies noted above occurred as a result of the Department's failure to ensure that the policies and procedures in the "Adoption Services Manual" were being accurately and consistently followed.

Effect: Failure to adhere to the prescribed policies and procedures can result in noncompliance with applicable Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Human Resources should review their internal controls and implement additional controls as needed to ensure that the established policies and procedures in the "Adoption Services Manual" are being followed.

Finding Control Number: **FA-427-09-04**
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
U.S. Department of Health and Human Services
Grant Award – Year 2009 – G0901GACCDF

Condition: The Department of Human Resources' (Department) policies and procedures regarding Case Accuracy Reviews (CAR) were not consistently adhered to during fiscal year 2009. Our examination included a review of thirty (30) monthly Child Care CAR reports submitted by eight (8) Division of Family and Children Services (DFCS) offices. We found that one (1) of the eight (8) DFCS offices failed to perform and submit the required reviews in a timely manner.

Criteria: The case accuracy review guidelines included in Appendix G of the "Childcare and Parent Services" (CAPS) manual, state that, "First level reviews will be completed monthly for all programs: FS, Family Medicaid, TANF, TANF/ES and Child Care in all counties. The minimum number of case accuracy reviews for all programs is required to be completed each month unless a reduction request is submitted and approved by the OFI Operations Manager. Because of the direct impact of accuracy reviews on the accuracy rate, a complete waiver of all reviews will not be granted."

Cause: The Department failed to ensure that the DFCS offices performed the required number of case accuracy reviews each month or obtained approval for a reduction request in accordance with the guidelines in the CAPS manual.

Effect: Failure to follow the guidelines in the CAPS manual regarding the performance of case accuracy reviews can affect the Department's ability to detect instances of noncompliance with Federal program regulations and erroneous payments to childcare providers.

Recommendation: The Department of Human Resources should implement additional policies and procedures to ensure that the DFCS offices consistently adhere to the Case Accuracy Review guidelines.

Finding Control Number: **FA-427-09-05**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
U.S. Department of Health and Human Services
Grant Award – Year 2007 – B1GASAPT-07-1

Condition: As of June 30 2009, the FFY07 financial status report (SF269A) for the Block Grants for Prevention and Treatment of Substance Abuse program had not been accurately finalized. Due to this, the auditor did not have final grant expenditure amounts and the Level of Effort and Earmarking requirements could not be tested.

Criteria: According to the OMB A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking

2.1 Level of Effort – Maintenance of Effort

a. "The State shall for each fiscal year maintain aggregate State expenditures for authorized activities by the principal agency at a level that is not less than the average level of such expenditures maintained by the State for the two State fiscal years preceding the fiscal year for which the State is applying for the grant."

b. "The State must maintain expenditures at not less than the calculated fiscal year 1994 base amount for Substance Abuse (SA) treatment services for pregnant women and women with dependent children."

c. "Designated States shall maintain expenditures of non-Federal amounts for HIV services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the first fiscal year for which the State receives such a grant."

d. "The State shall maintain expenditures of non-Federal amounts for tuberculosis services at a level that is not less than an average of such expenditures maintained by the State for the 2 year period preceding the first fiscal year for which the State receives such a grant."

3. Earmarking

a. "The State shall expend not less than 20 percent of SAPT for primary prevention programs for individuals who do not require treatment of SA."

b. "Designated States shall expend not less than 2 percent and not more than 5 percent of the award amount to carry out one or more projects to make available to individuals early intervention services for HIV disease at the sites where the individuals are undergoing SA treatment."

c. "The State may not expend more than 5 percent of the grant to pay the costs of administering the grant."

d. "The State may not expend grant funds for providing treatment services in penal or correctional institutions in an amount more than that expended for such programs by the State for fiscal year 1991."

Information: The Department did submit the FFY 07 financial status report SF269A report on June 30, 2009, but the report was not accurately completed and did not have adequate supporting documentation.

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial status report (SF-269A) for the Block Grants for Prevention and Treatment of Substance Abuse program is correctly completed and submitted by December 31 each year.

Effect: Failure to submit a complete and accurate financial status report for the Block Grants for Prevention and Treatment of Substance Abuse program resulted in the auditor not having final grant expenditure amounts to use for verifying whether the Level of Effort and Earmarking requirements had been met.

Recommendation: The Department of Human Resources should develop appropriate policies and procedures to ensure that the financial status report (SF-269A) for the Block Grants for Prevention and Treatment of Substance Abuse program is correctly completed and submitted by December 31 each year.

Finding Control Number: **FA-427-09-06**
PERIOD OF AVAILABILITY OF FEDERAL FUNDS
Expenditures Charged Outside Period of Availability
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
U.S. Department of Health and Human Services
Grant Award – Year 2007 – B1GASAPT-07-1

Condition: The Department of Human Resources was still charging expenditures to the FFY 07 Block Grants for Prevention and Treatment of Substance Abuse as of June 30, 2009, which is nine (9) months beyond the period of availability.

Criteria: According to the OMB A-133 Compliance Supplement, Section H, "Any amounts awarded to the State for a fiscal year shall be available for obligation and expenditure until the end of the fiscal year following the fiscal year for which the amounts were awarded."

Information: The period of availability for the FFY 07 Block Grants for Prevention and Treatment of Substance Abuse was October 1, 2006 through September 30, 2008.

Questioned Costs: $947,070.69

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to monitor expenditures during the period of availability to ensure that all applicable expenditures are charged to the program by the September 30 deadline.

Effect: Continuing to charge expenditures to the Grant Award beyond the period of availability results in noncompliance with Federal program regulations.

Recommendation: The Department of Human Resources should develop appropriate policies and procedures to ensure that Federal funds for Block Grants for Prevention and Treatment of Substance Abuse are in accordance with period of availability requirements.

Federal Awards Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Finding Control Number: **FA-427-09-07**
PERIOD OF AVAILABILITY OF FEDERAL FUNDS
Expenditures Charged Outside Period of Availability
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)
Grant Award – Year 2009 – 5GA700702

Condition: Our examination included a review of expenditures charged to the Special Supplemental Program for Women, Infants, and Children (WIC). Initial testing of expenditures from periods 4 through 11 revealed a total of seven (7) transactions which were erroneously charged outside the period of availability. When these errors were presented to the Department of Human Resources (DHR), DHR stated that the expenditures actually belonged to FY 10, and they were re-rated into the correct fund source. During period 12 testing, another four (4) transactions were found to be outside the period of availability.

Criteria: Per the Code of Federal Regulations: "Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF–269). The Federal agency may extend this deadline at the request of the grantee."

Questioned Costs: $1,470.72

Cause: The deficiency noted above occurred as a result of the Department's failure to establish adequate internal control policies and procedures for recording WIC Direct Food Benefits and Administration expenditures to the proper grant periods.

Effect: Failure to develop adequate policies and procedures results in noncompliance with Federal compliance requirements.

Recommendation: The Department of Human Resources should review their current internal controls in relation to the recording of expenditures to the proper grant periods and implement additional internal controls as needed to ensure that Federal funds are recorded in accordance with period of availability requirements.

Finding Control Number: **FA-427-09-08**
PROCUREMENT AND SUSPENSION AND DEBARMENT
Failure to follow Procurement and Suspension and Debarment Regulations
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)
Temporary Assistance for Needy Families (CFDA 93.558)
Child Support Enforcement (CFDA 93.563)
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
Foster Care - Title IV-E (CFDA 93.658)
HIV Care Formula Grants (CFDA 93.917)
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
Various Grant Awards

Condition: The Department of Human Resources lacked adequate internal controls related to procurement and suspension and debarment. Of forty-seven contracts reviewed, forty-three contracts had not been monitored using the Contract Reporting System and two contracts were missing debarment certifications.

Criteria: The OMB Circular A-133 Compliance Supplement, Section I requires that agencies conform to applicable Federal laws and regulations and other standards identified in the A-102 Common Rule. In addition, the Compliance Supplement also instructs states to use the same policies and procedures used for procurement from non-Federal funds. The procurement policies and procedures for Georgia are located in the Georgia Procurement Manual.

Cause: The Department failed to implement adequate internal controls related to procurement and suspension and debarment in accordance with Federal and State guidelines.

Effect: Failure to implement adequate internal controls related to procurement and suspension and debarment causes the Department unnecessary financial risk due to the fact that they are not properly monitoring contracts, and may be contracting with entities that have been suspended or debarred by the Federal government.

Recommendation: The Department of Human Resources should implement policies and procedures to ensure that proper procedures are understood and followed related to procurement. All contracts should be monitored using the Contract Reporting System on a quarterly basis. For all contracts involving federal funds, management should check the Excluded Parties List System to ensure that the vendor has not been suspended or debarred. Also, all contracts should include a form, signed by vendors, certifying their non-debarred status.

Finding Control Number: **FA-427-09-09**
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
U.S. Department of Health and Human Services
Grant Award – Year 2007 – B1GASAPT-07-1

Condition: The Department of Human Resources (Department) failed to complete the FFY 07 financial status report (SF-269A) for the Block Grants for Prevention and Treatment of Substance Abuse program in a timely manner. The report was submitted on June 30, 2009, which was six months after the due date of December 31, 2008. Also, the report was not properly reconciled and did not have adequate supporting documentation.

Criteria: According to the Code of Federal Regulations, Title 45, Section 96.30, Part 4 submission of information, "...Grantees shall submit the information required by paragraph (b)(1),(2), and (3) of this section on OMB Standard Form 269A, Financial Status Report (short form). Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods."

Information: The FFY 06 financial status report (SF-269A) was submitted more than 15 months after its required deadline.

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial status report (SF-269A) for the Block Grants for Prevention and Treatment of Substance Abuse program was correctly completed and submitted by December 31.

Effect: Failure to complete, submit, and adequately reconcile the financial status report for the Block Grants for Prevention and Treatment of Substance Abuse program within the required timeframe resulted in noncompliance with Federal program regulations.

Recommendation: The Department of Human Resources should review their internal control procedures for financial reporting and implement additional procedures as needed to ensure that the financial status report is properly completed, reconciled, reviewed, and submitted within the required timeframe.

Federal Awards Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Finding Control Number: **FA-427-09-10**
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Supplemental Nutrition Assistance Program (10.551)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)
Temporary Assistance for Needy Families (CFDA 93.558)
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
U.S. Department of Agriculture and U.S. Department of Health and Human Services
Grant Awards: Year 2009 – G-0402GATANF, G-0502GATANF, G-0602GATANF, G-0702GATANF, G-0802GATANF, G-0902GATANF, G-0601GACCDF, G-0701GACCDF, G-0801GACCDF, G-0901GACCDF

Condition: Our examination included a review of the financial reports for the Temporary Assistance for Needy Families (TANF) program, the Child Care Development Fund (CCDF) program, and the Supplemental Nutrition Assistance Program (SNAP) that were submitted to the Federal awarding agency for the quarters ending June 30, 2008, September 30, 2008, December 31, 2008, and March 31, 2009. The following deficiencies were identified:

TANF: Financial reports were not submitted to the Federal awarding agency in a timely manner. None of the seventeen (17) financial reports reviewed were submitted by the required due date. The number of days late for submission of reports ranged from 12 to 34 days.

The date of approval and certification of the financial reports by the Office of Financial Services Director was not documented for the reports that were submitted for the quarter ending December 31, 2008.

TANF

FFY Grant	Qtr Ended	Properly Certified	No. of Days Late
FFY 2004	9/30/2008	Yes	34
	12/31/2008	No	12
	3/31/2009	Yes	13
FFY 2005	9/30/2008	Yes	24
	12/31/2008	No	12
	3/31/2009	Yes	13
FFY 2006	9/30/2008	Yes	24
	12/31/2008	No	12
	3/31/2009	Yes	13
FFY 2007	9/30/2008	Yes	24
	12/31/2008	No	12
	3/31/2009	Yes	13
FFY 2008	9/30/2008	Yes	26
	12/31/2008	No	12
	3/31/2009	Yes	13
FFY 2009	12/31/2008	No	12
	3/31/2009	Yes	13

CCDF: Financial reports were not consistently submitted to the Federal awarding agency in a timely manner. Five (5) of the nine (9) financial reports reviewed were not submitted by the required due date. The number of days late for submission of reports ranged from 5 to 6 days.

The date of approval and certification of the financial reports by the Office of Financial Services Director was not documented for six (6) of the nine (9) reports reviewed. The FFY 2007 (9/30/2008) financial report was certified and dated five days after the report was submitted.

FFY Grant	Current Qtr Ended	Reports were Properly Certified by OFS Director prior to Submission	Report Submitted on Time	Number of Days Late on Report
CCDF				
FFY 2006	9/30/2008	Yes	No	5
FFY 2007	9/30/2008	No *1	Yes	N/A
	12/31/2008	No *2	No	6
	3/31/2009	No *2	Yes	N/A
FFY 2008	9/30/2008	Yes	No	5
	12/31/2008	No *2	No	6
	3/31/2009	No *2	Yes	N/A
FFY 2009	12/31/2008	No *2	No	6
	3/31/2009	No *2	Yes	N/A

*1 Report was certified and dated on 11/5/2008, five days after the report was submitted.

*2 Report was certified, but not dated by OFS Director

SNAP: Financial reports were not submitted to the Federal awarding agency in a timely manner. None of the four (4) financial reports reviewed were submitted by the required due date. The number of days late for submission of reports ranged from 6 to 13 days.

The original routing slips and reports which documented approval of reports by supervisor, section manager, and the Office of Financial Services Director could not be located by the Department of Human Resources for three (3) of the four (4) reports reviewed.

SNAP - 10.551 and 10.561

FFY Grant	Qtr Ended	Reporting Sec. Supervisor Review Date	Funds Management Section Manager Review Date	Report Properly Signed Off and Dated Prior to Submission	Report Submitted on Time	Number of Days Late on Report
SF-269 Quarterly Financial Status Report						
FFY 2008	6/30/2008	@	@	@	No	6
Grant	9/30/2008	@	@	@	No	11
FFY 2009	12/31/2008	@	@	@	No	13
Grant	3/31/2009	***	5/15/2009	Yes	No	8

*** Due to a vacant accounting position, report was completed by the supervisor. The report was reviewed by the Section Manager.

@ Original routing slip and report which showed sign offs by supervisor, section manager, and Director of OFS could not be located by DHR. The employee in charge of producing the 6/30/2008, 9/30/2008, and 12/31/2008 reports is no longer at DHR.

Two (2) of the SF-269 reports were not properly reconciled to the general ledger prior to being submitted to the Federal awarding agency. Administrative expenditures in the 9/30/2008 (FFY 08) SF-269 report were understated by $849,803.63. There was also an unidentified variance of $88.19. Administrative expenditures in the 12/31/2008 (FFY 09) SF-269 report were understated by $600,958.37.

Criteria: According to the Department of Human Resources' (Department) internal control procedures for Financial Reporting, "All reports are subject to supervisory review before certification and submission to the grantor agencies. Supervisors assure the reports agree to the accounting records, or that adjustments are explained."

The required financial reports must be submitted within the time frame established by the Federal grantor agency. The following table identifies the due dates for submission of the financial reports:

CFDA #	Program Name	Due Date for Submission
93.558	TANF	The ACF-196 reports must be received by ACF within 45 days after the end of each fiscal year quarter.
93.575 93.596	CCDF	The ACF-696 reports are due 30 days after the end of each quarter.
10.551 10.561	SNAP	Qtr ended 6/30/2008 was due by 8/6/2008 Qtr ended 9/30/2008 was due by 11/6/2008 Qtr ended 12/31/2008 was due by 2/6/2009 Qtr ended 3/31/2009 was due by 5/7/2009

Cause: The deficiencies noted above were the result of the Department's failure to ensure that the established internal control procedures for Financial Reporting were consistently performed and that adequate internal control procedures were in place to ensure that the financial reports were properly reconciled and submitted to the awarding agency within the required timeframe.

Effect: Failure to adhere to the prescribed internal control procedures could result in the submission of inaccurate and/or incomplete financial reports. Failure to submit the financial reports within the required timeframe will result in noncompliance with Federal program regulations.

Recommendation: The Department of Human Resources should ensure that the established internal control procedures for Financial Reporting are adequate and operating as designed. The Department should also develop and implement additional internal control procedures to ensure that the financial reports are submitted within the required timeframe and that reconciliations are properly performed and any differences are properly investigated and documented.

Finding Control Number: **FA-427-09-11**
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Supplemental Nutrition Assistance Program (10.551)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)

Condition: As of June 30, 2009, the Department of Human Resources (Department) Grants Management Supervisor and Director of Office of Financial Services (OFS) failed to sign off on two (2) of four (4) FNS-209 quarterly reports. In addition, the Department's Electronic Benefits Director failed to sign off on nine (9) of twelve (12) FNS-46 reports.

Criteria: The Department's policies and procedures regarding Special Reports (FNS-209) state, "The review and approval process is documented on a routing slip that accompanies the report. The initial work is submitted to the Grants Management Team supervisor for approval. The Grants Manager assures that the FNS 209 report reflects the correct Status of Claims Against Household quarterly data. The review and approval process is documented on a routing slip that is sent along with the report (FNS-209) to the OFS Director. The routing slips include summarized comments on the work paper adjustments made to the FNS 209 report. The report is forwarded to the OFS Director for review and approval." Special Report (FNS-46) policies and procedures state, "To file the FNS 46, the Electronic Benefit Transactions (EBT) Assistant Director uses the information in the spreadsheets to confirm the total SNAP issuances, total adjustments and final net issuances for the month. The EBT Assistant Director records this information online using the Food Fund source Reporting System (FPRS). The information is reviewed and approved by the EBT Director, then submitted to the Federal Grantor Agency."

Cause: The deficiency noted above occurred as a result of the Department's failure to adhere to established internal control procedures to ensure that the Special Reports (FNS-209 and FNS-46) for the Food Stamp Cluster (SNAP) program are correctly being reviewed and/or approved by supervisory personnel.

Effect: Failure to review and/or approve Special Reports (FNS-209 and FNS-46) for the SNAP program could result in errors in federal reporting and increase the risk of federal noncompliance.

Recommendation: The Department should review their current internal control policies and procedures for reviewing and approving reports and implement additional procedures, as needed, to ensure that the Special Reports (FNS-209 and FNS-46) for the SNAP program include evidence of a supervisory review and approval function.

Finding Control Number: **FA-427-09-12**
SUBRECIPIENT MONITORING
Subrecipient Audit Reports Not Submitted Within Required Time Period
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)
HIV Care Formula Grants (CFDA 93.917)
Grant Award – Year 2009 – 5GA700702

Condition: As part of federal compliance audit work performed for the Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC), we obtained the required OMB Circular A-133 audit reports for the lead counties within the eighteen (18) public health districts designated as subrecipients of WIC federal dollars. Of the eighteen (18) lead counties, one (1), Fulton County, had not submitted the required audit report for fiscal year ended June 30, 2008 as of July 2009. Further, Fulton County had just submitted the audit report for fiscal year ended June 30, 2007 in February 2009.

In addition, the Department of Human Resources (Department) failed to take appropriate action (using sanctions) toward Fulton County for its continued inability to have the required audits submitted within the allotted time period.

Criteria: Per the Office of Management and Budget (OMB) A-133 Compliance Supplement:

Subrecipient Audits – (1) Ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 (the circular is available on the Internet at http://www.whitehouse.gov/omb/circulars/a133/a133.html) and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Cause: The deficiencies noted above are the result of the Department's failure to adequately monitor the submission of subrecipient audit reports of the WIC program, and the Department's failure to issue sanctions when WIC program reports are not submitted on time.

Effect: In addition to violating OMB Circular A-133 concerning subrecipient monitoring, the continued failure to obtain all required audit reports within the required time period could result in material misstatements because of other noncompliance issues not being detected by management.

Recommendation: The Department of Human Resources should develop and implement policies and procedures to more closely monitor subrecipients that must submit audit reports and ensure these subrecipients are aware of the importance of submitting the audit reports within the required time period.

In cases of continued inability of a subrecipient to submit the required audit reports, the Department should take appropriate action using sanctions.

Finding Control Number: **FA-427-09-13**
SUBRECIPIENT MONITORING
Deficiencies in Subrecipient Monitoring Procedures
Child Support Enforcement (CFDA 93.563)
U.S. Department of Health and Human Services
Grant Award – Year 2008 – 0804GA4004; Year 2009 – 0904GA4004

Condition: During our examination of eight (8) Child Support Enforcement subrecipient audit checksheets that were completed by the Department of Human Resources' (Department) Office of Audits, we found that one (1) subrecipient audit was not received in a timely manner, and sanctions were not appropriately issued to the delinquent subrecipient.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 3, page 3-M-1, requires the State agency administering the Child Support Enforcement program to comply with the following:

"Subrecipient Audits – (1) Ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 (the circular is available on the Internet at http://www.whitehouse.gov/omb/circulars/a133/a133.html) and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions. "

Cause: The deficiency noted above was caused by the Department's failure to adequately monitor subrecipient audits to ensure that all audits were completed and received in a timely manner, as well as the Department's failure to issue sanctions when reports are not submitted on time.

Effect: Failure to adequately monitor subrecipient audits results in noncompliance with Federal regulations.

Recommendation: The Department of Human Resources should review their current internal control procedures for monitoring subrecipient audits and implement additional procedures, as needed, to ensure that all subrecipient audits are completed and received in a timely manner. In cases of continued inability of a subrecipient to submit the required audit reports, the Department should take appropriate action using sanctions.

Finding Control Number: **FA-427-09-14**
SPECIAL TESTS AND PROVISIONS
Failure to Document Policies and Procedures
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
U.S. Department of Health and Human Services
Grant Award – Year 2009 – BIGASAPT-07; 2B08T1010012-08

Condition: The Department of Human Resources could not provide any official written policies or procedures for the Block Grants for Prevention and Treatment of Substance Abuse program to document that the Independent Peer Review process was complete, reviewed, and signed.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Section N, Special Tests and Provisions, requires that the State provide for independent peer reviews which assess the quality, appropriateness, and efficacy of treatment services provided to individuals.

Cause: The deficiency noted above occurred as a result of the Department's failure to provide any official written policies and procedures for implementing the Independent Peer Review process for Block Grants for Prevention and Treatment of Substance Abuse.

Effect: Failure to provide written policies and procedures for the Block Grants for Prevention and Treatment of Substance Abuse program will result in the auditor not being able to verify the adequacy of the methods used in selecting the sample, determining the qualifications of the peer reviewers, and if the sample results were adequately evaluated.

Recommendation: The Department of Human Resources should develop official written policies and procedures to ensure compliance with the OMB Circular A-133 Compliance Supplement regarding the Independent Peer Review process for the Block Grants for Prevention and Treatment of Substance Abuse program.

Finding Control Number: **FA-427-09-15**
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Temporary Assistance for Needy Families (CFDA 93.558)
U.S. Department of Health and Human Services
Grant Award – Year 2009 – G-0902GATANF

Condition: Our examination included a review of fifty (50) client case files totaling $81,886.00, out of a total population of $4,051,759.00, from the Temporary Assistance for Needy Families (TANF) program that were identified by the Office of Child Support Services (OCSS) as failing to provide the required cooperation with Child Support Enforcement, in order to determine if benefit payments were properly terminated. The following deficiency was identified during our examination:

(1) TANF clients continued to receive benefit payments in error after OCSS made the request to terminate benefits for four (4) client case files, resulting in $2,192.00 of claims being paid in error.

Criteria: OMB Circular A-133, Compliance Supplement, Part 4 (4-93.558), III, N.1 states, “If the State agency responsible for administering the State plan approved under Title IV-D of the Social Security Act determines that an individual is not cooperating with the State in establishing paternity, or in establishing, modifying or enforcing a support order with respect to a child of the individual, and reports that information to the State agency responsible for TANF, the State TANF agency must (1) deduct an amount equal to not less than 25 percent from the TANF assistance that would otherwise be provided to the family of the individual, and (2) may deny the family any TANF assistance.”

Section 1320 - Child Support Enforcement of the "Economic Support Services Manual" states that if a client fails to cooperate with CSE, "CSE will notify DFCS and DFCS must determine if good cause exists." If a client fails to cooperate with CSE without good cause, the client is ineligible for cash assistance.

Information: In each of the four (4) cases that were found in error, the Division of Family and Children Services (DFCS) office stated that they either had not received a letter from OCSE to apply a sanction or noted that they had received a letter, but it was mishandled by office staff, and not brought to the attention of appropriate personnel until it was asked for by the auditor.

Questioned Costs: $2,192.00

Cause: The Department of Human Resources (Department) does not have sufficient internal controls in place to ensure adequate communication between the Department’s DFCS offices and OCSS regarding the status of TANF clients that failed to cooperate with Child Support Enforcement without good cause, and to ensure that sanctions (denial of TANF assistance) are applied in a timely manner after non-cooperation is determined.

Effect: OMB Circular A-133 states that the Department of Health and Human Services may penalize a State for up to five percent of the grant for failure to substantially comply with the required State child support program.

Recommendation: The Department of Human Resources should develop and implement policies and procedures to provide for more effective communication between the Department's DFCS offices and OCSS regarding the status of TANF clients and to ensure that sanctions are properly applied in a timely manner for cases where the client failed to cooperate with Child Support Enforcement without good cause.

Finding Control Number: **FA-427-09-16**
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Child Support Enforcement (CFDA 93.563)
U.S. Department of Health and Human Services
Grant Award – Year 2008 – 0804GA4004; Year 2009 – 0904GA4004

Condition: Our examination included a review of eighty (80) client case files out of a sample population of 198,845 cases from the Child Support Enforcement (CSE) program to determine if the Department of Human Resources (Department) complied with applicable Federal laws, regulations, and other program compliance requirements. The following deficiencies were noted:

1. Born out of wedlock determination not performed for two (2) client case files.

2. No documentation was maintained to indicate if the custodial parent obtained medical support as ordered for three (3) client case files.

3. The availability and affordability of health insurance for the non-custodial parent (NCP) was not documented for twenty-two (22) client case files.

4. No documentation was maintained to indicate if the non-custodial parent obtained medical support as ordered for three (3) client case files.

5. Case information recorded in the Support Tracking, Accounting, and Reporting System ($TARS) was not consistent with information in the case file for six (6) client case files.

Criteria: An adequate system of internal controls calls for: (1) transactions to be properly recorded and accounted for in order to properly prepare reliable financial statements and Federal reports, (2) sufficient documentation to be present in order to demonstrate compliance with laws, regulations, and other program compliance requirements.

The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 4, pages 4-93.563-6 through 4-93.563-8, requires the State agency administering the Child Support Enforcement program to comply with the following:

1. Establishment of Paternity and Support Obligations "The IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. The agency must establish a support obligation when paternity is not an issue.... For State IV-D agencies, these services must be provided within the time frames specified in 45 CFR sections 303.3(b)(3) and (b)(5), 303.3(c) and, 303.4(d)."

2. Enforcement of Support Obligations "...the agency must maintain a system for (a) monitoring compliance with the support obligation; (b) identifying on the date the parent fails to make payments in an amount equal to support payable for one month, or an earlier date in accordance with State or tribal law, those cases in which there is a failure to comply with the support obligation; and (c) enforcing the obligation. To enforce the obligation the agency must initiate

income withholding.... State IV-D agencies must initiate any other enforcement action, unless service of process is necessary, within 30 calendar days of identification of the delinquency or other support-related noncompliance, or location of the absent parent, whichever occurs later."

3. Securing and Enforcing Medical Support Obligations - State Programs "The State IV-D agency must attempt to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for services under 45 CFR section 302.33. ...In cases where medical support is ordered, the agency is required to verify that it was obtained. If it was not obtained, the agency should take steps to enforce the health insurance coverage required by the support order, unless it determines that health insurance was not available to the absent parent at reasonable cost...."

Cause: The deficiencies noted above were the result of the Department's failure to implement adequate internal control policies and procedures to ensure that supporting documentation was maintained, and all transactions and related case data were properly recorded in the accounting records

Effect: Failure to maintain an adequate system of internal controls increases the risk that the Department will not comply with the applicable Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Human Resources should develop and implement additional policies and procedures to ensure that supporting documentation is maintained and all transactions and related case data are properly recorded in the accounting records.

Finding Control Number: **FA-427-09-17**
SPECIAL TESTS AND PROVISIONS
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards
Various Grant Awards

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Human Resources revealed the following exceptions:

(1) The American Recovery and Reinvestment Act (ARRA) expenditures were not recorded separately from other Federal expenditures on the SEFA.

(2) The Schedule did not include expenditure amounts paid to subrecipients outside the state reporting entity.

Criteria: In accordance with OMB Circular A-133 Subpart C Section .300(a), “The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity.”

In relation to funds authorized under the American Recovery and Reinvestment Act of 2009, section 176.210 of Title 2 of the Code of Federal Regulations identifies the recipient’s responsibilities regarding tracking and documenting Recovery Act expenditures. These, in part, are, “…recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA)....”

The State Accounting Office also issued instructions to all organizations of the State reporting entity for the SEFA which state, “Agency management is responsible to ensure proper accounting and reporting of Federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization’s reporting fund and must reconcile to expenditures recorded in the organization’s accounting records.”

Cause: The Department failed to implement adequate policies and procedures to ensure that ARRA expenditures are reported separately from other Federal expenditures and that subrecipient Federal expenditures are reported on the SEFA.

Effect: Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

Recommendation: The Department of Human Resources should implement policies and procedures to ensure that ARRA expenditures are reported separately from other Federal expenditures, and that amounts paid to subrecipients get reported on the Schedule of Expenditures of Federal Awards.

Federal Agencies With Other Affected Programs
U.S. Department of Agriculture
U.S. Department of Education
U.S. Department of Health and Human Services

DEPARTMENT OF LABOR

Finding Control Number: **FA-440-09-01**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries
Employment Service/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)
Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)
Unemployment Insurance Administration (UI) (CFDA 17.225)
Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126)

Condition: See Financial Statement Finding FS-440-09-01

Criteria: See Financial Statement Finding FS-440-09-01

Information: See Financial Statement Finding FS-440-09-01

Cause: See Financial Statement Finding FS-440-09-01

Effect: See Financial Statement Finding FS-440-09-01

Recommendation: See Financial Statement Finding FS-440-09-01

Finding Control Number: **FA-440-09-02**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Overpayment of Unemployment Compensation Benefits
Unemployment Insurance Administration (UI) (CFDA 17.225)

Condition: See Financial Statement Finding FS-440-09-04

Criteria: See Financial Statement Finding FS-440-09-04

Questioned Costs: $573,469.00

Cause: See Financial Statement Finding FS-440-09-04

Effect: See Financial Statement Finding FS-440-09-04

Recommendation: See Financial Statement Finding FS-440-09-04

Finding Control Number: **FA-440-09-03**
CASH MANAGEMENT
Inadequate Procedures over Cash Draws of Federal Grants
Employment Service/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)
Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)
Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126)

See related Financial Statement finding number FS-440-09-03

Condition: Our examination of Cash Management over Federal Financial Assistance Programs disclosed that the Department of Labor (Department) requested Federal funds in excess of program expenditures. The following table identifies the programs and the number of months with requests in excess of expenditures:

CFDA#	Program Name	Number of Months Reimbursements Exceeded Expenditures	Average Monthly Balance of Excess Funds On Hand
17.ESC	Employment Service Cluster	3	$ 1,213,560.00
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	10	$ 12,640,500.00

Criteria: The Code of Federal Regulations Title 31, Chapter II, Part 205, Subpart A and B indicates that a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A State and Federal Program Agency must limit the amount of funds transferred to the minimum required to meet a State's actual and immediate cash needs.

Cause: The Department's policies and procedures for requesting Federal funds to reimburse program costs were inadequate.

Effect: Failure to drawdown Federal funds on an as-needed basis could result in an interest liability being incurred.

Recommendation: The Department of Labor should review their policies and procedures for requesting Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

DEPARTMENT OF TRANSPORTATION

Finding Control Number: **FA-484-09-01**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Formula Grants For Other Than Urbanized Areas (CFDA 20.509)
(Nonurbanized Area Formula Program)
U.S. Department of Transportation
Grant Program Numbers: GA-18-X025, GA-18-X027, GA-18-X029

Condition: Our examination included a review of the supporting documentation maintained by the Department of Transportation (Department) for one hundred two (102) Nonurbanized Area Formula program transactions, consisting of fifty-two (52) individually significant transactions totaling $2,646,232.36 and a random sample of fifty (50) transactions totaling $566,537.00 out of a sample population of

$9,052,036.67. The supporting documentation was reviewed to determine if the transactions complied with the following compliance requirements:

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles

Our examination revealed that eight (8) of the fifty-two (52) individually significant transactions totaling $40,382.22 were for unallowable activities and did not comply with the applicable cost principles.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 4, Page 4-20.509-2 states, in part: "The project must provide local transportation service (transit service available to the public) in an area other than an urbanized area (49 USC 5311(d)) or support intercity bus transportation (49 USC 5311(f))…. RTAP funds may be used to provide training, technical assistance, research and other related support services for providers of rural public transit and related services (49 USC 5311(b)(2))."

OMB Circular A-87, Attachment A, paragraph C.1, states, in part, to be allowable under Federal awards, costs must "...Be necessary and reasonable for proper and efficient performance and administration of Federal awards."

Information: Of the eight (8) individually significant transactions that failed to comply with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirement:

- Five (5) transactions were for activities that should have been funded with Section 5307 funds instead of Section 5311 funds.

- Two (2) transactions were identified by the Department as training activities; however, no evidence of training was provided.

- One (1) transaction was a payment for employee travel that was not related to the Nonurbanized Area Formula program.

Questioned Costs: $40,382.22

Cause: The deficiencies noted above were the result of the Department's failure to have adequate internal control procedures in place to ensure that costs charged to the Nonurbanized Area Formula program were allowable and in accordance with the applicable cost principles.

Effect: Inadequate internal controls increase the risk of material misstatement in the financial statements including misstatements due to fraud and noncompliance with Federal laws, regulations and other program compliance requirements.

Recommendation: The Department of Transportation should develop and implement internal controls to ensure that costs charged to the Nonurbanized Area Formula program are in compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirements.

Finding Control Number: **FA-484-09-02**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
CASH MANAGEMENT
REPORTING
SUBRECIPIENT MONITORING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Formula Grants For Other Than Urbanized Areas (CFDA 20.509)
(Nonurbanized Area Formula Program)
U.S. Department of Transportation
Grant Program Numbers: GA-18-X022, GA-18-X023, GA-18-X024, GA-18-X025, GA-18-X026, GA-18-X027, GA-18-X028, GA-18-X029

Condition: The Department of Transportation (Department) failed to design, implement, and monitor internal controls over the Nonurbanized Area Formula program that would provide reasonable assurance of compliance with the following compliance requirements:

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles
- Cash Management
- Financial Reporting
- Special Reporting
- Subrecipient Monitoring

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 1, Page 1-6, states, in part: “As a condition of receiving Federal awards, non-Federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements.”

The ***Accounting Procedures Manual*** for the State of Georgia, Section 5, Pages 5-1-2 and 5-7-1, state, in part: 1) "Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization." 2) "Large State organizations with complex operations should formally document their controls with written policy manuals, formal organization charts, written job descriptions, operating instructions, and information flowcharts."

Cause: The Department failed to implement and/or maintain evidence of adequate internal control procedures over the Nonurbanized Area Formula program to ensure compliance with the aforementioned compliance requirements.

Effect: Inadequate internal controls increase the risk of material misstatement in the financial statements including misstatements due to fraud and noncompliance with Federal laws, regulations and other program compliance requirements.

Recommendation: The Department of Transportation should develop and implement internal control procedures to ensure that they are complying with the compliance requirements that are material to the Nonurbanized Area Formula program. In addition, documentation should be maintained by management to ensure that these internal control procedures are correctly and consistently performed.

Finding Control Number: **FA-484-09-03**
ALLOWABLE COSTS/COST PRINCIPLES
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Highway Planning and Construction Cluster (HPCC) (CFDA 20.205)
HPCC, American Recovery and Reinvestment Act (ARRA) (CFDA 20.205)
U.S. Department of Transportation
Notice Classification Code: N 4510.697 (HPCC), N 4510.705 (ARRA)

Condition: Our examination of matching requirements included a review of 42 individually significant on-going construction projects. Based on our testing, costs were charged to the Federal program in error for four (4) of the 42 projects. As a result, at the time of our examination, $354,147.04 in Federal funds had been requested and received in error for project costs that should be funded with State funds.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 4, Page 4-20.205-3, states in part that "The State is generally required to pay a portion of the project costs. Portions vary according to the type of funds authorized and the type of project and are stated in project agreements."

The ***Accounting Procedures Manual*** for the State of Georgia, Section 5, page 5-1-2, states in part that "Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization."

An adequate system of internal controls dictate that procedures be in place to ensure that the correct State matching contributions rates (authorized in the Federal Highway Administration's Fiscal Management Information System) are properly applied to program expenditures.

Questioned Costs: $354,147.04.

Information: The Department of Transportation believes they have sufficient compensating controls in place that will detect and correct over-charges to the Federal program prior to the close of a construction project.

Cause: The deficiency noted above was the result of the Department's failure to have adequate internal control procedures in place to ensure that the matching requirements for the Highway Planning and Construction Cluster program were met in accordance with Federal regulations.

Effect: Inadequate internal controls over matching requirements may result in Federal programs being overcharged or undercharged in error. Overcharges to Federal programs may result in an interest liability being incurred.

Recommendation: The Department of Transportation should consistently monitor expenditures and implement additional policies and procedures to ensure that the correct State matching contribution rates are properly applied to expenditures in accordance with Federal regulations.

Finding Control Number: **FA-484-09-04**
CASH MANAGEMENT
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Highway Planning and Construction Cluster (CFDA 20.205)
HPCC, American Recovery and Reinvestment Act (ARRA) (CFDA 20.205)
U.S. Department of Transportation
Notice Classification Code: N 4510.697 (HPCC), N 4510.705 (ARRA)

Condition: The Department of Transportation (Department) did not have adequate policies and procedures in place to ensure compliance with the Cash Management and Financial Reporting requirements of the Highway Planning and Construction Cluster program. Our examination included a review of:

- The PR-20 reports, Voucher for Work Under Provisions of the Federal-Aid and Federal Highway Acts (Federal bill), that were used to request reimbursement of program expenditures and the related supporting documentation.

- The clearance pattern that was used to schedule the receipt of Federal funds in accordance with the Cash Management Improvement Act Agreement.

The following deficiencies were noted during our examination:

1. Federal bills were not verified to the accounting records by a supervisor or manager prior to submission to the U.S. Department of Transportation, Division of Federal Highway Administration.

2. The supporting documentation for Federal bills revealed no evidence of reconciliations between amounts claimed in the Federal bills and amounts recorded in the accounting records.

3. The Financial Management Service (FMS) of the U.S. Department of the Treasury was not properly notified by the Department of a change in the clearance pattern for program disbursements. The Department's most recent calculation of the clearance pattern revealed that the dollar-weighted average day of clearance for a disbursement changed from three (3) days (as reported in the Cash Management Improvement Act Agreement) to four (4) days.

4. The supporting documentation reviewed for seventeen (17) Federal bills disclosed inconsistencies in the period (range of disbursement dates) covered by the Federal bills and the period of time between the last disbursement date included in the Federal bills and the reimbursement request date. The review also revealed that:

   - Receipts of Federal funds were not scheduled in accordance with the clearance pattern for the Highway Planning and Construction Cluster program for two (2) of the seventeen (17) Federal bills.

   - The amount of funds wired from the U.S. Department of the Treasury and the amount claimed in two (2) of the seventeen (17) Federal bills differed by a total of $3,703.40. The difference was not properly investigated and/or documented by the Department.

   - One (1) of the seventeen (17) Federal bills in the amount of $92,484,069.91 could not be verified to the accounting records due to inadequate supporting documentation. Additional procedures were performed which indicated that the costs claimed on the Federal bill were paid prior to the date the Federal bill was submitted to the U.S. Department of Transportation, Division of Federal Highway Administration.

Criteria: The ***Accounting Procedures Manual*** for the State of Georgia, Section 5, Pages 5-4-2 and 5-4-3, states, in part: 1) "Documentation – involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly." 2) "…Verification is the determination of the completeness, accuracy, authenticity and/or validity of transactions, events or information. This control activity enables management to ensure activities are being done in accordance with directives."

The Cash Management Improvement Act Agreement between The State of Georgia and The Secretary of the Treasury, United States Department of the Treasury, Sections 3.2 and 6.1.2, state, in part: 1) "A State must notify FMS in writing within 30 days of the time the State becomes aware of a change that involves additions or deletions of programs subject to Subpart A, changes in funding techniques, and/or changes in clearance patterns." 2) "The State shall schedule the receipt of Federal funds such that the funds are received and credited to a State account in accordance with the clearance patterns specified in Exhibit II - List of State Clearance Patterns."

Cause: The deficiencies noted above are the result of the Department's failure to have adequate policies and procedures in place for verifying the accuracy and completeness of Federal bills, scheduling the receipt of Federal funds, and verifying the amount of funds received from the U.S. Department of the Treasury with the amount claimed in the Federal bills.

Effect: Failure to have adequate policies and procedures in place could result in noncompliance with Federal regulations and may affect the proper recording of Federal program revenues, causing misstatements within the financial statements.

Recommendation: The Department of Transportation should implement additional policies and procedures to ensure that Federal bills are properly verified with the accounting records by a supervisor or manager prior to submission and that all supporting documentation is properly maintained. The Department should also notify FMS of the change in the clearance pattern for the Highway Planning and Construction Cluster program disbursements and implement additional controls to ensure that receipts of Federal funds are consistently scheduled in accordance with the clearance pattern specified in the Cash Management Improvement Act Agreement.

Furthermore, any difference between the amount of funds wired from the U.S. Department of the Treasury and the amount claimed in the Federal bills should be properly investigated and documented by the Department.

Finding Control Number: **FA-484-09-05**
CASH MANAGEMENT
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Formula Grants For Other Than Urbanized Areas (CFDA 20.509)
(Nonurbanized Area Formula Program)
U.S. Department of Transportation
Grant Program Numbers: GA-18-X022, GA-18-X023, GA-18-X024, GA-18-X025, GA-18-X026, GA-18-X027, GA-18-X028

Condition: Our examination included an analytical review of all thirty (30) Nonurbanized Area Formula program Financial Status Reports (SF-269A) that were completed during fiscal year 2009. In addition, a review was made of the supporting documentation maintained by the Department of Transportation (Department) for four (4) of the thirty (30) SF-269A reports and all fifteen (15) Electronic Clearing House Operation (ECHO) Payment Request Forms that were submitted during fiscal year 2009.

The following deficiencies were noted during our examination:

1. All thirty (30) SF-269A reports were prepared on the cash basis of accounting instead of the accrual basis as required by Federal program regulations.

2. Sixteen (16) of the thirty (30) SF-269A reports were completed on a one month lag (i.e., the SF-269A report that covered the period from July 2008 to September 2008 reflects actual expenditure data from June 2008 through August 2008).

3. Supporting documentation for the four (4) SF-269A reports revealed no evidence of reconciliations between the amounts reported and the amounts recorded in the accounting records (PeopleSoft).

4. Reconciliations between the amount of disbursements claimed on the fifteen (15) ECHO Payment Request Forms, the disbursements recorded in the accounting records, and the amount of funds wired from the U.S. Department of the Treasury were not consistently performed and/or documented.

Criteria: The U.S Department of Transportation, Federal Transit Administration (FTA) Circular 5010.1D, states, in part that the Financial Status Report (FSR) "…must be prepared on the accrual basis of accounting; that is, income is recorded when earned instead of when received, and expenses are recorded when incurred instead of when paid. FTA does not allow the FSR to be prepared in the cash method of accounting." The FSR must contain "…All financial facts (e.g., expenditures and obligations) relating to the scope and purpose of each financial report and applicable reporting period should be completely and clearly displayed in the reports…"

The ***Accounting Procedures Manual*** for the State of Georgia, Section 5, Pages 5-4-2 and 5-4-3, states, in part: 1) "Documentation – involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly." 2) "…Verification is the determination of the completeness, accuracy, authenticity and/or validity of transactions, events or information. This control activity enables management to ensure activities are being done in accordance with directives."

Information: The Department implemented procedures during the last two quarters of fiscal year 2009 to ensure that the expenditure data included in the SF-269A reports accurately corresponds to the period covered by the report.

Cause: The deficiencies noted above are the result of the Department's failure to have adequate policies and procedures in place for verifying the accuracy and completeness of the SF-269A reports and ECHO Payment Request Forms and ensuring that the reports are properly prepared on the accrual basis of accounting.

Effect: The FTA Circular 5010.1D states, in part, that the "…FTA may suspend or terminate all or part of the financial assistance provided herein if the grantee is, or has been, in violation of the terms of the approved grant…"

Recommendation: The Department of Transportation should develop and implement policies and procedures to ensure that Financial Status Reports are prepared on the accrual basis of accounting and consistently reconciled to the accounting records. In addition, the Department should implement internal controls to ensure that ECHO Payment Request Forms are consistently reconciled with the amount of funds wired from the U.S. Department of the Treasury and the disbursements recorded in the accounting records.

Finding Control Number: **FA-484-09-06**
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Formula Grants For Other Than Urbanized Areas (CFDA 20.509)
(Nonurbanized Area Formula Program)
U.S. Department of Transportation
Grant Program Numbers: GA-18-X022, GA-18-X023, GA-18-X024, GA-18-X025, GA-18-X026, GA-18-X027, GA-18-X028, GA-18-X029

Condition: Our examination of Special Reporting for the Nonurbanized Area Formula program included a review of the Statewide Summary (RU-30) and Rural General Public Service Transit (RU-20) forms that the Department of Transportation (Department) submitted to the National Transit Database (NTD) during fiscal year 2009. The following internal control and noncompliance deficiencies were noted:

1. The Department did not have a review process in place to ensure the accuracy and completeness of the financial and operating information reported in the RU-30 and RU-20 forms.

2. Duplicate RU-20 forms were submitted to the NTD for two (2) of the eighty-seven (87) Nonurbanized Area Formula program subrecipients. As a result, the financial and operating information for these subrecipients were reported twice in the Statewide Summary form.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 1, Page 1-6, states, in part: "As a condition of receiving Federal awards, non-Federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements."

An adequate system of internal controls requires that reports of Federal Awards be reviewed by a supervisor or manager prior to being submitted to the Federal awarding agency to assure accuracy and completeness of the data and information included in the reports. Proper documentation should be maintained to preserve evidence that the review was performed. The date of the review and the signature of the reviewer (even in electronic form) should be included in the supporting documentation.

Cause: The deficiencies noted above were the result of the Department's failure to have adequate internal control procedures over Special Reporting to ensure the accuracy and completeness of the financial and operating information reported in the Statewide Summary and Rural General Public Service Transit forms.

Effect: Inadequate internal controls over Special Reporting could result in the submission of inaccurate and/or incomplete information to the National Transit Database and increases the risk that the Department will not comply with Federal regulations.

Recommendation: The Department of Transportation should develop and implement internal controls over Special Reporting to ensure that reviews of the financial and operating information included in the Statewide and Rural General Public Service Transit forms are performed and that the information reported is accurate and properly supported by the subrecipient data forms.

Finding Control Number: **FA-484-09-07**
SUBRECIPIENT MONITORING
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Formula Grants For Other Than Urbanized Areas (CFDA 20.509)
(Nonurbanized Area Formula Program)
U.S. Department of Transportation
Grant Program Numbers: GA-18-X022, GA-18-X023, GA-18-X024, GA-18-X025, GA-18-X026, GA-18-X027, GA-18-X028, GA-18-X029

Condition: The Department of Transportation (Department) did not consistently perform and/or document during-the-award monitoring activities for Nonurbanized Area Formula program subrecipients in accordance with Federal program regulations.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 3, Pages 3-M-1 and 3-M-2, state that the pass-through entity is responsible for During-the-Award Monitoring, which involves "...Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved…." "…Monitoring activities normally occur throughout the year…."

Cause: The Department failed to have adequate policies and procedures in place to ensure that during-the-award monitoring activities were consistently performed and documented for each of the Nonurbanized Area Formula program subrecipients.

Effect: Inadequate policies and procedures over during-the-award monitoring activities may result in improper program costs being reimbursed to subrecipients.

Recommendation: The Department of Transportation should develop and implement policies and procedures to ensure that Nonurbanized Area Formula program subrecipients are adequately monitored in accordance with Federal program regulations. Documentation should be maintained to provide evidence of the consistent performance of during-the-award monitoring activities.

Finding Control Number: **FA-484-09-08**
SPECIAL TESTS AND PROVISIONS
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards
Airport Improvement Program (CFDA 20.106)
Highway Planning and Construction Cluster (CFDA 20.205)
HPCC, American Recovery and Reinvestment Act (ARRA) (CFDA 20.205)
U.S. Department of Transportation
Notice Classification Code: N 4510.697 (HPCC), N 4510.705 (ARRA)

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Transportation (Department) revealed the following deficiencies:

1. American Recovery and Reinvestment Act (ARRA) expenditures for two (2) Federal awards were initially not reported separately on the SEFA as required by Federal regulations.

2. The expenditure total reported on the SEFA for one (1) Federal award was initially overstated. This overstatement was the result of Advanced Construction expenditures totaling $428,347,405.53 and other expenditures from non-Federal fund sources totaling $359,263,550.42 that were incorrectly included in the expenditure total.

Criteria: In accordance with OMB Circular A-133, Subpart C, Section .300(a), "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the passthrough entity."

In relation to funds authorized under the American Recovery and Reinvestment Act of 2009, Section 176.210 of Title 2 of the Code of Federal Regulations identifies the recipient's responsibilities regarding tracking and documenting Recovery Act expenditures. These, in part, are, "...recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA)...."

Information: Adjustments were made to correct the SEFA for the errors identified above.

Cause: The Department failed to implement adequate policies and procedures to ensure that expenditures of Federal awards were accurately reported on the Schedule of Expenditures of Federal Awards.

Effect: Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

Recommendation: The Department of Transportation should implement policies and procedures to ensure that an accurate Schedule of Expenditures of Federal Awards is prepared and submitted in accordance with Federal regulations.

Finding Control Number: **FA-484-09-09**
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Highway Planning and Construction Cluster (CFDA 20.205)
HPCC, American Recovery and Reinvestment Act (ARRA) (CFDA 20.205)
U.S. Department of Transportation
Notice Classification Code: N 4510.697 (HPCC), N 4510.705 (ARRA)

Condition: Our examination included a review of five (5) project files maintained by the Department of Transportation's (Department) Office of Materials and Research to determine if the quarterly Materials Certificate (MC) Checklists were properly completed in accordance with the Department's Quality Assurance program. We noted that there were no Materials Certificate Checklists completed and/or maintained in three (3) of the project files reviewed. One (1) project file contained only two (2) of the four (4) quarterly Materials Certificate Checklists that were required to be completed during fiscal year 2009.

Criteria: According to the Department's policies and procedures, Sections 20.2 and 20.3, "Projects let January 2002 and after require a Materials Certificate Checklist to be completed and sent to the Office of Materials and Research, Materials Audit Unit for every project that has a construction report turned in during the preceding three months.... The MC checklist shall be completed every January, April, July and October by the Project Engineer for every project that had work going on for the previous three months.... The deadline to turn in the checklist is 30 days after the last day of the report month."

Cause: The deficiency noted above was the result of the Department's failure to ensure that the quarterly Materials Certificate Checklists were consistently completed and maintained in accordance with the internal control procedures established for the Quality Assurance program.

Effect: Failure to adhere to the prescribed internal control procedures can affect project costs and may result in significant delays in project closings.

Recommendation: The Department of Transportation should review their internal controls and implement additional controls as needed to ensure that the established procedures relating to the completion of the quarterly Materials Certificate Checklists are properly and consistently followed.

FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FA-533-09-01**
ELIGIBILITY
Overpayment of Student Financial Aid
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: This is a repeat finding (FA-533-08-01) from year ended June 30, 2008. The University's Student Financial Aid Office improperly determined the financial need and cost of attendance of eligible students.

Criteria: Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs and 34 CFR 674, 675, 676, 682, 690, and 691 provide eligibility and other related program requirements that are specific to the Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Family Educational Loan Program (FFEL), Federal Pell Grant Program, and the Federal ACG/SMART Programs, respectively.

Questioned Cost: Questioned Costs of $34,584.00 were identified for students who received student financial aid in excess of their eligible need which, when projected over the entire population, resulted in a projected misstatement of $1,740,120.93.

Information: A sample of fifty financial aid files was selected to determine if financial aid was properly calculated and disbursed to eligible students. The items sampled contained financial aid disbursements of $496,647.00 out of a population of $31,372,205.88. The University failed to consistently apply reasonable cost of attendance budgets to determine a student's need and failed to document the criteria used for determining these costs in the budget. The following deficiencies were noted:

1. Thirteen students in the sample were awarded financial aid based upon the incorrect Cost of

Attendance (COA) budget. COA budget errors arose from the use of incorrect terms attended, tuition rate the student was charged and on-campus or off-campus housing arrangements. One of these students received need-based aid in excess of his need due to the use of an incorrect COA budget.

2. One student in the sample was disbursed $832.00 more than the COA budget.

3. Several students in the sample received additional funds that were not included in other resources available to the student in the calculation of need:

    a. Two students received loans from the Fort Valley State University Foundation.
    b. Two students received stipends for housing and meals.
    c. Two students received scholarships from outside organizations.

4. Additional testing of all housing and Student Government Association (SGA) officer meal stipends given to students revealed that none of the housing and SGA officer meal stipends disbursed during fiscal year 2009 were included in the calculation of need when necessary.

5. Testing of the Scholarships and Fellowships account balance revealed that a significant amount of scholarships were not processed through Banner but were instead processed through the entity's accounts payable system, which could have resulted in the omission of these scholarships from the calculation of student's financial need.

6. Four students in the sample were not in compliance with the University's published satisfactory academic progress policies. Federal regulations (34 CFR 668.32 and 668.34) state that a student must maintain satisfactory academic progress to be eligible to receive financial assistance under the Title IV programs. The four students failed to meet the quantitative requirements of satisfactory academic progress and this noncompliance resulted in SFA over disbursements totaling $33,752.00.

7. Several students in the sample were awarded and/or disbursed the incorrect amount based upon their credit hours earned:

    a. Four students received Direct Unsubsidized Student Loans before the Subsidized need-based loan limit was reached.
    b. Five students were awarded Direct Subsidized Student Loans for amounts greater than their annual limit based upon the credit hours earned. Because all of these students only received Direct Loan disbursements for one semester or obtained the correct number of credit hours at the end of Fall 2008, none of the students were disbursed amounts in excess of their annual limit.
    c. One student who should not have received financial aid during the year was awarded and disbursed Direct Unsubsidized Student Loans before the Subsidized loan limit was reached.

8. Six students in the sample who received all Fs or WFs during a semester were never reviewed for unofficial withdrawals, and could have been ineligible for aid due to the possibility of owing a refund on a Title IV grant when their aid was disbursed.

9. Three students in the sample were awarded and disbursed the incorrect Pell Grant amount based upon expected family contribution and enrollment status.

10. Several problems were found with Academic Competitiveness Grant (ACG) awards:

    a. Eight students were qualified to receive ACG and did not receive the grant at all during the academic year.
    b. One student was eligible for both fall and spring semesters, but only received the ACG for the fall semester.

Cause: The University's Student Financial Aid Office had not performed a risk assessment of its procedures to identify areas subject to nonconformity with eligibility requirements, and thus insufficient controls were in place to assure that SFA funds were awarded and disbursed correctly.

Effect: The University was not in compliance with Federal regulations concerning the awarding of SFA funds to students. A total of $34,584.00 was disbursed in excess of eligibility. Additionally, $7,036.50 in eligible aid was not disbursed.

Recommendation: The University should perform a risk assessment of its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the University should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with financial need requirements. Additionally, the University should develop and implement a monitoring process to ensure that controls are properly implemented. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

Finding Control Number: **FA-533-09-02**
ELIGIBILITY
Undocumented Cost of Attendance Budgets
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: The University's Student Financial Aid Office significantly increased the Cost of Attendance used for determining financial aid eligibility without documenting the procedures used for establishing these costs.

Criteria: Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs.

Information: We found significant undocumented increases in the components used in the Cost of Attendance budgets. The auditor compared current year Cost of Attendance (COA) components to the same prior year COA components. We noticed that most of the off-campus budgets increased by over 70% and some of the on-campus budgets increased by over 30%. Some budget lines items such as Personal Expenses, Room/Board, and Transportation, increased by over 167% compared to the prior year's budgets. No documentation or explanations for the large increases or the basis for determining the amounts used in the Cost of Attendance budgets were provided.

Cause: The University's Student Financial Aid Office failed to document the basis used for establishing the significant increases to the Cost of Attendance budgets.

Effect: The University was not in compliance with Federal regulations concerning the Cost of Attendance budgets used as the basis for determining SFA eligibility. The Cost of Attendance is the cornerstone of establishing a student's financial need and sets a limit on the total aid a student may receive. If the estimated costs used for components in the COA budget are unreasonable and do not represent average costs for students at the Institution, a majority of the student population may have been significantly overawarded.

Recommendation: The Institution should reevaluate the components used in the COA budgets and document that these costs represent average costs for students enrolled at the Institution. The University should modify its procedures to ensure that any future changes to the Cost of Attendance budgets are reasonable and based on documented average costs for students. The University should contact the U. S. Department of Education regarding the resolution of this finding.

Federal Awards Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Finding Control Number: **FA-533-09-03**
REPORTING
Reports Not Reconciled
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: This is a repeat finding (FA-533-08-02) from year ended June 30, 2008. Amounts reported on the Fiscal Operations and Application to Participate (FISAP) report submitted by the University to the U. S. Department of Education were not properly reconciled because of weaknesses in the University's process for completing the FISAP.

Criteria: Federal regulations (34 CFR 674.19, 675.19, 690.81 and 690.83) require the University to ensure that reported information is accurate and reconciled as necessary.

Information: The FISAP report included amounts reported for Tuition and Fees for Undergraduates, State Grant and Scholarships Made to Undergraduates, the Federal Work-Study Program, and the Perkins Loan Program that did not reconcile to the accounting records.

Cause: The deficiencies identified were a result of management's failure to adequately reconcile information submitted on the FISAP with activity recorded in the accounting records and to assign responsibility for the FISAP report.

Effect: Information submitted to the U. S. Department of Education was not accurate and was not supported by the accounting records.

Recommendation: The University should implement adequate controls to ensure that all reports submitted to the U. S. Department of Education are accurately completed and supported by the accounting records. The University should also assign clear lines of responsibility for the FISAP report and keep all supporting documentation on file.

Finding Control Number: **FA-533-09-04**
SPECIAL TESTS AND PROVISIONS
Failure to Reconcile the Federal Direct Loan Program
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: The University failed to perform the required monthly reconciliations for the Federal Direct Loan Program.

Criteria: Provisions included in 34 CFR sections 685.102(b), 685.301, and 685.303 provide program requirements for the Federal Direct Loan program.

Information: The University failed to perform the monthly reconciliations for the Direct Loan Program. The auditor identified a total unreconciled variance of $307,515 between the total drawdowns from the Direct Loan Common Origination and Disbursement (COD) system and the total Banner awards.

Cause: The University failed to follow the required monthly reconciliation procedures when it began participation in the Direct Loan program during the fiscal year. Responsibility was not assigned and procedures were not established to ensure that the Direct Loan program was properly reconciled each month.

Effect: The University was not in compliance with Federal regulations concerning the program requirements of the Federal Direct Loan program.

Recommendation: The University should establish procedures and assign responsibility for the monthly and yearly reconciliation of the Federal Direct Loan program. The University's financial aid and business offices

should maintain their internal records in such a way that they can prepare for the monthly reconciliation. The University should ensure it follows guidelines detailed in the Federal Direct Loan School Guide to ensure compliance with Federal Direct Loan program requirements.

Finding Control Number: **FA-533-09-05**
SPECIAL TESTS AND PROVISIONS
Inadequate Control Procedures over Unofficial Withdrawals
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: This is a repeat finding (FA-533-08-04) from year ended June 30, 2008. The University did not have adequate internal control procedures in place to identify students who unofficially withdrew during an academic semester.

Criteria: Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs.

Information: The University failed to perform refund calculations for students who unofficially withdrew in accordance with the University's grading policy. Based on the grading policy, a student with all Withdrawn Failing (WF) or Incomplete (IC) grades denotes an unofficial withdrawal. For the year under review, the Bursar's office did not calculate a refund for students with all WF and/or IC grades.

Cause: These conditions occurred because the University did not follow its established procedures for unofficial withdrawals.

Effect: The University did not properly calculate a refund for students who unofficially withdrew. Unearned Title IV funds are not being returned as required.

Recommendation: The University should establish appropriate procedures to verify whether SFA recipients beginning attendance during a semester complete the academic period or unofficially withdraw. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

Finding Control Number: **FA-533-09-06**
SPECIAL TESTS AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: This is a repeat finding (FA-533-08-03) from year ended June 30, 2008. The Student Financial Aid Office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner.

Criteria: Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs.

Questioned Cost: $5,775.92

Information: Thirteen students that received Federal financial aid for the Spring semester and officially withdrew from the University were selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student. Our examination revealed the following deficiencies:

1. For one student, there was a withdrawal slip attached to the refund worksheet, but the withdrawal information was not entered into Banner and the student actually earned a grade for one class for the term. A refund calculation should not have been performed for this student.

2. The University failed to calculate withdrawal refunds for five students who received SFA funds. None of the Title IV funds, totaling $5,775.92, were returned.

Cause: These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations.

Effect: The SFA Office refunded SFA funds to students incorrectly and unearned funds were not returned in a timely manner.

Recommendation: The University should develop and implement procedures to ensure that student financial aid refunds are properly calculated and that unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments 1998, Public Law 105-244. The University should also contact the U. S. Department of Education regarding resolution of this finding.

Finding Control Number: **FA-533-09-07**
SPECIAL TESTS AND PROVISIONS
Deficiencies over the Verification Process
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: This is a repeat finding (FA-533-08-06) from year ended June 30, 2008. The Student Financial Aid Office failed to meet student verification and documentation requirements.

Criteria: Provisions included in 34 CFR 668 provide the compliance requirements for the verification process that the University should follow for students who receive financial aid and identify what documentation is acceptable.

Information: Our testing of 24 students selected for verification revealed the following deficiencies:

1. Two students' tax returns were not signed by either the filer or tax preparer.
2. Two students' tax returns did not agree to their most recent Institutional Student Information Report (ISIR).
3. There was no evidence that the verification process was completed for two students who were selected for verification.

Cause: The Student Financial Aid Office did not adequately follow the Federal requirements for verification.

Effect: Without properly verifying the information in the selected student files, the University is in non-compliance with program provisions and places itself in a position to award students incorrectly.

Recommendation: The Student Financial Aid Office must ensure that verification and documentation requirements are met.

SAVANNAH STATE UNIVERSITY

Finding Control Number: **FA-548-09-01**
SPECIAL TESTS AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process
Student Financial Aid Cluster Program
U. S. Department of Education

Condition: The Student Financial Aid office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner. This deficiency was previously reported in findings FA-548-08-01 and FA-548-07-05 from fiscal years ended June 30, 2008 and June 30, 2007, respectively.

Criteria: Provisions included in 34 CFR 668 provide general requirements for administering Student Financial Aid (SFA) programs. Provisions included in 34 CFR 685 and 34 CFR 690 provide eligibility and other related program requirements that are specific to William D. Ford Direct Student Loan Program and Federal Pell Program, respectively.

Information: Ten students that received Federal financial aid and officially withdrew from the University were randomly selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student. Our examination revealed the following deficiencies:

1. For two students, unearned Title IV funds were not applied by the University to the appropriate student financial aid programs within 30 days as required by the Higher Education Amendments of 1998, Public Law 105-244.
2. In one instance, the University applied the second disbursement of SFA funds to a student's account in error after receiving notification of the student's official withdrawal. The University failed to "drop" the student from classes in the student information system (BANNER) before the refund was disbursed. The student received funds in excess of amount earned, resulting in an accounts receivable of $2,522 that is due to the University. The $2,522 was returned to the grantor agency.

Cause: These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations.

Effect: The SFA Office refunded SFA funds to a student incorrectly and unearned funds were not returned in a timely manner.

Recommendation: The University should develop and implement procedures to ensure that student financial aid refunds are properly calculated and unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments of 1998, Public Law 105-244. The University should contact the U. S. Department of Education regarding resolution of this finding.

GEORGIA HIGHER EDUCATION ASSISTANCE CORPORATION (*)

Finding Control Number: **FA-918-09-01**
REPORTING
Failure to maintain current records
Federal Family Education Loan Program (CFDA 84.032)
U. S. Department of Education

Condition: This is a repeat finding from the year ended June 30, 2008. For the fiscal year ended June 30, 2009, one account out of a sample of 60 was noted not to have a complete set of records updated in accordance with the CFR.

Criteria: Guaranty agencies are required to maintain current, complete records for each loan that it holds. The records must be maintained in a system that allows ready identification of each loan's current status, updated at least once every 10 business days (34 Code of Federal Regulations (CFR) section 82.414(a)).

Information: Loan status updates were not applied to one loan in a timely manner.

Cause: The loan status was not properly updated and changed to reflect the correct status within the Corporation's system.

Effect: The Corporation failed to maintain current records for one loan out of a sample of 60 tested.

Recommendation: The Corporation should maintain current and complete records for all loans that it holds.

GEORGIA ENVIROMENTAL FACILITES AUTHORITY (*)

Finding Control Number: **FA-928-09-01**
ALLOWABLE COSTS/COST PRINCIPLES
Documentation of Payroll
State Energy Program (CFDA 81.041)
U.S. Department of Energy
Federal Award Years: All

Condition: The Authority's process for allocating personnel salaries and costs among the various energy grants on which they worked, which included the State Energy Program, did not require documentation for the allocation of effort as required in OMB Circular A-87.

Criteria: OMB Circular A-87, Cost Principles for State, Local and Indian Tribe Governments, Attachment B, 8(h)4 requires that the distribution of salaries and wages for employees, who work on multiple activities or cost objectives, be supported by personnel activity reports or equivalent documentation which reflect an after-the-fact distribution of the actual activity of each employee and be prepared at least monthly. These reports must also be signed or approved by the employee.

Questioned Cost: $23,420.00

Information: There are five employees in the grant area who allocate their time and the related costs using the estimate method. All the costs charged by these employees are included in the questioned costs above.

Cause: The Authority estimated the breakout of these salaries and was unaware of the documentation requirement.

Effect: The costs of the personnel are charged to the State Energy Program on percentages estimated at the beginning of the year which results in potentially all of those costs being unsupported and unallowable.

Recommendation: We recommend the Authority enact controls which require the energy grant personnel to record and distribute their activity among the grants on which they work and then allocate costs based on the activity. Documentation of this should meet the requirements of OMB Circular A-87.

Finding Control Number: **FA-928-09-02**
ALLOWABLE COSTS/COST PRINCIPLES
Documentation of Payroll
Weatherization Assistance for Low-Income Persons (CFDA 81.042)
U.S. Department of Energy
Federal Award Years: All

Condition: The Authority's process for allocating personnel salaries and costs among the various energy grants on which they worked, which included the Weatherization Assistance Program, did not require documentation for the allocation of effort as required in OMB Circular A-87.

Criteria: OMB Circular A-87, Cost Principles for State, Local and Indian Tribe Governments, Attachment B, 8(h)4 requires that the distribution of salaries and wages for employees, who work on multiple activities or cost objectives, be supported by personnel activity reports or equivalent documentation which reflect an after-the-fact distribution of the actual activity of each employee and be prepared at least monthly. These reports must also be signed or approved by the employee.

Questioned Cost: $68,657.00

Information: There are five employees in the grant area who allocate their time and the related costs using the estimate method. All the costs charged by these employees are included in the questioned costs above.

Cause: The Authority estimated the breakout of these salaries and was unaware of the documentation requirement.

Effect: The costs of the personnel are charged to the Weatherization Assistance Program on percentages estimated at the beginning of the year which results in potentially all of those costs being unsupported and unallowable.

Recommendation: We recommend the Authority enact controls which require the energy grant personnel to record and distribute their activity among the grants on which they work and then allocate costs based on the activity. Documentation of this should meet the requirements of OMB Circular A-87.

(*) THIS FINDING RESULTED FROM AN AUDIT PERFORMED BY OTHER AUDITORS.

Auditee’s Section

Expenditures Federal Awards

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Schedule of Expenditures Federal Awards

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
African Development Foundation				
Other Federal Assistance	**01.OFA**			
Direct			$ 57,015 (R)	
Through:				
JETS		71307	23,973	
Total Other Federal Assistance			80,988	
AGENCY TOTAL			**$ 80,988**	
Inter - American Foundation				
Other Federal Assistance	**04.OFA**			
Direct			$ 26,108	
Total Other Federal Assistance			26,108	
AGENCY TOTAL			**$ 26,108**	
Peace Corps				
Other Federal Assistance	**08.OFA**			
Direct			$ 10,879 **(R)**	
Total Other Federal Assistance			10,879	
AGENCY TOTAL			**$ 10,879**	
Agriculture, U.S. Department of				
Agricultural Research_Basic and Applied Research	**10.001**			
Direct			$ 1,602,798 **(R)**	
Through:				
COMPACT MEMBRANE SYSTEMS		2007-33610-18002	1,590 (R)	
UNIVERSITY OF FLORIDA		20220	9,455 (R)	
VIRGINIA POLYTECHNIC INSTITUTE		20233	-278 (R)	
Total Agricultural Research_Basic and Applied Research			1,613,565	
Plant and Animal Disease, Pest Control, and Animal Care	**10.025**			
Direct			1,611,949 (R)	
Total Plant and Animal Disease, Pest Control, and Animal Care			1,611,949	
Wildlife Services	**10.028**			
Direct			729,257 **(R)**	
Total Wildlife Services			729,257	
Bioenergy Program	**10.078**			
Direct			30,986 **(R)**	
Total Bioenergy Program			30,986	
Federal-State Marketing Improvement Program	**10.156**			
Direct			24,816	
Total Federal-State Marketing Improvement Program			24,816	
Market Protection and Promotion	**10.163**			
Direct			101,606	
Total Market Protection and Promotion			101,606	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
Specialty Crop Block Grant Program	**10.169**			
Direct			$ 248,315	
Total Specialty Crop Block Grant Program			248,315	
Grants for Agricultural Research, Special Research Grants	**10.200**			
Direct			3,935,746 **(R)**	
Through:				
AUBURN UNIVERSITY		20288	53,163 (R)	
CLEMSON UNIVERSITY		20208	34,978 (R)	
CORNELL UNIVERSITY		67101	69,203 (R)	
FLORIDA STATE UNIVERSITY		20278	525,274 (R)	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	30,785 (R)	
MISSISSIPPI STATE UNIVERSITY		20262	23,090 (R)	
RUTGERS UNIVERSITY		20214	7,934 (R)	
UNIVERSITY OF ARKANSAS		20217	821 (R)	
UNIVERSITY OF FLORIDA		20220	64,659 (R)	
Total Grants for Agricultural Research, Special Research Grants			4,745,653	
Cooperative Forestry Research	**10.202**			
Direct			974,058 **(R)**	
Total Cooperative Forestry Research			974,058	
Payments to Agricultural Experiment Stations Under the Hatch Act	**10.203**			
Direct			5,847,567 **(R)**	
Total Payments to Agricultural Experiment Stations Under the Hatch Act			5,847,567	
Grants for Agricultural Research_Competitive Research Grants	**10.206**			
Direct			3,111,979 **(R)**	
Through:				
BAYLOR UNIVERSITY		68960	76,305 (R)	
IOWA STATE UNIVERSITY		20291	71,068 (R)	
JOSEPH W. JONES ECOLOGICAL RESEARCH CENTER		58-1824778	25,882 (R)	
KANSAS STATE UNIVERSITY		20255	63,469 (R)	
MICHIGAN STATE UNIVERSITY EAST LANSING MI		2006-35215-16703	14,329 (R)	
NORTH CAROLINA STATE UNIV		20211	192,851 (R)	
UNIV OF CALIFORNIA/DAVIS		20423	62,825 (R)	
UNIVERSITY OF MARYLAND		20223	168,086 (R)	
UNIVERSITY OF WISCONSIN		20232	64,770 (R)	
Total Grants for Agricultural Research_Competitive Research Grants			3,851,564	
Animal Health and Disease Research	**10.207**			
Direct			128,930 **(R)**	
Total Animal Health and Disease Research			128,930	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	**10.210**			
Direct			72,642 **(R)**	
Total Food and Agricultural Sciences National Needs Graduate Fellowship Grants			72,642	
Small Business Innovation Research	**10.212**			
Through:				
GREAT EASTERN MUSSEL FARMS		68569	243 (R)	
Total Small Business Innovation Research			243	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
Sustainable Agriculture Research and Education	**10.215**			
Direct			$ 976,353 **(R)**	
Through:				
HERBERT GREEN AGROECOLOGY, INC.		108301	6,628 (R)	
Total Sustainable Agriculture Research and Education			982,981	
1890 Institution Capacity Building Grants	**10.216**			
Direct			3,214,733 **(R)**	
Total 1890 Institution Capacity Building Grants			3,214,733	
Higher Education Challenge Grants	**10.217**			
Direct			102,668 **(R)**	
Through:				
UNIVERSITY OF WISCONSIN		20232	8,236 (R)	
Total Higher Education Challenge Grants			110,904	
Biotechnology Risk Assessment Research	**10.219**			
Direct			44,619 **(R)**	
Through:				
UNIVERSITY OF TENNESSEE		20271	215 (R)	
Total Biotechnology Risk Assessment Research			44,834	
Higher Education Multicultural Scholars Program	**10.220**			
Direct			57,050 **(R)**	
Total Higher Education Multicultural Scholars Program			57,050	
Fund for Rural America_Research, Education, and Extension Activities	**10.224**			
Through:				
DELAWARE STATE UNIVERSITY		20444	21,148 (R)	
Total Fund for Rural America_Research, Education, and Extension Activities			21,148	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	**10.226**			
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	14,726 (R)	
Total Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants			14,726	
Agricultural and Rural Economic Research	**10.250**			
Direct			33,919 **(R)**	
Through:				
REGENTS OF UNIVERSITY OF CALIF		20285	4,928 (R)	
Total Agricultural and Rural Economic Research			38,847	
Food Assistance and Nutrition Research Programs (FANRP)	**10.253**			
Direct			7,567 **(R)**	
Total Food Assistance and Nutrition Research Programs (FANRP)			7,567	
Program of Research on the Economic of Invasive Species Management (PREISM)	**10.254**			
Direct			30,293 **(R)**	
Total Program of Research on the Economic of Invasive Species Management (PREISM)			30,293	
Integrated Programs	**10.303**			
Direct			2,039,711 **(R)**	
Through:				
CLEMSON UNIVERSITY		20208	35 (R)	
NORTH CAROLINA STATE UNIV		20211	7,865 (R)	
TEXAS COOPERATIVE EXTENSION		20406	56,594 (R)	
UNIV OF NEBRASKA-LINCOLN		20263	4,662 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
UNIV OF SOUTHERN CALIFORNIA		68139	$ 52,689 (R)	
UNIVERSITY OF IDAHO		20287	1,048 (R)	
UNIVERSITY OF MINNESOTA		416007513	4,473 (R)	
WESTERN MICHIGAN UNIVERSITY		20376	4,017 (R)	
Total Integrated Programs			2,171,094	
Homeland Security_Agricultural	**10.304**			
Direct			332,715 **(R)**	
Through:				
UNIVERSITY OF FLORIDA		20220	41,659 (R)	
Total Homeland Security_Agricultural			374,374	
International Science and Education Grants	**10.305**			
Direct			16,387 **(R)**	
Total International Science and Education Grants			16,387	
Specialty Crop Research Initiative	**10.309**			
Direct			92,837 **(R)**	
Total Specialty Crop Research Initiative			92,837	
Value-Added Producer Grants	**10.352**			
Through:				
IOWA STATE UNIVERSITY		20291	20,517 (R)	
Total Value-Added Producer Grants			20,517	
Rural Community Development Initiative	**10.446**			
Direct			27,357 **(R)**	
Total Rural Community Development Initiative			27,357	
Crop Insurance	**10.450**			
Direct			75,253 **(R)**	
Total Crop Insurance			75,253	
Community Outreach and Assistance Partnership Program	**10.455**			
Direct			7,652 **(R)**	
Total Community Outreach and Assistance Partnership Program			7,652	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	**10.475**			
Direct			6,522,674	
Total Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			6,522,674	
Food Safety Cooperative Agreements	**10.479**			
Direct			224,048 **(R)**	
Total Food Safety Cooperative Agreements			224,048	
Cooperative Extension Service	**10.500**			
Direct			14,658,582 **(R)**	
Through:				
AUBURN UNIVERSITY		20288	1,261 (R)	
CLEMSON UNIVERSITY		20208	998 (R)	
KANSAS STATE UNIVERSITY		20255	88,120 (R)	
LOUISIANA STATE UNIVERSITY		20252	560 (R)	
NORTH CAROLINA STATE UNIV		20211	171,442 (R)	
TEXAS A&M UNIVERSITY		20253	1,211 (R)	
TEXAS AGRILIFE EXTENSION SVC		20466	1,000 (R)	
TEXAS COOPERATIVE EXTENSION		20406	79,312 (R)	
UNIV OF NEBRASKA-LINCOLN		20263	6,136 (R)	
UNIVERSITY OF ILLINOIS		20221	5,802 (R)	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
UNIVERSITY OF WYOMING		20365	$ 447 (R)	
Total Cooperative Extension Service			15,014,871	
Supplemental Nutrition Assistance Program (SC)	**10.551**			
Direct			0	1,710,034,926
Total Supplemental Nutrition Assistance Program (SC)			0	1,710,034,926 (4)
School Breakfast Program (CNC)	**10.553**			
Direct			129,282,207	
Total School Breakfast Program (CNC)			129,282,207	
National School Lunch Program (CNC)	**10.555**			
Direct			474,895,391	45,473,924
Total National School Lunch Program (CNC)			474,895,391	45,473,924
Special Milk Program for Children (CNC)	**10.556**			
Direct			23,165	
Total Special Milk Program for Children (CNC)			23,165	
ARRA-Special Supplemental Nutrition Program for Women, Infants, and Children	**10.557**			
Direct			6,745,880	
Total ARRA-Special Supplemental Nutrition Program for Women, Infants, and Children			6,745,880	
Special Supplemental Nutrition Program for Women, Infants, and Children	**10.557**			
Direct			260,860,976	
Through:				
ABBOTT NUTRITION, ABBOTT LABORATORIES INC		364184946	64,927,648	(2)
Total Special Supplemental Nutrition Program for Women, Infants, and Children			325,788,624	
Child and Adult Care Food Program	**10.558**			
Direct			4,753,169	
Total Child and Adult Care Food Program			4,753,169	
Summer Food Service Program for Children (CNC)	**10.559**			
Direct			44,437	
Total Summer Food Service Program for Children (CNC)			44,437	
State Administrative Expenses for Child Nutrition	**10.560**			
Direct			6,543,646	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	26,945	
Total State Administrative Expenses for Child Nutrition			6,570,591	
ARRA-State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SC)	**10.561**			
Direct			5,159,725	
Total ARRA-State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SC)			5,159,725	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SC)	**10.561**			
Direct			65,031,332	
Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SC)			65,031,332	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
Commodity Supplemental Food Program	**10.565**			
Direct			$ 0	23,305
Total Commodity Supplemental Food Program			0	23,305
Emergency Food Assistance Program (Administrative Costs) (EFA)	**10.568**			
Direct			1,868,061	
Total Emergency Food Assistance Program (Administrative Costs) (EFA)			1,868,061	
WIC Farmers Market Nutrition Program (FMNP)	**10.572**			
Direct			1,325,185	
Total WIC Farmers Market Nutrition Program (FMNP)			1,325,185	
Team Nutrition Grants	**10.574**			
Through:				
NATIONAL FOOD SERVICE MANAGEMENT		unknown	58,466 (R)	
Total Team Nutrition Grants			58,466	
Senior Farmers Market Nutrition Program	**10.576**			
Direct			14,484	
Total Senior Farmers Market Nutrition Program			14,484	
ARRA-Child Nutrition Discretionary Grants Limited Availability	**10.579**			
Direct			4,419,969	
Total ARRA-Child Nutrition Discretionary Grants Limited Availability			4,419,969	
Special Nutrition Assistance Program Outreach/Participation Program	**10.580**			
Direct			576,248	
Total Special Nutrition Assistance Program Outreach/Participation Program			576,248	
Fresh Fruit and Vegetable Program	**10.582**			
Direct			705,683	
Total Fresh Fruit and Vegetable Program			705,683	
Food for Progress	**10.606**			
Direct			22,896 **(R)**	
Total Food for Progress			22,896	
Forestry Research	**10.652**			
Direct			998,192 (R)	
Through:				
UNIV OF KENTUCKY RESEARCH FDN		69324	32,373 (R)	
Total Forestry Research			1,030,565	
Cooperative Forestry Assistance	**10.664**			
Direct			5,036,392 (R)	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	10,086	
Total Cooperative Forestry Assistance			5,046,478	
Schools and Roads_Grants to States (SRC)	**10.665**			
Direct			2,046,498	
Total Schools and Roads_Grants to States (SRC)			2,046,498	
National Forest_Dependent Rural Communities	**10.670**			
Direct			16,133 **(R)**	
Total National Forest_Dependent Rural Communities			16,133	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
Rural Development, Forestry, and Communities	**10.672**			
Direct			$ 6,376 **(R)**	
Total Rural Development, Forestry, and Communities			6,376	
Forest Products Lab: Technology Marketing Unit (TMU)	**10.674**			
Direct			77,662 **(R)**	
Total Forest Products Lab: Technology Marketing Unit (TMU)			77,662	
Urban and Community Forestry Program	**10.675**			
Direct			8,117 **(R)**	
Total Urban and Community Forestry Program			8,117	
Forest Legacy Program	**10.676**			
Direct			6,809,998	
Total Forest Legacy Program			6,809,998	
Forest Land Enhancement Program	**10.677**			
Direct			25,488	
Total Forest Land Enhancement Program			25,488	
Forest Stewardship Program	**10.678**			
Direct			119,101	
Total Forest Stewardship Program			119,101	
Forest Health Protection	**10.680**			
Direct			699,904 **(R)**	
Total Forest Health Protection			699,904	
Technical Assistance and Training Grants	**10.761**			
Direct			5,000 **(R)**	
Total Technical Assistance and Training Grants			5,000	
Solid Waste Management Grants	**10.762**			
Direct			169 **(R)**	
Total Solid Waste Management Grants			169	
ARRA-Rural Business Enterprise Grants	**10.769**			
Direct			74,998	
Total ARRA-Rural Business Enterprise Grants			74,998	
Rural Business Enterprise Grants	**10.769**			
Direct			451,768	
Total Rural Business Enterprise Grants			451,768	
Rural Business Opportunity Grants	**10.773**			
Direct			26,704 **(R)**	
Total Rural Business Opportunity Grants			26,704	
Renewable Energy Systems and Energy Efficiency Improvements Program	**10.775**			
Through:				
WIND INNOVATIONS LLC BOZEMAN MT		TBD	20,841 (R)	
Total Renewable Energy Systems and Energy Efficiency Improvements Program			20,841	
1890 Land Grant Institutions Rural Entrepreneurial Outreach Program	**10.856**			
Direct			126,777	
Total 1890 Land Grant Institutions Rural Entrepreneurial Outreach Program			126,777	
Public Television Station Digital Transition Grant Program	**10.861**			

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
Direct			$ 3,000	
Total Public Television Station Digital Transition Grant Program			3,000	
Soil and Water Conservation	**10.902**			
Direct			1,967,409 (R)	
Total Soil and Water Conservation			1,967,409	
Soil Survey	**10.903**			
Direct			19,095 **(R)**	
Total Soil Survey			19,095	
Environmental Quality Incentives Program	**10.912**			
Direct			201,761 (R)	
Total Environmental Quality Incentives Program			201,761	
Agricultural Statistics Reports	**10.950**			
Direct			42,589	
Total Agricultural Statistics Reports			42,589	
Technical Agricultural Assistance	**10.960**			
Direct			278,066 **(R)**	
Total Technical Agricultural Assistance			278,066	
Scientific Cooperation and Research	**10.961**			
Direct			8,412 **(R)**	
Total Scientific Cooperation and Research			8,412	
International Training_Foreign Participant	**10.962**			
Direct			15,673 **(R)**	
Total International Training_Foreign Participant			15,673	
Other Federal Assistance	**10.OFA**			
Direct			314,079 (R)	
Through:				
RODALE INSTITUTE		68908	4,470 (R)	
SOUTHERN FOREST RSCH PARTNERSH		68786	58,850 (R)	
UNIVERSITY OF FLORIDA		20220	791 (R)	
Total Other Federal Assistance			378,190	
AGENCY TOTAL			**$ 1,095,843,583**	**$ 1,755,532,155**
Commerce, U.S. Department of				
ITA Special Projects	**11.113**			
Through:				
NATIONAL TEXTILE CENTER CLEMSON SC		02-07400	$ 227,459 (R)	
NATIONAL TEXTILE CENTER CLEMSON SC		ITA-08-07400	138,087 (R)	
Total ITA Special Projects			365,546	
Economic Development_Support for Planning Organizations	**11.302**			
Direct			24,232	
Total Economic Development_Support for Planning Organizations			24,232	
Economic Development_Technical Assistance	**11.303**			
Direct			187,701 (R)	
Total Economic Development_Technical Assistance			187,701	
Economic Adjustment Assistance	**11.307**			
Through:				

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
SAIC		SAIC 11.307	$ 7,500 (R)	
Total Economic Adjustment Assistance			7,500	
Trade Adjustment Assistance	**11.313**			
Direct			1,341,957	
Total Trade Adjustment Assistance			1,341,957	
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	**11.400**			
Direct			-257 **(R)**	
Through:				
HYDROLOGIC RESEARCH CENTER SAN DIEGO CA		NA07OAR4310457	69,272 (R)	
Total Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)			69,015	
Interjurisdictional Fisheries Act of 1986	**11.407**			
Direct			156,189	
Total Interjurisdictional Fisheries Act of 1986			156,189	
Sea Grant Support	**11.417**			
Direct			1,347,679 **(R)**	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	42,180 (R)	
MARYLAND EASTERN SHORE		NA17AE626	488,995 (R)	
NORTH CAROLINA STATE UNIV		20211	3,204 (R)	
SOUTH CAROLINA SEA GRANT CONSORTIUM		371, 372, 373	104,726 (R)	
UNIVERSITY OF PUERTO RICO		R92108	16,076 (R)	
Total Sea Grant Support			2,002,860	
Coastal Zone Management Administration Awards	**11.419**			
Direct			2,018,464	
Total Coastal Zone Management Administration Awards			2,018,464	
Coastal Zone Management Estuarine Research Reserves	**11.420**			
Direct			598,057 (R)	
Total Coastal Zone Management Estuarine Research Reserves			598,057	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	**11.427**			
Through:				
CLARK ATLANTA UNIVERSITY		173	3,959 (R)	
Total Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program			3,959	
Marine Sanctuary Program	**11.429**			
Direct			724,672 (R)	
Through:				
FLA. FISH&WILDLIFE CONSV. COMM		20381	19,840 (R)	
Total Marine Sanctuary Program			744,512	
Undersea Research	**11.430**			
Through:				
UNIVERSITY OF MISSISSIPPI		20273	113,772 (R)	
Total Undersea Research			113,772	
Climate and Atmospheric Research	**11.431**			
Direct			632,345 **(R)**	
Through:				
TUFTS UNIVERSITY		20417	-1 (R)	
UNIV CORP FOR ATMOSPH RESEARCH BOULDER COLORADO		NA17GP1376	34,700 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
UNIV CORP FOR ATOMOSPHERIC RSC		60993	$ 95,186 (R)	
Total Climate and Atmospheric Research			762,230	
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	**11.432**			
Through:				
TUFTS UNIVERSITY		20417	73,217 (R)	
UNIVERSITY OF MIAMI		68841	147,787 (R)	
Total Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes			221,004	
Cooperative Fishery Statistics	**11.434**			
Direct			165,130	
Total Cooperative Fishery Statistics			165,130	
Marine Mammal Data Program	**11.439**			
Direct			29,169	
Total Marine Mammal Data Program			29,169	
Cooperative Science and Education Program	**11.455**			
Through:				
UNIVERSITY OF NEW HAMPSHIRE		26000937	15,131	
Total Cooperative Science and Education Program			15,131	
Special Oceanic and Atmospheric Projects	**11.460**			
Direct			151,194 **(R)**	
Total Special Oceanic and Atmospheric Projects			151,194	
Habitat Conservation	**11.463**			
Through:				
SOUTHEAST AQUATIC RES PARTNERS		68959	10,315 (R)	
Total Habitat Conservation			10,315	
Unallied Science Program	**11.472**			
Direct			560,342	
Total Unallied Science Program			560,342	
Coastal Services Center	**11.473**			
Through:				
UNIVERSITY OF MARYLAND		248,249,250	86,740 (R)	
Total Coastal Services Center			86,740	
Atlantic Coastal Fisheries Cooperative Management Act	**11.474**			
Direct			537,736	
Total Atlantic Coastal Fisheries Cooperative Management Act			537,736	
Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	**11.478**			
Through:				
UNIVERSITY OF SOUTH FLORIDA		unknown	65,515 (R)	
Total Center for Sponsored Coastal Ocean Research_Coastal Ocean Program			65,515	
Educational Partnership Program	**11.481**			
Direct			115,119	
Total Educational Partnership Program			115,119	
Public Telecommunications Facilities Planning and Construction	**11.550**			
Direct			353,164	
Total Public Telecommunications Facilities Planning and Construction			353,164	
National Standard Reference Data System	**11.603**			

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
Direct			$ 11,362 **(R)**	
Through:				
SRI INTERNATIONAL MENLO PARK CA		P18013	7,152 (R)	
Total National Standard Reference Data System			18,514	
Measurement and Engineering Research and Standards	**11.609**			
Direct			222,303 **(R)**	
Through:				
STATE UNIV OF NEW YORK ALBANY NY		70NANB7H6168	98,147 (R)	
Total Measurement and Engineering Research and Standards			320,450	
National Center for Standards and Certification Information	**11.610**			
Through:				
MICHELIN CORP GREENVILLE SC		70NANB7H7051	43,143 (R)	
Total National Center for Standards and Certification Information			43,143	
Manufacturing Extension Partnership	**11.611**			
Direct			2,404,822 (R)	
Through:				
DEEP SPRINGS TECHNOLOGY TOLEDO OH		70NANB7H7024	233,575 (R)	
SRI INTERNATIONAL MENLO PARK CA		SB1341-03-Z-0014	19,168 (R)	
Total Manufacturing Extension Partnership			2,657,565	
National Institute of Standards and Technology Construction Grant Program	**11.618**			
Through:				
PURDUE UNIVERSITY WEST LAFAYETTE IN		70NANB7H6168	22,054 (R)	
Total National Institute of Standards and Technology Construction Grant Program			22,054	
Minority Business Development Centers	**11.800**			
Direct			216,191	
Total Minority Business Development Centers			216,191	
Other Federal Assistance	**11.OFA**			
Direct			35,426 **(R)**	
Total Other Federal Assistance			35,426	
AGENCY TOTAL			**$ 14,019,896**	
Defense, U.S. Department of				
Aquatic Plant Control	**12.100**			
Direct			$ 2,308,313 (R)	
Through:				
3U TECHNOLOGIES LLC CONROE TX		AGMT DTD 4/30/09	11,743 (R)	
ALION SCIENCE AND TECHNOLOGY ROME NEW YORK		DAAB07-03-D-C213-001	11,755 (R)	
ASCEND INTEL LLC ARLINGTON VA		W1597T-07-C-P219	168,442 (R)	
BAE SYSTEMS		HM1572-07-C-0002	40,097 (R)	
EG&G MANAGEMENT SYSTEMS HOLLOMAN AFB NM		F08635-00-C-0014	408,063 (R)	
GENERAL DYNAMICS C4 SYSTEMS INC		MDA904-03-G-0012	127,684 (R)	
GENERAL DYNAMICS C4 SYSTEMS INC		XXXXX-XX-XXXXXX	3,050	
GEOSYNTEC CONSULTANTS		W912HQ-07-C-0028	128,272 (R)	
HARRIS CORPORATION		A000034233	915 (R)	
IRVINE SENSORS CORPORATION COSTA MESA CA		FA8650-04-C-7120	198,243 (R)	
ITT SYSTEMS & SCIENCES CORPORATION		F19628-02-C-0010	283,140 (R)	
JOHNS HOPKINS APPLIED PHYSICS LAB LAUREL MD		N00178-05-D-4527-M80	1,468	
KITWARE INC CLIFTON PARK NY		HR0011-08-C-0047	77,120 (R)	
L3 COMMUNICATIONS ROCKWALL TEXAS		DAABO7-02-D-P0001	7,583 (R)	
LOCKHEED MARTIN		HR0011-08-C-0090	365,346 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
LOCKHEED MARTIN MOORESTOWN NJ		HR0011-07-C-0070	$ 48,449 (R)	
LOCKHEED MARTIN ORLANDO FL		XXX	109,701 (R)	
LUNA INNOVATIONS BLACKBURG VA		W911QX-06-C-0076	58 (R)	
MADISON RESEARCH CORPORATION HUNTSVILLE AL		W31P4Q-050A00029	592,588 (R)	
NORTH CAROLINA A&T STATE UNIV GREENSBORO NC		N00014-01-1-0987	84,386 (R)	
NORTH CAROLINA A&T STATE UNIV GREENSBORO NC		N0014-01-1-0987	5,370 (R)	
NORTHROP CORPORATION		FA8650-06-C-7628	60,186 (R)	
ORBITAL SCIENCES CORPORATION CHANDLER AZ		HR0011-08-C-0031	147,592 (R)	
PARKER HANNIFIN CORPORATION JACKSONVILLE AL		FA8650-08-C-2801	327,636 (R)	
PORTAGE ENVIRONMENTAL INC IDAHO FALLS ID		FA8903-05-D-8730	-962 (R)	
PPG INDUSTRIES INC		W911NF-05-9-0001	-91,569 (R)	
RAYTHEON		07-C-1608	490,216 (R)	
RAYTHEON		4400272408	-5,184 (R)	
RAYTHEON ELECTRONIC SYSTEMS		N00019-07-C-0070	251,457 (R)	
RESEARCH AND ENGINEERING DEVELOPMENT INC LEXINGTON		N00421-04-C-0011	170 (R)	
RIVERSIDE RESEARCH INST		GST0407DB0104	-684 (R)	
ROCKWELL COLLINS CEDAR RAPIDS IA		N00019-06-C-0081	112 (R)	
SAIC		4400148755	420,023 (R)	
SAIC		N00140-06-C-0084	718 (R)	
SAIC		NRO000-08-C-0164	82,256 (R)	
SAIC		W31P4Q=05-A-0031 TAS	23,853 (R)	
SRA INTERNATIONAL INC FAIRFAX VA		2007*1064112*000	6,758 (R)	
SYRACUSE RESEARCH CORPORATION SYRACUSE NY		W15P7T-04-C-K216	-937 (R)	
TECHRIZON		DAAB07-02-D-P001	96,837 (R)	
TECHRIZON		DAAB07-02D-P001	3,650	
TELCORDIA TECHNOLOGIES MORRISTOWN NJ		DAAD19-01-2-0011	424,864 (R)	
TELEDEVICES LLC LAWRENCEVILLE GA		FA8540-04-C-0060	11,644 (R)	
UNIV OF MICHIGAN		3199000	182,615 (R)	
UNIV OF SOUTH CAROLINA COLUMBIA SC		08-1479 17220 FA03	80,114 (R)	
UNIVERSITY OF ARIZONA TUCSON AZ		FA9550-07-1-0071	54,815 (R)	
UNIVERSITY OF PENNSYLVANIA PHILADELPHIA PA		548359	337,638 (R)	
VERCO MATERIALS LLC		W911NF-06-20048	51,822 (R)	
WRIGHT BROTHERS INSTITUTE DAYTON OHIO		FA8650-06-3-9022	40,308 (R)	
Total Aquatic Plant Control			7,977,734	
Payments to States in Lieu of Real Estate Taxes	**12.112**			
Direct			1,698,371	
Total Payments to States in Lieu of Real Estate Taxes			1,698,371	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	**12.113**			
Direct			507,894	
Through:				
DEPARTMENT OF DEFENSE FORT BENNING		35-1880470	5,948	
Total State Memorandum of Agreement Program for the Reimbursement of Technical Services			513,842	
Basic and Applied Scientific Research	**12.300**			
Direct			27,285,015 **(R)**	
Through:				
3 PHOENIX INC FAIRFAX VA		N00014-07-C-0190	105,205 (R)	
AEGIS TECHNOLOGIES GROUP INC		N61339-08-C-0012	26,315 (R)	
AEROTONOMY INCORPORATED		N00014-08-M-0201	33,332 (R)	
ALLIANT TECHSYSTEMS INC CLEARWATER FL		N0019-06-G-0014	13,418 (R)	
AMERICAN MAGLEV TECHNOLOGY OF FLORIDA MARIETTA GA		N68335-08-C-0297	78,116 (R)	
ANTEON CORPORATION DAYTON OH		N00178-04-D-4012	19,862 (R)	
ARINC CORPORATION		N00178-04-D-4016	90,700 (R)	
BAE SYSTEMS		N00014-03-C-0413	57,065	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
BBN SYSTEM AND TECHNOLOGIES ARLINGTON VA		N6600001-08-C-2050	$ 100,444 (R)	
BRAINLIKE SURVEILLANCE INC SAN DIEGO CA		N054-025-0216	-7,541 (R)	
CACI		N63394-04-D-1262	62,652 (R)	
CALIFORNIA INSTITUTE OF TECH PASEDENA CA		N00014-03-1-0793	276,533 **(R)**	
CFD RESEARCH CORPORATION HUNTSVILLE AL		N68335-08-C-0350	36,000 (R)	
COMMIT ENTERPRISES INC ARLINGTON VA		N65236-07-D-6875	101,840 (R)	
CREARE INC HANOVER NH		N68335-07-C-0219	18,255 (R)	
CREARE INC HANOVER NH		N68335-08-C-0132	171,687 (R)	
EG & G TECHNICAL SERVICES CRANE IN		N00178-04-D-4042	12,884 (R)	
FLORDIA ATLANTIC UNIVERSITY BOCA RATON FL		N00014-09-1-0317	21,514 (R)	
IMPACT TECHNOLOGIES LLC ROCHESTER NY		N00014-08-C-0220	58,425 (R)	
IROBOT CORPORATION BURLINGTON MA		N00014-09-C-0101	53,286 (R)	
IROBOT CORPORATION BURLINGTON MA		NOOO14-07-M-0435	13,074 (R)	
JOHNS HOPKINS APPLIED PHYSICS LAB LAUREL MD		N000024-03-D-6606	5,800 (R)	
JOHNS HOPKINS UNIVERSITY		68079	3,619 (R)	
JT3 LLC		F42650-01-C-7218	280,900 **(R)**	
LOCKHEED MARTIN		98-K250100-000	9,624 (R)	
LOCKHEED MARTIN		N00421-05-D-0054	77,879 (R)	
LUNA INNOVATIONS BLACKBURG VA		N00024-07-C-4121	56,859 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	263,265 (R)	
MUSTANG TECHNOLOGY GROUP LP ALLEN TX		N00014-07-C-0068	-9,740 (R)	
NAVMAR APPLIED SCIENCES COMPANY WARMINSTER PA		N58335-07-C-0324	12,445 (R)	
NORTH CAROLINA A&T STATE UNIV GREENSBORO NC		N00014-01-1-0987	12,145 (R)	
NORTH CAROLINA A&T STATE UNIV GREENSBORO NC		N-00014-09-1-0408	21,935	
NORTH CAROLINA A&T STATE UNIV GREENSBORO NC		N00014-09-1-0408	23,384	
NORTHROP GRUMMAN BALTIMORE MD		N66001-09-C-2023	7,990 (R)	
OG TECHNOLOGIES ANN ARBOR MI		DE-FC36-04GO14003	41,463 (R)	
PENNSYLVANIA STATE UNIV UNIV PARK PA		N00014-04-1-0683	30,592 (R)	
PHOSPHOR TECH CORPORATION MABLETON GA		N00014-08-M-0159	14,345 (R)	
PRATT & WHITNEY AIRCRAFT		N00421-07-C-0002	14,024 (R)	
PRESAGIS ORLANDO FL		N61339-05-C-0121	22,908 (R)	
QUES TEK INNOVATIONS LLC EVANSTON IL		N00014-05-C-0241	86,841 (R)	
RADIO HYDRO PHYSICS		N6833508D0022	23,326 (R)	
RADIO HYDRO PHYSICS		N68335-08-D-0022	115,071 (R)	
RADIO HYDRO PHYSICS		STTR N05-T011	20,382 (R)	
RAYTHEON		N66001-08-C-2011	17,334 (R)	
RAYTHEON		N66001-09-C-2013	5,512 (R)	
RESEARCH AND ENGINEERING DEVELOPMENT INC LEXINGTON		N00178-05-D-4527	125,964 (R)	
SAIC		N00178-04-D-4119	35,539 (R)	
SOUTH CAROLINA RES AUTH CHARLESTON SC		N00014-06-D-045	202,598 (R)	
TELE CONSULTANTS INC ALPHARETTA GA		N00178-05-D-4611-N40	59,982 (R)	
TELEPHONICS CORPORATION FARMINGDALE NY		N00019-06-C-0098	11,111 (R)	
TETRA TECH NUS INC PITTSBURG PA		N68711-05-C-0054	84,248 (R)	
TKC INTEGRATION SERVICES LLC TUCKER GA		200-2006-15956	2,828 (R)	
TKC INTEGRATION SERVICES LLC TUCKER GA		200-2006-15969	24,823 (R)	
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		N00014-07-1-0740	232,246 (R)	
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		N00014-08-1-1131	23,901 (R)	
UNIV OF VIRGINIA CHARLOTTESVILLE VA		N00014-06-1-0492	-7 (R)	
UNIV OF VIRGINIA CHARLOTTESVILLE VA		N00173-06-1-G004	37,857 (R)	
UNIVERSITY OF ILLINOIS		N00014-08-1-0397	90,817 (R)	
UNIVERSITY OF PENNSYLVANIA PHILADELPHIA PA		N00014-08-1-0696	231,555 (R)	
UNIVERSITY OF TEXAS ARLINGTON TX		N00014-05-1-0497	-8,301 (R)	
WESTLAND TECHNOLOGIES INC MODESTO CA		N00104-06-C-CA54, WO	330 (R)	
Total Basic and Applied Scientific Research			30,941,475	
Basic Scientific Research - Combating Weapons of Mass Destruction	**12.351**			
Direct			43,531 **(R)**	
Through:				

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
UNIVERSITY OF NEW MEXICO ALBUQUERQUE NM		HDTRA1-08-1-0017	$ 150,193 (R)	
Total Basic Scientific Research - Combating Weapons of Mass Destruction			193,724	
Military Construction, National Guard	**12.400**			
Direct			819,530	
Through:				
ACADEMY OF APPLIED SCIENCE		67899	-1 (R)	
CH2M HILL INC		61495	5,026 (R)	
SAIC		DAHA92-01-D-0008-014	3,431 (R)	
Total Military Construction, National Guard			827,986	
National Guard Military Operations and Maintenance (O&M) Projects	**12.401**			
Direct			28,118,465	
Total National Guard Military Operations and Maintenance (O&M) Projects			28,118,465	
National Guard Civilian Youth Opportunities	**12.404**			
Direct			6,891,008	
Total National Guard Civilian Youth Opportunities			6,891,008	
Military Medical Research and Development	**12.420**			
Direct			1,035,612 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	331,740 (R)	
SOUTHERN RESEARCH INSTITUTE		68812	258,427 (R)	
UNIV OF PITTSBURGH PITTSBURGH PA		W81XWH-08-2-0032	159,563 (R)	
Total Military Medical Research and Development			1,785,342	
Basic Scientific Research	**12.431**			
Direct			39,745,274 **(R)**	
Through:				
ACADEMY OF APPLIED SCIENCE		67899	19,496 (R)	
ADVANCED MATERIALS CORPORATION PITTSBURGH PA		W911-NF-07-C-0097	56,410 (R)	
AEROTONOMY INCORPORATED		W911W6-08-C-0047	32,669 (R)	
APTIMA WOBURN MA		W31P4Q-09-C-0150	22,338 (R)	
BAE SYSTEMS		DAAB07-03-D-B009/021	44,038 (R)	
BAE SYSTEMS		W15P7T-08-C-P021	14,233 (R)	
BAE SYSTEMS		W911NF-08-2-0004B	652,351 (R)	
BALDWIN TECHNOLOGY CO LLC PORT WASHINGTON NY		W911W6-05-D-0004	-4,443 (R)	
BATTELLE		W911NF007-D-0001	26,362 (R)	
BATTELLE		W911NF-07-D-0001/D.O	71,675	
BATTELLE		W911NF-07-D-0001-016	15,280 (R)	
BAYLOR COLLEGE OF MEDICINE		29245	33,801 (R)	
BAYLOR UNIVERSITY		68960	10,575 (R)	
BELL HELICOPTER TEXTRON		W911W6-06-2-002	45,715 (R)	
BELL HELICOPTER TEXTRON		W911W6-07-2-0003	18,676 (R)	
BOOZ ALLEN AND HAMILTON INC		W15P7T-06-D-A401	123,955 (R)	
BROWN UNIVERSITY PROVIDENCE RI		W911NF-08-1-0249	95,442 (R)	
CACI		W15P7T-06-D-E402	304,810 (R)	
CAS INC		W91260-04-D-0001	65,836 (R)	
CENTER FOR ROTORCRAFT INNOVATION (RITA)		W911W6-05-2-0003	243,888 (R)	
CENTER FOR ROTORCRAFT INNOVATION (RITA)		W911W6-06-2-0002	62,757 (R)	
CENTER FOR ROTORCRAFT INNOVATION (RITA)		W911W6--06-2-0002-1	33,351 (R)	
CENTER FOR ROTORCRAFT INNOVATION (RITA)		W911W6-06-2-0002-1	198,349 (R)	
CERMET INC DORAVILLE GA		W31P4Q-05-C-R073	24,493 (R)	
CFD RESEARCH CORPORATION HUNTSVILLE AL		ARMY W81XWH-06-C-03	60,102 (R)	
CONTINUUM DYNAMICS INC EWING NJ		W911W6-09-C-0408	15,000 (R)	
ELECTRICORE INC VALENCIA CA		W909MY-08-C-0032	156,484 (R)	
GENERAL DYNAMICS C4 SYSTEMS INC		DAAD-19-01-2-0011	22,872 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
GEORGIA NANOFAB CARTERSVILLE GA		W15QKN-07-C-0062	$ -1,375 (R)	
HIGH PERFORMANCE TECHNOLOGIES INC ARLINGTON VA		GS04T01BFC0061	16,328 (R)	
HSTAR TECHNOLOGIES CORP BOXBOROUGH MA		W81XWH-080C00002	17,614 (R)	
IMPACT TECHNOLOGIES ATLANTA GA		W31P4Q-08-C-0201	9,600 (R)	
IMPACT TECHNOLOGIES LLC ROCHESTER NY		W911NF-07-2-0075	129,682 (R)	
INSTITUTE OF INTERNATIONAL EDUCATION WASHINGTON D		W9137B-07-0064	236,144	
INTELLIGENT AUTOMATION INCORPORATED ROCKVILLE MD		W909MY-08-C-0009	20,401 (R)	
L3 COMMUNICATIONS ROCKWALL TEXAS		DAAB07-02-D-P0001	18,246 (R)	
L3 COMMUNICATIONS ROCKWALL TEXAS		XXXX-SSSS-XXX-01	1,663 (R)	
MOBILE INTELLIGENCE CORPORATION ALTO MI		W56HZV-06-C-0578	3,502 (R)	
MODINE MANUFACTURING COMPANY		W15P7T-07-C-P014	20,947 (R)	
MODINE MANUFACTURING COMPANY RACINE WI		W15P7T-08-C-P219/PO#	22,404 (R)	
MORGAN RESEARCH CORP HUNTSVILLE AL		W31P4Q-05-A-0030	5,000 (R)	
NGIMAT ATLANTA GA		N68335-08-C-0447	22,502 (R)	
NGIMAT ATLANTA GA		W911NF-08-C-0099	106,161 (R)	
NORTHROP GRUMMAN BALTIMORE MD		W31P4Q-08-C-0262	43,308 (R)	
NUMERICA FT COLLINS CO		HQ0147-08-C-7929	28,701 (R)	
NUMERICA FT COLLINS CO		W9113M-06-C-0156	278,144 (R)	
OHIO STATE UNIVERSITY COLUMBUS OH		W911NF-08-1-0238	85,578 (R)	
OPTEOS INC ANN ARBOR MI		W9113-M-06-C0044	74,164 (R)	
PENNSYLVANIA STATE UNIV UNIV PARK PA		W911NF-04-1-0178	38,364 (R)	
RADIANCE TECHNOLOGIES HUNTSVILLE AL		W9113M-06-C-0014	-18,183 (R)	
RADIANCE TECHNOLOGIES HUNTSVILLE AL		W9113M-06-C-0175	11,087 (R)	
RADIANCE TECHNOLOGIES HUNTSVILLE AL		W9113M-09-C-0070	18,370 (R)	
RAYTHEON		W15P7T-05-C-P207	1,201 (R)	
SAIC		W31P4Q-05-A-0031	1,237,748 (R)	
SENSOR TECH INC SAVANNAH GA		W911NF-08-C-0059	99,911 (R)	
SIKORSKY AIRCRAFT STRATFORD CT		W911W6-05-2003	24,932 (R)	
SRI INTERNATIONAL MENLO PARK CA		DAAB007-02-D-P002	123,578 (R)	
STANLEY ASSOCIATES ALEXANDRIA VA		W31P4Q05A0030	24,183 (R)	
TECHNOLOGY SERVICE CORP FAIRFAX VA		W31P4Q-08-C-0445	45,721 (R)	
TECHSOLVE CINCINNATI OH		WK15QKN-08-2-006	44,457 (R)	
TELCORDIA TECHNOLOGIES MORRISTOWN NJ		DAAD19-01-C-0062	214,531 (R)	
TYBRIN CORPORATION FT WALTON BEACH FL		H92241-06-D-0003	10,947 (R)	
UNITED TECHNOLOGIES EAST HARTFORD CT		W31P4Q-09-C-0067	11,645 (R)	
UNIV OF CALIFORNIA/SANTA BARBA		29248	83,841 (R)	
UNIV OF CENTRAL FL		W911NF-04-2-0012	23,543 (R)	
UNIV OF CENTRAL FL		W911NF-06-1-0283	397,077 (R)	
UNIV OF FLORIDA		W911QY-08-C-0136	9,125 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		W911NF-06-1-0353	94,678 (R)	
UNIV OF MARYLAND COLLEGE PARK MD		W911NF-07-1-0576	202,451 (R)	
UNIV OF PITTSBURGH PITTSBURGH PA		DE-FC36-05GO15066	77,505 (R)	
UNIV OF SOUTHERN CALIFORNIA MARINA DEL RAY CA		W911NF-08-1-0468	15,209 (R)	
UNIVERSITY OF CALIFORNIA		20218	59,911 (R)	
UNIVERSITY OF CALIFORNIA BERKLEY CA		W911NF-08-2-0004A	54,972 (R)	
VEHICLE CONTROL TRAINING DALTON NH		W913E5-08-C-0016	58,908 (R)	
VIRTUAL AEROSURFACE TECHNOLOGIES ATLANTA GA		W9113M-08-C-0165	57,813 (R)	
VIRTUAL AEROSURFACE TECHNOLOGIES ATLANTA GA		W9113M-09-C-0015	47,078 (R)	
VIRTUAL AEROSURFACE TECHNOLOGIES ATLANTA GA		W911W6-09-C-0029	13,924 (R)	
WANG ELECTRO OPTO CORPORATION MARIETTA GA		W9113M-09-C-0005	3,880 (R)	
WESTAR AEROSPACE & DEFENSE GROUP INC ST LOUIS MO		W31P4Q-05-A-0032	37,259 (R)	
WYLE LABORATORIES		W91C9G-07-D-0001	16,708 (R)	
Total Basic Scientific Research			46,492,877	
National Security Education_Scholarships	**12.551**			
Direct			240,395	
Total National Security Education_Scholarships			240,395	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
Community Economic Adjustment Planning Assistance for Joint Land Use Studies	**12.610**			
Direct			$ 54,521	
Total Community Economic Adjustment Planning Assistance for Joint Land Use Studies			54,521	
Basic, Applied, and Advanced Research in Science and Engineering	**12.630**			
Direct			9,714,623 **(R)**	
Through:				
BOEING AEROSPACE COMPANY		HR0011-08-C-0106	28,216 (R)	
CHENEGA FEDERAL SYSTEMS LLC LORTON VA		GST040DB0305	78,677 (R)	
DYNETICS INCORPORATED		HHM402-04-D-0007	240,301 (R)	
HRL LABORATORIES MALIBU CA		HR0011-09-C-001	137,547 (R)	
NITRONEX CORPORATION RALEIGH NC		HQ0006-08-C-7658	22,065 (R)	
OHIO STATE UNIVERSITY COLUMBUS OH		F49620-03-1-0421	285,029 (R)	
POLARIS SENSOR TECHNOLOGIES INC HUNTSVILLE AL		HQ0147-09-C-7064	5,543 (R)	
UNIVERSITY OF CALIFORNIA BERKLEY CA		HM1582-08-1-0007	20,773 (R)	
VIRTUAL AEROSURFACE TECHNOLOGIES ATLANTA GA		MDA07-T002	22,167 (R)	
Total Basic, Applied, and Advanced Research in Science and Engineering			10,554,941	
Air Force Defense Research Sciences Program	**12.800**			
Direct			69,276,451 **(R)**	
Through:				
ADV VIRTUAL ENGINE TEST CELL INC SPRINGFIELD OH		FA9550-06-1-0397	57,701 (R)	
AEROSPACE TESTING ALLIANCE ARNOLD AFB TN		F40600-03-C-0001	49,998 (R)	
AEROTONOMY INCORPORATED		W15 QKN-08-C-0051	4,608 (R)	
AGILTRON INC WOBURN MA		W909MY-06-C-0056	4,218 (R)	
ALTARUM INSTITUTE ANN ARBOR MI		FA8750-05-C-0237	32,711 (R)	
ANDOVER CORPORATION SALEM NH		FA8614-04-C-2004.	1,845 (R)	
APPLIED RESEARCH ASSOCIATES PANAMA CITY FL		F08630-03-D-0079	3,050	
AURORA FLIGHT SCIENCES CAMBRIDGE MA		FA9550-08-C-006	39,961 (R)	
BAE SYSTEMS		FA8650-09-C-7926	50,000 (R)	
BAE SYSTEMS		FA-8720-04-D-0002 00	1,621,568 (R)	
BALL AEROSPACE SYSTEMS DIV		FA8601-08-F-0105	9,191 (R)	
BOEING		FA8633-05-D-2003	48,301 (R)	
BOEING AEROSPACE COMPANY		F33615-00-D-3052	187,463 (R)	
BOEING AEROSPACE COMPANY		NNC07CB76C	83,644 (R)	
BOEING LONG BEACH CA		F33657-01-C-0047	1,477,401 (R)	
BOEING LONG BEACH CA		F33657-01-D-2000	16,507 (R)	
BOEING PHANTOM WORKS BERKELEY MO		FA8633-050D-2003	-62 (R)	
CACI		GS-10F-0259L	7,488	
CACI		W15P7T-06-D-A402	-17,011 (R)	
CFD RESEARCH CORPORATION HUNTSVILLE AL		FA0550-09-C-0104	6,494 (R)	
CLARKSON AEROSPACE HOUSTON TX		FA8650-05-D-1912	18,431 (R)	
COMBUSTION SCIENCE AND ENGINEERING LTD		AGR DTD 9/6/06	-46,875 (R)	
COMPOSITE TECHNOLOGY DEVELOPMENT LAFAYETTE CO		FA9550-07-C-0115	180,892 (R)	
COSTVISION BOULDER CO		COST VISION 12.800	87,204 (R)	
D STAR ENGINEERING CORPORATION SHELTON CT		FA8650-07-C-3713	5,844 (R)	
DNOVUS GA		AF07-T032	-211 (R)	
EG & G TECHNICAL SERVICES CRANE IN		N00164-03-D-0013	-350 (R)	
ENERGY RESEARCH CONSULTANTS LAGUNA HILLS CA		FA8650-07-M-2784	77,662 (R)	
GENERAL ATOMICS SAN DIEGO CA		FA8650-08-C-5039	21,630 (R)	
GENERAL DYNAMICS INFORMATION TECHNOLOGY INC FAIRFA		F33615-03-D-5408	153,654 (R)	
GENERAL DYNAMICS INFORMATION TECHNOLOGY INC FAIRFA		GS09K99BHD0001	11,107 (R)	
GENERAL DYNAMICS INFORMATION TECHNOLOGY INC FAIRFA		N61339-04-F-1001	5,081 (R)	
GLOBAL STRATEGIC SOLUTION		SBIR N06-T007	25,378 (R)	
GROEN BROTHERS AVIATION USA INC SALT LAKE CITY UT		HR0011-06-9-0002	4,009 (R)	
HARRIS CORPORATION		LTR SUBK DTD 1/11/08	139,869 (R)	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
HENRY M. JACKSON FOUNDATION		69339	$ 35,156 (R)	
HIGH PERFORMANCE TECHNOLOGIES INC ARLINGTON VA		GS04T01BFC0061	80,117 (R)	
HRL LABORATORIES MALIBU CA		W31P4Q-08-C-0264	322,259 (R)	
IMAGING SYSTEMS TECHNOLOGY TOLEDO OH		FA8650-09-M-5030	10,317 (R)	
JT3 LLC		F42650-01-C-7218	366,208 (R)	
KFORCE GOVERNMENT SOLUTIONS INC GA		FA9550-09-C-0111	54,551 (R)	
KYMA RALEIGH NC		FA8650-06-C-5413	44,414 (R)	
L3 CINCINNATI ELECTRONICS MASON OHIO		FA8540-07-C-0013/273	2,180 (R)	
L3 COMMUNICATIONS ROCKWALL TEXAS		FA8620-06-G-4002/003	16,395 (R)	
L3 COMMUNICATIONS ROCKWALL TEXAS		XXX-XXX-XX-XXXX	47,157 (R)	
LAVENDER INDUSTRIES INC CHATSWORTH CA		FA8650-07-C-6766	213,333 (R)	
LINCOLN LABORATORY MASSACHUSETTS INST OF TECH		F19628-00-C-0002	-19 (R)	
LOCKHEED MARTIN		FA8611-08-C-2897	43,747 (R)	
LOCKHEED MARTIN		FA8650-05-G-5503	-116 (R)	
LOCKHEED MARTIN		FA8650-06-C-7605	329,140 (R)	
LOCKHEED MARTIN		N00019-02-C-3002	29,026 (R)	
LOCKHEED MARTIN		N61339-00-D-0707	37,538 (R)	
MA INST OF TECHNOLOGY CAMBRIDGE MA		FA9550-05-1-0321	87,499 (R)	
MACAULEY BROWN INC		C8388	14,265 (R)	
MAGNOLIA OPTICAL TECHNOLOGIES INC WOBURN MA		W31P4Q06C0262	190,905 (R)	
MANUFACTURING TECHNOLOGY INC FORT WALTON BEACH FL		F09603-01-D-0123-005	11,944 (R)	
METACOMP TECHNOLOGIES INC AGOURA HILLS CA		FA9550-08-C-0014	38,627 (R)	
MILLENNIUM DYNAMICS CORPORATION SMYRNA GA		FA9550-06-C-0005	14,309 (R)	
MILLENNIUM DYNAMICS CORPORATION SMYRNA GA		FA9550-08-C-0054	21,839 (R)	
MODINE MANUFACTURING COMPANY RACINE WI		W909MY-05-C-0021	77,121 (R)	
MUSTANG TECHNOLOGY GROUP LP ALLEN TX		FA8651-07-C-0107	6,358 (R)	
NANO ENGINEERED MATERIALS CORP LAWRENCEVILLE GA		FA9550-08-C-0065	29,783 (R)	
NATURE CONSERVANCY THE		68082	-242 (R)	
NDP OPTRONICS LLC		unknown	14,969 (R)	
NGIMAT ATLANTA GA		FA8501-07-C-0016	26,226 (R)	
NGIMAT ATLANTA GA		FA8650-08-M1385	27,814 (R)	
NGIMAT ATLANTA GA		N68335-08-C-0081	77,071 (R)	
NIITEK INC STERLING VA		W909MY-06-C-0033	2,165 (R)	
NORTHROP CORPORATION		DMEA90-99-D-0003/001	34,309 (R)	
NORTHROP CORPORATION		F3360002D2000	16,314 (R)	
NORTHROP CORPORATION		FA8650-06-C-7609	159 (R)	
NORTHROP CORPORATION		FA8720-04-D-0004	14,772 (R)	
NORTHROP GRUMMAN REDONDO BEACH CA		FAA 8002-05-C-7002	35,208 (R)	
NORTHROP GRUMMAN ROLLING MEADOWS IL		F09603-03-D-0002	636,218 (R)	
PENNSYLVANIA STATE UNIV UNIV PARK PA		FA9550-07-1-0582	755 (R)	
PORTAGE ENVIRONMENTAL INC IDAHO FALLS ID		FA8903-05-D-8730	8,019 (R)	
PRATT & WHITNEY AIRCRAFT		F33615-01-2-2130	60,000 (R)	
PRATT & WHITNEY AIRCRAFT		F33615-03-D-2354	29,299 (R)	
PRATT & WHITNEY AIRCRAFT		FA8650-06-2-5211	63,527 (R)	
RICARDO INC VAN BUREN TWP MI		FA8222-05-D-0001	198,493 (R)	
ROLLS ROYCE ALLISON INDIANAPOLIS IND		FA8650-06-2-5203	32,177 (R)	
SAIC		A117001	369,051 (R)	
SAIC		F09603-01-D-0208	1,013,885 (R)	
SAIC		F09603-01-D-208	52,716 (R)	
SAIC		F33615-03-D-1401	29,431 (R)	
SAIC		FA8650-08-D-1327	118,383 (R)	
SAIC		LTR K 4400156910	387,596 (R)	
SAIC		MDA972-03-9-0001	1,477 (R)	
SCHAFER CORPORATION CHELMSFORD MA		FA4953-05-D-0176	223,377 (R)	
SCIENTIFIC SYSTEMS COMPANY WOBURN MA		FA860-05-C-1821	61,741 (R)	
SENSIMETRICS CORPORATION		FA9550-06-C-0037	43,822 (R)	
SET CORPORATION VIENNA VA		FA8650-09-M-1546	7,291 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
SPARTA INC		GST0406DE0007	$ 58,012 (R)	
STARFIRE SYSTEMS WATERVLIET NY		W911NF-05-2-0041	127,308 (R)	
TAITECH INC BEAVERCREEK OH		FA 9550-09-C-0069	21,299 (R)	
TUFTS UNIVERSITY MEDFORD MA		W912HQ-06-C-0032	150,579 (R)	
TYBRIN CORPORATION FT WALTON BEACH FL		FA8720-04-D-0003	-3,881 (R)	
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		FA8650-09-C-7917, 20	4,686 (R)	
UNIV OF FLORIDA		F08635-03-D-0130-004	112,445 (R)	
UNIVERSAL TECHNOLOGY CORP DAYTON OH		FA8650-05-D-5807	393,469 (R)	
UNIVERSITY OF TEXAS ARLINGTON TX		FA9550-08-1-0317	37,440 (R)	
VANDERBILT UNIVERSITY NASHVILLE TN		FA9550-05-1-0306	162,542 (R)	
WYLE LABORATORIES		FA8601-04-D-0005	56,470 (R)	
Total Air Force Defense Research Sciences Program			80,475,297	
Mathematical Sciences Grants Program	**12.901**			
Direct			124,669 (R)	
Through:				
UNIVERSITY OF SOUTH CAROLINA		unknown	4,235 (R)	
Total Mathematical Sciences Grants Program			128,904	
Research and Technology Development	**12.910**			
Direct			19,447,794 **(R)**	
Through:				
ARINC CORPORATION		DAAB07-03-D-B006/024	122,889 (R)	
BAE SYSTEMS		W15P7T-06-C-P635	774,335 (R)	
BOOZ ALLEN AND HAMILTON INC		SP0700-03-D-1380	7,843 (R)	
BOOZ ALLEN AND HAMILTON INC		SPO700-03-D-1380	10,009 (R)	
CARNEGIE MELLON INSTITUTE PITTSBURGH PA		2003-CT-888	298,511 (R)	
COMBUSTION SCIENCE AND ENGINEERING LTD		FA8650-08-M-2879	32,001 (R)	
DDL OMNI ENGINEERING LLC MCLEAN VA		N00167-03-D-0031 / 0	863	
DRS EW AND NETWORK SYSTEM INC		F09603-01-D0214	845,338 (R)	
DUPONT CENTRAL RESEARCH & DEVELOPMENT		HR0011-07-9-0005	361,187 (R)	
DYNETICS INCORPORATED		HHM402-04-D-0007	852,540 (R)	
INST FOR GENOMIC RSCH-TIGR,THE		68563	442,510 (R)	
KYMA RALEIGH NC		W9113M-07-C-0123	70,981 (R)	
L3 COMMUNICATIONS ROCKWALL TEXAS		DAABO7-02-D-P0001	131,526 (R)	
LGARDE INCORPORATED CA		HQ-0005-06-C-7622	99,585 (R)	
LINCOLN LABORATORY MASSACHUSETTS INST OF TECH		FA8721-05-C-0002	36,357 (R)	
LOCKHEED MARTIN		F09603-01-D-0207-015	885,755 (R)	
LOCKHEED MARTIN FEDERAL SYSTEMS OWEGO NY		F04606-98-D-002/QPF6	153,178 (R)	
MORGAN A STANLEY COMPANY HUNTSVILLE AL		W9113M-05-A-0002	16,150	
NORTHROP CORPORATION		67991RGR8S	127,289 (R)	
NORTHROP GRUMMAN BALTIMORE MD		H0011-04-C-0095	-3,610 (R)	
NORTHROP GRUMMAN BALTIMORE MD		N66001-08-C-2010	152,566 (R)	
NORTHROP GRUMMAN BETHPAGE NEW YORK		HR0011-04-C-0003	96,006 (R)	
PRINCETON UNIVERSITY PLAINSBORO NJ		HR0011-05-1-0057	116,860 (R)	
RAYTHEON		07-C-1608	-12,293 (R)	
SAIC		A09061	11,265 (R)	
SEALASKA ENVIRONMENTAL SERVICES LLC BELLEVUE WA		N68711-04-D-1104	109 (R)	
SIMPSON WEATHER ASSOCIATES CHARLOTTESVILLE VA		HR0011-08-C-0146	97,405 (R)	
THIRD WAVE SYSTEMS MINNEAPOLIS MN		HQ0006-07-C-7795	28,315 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		FA9550-05-1-0459	43,429 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		HR0011-04-1-0034	66,424 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		HR0011-06-1-0046	145,204 (R)	
UNIVERSITY OF CALIFORNIA BERKLEY CA		MARCO CONTRACT NO: 2	128,934 (R)	
UNIVERSITY OF UTAH		20326	48,067 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
VECTRAXX VA		HQ0006-07-C-7643	$ 101,437 (R)	
VIRTUAL AEROSURFACE TECHNOLOGIES ATLANTA GA		W9113M-07-C-0203	2 (R)	
Total Research and Technology Development			25,736,761	
Other Federal Assistance	**12.OFA**			
Direct			4,903,259 (R)	
Through:				
ACADEMY OF APPLIED SCIENCE		unknown	1,830	
AT&T, CORPORATION		61387	127,407 (R)	
CH2M HILL INC		61495	54,723 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	610	
VAL OPTICS		94-3242717	56,107 (R)	
Total Other Federal Assistance			5,143,936	
AGENCY TOTAL			**$ 247,775,579**	
Central Intelligence Agency				
Other Federal Assistance	**13.OFA**			
Direct			$ 216,996 **(R)**	
Total Other Federal Assistance			216,996	
AGENCY TOTAL			**$ 216,996**	
Housing and Urban Development, U.S. Department of				
Housing Counseling Assistance Program	**14.169**			
Direct			$ 158,369 **(R)**	
Total Housing Counseling Assistance Program			158,369	
Manufactured Home Construction and Safety Standards	**14.171**			
Direct			264,720	
Total Manufactured Home Construction and Safety Standards			264,720	
Community Development Block Grants. Small Cities Program	**14.219**			
Through:				
CITY OF WARNER ROBINS		20382	20,000	
Total Community Development Block Grants. Small Cities Program			20,000	
Community Development Block Grants/Special Purpose Grants/Insular Areas	**14.225**			
Direct			3,679 **(R)**	
Total Community Development Block Grants/Special Purpose Grants/Insular Areas			3,679	
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (CDBG-S)	**14.228**			
Direct			48,435,201	
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (CDBG-S)			48,435,201	
Emergency Shelter Grants Program	**14.231**			
Direct			2,774,270	
Total Emergency Shelter Grants Program			2,774,270	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Housing and Urban Development, U.S. Department of				
Supportive Housing Program	**14.235**			
Direct			$ 584,614	
Through:				
LAMP		GA 01B301011	651	
Total Supportive Housing Program			585,265	
Shelter Plus Care	**14.238**			
Direct			6,756,149	
Total Shelter Plus Care			6,756,149	
Home Investment Partnerships Program	**14.239**			
Direct			36,900,220	
Total Home Investment Partnerships Program			36,900,220	
Housing Opportunities for Persons with AIDS	**14.241**			
Direct			1,696,805	
Total Housing Opportunities for Persons with AIDS			1,696,805	
Empowerment Zones Program	**14.244**			
Direct			5,039,926	
Total Empowerment Zones Program			5,039,926	
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	**14.251**			
Direct			50,076	
Total Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants			50,076	
Housing Counseling Training Program	**14.316**			
Direct			751,854	
Total Housing Counseling Training Program			751,854	
Fair Housing Assistance Program_State and Local	**14.401**			
Direct			322,975	
Total Fair Housing Assistance Program_State and Local			322,975	
General Research and Technology Activity	**14.506**			
Direct			5,719 **(R)**	
Total General Research and Technology Activity			5,719	
Historically Black Colleges and Universities Program	**14.520**			
Direct			262,449	
Total Historically Black Colleges and Universities Program			262,449	
Section 8 Housing Choice Vouchers	**14.871**			
Direct			110,975,782	
Total Section 8 Housing Choice Vouchers			110,975,782	
Other Federal Assistance	**14.OFA**			
Direct			716,216 **(R)**	
Total Other Federal Assistance			716,216	
AGENCY TOTAL			**$ 215,719,675**	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Interior, U.S. Department of				
Recreation Resource Management	**15.225**			
Direct			$ 10,460 **(R)**	
Total Recreation Resource Management			10,460	
Fish, Wildlife and Plant Conservation Resource Management	**15.231**			
Through:				
CENTER FOR PLANT CONSERVATION		68979	6,350 (R)	
MACON MUSEUM OF ARTS & SCIENCE		68889	4,463 (R)	
Total Fish, Wildlife and Plant Conservation Resource Management			10,813	
Water Desalination Research and Development Program	**15.506**			
Direct			67,534 **(R)**	
Total Water Desalination Research and Development Program			67,534	
Fish and Wildlife Coordination Act	**15.517**			
Through:				
FLA. FISH&WILDLIFE CONSV. COMM		20381	44,000 (R)	
Total Fish and Wildlife Coordination Act			44,000	
Sport Fish Restoration (FWC)	**15.605**			
Direct			6,705,398	
Total Sport Fish Restoration (FWC)			6,705,398	
Fish and Wildlife Management Assistance	**15.608**			
Direct			6,481 **(R)**	
Through:				
MISSISSIPPI STATE UNIVERSITY		20262	2,541 (R)	
NATIONAL AUDUBON SOCIETY		67678	2,633 (R)	
Total Fish and Wildlife Management Assistance			11,655	
Wildlife Restoration (FWC)	**15.611**			
Direct			7,758,756	
Through:				
AL DEPT OF CONSERVATION & NATU		20468	34,677 (R)	
VIRGINIA DEPT GAME INLAND FISH		20453	5,460 (R)	
Total Wildlife Restoration (FWC)			7,798,893	
Cooperative Endangered Species Conservation Fund	**15.615**			
Direct			665,214 (R)	
Total Cooperative Endangered Species Conservation Fund			665,214	
Clean Vessel Act	**15.616**			
Direct			2,575	
Total Clean Vessel Act			2,575	
Multistate Conservation Grant Program	**15.628**			
Direct			135,277 **(R)**	
Total Multistate Conservation Grant Program			135,277	
Great Apes Conservation	**15.629**			
Direct			25,971 **(R)**	
Total Great Apes Conservation			25,971	
Coastal Program	**15.630**			
Direct			8,562 **(R)**	
Through:				
FISH AND WILDLIFE RESEARCH INSTITUTION		175	3,662 (R)	
Total Coastal Program			12,224	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Interior, U.S. Department of				
Conservation Grants Private Stewardship for Imperiled Species	**15.632**			
Direct			$ 33,342 (R)	
Total Conservation Grants Private Stewardship for Imperiled Species			33,342	
Landowner Incentive	**15.633**			
Direct			9,000	
Total Landowner Incentive			9,000	
State Wildlife Grants	**15.634**			
Direct			1,030,087	
Through:				
SC DEPT OF NATURAL RESOURCES		20329	1,169 (R)	
Total State Wildlife Grants			1,031,256	
Research Grants - Generic	**15.650**			
Direct			15,550 **(R)**	
Total Research Grants - Generic			15,550	
Migratory Bird Monitoring, Assessment and Conservation	**15.655**			
Direct			3,624 **(R)**	
Total Migratory Bird Monitoring, Assessment and Conservation			3,624	
Assistance to State Water Resources Research Institutes	**15.805**			
Direct			240,963 **(R)**	
Total Assistance to State Water Resources Research Institutes			240,963	
Earthquake Hazards Reduction Program	**15.807**			
Direct			58,303 **(R)**	
Total Earthquake Hazards Reduction Program			58,303	
U.S. Geological Survey_ Research and Data Collection	**15.808**			
Direct			1,198,812 (R)	
Through:				
AMERICA VIEW, INCORPORATED		77-0602801	53,430	
Total U.S. Geological Survey_ Research and Data Collection			1,252,242	
National Spatial Data Infrastructure Cooperative Agreements Program	**15.809**			
Direct			44,037 **(R)**	
Total National Spatial Data Infrastructure Cooperative Agreements Program			44,037	
National Cooperative Geologic Mapping Program	**15.810**			
Direct			38,297	
Total National Cooperative Geologic Mapping Program			38,297	
Cooperative Research Units Program	**15.812**			
Direct			522,622 **(R)**	
Total Cooperative Research Units Program			522,622	
Historic Preservation Fund Grants-In-Aid	**15.904**			
Direct			1,624,522	
Total Historic Preservation Fund Grants-In-Aid			1,624,522	
Technical Preservation Services	**15.915**			
Direct			3,474 **(R)**	
Total Technical Preservation Services			3,474	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Interior, U.S. Department of				
Outdoor Recreation_Acquisition, Development and Planning	**15.916**			
Direct			$ 789,989	
Total Outdoor Recreation_Acquisition, Development and Planning			789,989	
Native American Graves Protection and Repatriation Act	**15.922**			
Direct			25,607 **(R)**	
Total Native American Graves Protection and Repatriation Act			25,607	
National Center for Preservation Technology and Training	**15.923**			
Through:				
UNIVERSITY OF VIRGINIA		20275	-1,934 (R)	
Total National Center for Preservation Technology and Training			-1,934	
Save Americas Treasures	**15.929**			
Direct			-2,109 **(R)**	
Total Save Americas Treasures			-2,109	
Other Federal Assistance	**15.OFA**			
Direct			142,266 **(R)**	
Through:				
ADENOSINE THERAPEUTICS, LLC		61379	21,161 (R)	
NATIONAL FISH AND WILDLIFE FOUNDATION		521384139	4,497	
UNIVERSITY OF TENNESSEE		20271	431 (R)	
Total Other Federal Assistance			168,355	
AGENCY TOTAL			**$ 21,347,154**	
Justice, U.S. Department of				
Offender Reentry Program	**16.202**			
Direct			$ 123,603	
Total Offender Reentry Program			123,603	
Juvenile Accountability Incentive Block Grants	**16.523**			
Direct			1,084,968	
Total Juvenile Accountability Incentive Block Grants			1,084,968	
Juvenile Justice and Delinquency Prevention_Allocation to States	**16.540**			
Direct			1,258,660	
Total Juvenile Justice and Delinquency Prevention_Allocation to States			1,258,660	
Developing, Testing and Demonstrating Promising New Programs	**16.541**			
Direct			125,699	
Total Developing, Testing and Demonstrating Promising New Programs			125,699	
Missing Childrens Assistance	**16.543**			
Direct			338,245	
Total Missing Childrens Assistance			338,245	
Title V_Delinquency Prevention Program	**16.548**			
Direct			164,563	
Total Title V_Delinquency Prevention Program			164,563	
State Justice Statistics Program for Statistical Analysis Centers	**16.550**			
Direct			79,654	
Total State Justice Statistics Program for Statistical Analysis Centers			79,654	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Justice, U.S. Department of				
National Criminal History Improvement Program (NCHIP)	**16.554**			
Direct			$ 124,086	
Total National Criminal History Improvement Program (NCHIP)			124,086	
National Institute of Justice Research, Evaluation, and Development Project Grants	**16.560**			
Direct			971,298 **(R)**	
Through:				
DYNETICS INCORPORATED		HQ0006-04-D-0006	49,272 (R)	
UNIVERSITY OF MARYLAND		unknown	9,908 (R)	
Total National Institute of Justice Research, Evaluation, and Development Project Grants			1,030,478	
Crime Victim Assistance	**16.575**			
Direct			10,229,103	
Total Crime Victim Assistance			10,229,103	
Crime Victim Compensation	**16.576**			
Direct			5,846,633	
Total Crime Victim Compensation			5,846,633	
Byrne Formula Grant Program	**16.579**			
Direct			466,462	
Total Byrne Formula Grant Program			466,462	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	**16.580**			
Direct			2,458,985 (R)	
Total Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program			2,458,985	
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	**16.586**			
Direct			7,771,702	
Total Violent Offender Incarceration and Truth in Sentencing Incentive Grants			7,771,702	
Violence Against Women Formula Grants	**16.588**			
Direct			2,465,032	
Total Violence Against Women Formula Grants			2,465,032	
Residential Substance Abuse Treatment for State Prisoners	**16.593**			
Direct			598,205	
Total Residential Substance Abuse Treatment for State Prisoners			598,205	
Community Capacity Development Office	**16.595**			
Through:				
CITY OF MARIETTA		033-87-007372	500	
Total Community Capacity Development Office			500	
Corrections_Training and Staff Development	**16.601**			
Direct			1	
Through:				
FEDERAL CORRECTIONAL INSTITUTION		10-0007204	62,117	
Total Corrections_Training and Staff Development			62,118	
Community Prosecution and Project Safe Neighborhoods	**16.609**			
Direct			617,414	
Total Community Prosecution and Project Safe Neighborhoods			617,414	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Justice, U.S. Department of				
Regional Information Sharing Systems	**16.610**			
Through:				
CRIMINAL INFORMATION SHARING ALLIANCE FOLSOM CA		97-LB-VX-K009	$ 235,106 (R)	
Total Regional Information Sharing Systems			235,106	
Public Safety Partnership and Community Policing Grants	**16.710**			
Direct			100,016 (R)	
Total Public Safety Partnership and Community Policing Grants			100,016	
Enforcing Underage Drinking Laws Program	**16.727**			
Direct			236,355	
Total Enforcing Underage Drinking Laws Program			236,355	
Special Data Collections and Statistical Studies	**16.734**			
Direct			43,758	
Total Special Data Collections and Statistical Studies			43,758	
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	**16.738**			
Direct			6,253,523	
Total EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM			6,253,523	
Forensic DNA Backlog Reduction Program	**16.741**			
Direct			1,880,654	
Total Forensic DNA Backlog Reduction Program			1,880,654	
Anti-Gang Initiative	**16.744**			
Direct			706,501	
Total Anti-Gang Initiative			706,501	
Capital Case Litigation	**16.746**			
Direct			299,672	
Total Capital Case Litigation			299,672	
Convicted Offender and/or Arrestee DNA Backlog Reduction Program (In-House Analysis and Data Review)	**16.748**			
Direct			355,022	
Total Convicted Offender and/or Arrestee DNA Backlog Reduction Program (In-House Analysis and Data Review)			355,022	
Other Financial Assistance	**16.OFA**			
Direct			1,287,684 (R)	
Through:				
METRO POLICE DEPT - WASHINGTON D.C.		53-6001131	94,354	
Total Other Financial Assistance			1,382,038	
AGENCY TOTAL			**$ 46,338,755**	
Labor, U.S. Department of				
Labor Force Statistics	**17.002**			
Direct			$ 1,813,794	
Total Labor Force Statistics			1,813,794	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Labor, U.S. Department of				
Compensation and Working Conditions	**17.005**			
Direct			$ 55,928	
Total Compensation and Working Conditions			55,928	
ARRA-Employment Service/Wagner-Peyser Funded Activities (ESC)	**17.207**			
Direct			307,361	
Total ARRA-Employment Service/Wagner-Peyser Funded Activities (ESC)			307,361	
Employment Service/Wagner-Peyser Funded Activities (ESC)	**17.207**			
Direct			23,053,418	
Total Employment Service/Wagner-Peyser Funded Activities (ESC)			23,053,418	
ARRA-Unemployment Insurance	**17.225**			
Direct			358,808,019	
Total ARRA-Unemployment Insurance			358,808,019	(1)
Unemployment Insurance	**17.225**			
Direct			2,156,763,560	
Total Unemployment Insurance			2,156,763,560	(1)
Senior Community Service Employment Program	**17.235**			
Direct			2,172,769	
Total Senior Community Service Employment Program			2,172,769	
Trade Adjustment Assistance_Workers	**17.245**			
Direct			2,771,962	
Total Trade Adjustment Assistance_Workers			2,771,962	
ARRA-WIA Adult Program (WIA)	**17.258**			
Direct			406,783	
Total ARRA-WIA Adult Program (WIA)			406,783	
WIA Adult Program (WIA)	**17.258**			
Direct			33,883,766	
Through:				
ATLANTA REGIONAL COMMISSION		58-6002324	532,575	
CITY OF MACON		586000612	100,506	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		01-03-45-CA2	123,727	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		586015195	134,054	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		58-6015195	87,941	
EAST CENTRAL GEORGIA WORKFORCE INVESTMENT		58 211 4208	40,471	
JOB TRAINING UNLIMITED		58-2181803	83,445	
JOB TRAINING UNLIMITED, INCORPORATED		582181803	4,853	
JOB TRAINING UNLIMITED, INCORPORATED		58-2181803	14,853	
MIDDLE FLINT REGIONAL DEVELOPMENT CENTER		58-1937286	175,891	
MIDDLE GEORGIA CONSORTIUM		581391833	86,113	
MIDDLE GEORGIA CONSORTIUM, INCORPORATED		35602	47,631	
NORTHEAST GEORGIA REGIONAL DEV CENTER		580902860	72,726	
RICHMOND/BURKE JOB TRAINING AUTHORITY		58 211 3801	110,527	
SOUTH GEORGIA REGIONAL DEVELOPMENT CENTER		580942510	128,191	
SOUTH GEORGIA REGIONAL DEVELOPMENT CENTER		ID1	151,251	
Total WIA Adult Program (WIA)			35,778,521	
ARRA-WIA Youth Activities (WIA)	**17.259**			
Direct			2,841,222	
Total ARRA-WIA Youth Activities (WIA)			2,841,222	
WIA Youth Activities (WIA)	**17.259**			
Direct			24,464,371	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Labor, U.S. Department of				
Through:				
ATLANTA REGIONAL COMMISSION		58-6002324	$ 48,296	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		586015195	160,272	
JOB TRAINING UNLIMITED		58-2181803	643,344	
NORTHEAST GEORGIA REGIONAL DEV. CENTER		580902860	19,364	
SOUTH GEORGIA REGIONAL DEVELOPMENT CENTER		ID1	88,728	
Total WIA Youth Activities (WIA)			25,424,375	
ARRA-WIA Dislocated Workers (WIA)	**17.260**			
Direct			463,921	
Total ARRA-WIA Dislocated Workers (WIA)			463,921	
WIA Dislocated Workers (WIA)	**17.260**			
Direct			39,858,485	
Through:				
ATLANTA REGIONAL COMMISSION		586002324	15,000	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		586015195	101,911	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		58-6015195	58,498	
ITA, CAREER CENTER		1116	65,432	
JOB TRAINING UNLIMITED		58-2181803	59,301	
JOB TRAINING UNLIMITED, INCORPORATED		58-2181803	16,421	
MIDDLE FLINT REGIONAL DEVELOPMENT CENTER		58-1937286	103,470	
NORTHEAST GEORGIA REGIONAL DEV CENTER		580902860	118,967	
RICHMOND BURKE JOB TRAINING AUTHORITY		58 211 3801	64,913	
SOUTH GEORGIA REGIONAL DEVELOPMENT CENTER		ID1	21,868	
THE VALLEY PARTNERSHIP		NA	15,000 (R)	
Total WIA Dislocated Workers (WIA)			40,499,266	
Employment and Training Administration Pilots, Demonstrations, and Research Projects	**17.261**			
Direct			261,718	
Total Employment and Training Administration Pilots, Demonstrations, and Research Projects			261,718	
Work Incentives Grant	**17.266**			
Direct			1,418,802	
Through:				
ATLANTA REGIONAL COMMISSION		586002324	105,666	
COOSA VALLEY REGIONAL DEVELOPMENT		01-03-45-CA2	56,547	
COOSA VALLEY REGIONAL DEVELOPMENT CENTER		586015195	13,519	
Total Work Incentives Grant			1,594,534	
H-1B Job Training Grants	**17.268**			
Direct			173,633	
Total H-1B Job Training Grants			173,633	
Community Based Job Training Grants	**17.269**			
Direct			1,961,880	
Total Community Based Job Training Grants			1,961,880	
Work Opportunity Tax Credit Program	**17.271**			
Direct			728,251	
Total Work Opportunity Tax Credit Program			728,251	
Temporary Labor Certification for Foreign Workers	**17.273**			
Direct			379,922	
Total Temporary Labor Certification for Foreign Workers			379,922	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Labor, U.S. Department of				
Occupational Safety and Health_Susan Harwood Training Grants	**17.502**			
Direct			$ 395,745 **(R)**	
Total Occupational Safety and Health_Susan Harwood Training Grants			395,745	
Occupational Safety and Health_State Program	**17.503**			
Direct			874,666 **(R)**	
Total Occupational Safety and Health_State Program			874,666	
Consultation Agreements	**17.504**			
Direct			434,658 (R)	
Total Consultation Agreements			434,658	
Mine Health and Safety Grants	**17.600**			
Direct			168,284	
Total Mine Health and Safety Grants			168,284	
Disability Employment Policy Development	**17.720**			
Direct			1,740 **(R)**	
Through:				
SYRACUSE UNIVERSITY SYRACUSE NY		E-9-4-6-0107	2,108 (R)	
Total Disability Employment Policy Development			3,848	
Disabled Veterans Outreach Program (DVOP) (ESC)	**17.801**			
Direct			2,292,659	
Total Disabled Veterans Outreach Program (DVOP) (ESC)			2,292,659	
Veterans Employment Program	**17.802**			
Direct			-164	
Total Veterans Employment Program			-164	
Local Veterans Employment Representative Program (ESC)	**17.804**			
Direct			2,559,882	
Total Local Veterans Employment Representative Program (ESC)			2,559,882	
AGENCY TOTAL			**$ 2,662,990,415**	
State, U.S. Department of				
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	**19.300**			
Direct			$ -79 **(R)**	
Total Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			-79	
Educational Exchange_Graduate Students	**19.400**			
Direct			500,567 **(R)**	
Total Educational Exchange_Graduate Students			500,567	
Educational Exchange_Teachers from Secondary and Postsecondary Levels and School Administrators	**19.408**			
Through:				
GEORGIA SOUTHERN UNIVERSITY RESEARCH SERVICES FOUN		63828383	38,160	
Total Educational Exchange_Teachers from Secondary and Postsecondary Levels and School Administrators			38,160	
Professional Exchanges_Annual Open Grant	**19.415**			
Direct			236,496 **(R)**	
Total Professional Exchanges_Annual Open Grant			236,496	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
State, U.S. Department of				
Middle East Partnership Initiative (MEPI)	**19.500**			
Through:				
ASSN LIAISON OFC UNIV COOP DEV		68694	$ 2,064 (R)	
Total Middle East Partnership Initiative (MEPI)			2,064	
Overseas Refugee Assistance Programs for Near East and South Asia	**19.519**			
Through:				
NATIONAL ACADEMY OF SCIENCES		67988	51,998 (R)	
Total Overseas Refugee Assistance Programs for Near East and South Asia			51,998	
Other Federal Assistance	**19.OFA**			
Direct			314,722 (R)	
Through:				
FLORIDA STATE UNIVERSITY		20278	6,593 (R)	
SCIENCE APPLICATIONS INTL CORP		61126	181,108 (R)	
Total Other Federal Assistance			502,423	
AGENCY TOTAL			**$ 1,331,629**	
Transportation, U.S. Department of				
ARRA-Airport Improvement Program	**20.106**			
Direct			$ 2,530	
Total ARRA-Airport Improvement Program			2,530	
Airport Improvement Program	**20.106**			
Direct			14,207,597	
Total Airport Improvement Program			14,207,597	
Aviation Research Grants	**20.108**			
Direct			1,230 **(R)**	
Through:				
INNOVATIVE SOLUTIONS INTL INC VIENNA VA		DTFAWA-05-A-00005	2,186 (R)	
INNOVATIVE SOLUTIONS INTL INC VIENNA VA		DTFAWA-05-A-0005	823 (R)	
MA INST OF TECHNOLOGY CAMBRIDGE MA		DTFAWA-05-D-0012	1,341 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		05-C-AT-UIUC	1,057 (R)	
Total Aviation Research Grants			6,637	
Air Transportation Centers of Excellence	**20.109**			
Direct			1,214,178 (R)	
Through:				
PACIFIC NORTHWEST NATIONAL LAB		DOT6400-099	9,592 (R)	
Total Air Transportation Centers of Excellence			1,223,770	
Highway Research and Development Program	**20.200**			
Direct			853,697 (R)	
Through:				
BENCH MARK INTERNATIONAL INC ARLINGTON VA		RIBA CONTRACT #07-11	17,872 (R)	
PROFESSIONAL SERVICES INDUSTRIES INC FAIRFAX VA		DTFH61-04-C-00029	172,769 (R)	
SOUTHERN POLYTECHNIC STATE UNIVERSITY MARIETTA GA		SPR00-0008-00(632)	33,905 (R)	
THE NATIONAL ACADEMIES		DOT-6420-030	23,720 (R)	
THE NATIONAL ACADEMIES		DOT-6505-099	109,804 (R)	
THE NATIONAL ACADEMIES		DOT-6506-099	89,283 (R)	
THE NATIONAL ACADEMIES		DOT-6507-001	146,900 (R)	
THE NATIONAL ACADEMIES		LTR DTD 4/5/07	374 (R)	
THE NATIONAL ACADEMIES		NAKFI SP16	44,478 (R)	
Total Highway Research and Development Program			1,492,802	
ARRA-Highway Planning and Construction (HPCC)	**20.205**			

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transportation, U.S. Department of				
Direct			$ 23,984	
Total ARRA-Highway Planning and Construction (HPCC)			23,984	
Highway Planning and Construction (HPCC)	**20.205**			
Direct			760,915,091	
Through:				
ATLANTA REGIONAL COMMISSION		58-6002324	39,203	
UNIVERSITY OF NEBRASKA LINCOLN NE		SHRP-R-19A	22,537 (R)	
Total Highway Planning and Construction (HPCC)			760,976,831	
National Motor Carrier Safety	**20.218**			
Direct			7,776,075	
Total National Motor Carrier Safety			7,776,075	
Recreational Trails Program (HPCC)	**20.219**			
Direct			1,133,688	
Total Recreational Trails Program (HPCC)			1,133,688	
Safety Data Improvement Program	**20.234**			
Direct			622,070	
Total Safety Data Improvement Program			622,070	
Railroad Research and Development	**20.313**			
Direct			1,253,414 **(R)**	
Through:				
JENIUS LLC CALIFORNIA MD		DTFR53-07-P-00310	8,577	
Total Railroad Research and Development			1,261,991	
Federal Transit_Capital Investment Grants (FTC)	**20.500**			
Direct			12,671,484	
Total Federal Transit_Capital Investment Grants (FTC)			12,671,484	
Federal Transit_Metropolitan Planning Grants	**20.505**			
Direct			5,031,262	
Total Federal Transit_Metropolitan Planning Grants			5,031,262	
Federal Transit_Formula Grants (FTC)	**20.507**			
Direct			17,267,465	
Total Federal Transit_Formula Grants (FTC)			17,267,465	
Formula Grants for Other Than Urbanized Areas	**20.509**			
Direct			12,011,813	
Total Formula Grants for Other Than Urbanized Areas			12,011,813	
Capital Assistance Program for Elderly Persons and Persons with Disabilities (TSP)	**20.513**			
Direct			3,860,079	
Total Capital Assistance Program for Elderly Persons and Persons with Disabilities (TSP)			3,860,079	
Transit Planning and Research	**20.514**			
Direct			79,522 **(R)**	
Total Transit Planning and Research			79,522	
State and Community Highway Safety (HSC)	**20.600**			
Direct			5,747,819	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	4,190	
Total State and Community Highway Safety (HSC)			5,752,009	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transportation, U.S. Department of				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (HSC)	**20.601**			
Direct			$ 2,337,413	
Through:				
GSU RESEARCH SERVICES FOUNDATION, INC.		63828383	5,024	
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (HSC)			2,342,437	
Occupant Protection (HSC)	**20.602**			
Direct			854,932	
Total Occupant Protection (HSC)			854,932	
Safety Belt Performance Grants (HSC)	**20.609**			
Direct			1,703,205	
Total Safety Belt Performance Grants (HSC)			1,703,205	
State Traffic Safety Information System Improvement Grants (HSC)	**20.610**			
Direct			600,278	
Total State Traffic Safety Information System Improvement Grants (HSC)			600,278	
Incentive Grant Program to Increase Motorcyclist Safety (HSC)	**20.612**			
Direct			115,444	
Total Incentive Grant Program to Increase Motorcyclist Safety (HSC)			115,444	
National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants	**20.614**			
Direct			64,208	
Total National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants			64,208	
Pipeline Safety Program Base Grants	**20.700**			
Direct			605,172	
Total Pipeline Safety Program Base Grants			605,172	
University Transportation Centers Program	**20.701**			
Direct			742,175 **(R)**	
Through:				
OKLAHOMA STATE UNIVERSITY STILLWATER OK		DTRT06-G-0016	27,766 (R)	
UNIVERSITY OF TENNESSEE		unknown	2,000 (R)	
Total University Transportation Centers Program			771,941	
Interagency Hazardous Materials Public Sector Training and Planning Grants	**20.703**			
Direct			510,934	
Total Interagency Hazardous Materials Public Sector Training and Planning Grants			510,934	
Research Grants	**20.762**			
Direct			29,911 **(R)**	
Through:				
THE NATIONAL ACADEMIES		DOT 6506-400	21,702 (R)	
UNIV OF TENNESSEE		DTRT07-G-0004	21,652 (R)	
Total Research Grants			73,265	
Other Federal Assistance	**20.OFA**			
Direct			129,910	
Total Other Federal Assistance			129,910	
AGENCY TOTAL			**$ 853,173,335**	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Appalachian Regional Commission				
Appalachian Area Development	**23.002**			
Direct			$ 50,476	
Through:				
TENNESSEE VALLEY AUTHORITY		62-0474417	80,222	
Total Appalachian Area Development			130,698	
Appalachian State Research, Technical Assistance, and Demonstration Projects	**23.011**			
Direct			118,454	1,692,774 (3)
Through:				
EAST TENNESEE STATE UNIVERSITY		62-6021046	242,942	
EAST TENNESSEE STATE UNIVERSITY		62-6021046	3,844	
SOUTHEAST ENERGY EFFICIENCY ALLIANCE ATLANTA GA		CO-15811-07	44,035 (R)	
Total Appalachian State Research, Technical Assistance, and Demonstration Projects			409,275	1,692,774
AGENCY TOTAL			**$ 539,973**	**$ 1,692,774**
Equal Employment Opportunity Commission				
Employment Discrimination_Title VII of the Civil Rights Act of 1964	**30.001**			
Direct			$ 58,760	
Total Employment Discrimination_Title VII of the Civil Rights Act of 1964			58,760	
AGENCY TOTAL			**$ 58,760**	
Federal Trade Commission				
Fair Competition Counseling and Investigation of Complaints	**36.001**			
Direct			$ 50,966 **(R)**	
Total Fair Competition Counseling and Investigation of Complaints			50,966	
AGENCY TOTAL			**$ 50,966**	
General Services Administration				
Donation of Federal Surplus Personal Property	**39.003**			
Direct			$ 0	3,974,392
Total Donation of Federal Surplus Personal Property			0	3,974,392
Federal Citizen Information Center	**39.009**			
Direct			3,192,278 (R)	
Total Federal Citizen Information Center			3,192,278	
Public Buildings Service	**39.012**			
Direct			9,764 **(R)**	
Total Public Buildings Service			9,764	
Other Federal Assistance	**39.OFA**			
Direct			152,519	
Total Other Federal Assistance			152,519	
AGENCY TOTAL			**$ 3,354,561**	**$ 3,974,392**
Library of Congress				
Semiconductor Chip Protection Service	**42.008**			
Direct			$ 35,000 **(R)**	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Library of Congress				
Through:				
EMORY UNIVERSITY		LCNDIIOO11A04EU	$ 28,155 (R)	
Total Semiconductor Chip Protection Service			63,155	
AGENCY TOTAL			**$ 63,155**	
National Aeronautics and Space Administration				
Aerospace Education Services Program	**43.001**			
Direct			$ 642,533 (R)	
Through:				
COLUMBIA UNIVERSITY		225	12,358 (R)	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	3,489 (R)	
JET PROPULSION LABORATORIES		unknown	244,533 (R)	
JET PROPULSION LABORATORY		67725	23,962 (R)	
RADIATION MONITORING DEVICES		NNJ07A11C	18,122 (R)	
SOUTHWEST RESEARCH INSTITUTE		699054X/15.12029	159,261 (R)	
SPACE TELESCOPE SCIENCE INST		68527	11,965 (R)	
STATE UNIVERSITY OF NEW YORK ALBANY		unknown	2,049 (R)	
UNIV OF ALABAMA HUNTSVILLE HUNTSVILLE AL		NNM05AA22A	55,307 (R)	
UNIV OF MARYLAND COLLEGE PARK MD		NCC 3989	258,083 (R)	
UNIV SPACE RESEARCH ASSOC		NNJ07JE23D	189,934	
UNIV SPACE RESEARCH ASSOC		NNL07AB92T	1,180	
UNIVERSITY OF WISCONSIN		20232	49,576 (R)	
Total Aerospace Education Services Program			1,672,352	
Technology Transfer	**43.002**			
Direct			16,528,801 **(R)**	
Through:				
AERO INSTITUTE PALMDALE CA		AERO 510	97,397 (R)	
AEROTONOMY INCORPORATED		FA9550-06-C-0140	27,850 (R)	
AEROTONOMY INCORPORATED		NNX08CA44P	61,871 (R)	
AEROTONOMY INCORPORATED		W911W6-08-C-0026	13,084 (R)	
BOEING AEROSPACE COMPANY		NNL08AA16B	299,055 (R)	
CLARK ATLANTA UNIVERSITY ATLANTA GA		NCC31044	74,338 (R)	
CONTINUUM DYNAMICS INC		SBIR PHASE II- # TBD	49,501 (R)	
CONTINUUM DYNAMICS INC EWING NJ		NNX09CF15P	30,000 (R)	
GENERAL ELECTRIC COMPANY		NNC08CA85C	187,736 (R)	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	16,192 (R)	
ILC DOVER		NNL08AA88T	49,848 (R)	
IMPACT TECHNOLOGIES LLC ROCHESTER NY		NNXOXCD31P	30,000 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NAS7-03001	5,422	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NM0710805	53,587 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NM0710851	26,766 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NMO0710819	6,877 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NMO710440	32,074 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NMO710820	-1,261 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NMO710851	10,593 (R)	
JET PROPULSION LAB CALIFORNIA INST OF TECH		NMO710973	21,107 (R)	
MA INST OF TECHNOLOGY CAMBRIDGE MA		NNX07AE89G	79,609 (R)	
METRON HERNDON VA		NNA07BB40C	215,754 (R)	
NOBLIS FALLS CHURCH VA		W81XWH-07-D-0017	164,307 (R)	
NORTHEASTERN UNIVERSITY BOSTON MA		NNX08AE37A	51,962 (R)	
PENNSYLVANIA STATE UNIV UNIV PARK PA		CCF-040349	3,103 (R)	
PENNSYLVANIA STATE UNIV UNIV PARK PA		NNX07AU75A	57,652 (R)	
PENNSYLVANIA STATE UNIV UNIV PARK PA		Z634002	11,536 (R)	
SAN JOSE UNIVERSITY SAN JOSE CA		CK NO 00170720	2,500	
SCIENCE SYSTEMS & APPLICATIONS		61511	3 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Aeronautics and Space Administration				
SENSIS CORPORATION CAMPBELL CA		NNA08BA64C	1,324,713 (R)	
UNIV OF CENTRAL FL		UCF-FY-04	10,245 (R)	
UNIV OF HAWAII NATURAL ENERGY INSTITUTE		NNX08AR49G	30,502 (R)	
UNIV SPACE RESEARCH ASSOC		NNL07AB92T	7,449	
UNIVERSITY OF CALIFORNIA BERKLEY CA		NNX08AK56G	20,196 (R)	
UNIVERSITY OF CALIFORNIA SANTA CRUZ CA		CK NO 01225987	5,000	
UNIVERSITY OF IDAHO MOSCOW IDAHO		CK DTD 12/18/07	3,263 (R)	
Total Technology Transfer			19,608,632	
Other Federal Assistance	**43.OFA**			
Direct			1,212,757 (R)	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	17,323	
JET PROPULSION LABORATORIES		unknown	126,366 (R)	
RUTGERS UNIVERSITY		20214	41,487 (R)	
SPACE TELESCOPE SCIENCE INSTITUTE		unknown	18,137 (R)	
THE UNIVERSITY OF ALABAMA IN HUNTSVILLE		63-0520830	24,703 (R)	
UNCF SPECIAL PROGRAMS / NASA		NNG05GM10A	115,406	
UNIV OF SOUTHERN MISSISSIPPI		20274	20,160 (R)	
WOODS HOLE RESEARCH CENTER		68394	21,400 (R)	
Total Other Federal Assistance			1,597,739	
AGENCY TOTAL			**$ 22,878,723**	
National Foundation on the Arts and the Humanities				
Promotion of the Arts_Grants to Organizations and Individuals	**45.024**			
Direct			$ 51,189 (R)	
Through:				
ARTS MIDWEST		68978	9,926 (R)	
ARTS MIDWEST		eGRANT 32470	7,500	
Total Promotion of the Arts_Grants to Organizations and Individuals			68,615	
Promotion of the Arts_Partnership Agreements	**45.025**			
Direct			862,299	
Through:				
SOUTHERN ARTS FEDERATION		56-1129587	5,863	
Total Promotion of the Arts_Partnership Agreements			868,162	
Promotion of the Humanities_Federal/State Partnership	**45.129**			
Through:				
GEORGIA HUMANITIES COUNCIL		unknown	15	
GEORIGA HUMANITIES COUNCIL		51-0180861	19,578	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	1,351 (R)	
Total Promotion of the Humanities_Federal/State Partnership			20,944	
Promotion of the Humanities_Challenge Grants	**45.130**			
Direct			684,451 **(R)**	
Total Promotion of the Humanities_Challenge Grants			684,451	
Promotion of the Humanities_Division of Preservation and Access	**45.149**			
Direct			147,521 **(R)**	
Total Promotion of the Humanities_Division of Preservation and Access			147,521	
Promotion of the Humanities_Fellowships and Stipends	**45.160**			
Direct			25,200 **(R)**	
Total Promotion of the Humanities_Fellowships and Stipends			25,200	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Foundation on the Arts and the Humanities				
Promotion of the Humanities_Professional Development	**45.163**			
Direct			$ 115,255 **(R)**	
Total Promotion of the Humanities_Professional Development			115,255	
Promotion of the Humanities_Public Programs	**45.164**			
Direct			1,645	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	664	
Total Promotion of the Humanities_Public Programs			2,309	
Promotion of the Humanities_We the People	**45.168**			
Direct			33,459 **(R)**	
Total Promotion of the Humanities_We the People			33,459	
Museum for America Grants	**45.301**			
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	13,107	
Total Museum for America Grants			13,107	
Conservation Project Support	**45.303**			
Direct			3,000	
Total Conservation Project Support			3,000	
Museum Grants for African American History and Culture	**45.309**			
Direct			44,140	
Total Museum Grants for African American History and Culture			44,140	
State Library Program	**45.310**			
Direct			4,279,048	
Total State Library Program			4,279,048	
National Leadership Grants	**45.312**			
Direct			18,668 **(R)**	
Total National Leadership Grants			18,668	
AGENCY TOTAL			**$ 6,323,879**	
National Science Foundation				
Engineering Grants	**47.041**			
Direct			$ 15,294,336 **(R)**	
Through:				
ARIZONA STATE UNIVERSITY TEMPE AZ		607332	69,000 (R)	
ARIZONA STATE UNIVERSITY TEMPE AZ		836046	3,011 (R)	
CORNELL UNIVERSITY		335765	2,041,696 (R)	
CORNELL UNIVERSITY		649215	18,209 **(R)**	
CORNELL UNIVERSITY		ACI-0325536	117,540 (R)	
CORNELL UNIVERSITY ITHACA NY		821565	94,932 (R)	
FLORIDA INTERNATIONAL UNIVERSITY MIAMI FL		IIS-0308155	-86,678 (R)	
GEORGETOWN UNIVERSITY WASHINGTON DC		CNS-0634302	37,775 (R)	
IMAGING SYSTEMS TECHNOLOGY TOLEDO OH		IIP-0740104	62,515 (R)	
MARQUETTE UNIVERSITY MILWAUKEE WI		ECCS-0824017	60,839 (R)	
MECHANICAL INTEGRITY HUMBLE TX		NSF PROPOSAL 0740663	55,130 (R)	
MOHAWK INNOVATIVE TECHNOLOGY ALBANY NY		IIP-0637573	9,609 (R)	
MOREHOUSE COLLEGE ATLANTA GA		AGR DTD 3/13/07	60,880 (R)	
NEES CONSORTIUM INC DAVIS CA		CMMI-0402490	14,266 (R)	
NEW JERSEY INSTITUTE OF TECHNOLOGY FOUNDATION		unknown	44,515 (R)	
NORTH CAROLINA STATE UNIV RALEIGH NC		EEC-0438684	11,357 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Science Foundation				
NOVANA INC ALPHARETTA GA		IIP-0712305	$ 14,570 (R)	
OHIO UNIVERSITY ATHENS OH		CMS-0533290	7,705 (R)	
PROSPECT PHOTONICS ATLANTA GA		IIP-0740826	29,675 (R)	
PURDUE UNIVERSITY WEST LAFAYETTE IN		AGR DTD 12/18/08	16,823 (R)	
RICE UNIVERSITY HOUSTON TEXAS		EEC-0647452	105,285 (R)	
TEXAS ENGINEERING STATION TAMU COLLEGE STATION TX		CMMI-0709283	93,194 (R)	
UCLA LOS ANGELES CA		CMMI-0802658	4,545 (R)	
UNIV OF ALABAMA TUSCALOOSA AL		CTS-0608896	153,554 (R)	
UNIV OF FLORIDA		BES-0404000	105,587 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		EEC-9701785	2,381 (R)	
UNIV OF MAINE ORONO ME		CBET-0553861	63,328 (R)	
UNIVERSITY OF CALIFORNIA BERKLEY CA		CBET-0709090	64,585 (R)	
UNIVERSITY OF ILLINOIS		2003-01053-01 A7886	6,852 (R)	
UNIVERSITY OF MICHIGAN		unknown	37,574 (R)	
UNIVERSITY OF MINNESOTA		EEC-0540834	619,944 **(R)**	
UNIVERSITY OF MISSOURI ROLLA MISSOURI		EFRI-0836017	20,981 (R)	
Total Engineering Grants			19,255,515	
Mathematical and Physical Sciences	**47.049**			
Direct			11,803,029 (R)	
Through:				
BRIGHAM YOUNG UNIVERSITY		08-0255	3,937 (R)	
BRIGHAM YOUNG UNIVERSITY		58-6000063	3,829	
CARNEGIE MELLON INSTITUTE PITTSBURGH PA		CBET-0651182	65,462 (R)	
CARNEGIE MELLON INSTITUTE PITTSBURGH PA		CHE-0717954	42,480 (R)	
COLLEGE OF CHARLESTON		20367	5,190 (R)	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	154,729 (R)	
HOPE COLLEGE		unknown	27,415 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	87,783 (R)	
NOVANA INC ALPHARETTA GA		IIP-0848524	22,882 (R)	
STANFORD UNIVERSITY STANFORD CA		CHE-0410427	46,537 (R)	
UNIV OF MICHIGAN		SP4144012255-13	76,603 (R)	
UNIV OF NORTH CAROLINA CHAPEL HILL NC		CHE-9876674	114,315 (R)	
UNIV OF WASHINGTON SEATTLE WA		DMR-0120967	1,085,048 (R)	
UNIVERSITY OF CALIFORNIA SANTA CRUZ CA		PHY06-12811	10,000 (R)	
UNIVERSITY OF FLORIDA		59-6002052	2,606 (R)	
UNIVERSITY OF MINNESOTA MINNEAPOLIS MN		DMR-0212302	26,934 (R)	
UNIVERSITY OF MINNESOTA MINNEAPOLIS MN		DMR-0709584	33,935 (R)	
UNIVERSITY OF MINNESOTA MINNEAPOLIS MN		DMR-0819885	16,988 (R)	
UNIVERSITY OF OREGON EUGENE OREGON		DMR-0804648	11,411 (R)	
UNIVERSITY OF WASHINGTON		unknown	19,731 (R)	
WAYNE STATE UNIVERSITY		20279	8,923 (R)	
Total Mathematical and Physical Sciences			13,669,767	
Geosciences	**47.050**			
Direct			6,728,661 **(R)**	
Through:				
CARNEGIE MELLON INSTITUTE PITTSBURGH PA		CMS-0619078	50,013 (R)	
CLARK UNIVERSITY		20006	109,895 (R)	
CONSORTIUM OF UNIV FOR RES IN EARTHQUAKE ENG RICHM		CMMI-0721399	27,078 (R)	
DREXEL UNIVERSITY PITTSBURG PA		ATM-0627227	102,442 (R)	
UNIV CORP FOR ATMOSPH RESEARCH BOULDER COLORADO		ATM-0753581	12,288 (R)	
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		OCE0417616	23,365 (R)	
UNIV OF SOUTHERN CALIFORNIA MARINA DEL RAY CA		EAR-0529922	19,108 (R)	
UNIVERSITY OF CALIFORNIA DAVIS CA		ATM-0807702	76,599 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Science Foundation				
UNIVERSITY OF DELAWARE NEWARK DE		OCE-0308398	$ 35,370 (R)	
UNIVERSITY OF LOUISVILLE		unknown	35,252 (R)	
Total Geosciences			7,220,071	
Computer and Information Science and Engineering	**47.070**			
Direct			13,551,937 (R)	
Through:				
BBN SYSTEM AND TECHNOLOGIES ARLINGTON VA		NONE	52,139 (R)	
CLARK ATLANTA UNIVERSITY		58-1825259-A1	9,436 (R)	
COMPUTING RESEARCH ASSOCIATION WASHINGTON DC		637190	12,944 (R)	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	16,608	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,336 (R)	
NORTH CAROLINA A&T STATE UNIV GREENSBORO NC		CNS-0540577	18,338	
RUTGERS UNIVERSITY PISCATAWAY NJ		CNS 0435370	3,812 (R)	
RUTGERS UNIVERSITY PISCATAWAY NJ		DMS 06-02942	908 (R)	
TEXAS ENGINEERING EXPERIMENT STATION		unknown	20,900 (R)	
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		SCI-0427144	13,241 (R)	
UNIV OF N CAROLINA AT CHARLOTTE CHARLOTTE NC		CNS 0540523	21,370 (R)	
UNIVERSITY OF COLORADO BOULDER CO		CNS 0413538	7,637 (R)	
UNIVERSITY OF MARYLAND BALTIMORE COUNTY BALTIMORE		CCF0325119	11,848 (R)	
Total Computer and Information Science and Engineering			13,742,454	
Biological Sciences	**47.074**			
Direct			13,306,893 **(R)**	
Through:				
ADA TECHNOLOGIES, INC.		68544	2,914 (R)	
ARIZONA STATE UNIVERSITY TEMPE AZ		EEC-0080012	202,186 (R)	
COLORADO STATE UNIVERSITY		20246	31,273 (R)	
COMPACT MEMBRANE SYSTEMS		0II-0637647	10,951 (R)	
DUKE UNIVERSITY DURHAM NC		DBI-0820624	32,165 (R)	
EMORY UNIVERSITY		CHE-0404677	30,294 (R)	
EMORY UNIVERSITY		EB002009	48,472 (R)	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	258,661 (R)	
HEALTH RESEARCH, INC		68813	4,208 (R)	
INDIANA UNIVERSITY		20235	9,341 (R)	
IOWA STATE UNIVERSITY		20291	585,395 (R)	
J. CRAIG VENTER INSTITUTE		154	68,510 (R)	
LOUISIANA STATE UNIVERSITY		20252	3,207 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	105,423 (R)	
MIAMI UNIVERSITY		20449	1,710 (R)	
MICHIGAN STATE UNIVERSITY		20210	52,548 (R)	
MISSISSIPPI STATE UNIVERSITY		20262	44,367 (R)	
PENNSYLVANIA STATE UNIVERSITY		20269	109,516 (R)	
UNIV OF CALIFORNIA/DAVIS		20423	-11 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		CMS 97015	27,384 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		CMS 970175	25,356 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		CMS-9701785	4,793 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		EEC-9701785	123,723 (R)	
UNIV OF KANSAS CTR FOR RSCH IN		68904	10,760 (R)	
UNIV OF MISSOURI-COLUMBIA		20443	105,369 (R)	
UNIVERSITY OF CALIFORNIA		20218	175,440 (R)	
UNIVERSITY OF MISSOURI		20226	128,052 (R)	
UNIVERSITY OF PUERTO RICO		20414	66,805 (R)	
UNIVERSITY OF TENNESSEE		20271	60,805 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Science Foundation				
VIRGINIA COMMONWEALTH UNIV		20368	$ 4,341 (R)	
VIRGINIA POLYTECHNIC INSTITUTE		20233	13,923 (R)	
WASHINGTON UNIVERSITY		20364	31,928 (R)	
Total Biological Sciences			15,686,702	
Social, Behavioral, and Economic Sciences	**47.075**			
Direct			6,554,963 **(R)**	
Through:				
ARIZONA STATE UNIVERSITY		20272	36,789 (R)	
ARIZONA STATE UNIVERSITY TEMPE AZ		ISBE-0354453	58,261 (R)	
ARIZONA STATE UNIVERSITY TEMPE AZ		SES-0531194	158,459 (R)	
CLARK UNIVERSITY		20006	7,895 (R)	
COLUMBIA UNIVERSITY		68698	693 (R)	
SYRACUSE UNIVERSITY		unknown	27,747 (R)	
UNIVERSITY OF ARIZONA		20266	10,235 (R)	
Total Social, Behavioral, and Economic Sciences			6,855,042	
Education and Human Resources	**47.076**			
Direct			18,324,645 (R)	
Through:				
AGNES SCOTT COLLEGE DECATUR GA		DUE-0836997	1,371 (R)	
ARMSTRONG ATLANTIC UNIVERSITY SAVANNAH GA		DRL-0737372	24,829	
CLARK ATLANTA UNIVERSITY		unknown	20,652	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	803,740	
HARRISBURG UNIVERSITY OF SCIENCE AND TECHNOLOGY		0	1,487	
INDIANA UNIVERSITY		20235	458 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	-2,317 (R)	
NATIONAL CENTER FOR SCIENCE AND CIVIC ENGAGEMENT		618431	359	
SAN DIEGO STATE UNIV FOUND		69098	52,869 (R)	
UNIV OF PITTSBURGH PITTSBURGH PA		DRL-0741685	107,437 (R)	
UNIVERSITY OF MARYLAND		20223	-3,612 (R)	
UTAH STATE UNIVERSITY		20336	156,220 (R)	
Total Education and Human Resources			19,488,138	
Polar Programs	**47.078**			
Direct			423,691 **(R)**	
Through:				
UNIV CORP FOR ATMOSPH RESEARC BOULDER COLORADO		ATM-0301213	211,582 (R)	
Total Polar Programs			635,273	
International Science and Engineering (OISE)	**47.079**			
Direct			386,625 (R)	
Through:				
US CIVILIAN RSCH & DEVL FDN		69303	4,161 (R)	
Total International Science and Engineering (OISE)			390,786	
Office of Cyberinfrastructure	**47.080**			
Direct			57,943 **(R)**	
Total Office of Cyberinfrastructure			57,943	
ARRA-Trans-NSF Recovery Act Reasearch Support	**47.082**			
Direct			97,392 (R)	
Total ARRA-Trans-NSF Recovery Act Reasearch Support			97,392	
Other Federal Assistance	**47.OFA**			
Direct			630,893 **(R)**	
Through:				
BRIGHAM YOUNG UNIVERSITY		68724	23,374 (R)	
PEANUT FOUNDATION		69142	50,266 (R)	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Science Foundation				
S C SEA GRANT CONSORTIUM		20328	$ 39,399 (R)	
SC SEA GRANT CONSORTIUM		68764	11,011 (R)	
UNIVERSITY OF ILLINOIS		20221	-2,884 (R)	
UNIVERSITY OF TENNESSEE		20271	146,041 (R)	
Total Other Federal Assistance			898,100	
AGENCY TOTAL			**$ 97,997,183**	
Small Business Administration				
Small Business Development Center	**59.037**			
Direct			$ 2,569,938 (R)	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	134,647	
Total Small Business Development Center			2,704,585	
Womens Business Ownership Assistance	**59.043**			
Direct			17,223	
Total Womens Business Ownership Assistance			17,223	
Other Federal Assistance	**59.OFA**			
Direct			110,454 **(R)**	
Total Other Federal Assistance			110,454	
AGENCY TOTAL			**$ 2,832,262**	
Veterans Affairs, U.S. Department				
Veterans State Domiciliary Care	**64.014**			
Direct			$ 302,117	
Total Veterans State Domiciliary Care			302,117	
Veterans State Nursing Home Care	**64.015**			
Direct			12,980,767	
Total Veterans State Nursing Home Care			12,980,767	
Sharing Specialized Medical Resources	**64.018**			
Direct			50,616 (R)	
Total Sharing Specialized Medical Resources			50,616	
Burial Expenses Allowance for Veterans	**64.101**			
Direct			84,723	
Total Burial Expenses Allowance for Veterans			84,723	
Vocational Rehabilitation for Disabled Veterans	**64.116**			
Direct			152,178 **(R)**	
Total Vocational Rehabilitation for Disabled Veterans			152,178	
Post-Vietnam Era Veterans Educational Assistance	**64.120**			
Direct			465,488	
Total Post-Vietnam Era Veterans Educational Assistance			465,488	
State Cemetery Grants	**64.203**			
Direct			2,506,525	
Total State Cemetery Grants			2,506,525	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Veterans Affairs, U.S. Department				
Other Federal Assistance	**64.OFA**			
Direct			$ 14,947 (R)	
Total Other Federal Assistance			14,947	
AGENCY TOTAL			**$ 16,557,361**	
Environmental Protection Agency				
State Indoor Radon Grants	**66.032**			
Direct			$ 272,747	
Total State Indoor Radon Grants			272,747	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	**66.034**			
Direct			783,246 **(R)**	
Total Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			783,246	
State Clean Diesel Grant Program	**66.040**			
Direct			27,172	
Total State Clean Diesel Grant Program			27,172	
Water Pollution Control State and Interstate Program Support	**66.419**			
Direct			85,836	
Total Water Pollution Control State and Interstate Program Support			85,836	
State Public Water System Supervision	**66.432**			
Direct			62,875	
Total State Public Water System Supervision			62,875	
State Underground Water Source Protection	**66.433**			
Direct			57	
Total State Underground Water Source Protection			57	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	**66.436**			
Direct			35,492 **(R)**	
Total Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			35,492	
Targeted Watershed Grants	**66.439**			
Direct			94,789	
Total Targeted Watershed Grants			94,789	
Water Quality Management Planning	**66.454**			
Direct			6,321,281	
Total Water Quality Management Planning			6,321,281	
Capitalization Grants for Clean Water State Revolving Funds	**66.458**			
Direct			12,046,753	544,087,744
Total Capitalization Grants for Clean Water State Revolving Funds			12,046,753	544,087,744 (3)
Nonpoint Source Implementation Grants	**66.460**			
Direct			454,777 **(R)**	
Through:				
COLUMBUS WATER WORKS		NA	22,400 (R)	
WWETCO		NA	16,795 (R)	
Total Nonpoint Source Implementation Grants			493,972	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Environmental Protection Agency				
Regional Wetland Program Development Grants	**66.461**			
Direct			$ 147,160	
Total Regional Wetland Program Development Grants			147,160	
Water Quality Cooperative Agreements	**66.463**			
Direct			10,220	
Total Water Quality Cooperative Agreements			10,220	
Wastewater Operator Training Grant Program (Technical Assistance)	**66.467**			
Direct			22,900	
Total Wastewater Operator Training Grant Program (Technical Assistance)			22,900	
Capitalization Grants for Drinking Water State Revolving Funds	**66.468**			
Direct			20,146,638	86,806,445
Total Capitalization Grants for Drinking Water State Revolving Funds			20,146,638	86,806,445 (3)
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	**66.471**			
Direct			27,170	
Total State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs			27,170	
Beach Monitoring and Notification Program Implementation Grants	**66.472**			
Direct			330,760	
Total Beach Monitoring and Notification Program Implementation Grants			330,760	
Water Protection Grants to the States	**66.474**			
Direct			77,973	
Total Water Protection Grants to the States			77,973	
Environmental Protection_Consolidated Research	**66.500**			
Through:				
CONSORTIUM FOR PLANT BIOTECH R		68714	4,156 (R)	
Total Environmental Protection_Consolidated Research			4,156	
Science To Achieve Results (STAR) Research Program	**66.509**			
Direct			1,455,745 **(R)**	
Through:				
INDIANA UNIVERSITY		20235	47,346 (R)	
JOHNS HOPKINS BLOOMBERG SCHOOL OF PUBLIC HEALTH		RD83241701	4,548 (R)	
NORTH CAROLINA STATE UNIV		20211	20,176 (R)	
UNIV OF LOUISIANA AT LAFAYETTE		20463	158,791 (R)	
Total Science To Achieve Results (STAR) Research Program			1,686,606	
Office of Research and Development Consolidated Research/Training/Fellowships	**66.511**			
Direct			160,985 (R)	
Total Office of Research and Development Consolidated Research/Training/Fellowships			160,985	
Science To Achieve Results (STAR) Fellowship Program	**66.514**			
Direct			44,744 **(R)**	
Total Science To Achieve Results (STAR) Fellowship Program			44,744	
Performance Partnership Grants	**66.605**			
Direct			12,604,814	
Total Performance Partnership Grants			12,604,814	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Environmental Protection Agency				
Consolidated Pesticide Enforcement Cooperative Agreements	**66.700**			
Direct			$ 712,779	
Total Consolidated Pesticide Enforcement Cooperative Agreements			712,779	
Toxic Substances Compliance Monitoring Cooperative Agreements	**66.701**			
Direct			68,262	
Total Toxic Substances Compliance Monitoring Cooperative Agreements			68,262	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	**66.707**			
Direct			423,830	
Total TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals			423,830	
Pollution Prevention Grants Program	**66.708**			
Direct			23,531	
Total Pollution Prevention Grants Program			23,531	
Multi-Media Capacity Building Grants for States and Tribes	**66.709**			
Direct			10,601	
Total Multi-Media Capacity Building Grants for States and Tribes			10,601	
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	**66.716**			
Direct			15,770 **(R)**	
Total Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			15,770	
Source Reduction Assistance	**66.717**			
Direct			22,167	
Total Source Reduction Assistance			22,167	
Superfund State, Political Subdivision, and Indian Tribe Site_Specific Cooperative Agreements	**66.802**			
Direct			339,618	
Total Superfund State, Political Subdivision, and Indian Tribe Site_Specific Cooperative Agreements			339,618	
State and Tribal Underground Storage Tanks Program	**66.804**			
Direct			492,641	
Total State and Tribal Underground Storage Tanks Program			492,641	
Leaking Underground Storage Tank Trust Fund Program	**66.805**			
Direct			1,903,625	
Total Leaking Underground Storage Tank Trust Fund Program			1,903,625	
Solid Waste Management Assistance	**66.808**			
Direct			42,441 (R)	
Total Solid Waste Management Assistance			42,441	
Superfund State and Indian Tribe Core Program Cooperative Agreements	**66.809**			
Direct			293,864	
Total Superfund State and Indian Tribe Core Program Cooperative Agreements			293,864	
State and Tribal Response Program Grants	**66.817**			
Direct			1,076,183	
Total State and Tribal Response Program Grants			1,076,183	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Environmental Protection Agency				
Environmental Policy and State Innovation Grants	**66.940**			
Direct			$ 2,004	
Total Environmental Policy and State Innovation Grants			2,004	
Other Federal Assistance	**66.OFA**			
Direct			285,682 **(R)**	
Through:				
MACTEC, INC.		60906	3,969 (R)	
NATIONAL CTR FOR HEALTHY HOUSG		68899	20,508 (R)	
VARIOUS OTHER STATES		20204	375 (R)	
Total Other Federal Assistance			310,534	
AGENCY TOTAL			**$ 61,226,196**	**$ 630,894,189**
Nuclear Regulatory Commission				
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	**77.006**			
Direct			$ 348,440 **(R)**	
Total U. S. Nuclear Regulatory Commission Nuclear Education Grant Program			348,440	
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	**77.008**			
Direct			26,078 (R)	
Total U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program			26,078	
AGENCY TOTAL			**$ 374,518**	
Energy, U.S. Department of				
Used Energy-Related Laboratory Equipment Grants	**81.022**			
Through:				
UT-BATTELLE LLC		67929	$ 10,313 (R)	
Total Used Energy-Related Laboratory Equipment Grants			10,313	
Inventions and Innovations	**81.036**			
Through:				
EATON CORPORATION		DE-FC36-04G014000	4,467 (R)	
OAK RIDGE NATL LAB OAK RIDGE TN		DE-AC05-00OR22725	326,694 (R)	
PACIFIC NORTHWEST NATIONAL LAB		DE-AC05-76RL01830	170,285 (R)	
RESEARCH AND DEVELOPMENT SOLUTIONS LLC MORGANTOWN		DE-AC26-04NT41817	43,255 (R)	
UT-BATTELLE LLC		67929	22,790 (R)	
Total Inventions and Innovations			567,491	
ARRA-State Energy Program	**81.041**			
Direct			2,743	
Total ARRA-State Energy Program			2,743	
State Energy Program	**81.041**			
Direct			764,605 (R)	
Total State Energy Program			764,605	
Weatherization Assistance for Low-Income Persons	**81.042**			
Direct			3,780,680	
Total Weatherization Assistance for Low-Income Persons			3,780,680	
Office of Science Financial Assistance Program	**81.049**			
Direct			8,607,425 **(R)**	
Through:				

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
ARGONNE NATIONAL LABORATORY		68067	$ 148,605 (R)	
BATTELLE		213048	24,072 (R)	
BATTELLE		DE-AC05-76RL01830A	7 (R)	
BATTELLE MEMORIAL INSTITUTE, PACIFIC NORTHWEST LAB		31-4379427	7,016	
CARNEGIE MELLON INSTITUTE PITTSBURGH PA		DE-FG02-03ER15472	81,304 (R)	
CHEVRONTEXACO		SO 4523551	86,442 (R)	
CLEMSON UNIVERSITY CLEMSON SC		DE-FC21-92MC29061	85,753 (R)	
COMPACT MEMBRANE SYSTEMS		DE-FG02-08ER86343	33,000 (R)	
CONCURRENT TECHNOLOGY JOHNSTOWNE PA		DE-FC02-05CH11298	-3 (R)	
DUKE UNIVERSITY		67922	112,887 (R)	
EATON CORPORATION		DE-FC36-04G014000	30,000 (R)	
EVERGREEN SOLAR WALTHAM MA		ZAX-5-33628-08	25,305 (R)	
HARVARD UNIVERSITY BOSTON MA		DE-FG02-01ER45921	45,409 (R)	
LAWRENCE BERKELEY NATIONAL LAB UNIVERSITY OF CALIF		DE-AC02-05CH11231	359,273 (R)	
LAWRENCE LIVERMORE NAT'L LAB		DE-AC52-07NA27344	-1,006 (R)	
LOS ALAMOS NATIONAL LAB UNIVERSITY OF CALIFORNIA		W-7405-ENG-36	49,212 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	146,894 (R)	
MICHIGAN STATE UNIVERSITY EAST LANSING MI		DE-FG02-07ER64389	30,719 (R)	
NEI CORPORATION PISCATAWAY NY		DE-FG02-08ER85124	10,000 (R)	
NORTH CAROLINA STATE UNIV RALEIGH NC		DE-FG07-03ID14532	-434 (R)	
OAK RIDGE NATL LAB OAK RIDGE TN		DE-AC05-00OR22725	1,109,917 (R)	
OAK RIDGE NATL LAB OAK RIDGE TN		DOE DE-AC05-00OR2272	39,197 (R)	
OG TECHNOLOGIES ANN ARBOR MI		011-0620436	76,235 (R)	
PACIFIC NORTHWEST NATIONAL LAB		DE-AC05-76RL01830B	69,400 (R)	
PRINCETON UNIVERSITY PLAINSBORO NJ		DE-FG02-04ER46165	77,154 (R)	
RNET TECHNOLOGIES		DE-FG02-05ER84163	98,711 (R)	
RWE SCHOTT SOLAR WELLESLEY MA		DE-AC36-99-GO10337	-3,994 (R)	
SANDIA NATL LABS WESTERN ELECTRIC CO INC		521279	45,003 (R)	
SANDIA NATL LABS WESTERN ELECTRIC CO INC		DE-AC04-AL-85000	144,553 (R)	
SAVANNAH RIVER NUCLEAR SOLUTION		235,236	7,307 (R)	
UCHICAGO ARGONNE LLC		DE-AC02-06CH11357	16,587 (R)	
UCLA LOS ANGELES CA		DE-FG02-07ER64439	21,639 (R)	
UNIV OF ILLINOIS URBANA ILLINOIS		DE-FG07-07ID14891	198,591 (R)	
UNIV OF TENNESSEE		DE-FG05-080R23331	107,000 (R)	
UNIVERSITY OF CALIFORNIA		20218	58,812 (R)	
UNIVERSITY OF NORTH CAROLINA CHARLOTTE NC		DE-AC05-76RL01830C	119,992 (R)	
UNIVERSITY OF WASHINGTON		20292	97,300 (R)	
WESTINGHOUSE		24953	25,950 (R)	
Total Office of Science Financial Assistance Program			12,191,234	
University Coal Research	**81.057**			
Direct			361,540 **(R)**	
Total University Coal Research			361,540	
Office of Scientific and Technical Information	**81.064**			
Direct			53,472 **(R)**	
Through:				
UT-BATTELLE LLC		67929	16,529 (R)	
Total Office of Scientific and Technical Information			70,001	
Nuclear Waste Disposal Siting	**81.065**			
Through:				
IDAHO NATL ENGINEERING LAB IDAHO FALLS		DE-AC07-051D14517	1,833 (R)	
Total Nuclear Waste Disposal Siting			1,833	
Regional Biomass Energy Programs	**81.079**			
Direct			268,400 **(R)**	
Through:				

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
CLEANTECH PARTNERS INC MIDDLETON WI		DE-PS36-06-GO96002F	$ 49,950 (R)	
SOUTH DAKOTA STATE UNIVERSITY		20387	42,604 (R)	
Total Regional Biomass Energy Programs			360,954	
Conservation Research and Development	**81.086**			
Direct			1,800,035 **(R)**	
Through:				
COLORADO STATE UNIVERSITY		20246	68,852 (R)	
NORTH CAROLINA STATE UNIV RALEIGH NC		DE-FC36-04GO14308	105,626 (R)	
SAVANNAH RIVER NUCLEAR SOLUTNS		61579	2,831 (R)	
Total Conservation Research and Development			1,977,344	
Renewable Energy Research and Development	**81.087**			
Direct			1,594,243 **(R)**	
Through:				
BP SOLAR FREDERICK MARYLAND		DE-FC36-007GO17049	90,690 (R)	
CONSORTIUM FOR PLANT BIOTECH R		68714	392,700 (R)	
GE ENERGY SERVICES ATLANTA GA		DE-FC36-07GO170045	100,000 (R)	
GENERAL ELECTRIC COMPANY		ZAX-5-33628	-7,460 (R)	
NATIONAL RENEWABLE ENERGY LAB MIDWEST RESEARCH INS		DE-AC36-98G)10337	-3,452 (R)	
NATIONAL RENEWABLE ENERGY LAB MIDWEST RESEARCH INS		DE-AC36-99GO10337	-6,449 (R)	
NATIONAL RENEWABLE ENERGY LAB/MIDWEST RESEARCH INS		DE-AC36-99GO10337	16,937 (R)	
RESEARCH AND DEVELOPMENT SOLUTIONS LLC MORGANTOWN		DE-AM26-09NT41817.62	24,678 (R)	
SOUTHERN FOREST RSCH PARTNERSH		68786	17,615 (R)	
THE CONSORTIUM FOR PLANT BIOTECH RES INC		DE-FG36-02GO12026	106,969 (R)	
UNIV OF TENNESSEE		DE-FG02-05ER15723	11,381 (R)	
Total Renewable Energy Research and Development			2,337,852	
Fossil Energy Research and Development	**81.089**			
Direct			623,300 **(R)**	
Through:				
RESEARCH AND DEVELOPMENT SOLUTIONS LLC MORGANTOWN		DE-AC26-04NT41817	9,018 (R)	
SANDIA NAT'L LABS WESTERN ELECTRIC CO		DE-AC04-AL-85000	24,263 **(R)**	
SOUTHWEST RESEARCH INSTITUTE		DE-FC26-07NT43056	97,636 (R)	
UNIVERSITY OF MISSISSIPPI		20273	14,094 (R)	
US AUTOMOTIVE MATERIALS PARTNERSHIP AUBURN HILLS		DE-FC26-02OR2910	26,400 (R)	
Total Fossil Energy Research and Development			794,711	
Office of Environmental Waste Processing	**81.104**			
Direct			76,745	
Total Office of Environmental Waste Processing			76,745	
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	**81.106**			
Through:				
SOUTHERN STATES ENERGY BOARD		58-0864888	310,077	
Total Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions			310,077	
Defense Nuclear Nonproliferation Research	**81.113**			
Direct			169,190 **(R)**	
Through:				
LAWRENCE LIVERMORE NAT'L LAB LIVERMORE CA		DE-AC52-07NA27344	85,699 (R)	
SANDIA NATL LABS WESTERN ELECTRIC CO INC		DE-AC04-AL-8500	15,000 (R)	
SANDIA NATL LABS WESTERN ELECTRIC CO INC		DE-AC04-AL-85000	49,353 (R)	
SAVANNAH RIVER COMPANY WESTINGHOUSE		DE-AC09-96SR18500	58,597 (R)	
UNIVERSITY OF CALIFORNIA		FA8718-07-C-0005	36,463 (R)	
Total Defense Nuclear Nonproliferation Research			414,302	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
University Reactor Infrastructure and Education Support	**81.114**			
Direct			$ 100,922 **(R)**	
Through:				
PENNSYLVANIA STATE UNIV UNIV PARK PA		DE-FG07-02ID14423	24,634 (R)	
SOUTH CAROLINA STATE UNIVERSITY ORANGEBURG SC		DE-FG07-005ID14692	131,601 (R)	
Total University Reactor Infrastructure and Education Support			257,157	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	**81.117**			
Direct			173,716 **(R)**	
Total Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance			173,716	
State Energy Program Special Projects	**81.119**			
Direct			369,996	
Total State Energy Program Special Projects			369,996	
Nuclear Energy Research, Development and Demonstration	**81.121**			
Direct			997,571 **(R)**	
Through:				
IDAHO NATL ENGINEERING LAB IDAHO FALLS		DE-AC07-05ID14517	83,986 (R)	
Total Nuclear Energy Research, Development and Demonstration			1,081,557	
Federal Loan Guarantees for Innovative Energy Technologies	**81.126**			
Through:				
SAVANNAH RIVER NUCLEAR SOLUTNS		61579	212,945 (R)	
Total Federal Loan Guarantees for Innovative Energy Technologies			212,945	
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	**81.128**			
Direct			2,743	
Total ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)			2,743	
Other Federal Assistance	**81.OFA**			
Direct			1,059,277 **(R)**	
Through:				
GE GLOBAL RESEARCH		61394	78,618 (R)	
INDIANA UNIVERSITY		20235	2,471 (R)	
MARINE BIOLOGICAL LABORATORY		67228	11,782 (R)	
SAVANNAH RIVER NUCLEAR SOLUTNS		61579	18,893 (R)	
UNIVERSITY OF WASHINGTON		20292	8,920 (R)	
UT-BATTELLE LLC		67929	3,416,398 (R)	
Total Other Federal Assistance			4,596,359	
AGENCY TOTAL			**$ 30,716,898**	
Education, U.S. Department of				
Adult Education - Basic Grants to States	**84.002**			
Direct			$ 16,379,891	
Total Adult Education - Basic Grants to States			16,379,891	
Federal Supplemental Educational Opportunity Grants (SFA)	**84.007**			
Direct			9,628,506	
Total Federal Supplemental Educational Opportunity Grants (SFA)			9,628,506	
Title I Grants to Local Educational Agencies (TITLE1A)	**84.010**			
Direct			444,007,920	
Through:				

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
TAYLOR COUNTY BOARD OF EDUCATION		7331	$ 4,850	
TROUP COUNTY BOARD OF EDUCATION		7411	12,237	
Total Title I Grants to Local Educational Agencies (TITLE1A)			444,025,007	
Migrant Education_State Grant Program	**84.011**			
Direct			7,736,085	
Through:				
SOUTHERN PINE MIGRANT EDUCATIONAL AGENCY		58-1171281	30,468	
Total Migrant Education_State Grant Program			7,766,553	
Title I Program for Neglected and Delinquent Children	**84.013**			
Direct			1,143,479	
Total Title I Program for Neglected and Delinquent Children			1,143,479	
Undergraduate International Studies and Foreign Language Programs	**84.016**			
Direct			91,261 (R)	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	87,846	
Total Undergraduate International Studies and Foreign Language Programs			179,107	
International Research and Studies	**84.017**			
Direct			209,134 **(R)**	
Total International Research and Studies			209,134	
Overseas Programs - Group Projects Abroad	**84.021**			
Direct			159,582 (R)	
Total Overseas Programs - Group Projects Abroad			159,582	
Overseas Programs - Doctoral Dissertation Research Abroad	**84.022**			
Direct			36,987 **(R)**	
Total Overseas Programs - Doctoral Dissertation Research Abroad			36,987	
Special Education_Grants to States (SEC)	**84.027**			
Direct			302,571,540	
Total Special Education_Grants to States (SEC)			302,571,540	
Higher Education_Institutional Aid	**84.031**			
Direct			9,668,656	
Total Higher Education_Institutional Aid			9,668,656	
Federal Family Education Loans (SFA)	**84.032**			
Direct			50,911,228	1,707,134,486
Total Federal Family Education Loans (SFA)			50,911,228	1,707,134,486 (3)
Federal Work-Study Program (SFA)	**84.033**			
Direct			9,837,356	
Total Federal Work-Study Program (SFA)			9,837,356	
Federal Perkins Loan Program_Federal Capital Contributions (SFA)	**84.038**			
Direct			749,414	39,190,030
Total Federal Perkins Loan Program_Federal Capital Contributions (SFA)			749,414	39,190,030 (3)
TRIO_Student Support Services (TRIO)	**84.042**			
Direct			2,214,371 (R)	
Total TRIO_Student Support Services (TRIO)			2,214,371	
TRIO_Talent Search (TRIO)	**84.044**			
Direct			1,507,928 (R)	
Through:				

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	$ 254,946	
Total TRIO_Talent Search (TRIO)			1,762,874	
TRIO_Upward Bound (TRIO)	**84.047**			
Direct			4,919,996 **(R)**	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	385,717	
Total TRIO_Upward Bound (TRIO)			5,305,713	
Career and Technical Education_Basic Grants to States	**84.048**			
Direct			36,873,802	
Through:				
GA VOCATIONAL STAFF DEVELOPMENT CONSORTIUM		CTAE6073	34,203	
Total Career and Technical Education_Basic Grants to States			36,908,005	
Federal Pell Grant Program (SFA)	**84.063**			
Direct			374,264,923	
Total Federal Pell Grant Program (SFA)			374,264,923	
TRIO_Educational Opportunity Centers (TRIO)	**84.066**			
Direct			543,681	
Total TRIO_Educational Opportunity Centers (TRIO)			543,681	
Leveraging Educational Assistance Partnership	**84.069**			
Direct			667,845	
Total Leveraging Educational Assistance Partnership			667,845	
Fund for the Improvement of Postsecondary Education	**84.116**			
Direct			1,057,784 (R)	
Through:				
ACADEMY FOR EDUCA DEVELOP INC WASHINGTON DC		H357F030002-07	11,905	
UNIV OF MICHIGAN		P116J040049	-928 (R)	
UNIVERSITY OF FLORIDA		20220	7,773 (R)	
Total Fund for the Improvement of Postsecondary Education			1,076,534	
Educational Research and Development	**84.117**			
Direct			55,000	
Total Educational Research and Development			55,000	
Minority Science and Engineering Improvement	**84.120**			
Direct			86,292 **(R)**	
Total Minority Science and Engineering Improvement			86,292	
Rehabilitation Services_Vocational Rehabilitation Grants to States (VRC)	**84.126**			
Direct			83,186,511	
Total Rehabilitation Services_Vocational Rehabilitation Grants to States (VRC)			83,186,511	
Rehabilitation Services_Service Projects	**84.128**			
Direct			76,654	
Total Rehabilitation Services_Service Projects			76,654	
Rehabilitation Long-Term Training	**84.129**			
Direct			164,776	
Through:				
UNIVERSITY OF NORTH TEXAS		unknown	2,256	
Total Rehabilitation Long-Term Training			167,032	
National Institute on Disability and Rehabilitation Research	**84.133**			
Direct			3,308,723 (R)	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
Through:				
SHEPHERD SPINAL CENTER ATLANTA GA		H133N060009	$ 5,464 (R)	
SOUTHWEST EDUCATIONAL DEVELOPMENT LAB AUSTIN TX		H133A031402	30,904 (R)	
SYRACUSE UNIVERSITY SYRACUSE NY		H133A060094	53,816 (R)	
Total National Institute on Disability and Rehabilitation Research			3,398,907	
Migrant Education_High School Equivalency Program	**84.141**			
Direct			417,643	
Total Migrant Education_High School Equivalency Program			417,643	
Migrant Education_College Assistance Migrant Program	**84.149**			
Direct			317,845	
Total Migrant Education_College Assistance Migrant Program			317,845	
Business and International Education Projects	**84.153**			
Direct			32,572	
Total Business and International Education Projects			32,572	
Independent Living_State Grants	**84.169**			
Direct			605,042	
Total Independent Living_State Grants			605,042	
Special Education_Preschool Grants (SEC)	**84.173**			
Direct			10,003,433	
Total Special Education_Preschool Grants (SEC)			10,003,433	
Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind	**84.177**			
Direct			758,521	
Total Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind			758,521	
Special Education-Grants for Infants and Families (EIS)	**84.181**			
Direct			14,141,924	
Total Special Education-Grants for Infants and Families (EIS)			14,141,924	
Byrd Honors Scholarships	**84.185**			
Direct			1,296,000	
Total Byrd Honors Scholarships			1,296,000	
Safe and Drug-Free Schools and Communities_State Grants	**84.186**			
Direct			7,888,038	
Total Safe and Drug-Free Schools and Communities_State Grants			7,888,038	
Supported Employment Services for Individuals with Significant Disabilities	**84.187**			
Direct			766,400	
Total Supported Employment Services for Individuals with Significant Disabilities			766,400	
Education for Homeless Children and Youth	**84.196**			
Direct			914,136	
Total Education for Homeless Children and Youth			914,136	
Graduate Assistance in Areas of National Need	**84.200**			
Direct			299,173	
Total Graduate Assistance in Areas of National Need			299,173	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
Even Start_State Educational Agencies	**84.213**			
Direct			$ 1,780,218	
Total Even Start_State Educational Agencies			1,780,218	
Fund for the Improvement of Education	**84.215**			
Through:				
NATIONAL COUNCIL ON ECONOMIC EDUCATION		IS-05-1006	25,106 (R)	
Total Fund for the Improvement of Education			25,106	
TRIO_McNair Post-Baccalaureate Achievement (TRIO)	**84.217**			
Direct			278,938	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	256,413	
Total TRIO_McNair Post-Baccalaureate Achievement (TRIO)			535,351	
Centers for International Business Education	**84.220**			
Direct			375,299 **(R)**	
Total Centers for International Business Education			375,299	
Assistive Technology	**84.224**			
Direct			733,066	
Total Assistive Technology			733,066	
Income Contingent Loan Program	**84.226**			
Direct			0	51,916
Total Income Contingent Loan Program			0	51,916 (3)
Rehabilitation Services Demonstration and Training Programs	**84.235**			
Through:				
AMERICAN ACADEMY OF ORTHOTISTS		unknown	10,751 (R)	
Total Rehabilitation Services Demonstration and Training Programs			10,751	
Tech-Prep Education	**84.243**			
Direct			5,728	
Total Tech-Prep Education			5,728	
Rehabilitation Training_Continuing Education	**84.264**			
Direct			397,868	
Through:				
SYRACUSE UNIVERSITY SYRACUSE NY		H264A080021	14,952 (R)	
Total Rehabilitation Training_Continuing Education			412,820	
Rehabilitation Training_State Vocational Rehabilitation Unit In-Service Training	**84.265**			
Direct			124,121	
Total Rehabilitation Training_State Vocational Rehabilitation Unit In-Service Training			124,121	
Federal Direct Student Loans (SFA)	**84.268**			
Direct			535,299,436	
Total Federal Direct Student Loans (SFA)			535,299,436	
Charter Schools	**84.282**			
Direct			3,874,769	
Total Charter Schools			3,874,769	
Twenty-First Century Community Learning Centers	**84.287**			
Direct			21,922,825	
Total Twenty-First Century Community Learning Centers			21,922,825	
State Grants for Innovative Programs	**84.298**			

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
Direct			$ 84,597	
Total State Grants for Innovative Programs			84,597	
Civic Education - Cooperative Education Exchange Program	**84.304**			
Through:				
CENTER FOR CIVIC EDUCATION		68759	39,229 (R)	
Total Civic Education - Cooperative Education Exchange Program			39,229	
Education Research, Development and Dissemination	**84.305**			
Direct			74,983 **(R)**	
Total Education Research, Development and Dissemination			74,983	
Education Technology State Grants	**84.318**			
Direct			4,005,840	
Total Education Technology State Grants			4,005,840	
Special Education - State Personnel Development	**84.323**			
Direct			588,230	
Total Special Education - State Personnel Development			588,230	
Research in Special Education	**84.324**			
Direct			3,420,536 **(R)**	
Through:				
UNIVERSITY OF MINNESOTA		20225	1,989 (R)	
Total Research in Special Education			3,422,525	
Special Education_Personnel Preparation to Improve Services and Results for Children with Disabilities	**84.325**			
Direct			1,218,164 (R)	
Total Special Education_Personnel Preparation to Improve Services and Results for Children with Disabilities			1,218,164	
Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	**84.326**			
Direct			304,319	
Total Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			304,319	
Special Education_Technology and Media Services for Individuals with Disabilities	**84.327**			
Through:				
CAST, INC.		222746879	71,289	
UNIVERSITY OF OREGON		20441	11,209 (R)	
Total Special Education_Technology and Media Services for Individuals with Disabilities			82,498	
Special Education_Studies and Evaluations	**84.329**			
Through:				
CENTER FOR CIVIC EDUCATION		68759	8 (R)	
Total Special Education_Studies and Evaluations			8	
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	**84.330**			
Direct			-575	
Total Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)			-575	
Grants to States for Incarcerated Youth Offenders	**84.331**			
Direct			944,197	
Total Grants to States for Incarcerated Youth Offenders			944,197	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
Comprehensive School Reform Demonstration	**84.332**			
Direct			$ -99,620	
Through:				
FLORIDA STATE UNIVERSITY		20278	23,195 (R)	
Total Comprehensive School Reform Demonstration			-76,425	
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	**84.333**			
Direct			109,838 **(R)**	
Total Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education			109,838	
Gaining Early Awareness and Readiness for Undergraduate Programs	**84.334**			
Direct			623,410	
Total Gaining Early Awareness and Readiness for Undergraduate Programs			623,410	
Child Care Access Means Parents in School	**84.335**			
Direct			222,488	
Total Child Care Access Means Parents in School			222,488	
Teacher Quality Enhancement Grants	**84.336**			
Direct			1,352,923	
Total Teacher Quality Enhancement Grants			1,352,923	
Transition to Teaching	**84.350**			
Direct			1,756,400 **(R)**	
Through:				
DEKALB COUNTY SCHOOL SYSTEM		40254	52,869 (R)	
Total Transition to Teaching			1,809,269	
Arts in Education	**84.351**			
Direct			289,308	
Through:				
ALLIANCE THEATRE		unknown	47,141 (R)	
Total Arts in Education			336,449	
Reading First State Grants	**84.357**			
Direct			32,963,427	
Total Reading First State Grants			32,963,427	
Rural Education	**84.358**			
Direct			6,217,163	
Total Rural Education			6,217,163	
Early Reading First	**84.359**			
Through:				
UNITED WAY		unknown	39,590 (R)	
Total Early Reading First			39,590	
School Leadership	**84.363**			
Direct			298,642	
Total School Leadership			298,642	
English Language Acquisition Grants	**84.365**			
Direct			16,195,014	
Total English Language Acquisition Grants			16,195,014	
Mathematics and Science Partnerships	**84.366**			
Direct			5,192,253	
Through:				

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
GLYNN COUNTY SCHOOLS		586000249	$ 598	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	11,881	
Total Mathematics and Science Partnerships			5,204,732	
Improving Teacher Quality State Grants	**84.367**			
Direct			77,769,428 (R)	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	266,423	
MERCER UNIVERSITY MACON GA		RH216-241/3840588	5,932	
MERCER UNIVERSITY MACON GA		RH216-241/3840598	2,699	
Total Improving Teacher Quality State Grants			78,044,482	
Grants for Enhanced Assessment Instruments	**84.368**			
Direct			90,379	
Through:				
VANDERBILT UNIVERSITY		unknown	21,840 (R)	
Total Grants for Enhanced Assessment Instruments			112,219	
Grants for State Assessments and Related Activities	**84.369**			
Direct			12,036,589	
Total Grants for State Assessments and Related Activities			12,036,589	
Special Education_Technical Assistance On State Data Collection	**84.373**			
Direct			605,868	
Through:				
BALL STATE UNIVERSITY		unknown	3,281 (R)	
VANDERBILT UNIVERSITY		unknown	27,515 (R)	
Total Special Education_Technical Assistance On State Data Collection			636,664	
Academic Competitiveness Grants (SFA)	**84.375**			
Direct			7,411,006	
Total Academic Competitiveness Grants (SFA)			7,411,006	
National Science and Mathematics Access to Retain Talent (SFA)	**84.376**			
Direct			3,801,974	
Total National Science and Mathematics Access to Retain Talent (SFA)			3,801,974	
School Improvement Grants	**84.377**			
Direct			14,981,854	
Total School Improvement Grants			14,981,854	
College Access Challenge Grant Program	**84.378**			
Direct			1,708,688	
Total College Access Challenge Grant Program			1,708,688	
Teacher Education Assistance for College and Higher Education Grants (SFA)	**84.379**			
Direct			1,050,588	
Total Teacher Education Assistance for College and Higher Education Grants (SFA)			1,050,588	
Strengthening Minority-Serving Institutions	**84.382**			
Direct			164,115	
Total Strengthening Minority-Serving Institutions			164,115	
ARRA-Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act (VRC)	**84.390**			
Direct			44,679	
Total ARRA-Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act (VRC)			44,679	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
ARRA-State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (SFS)	**84.394**			
Direct			$ 160,764,003	
Total ARRA-State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (SFS)			160,764,003	
ARRA-State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act (SFS)	**84.397**			
Direct			12,356,685	
Total ARRA-State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act (SFS)			12,356,685	
National Assessment of Educational Progress	**84.902**			
Direct			105,312	
Total National Assessment of Educational Progress			105,312	
National Writing Project	**84.928**			
Direct			76,726 **(R)**	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	33,027	
NATIONAL WRITING PROJECT		07GA07	45,457	
NATIONAL WRITING PROJECT		68636	63,951 (R)	
UNIVERSITY OF CA		University of CA	44,970	
UNIVERSITY OF CALIFORNIA		94-3130846	39,121	
Total National Writing Project			303,252	
Hurricane Education Recovery	**84.938**			
Direct			-128,024	
Total Hurricane Education Recovery			-128,024	
Other Federal Assistance	**84.OFA**			
Direct			240,165	
Through:				
TALBOT COUNTY SCHOOL DISTRICT		40263	672 (R)	
UNIV NORTH CAROLINA GREENSBORO		20470	258,409 (R)	
UNIVERSITY OF TENNESSEE		62-6001636	65,554	
UT-BATTELLE LLC		67929	3,456 (R)	
Total Other Federal Assistance			568,256	
AGENCY TOTAL			**$ 2,335,543,876**	**$ 1,746,376,432**
National Archives and Records Administration				
National Archives Reference Services_Historical Research	**89.001**			
Direct			$ 19,856	
Total National Archives Reference Services_Historical Research			19,856	
National Historical Publications and Records Grants	**89.003**			
Direct			9,627	
Total National Historical Publications and Records Grants			9,627	
Other Federal Assistance	**89.OFA**			
Direct			5,945	
Total Other Federal Assistance			5,945	
AGENCY TOTAL			**$ 35,428**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
United States Institute of Peace				
Unsolicited Grant Program	**91.001**			
Direct			$ 1,114 **(R)**	
Total Unsolicited Grant Program			1,114	
AGENCY TOTAL			**$ 1,114**	
Health and Human Services, U.S. Department of				
Civil Rights and Privacy Rule Compliance Activities	**93.001**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	$ 270 (R)	
Total Civil Rights and Privacy Rule Compliance Activities			270	
Public Health and Social Services Emergency Fund	**93.003**			
Direct			181,279	
Total Public Health and Social Services Emergency Fund			181,279	
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	**93.006**			
Direct			219,019	
Total State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program			219,019	
Community-Based Abstinence Education (CBAE)	**93.010**			
Through:				
FRIENDS OF COBB COMMISSION ON YOUTH		58-2119585	45,617 (R)	
Total Community-Based Abstinence Education (CBAE)			45,617	
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	**93.041**			
Direct			112,079	
Total Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation			112,079	
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	**93.042**			
Direct			392,870	
Total Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals			392,870	
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	**93.043**			
Direct			450,741	
Through:				
CSRA REG DEV COMMISSION/ AREA AGENCY ON AGING		Contract 08-08-1131	1,760	
Total Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services			452,501	
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers (AC)	**93.044**			
Direct			8,290,067	
Through:				
SOUTHEASET GA REGIONAL DEVELOPMENT CENTER		AAA-2004-11	24,051	
Total Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers (AC)			8,314,118	
Special Programs for the Aging_Title III, Part C_Nutrition Services (AC)	**93.045**			
Direct			12,971,534	
Total Special Programs for the Aging_Title III, Part C_Nutrition Services (AC)			12,971,534	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	**93.048**			
Direct			$ 337,289	
Total Special Programs for the Aging_Title IV_and Title II_Discretionary Projects			337,289	
Alzheimers Disease Demonstration Grants to States	**93.051**			
Direct			720,232	
Total Alzheimers Disease Demonstration Grants to States			720,232	
National Family Caregiver Support	**93.052**			
Direct			4,717,803	
Total National Family Caregiver Support			4,717,803	
Nutrition Services Incentive Program (AC)	**93.053**			
Direct			3,303,528	
Total Nutrition Services Incentive Program (AC)			3,303,528	
Innovations in Applied Public Health Research	**93.061**			
Direct			1,083,540 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	17,351 (R)	
Total Innovations in Applied Public Health Research			1,100,891	
Centers for Genomics and Public Health	**93.063**			
Direct			67,050 **(R)**	
Total Centers for Genomics and Public Health			67,050	
Public Heatlh Emergency Preparedness	**93.069**			
Direct			9,605,458 (R)	
Total Public Heatlh Emergency Preparedness			9,605,458	
Healthy Marriage Promotion and Responsible Fatherhood Grants	**93.086**			
Direct			195,306	
Total Healthy Marriage Promotion and Responsible Fatherhood Grants			195,306	
Enhance The Safety Of Children Affected By Parental Methamphetamine Or Other Substance Abuse	**93.087**			
Direct			371,703	
Total Enhance The Safety Of Children Affected By Parental Methamphetamine Or Other Substance Abuse			371,703	
Food and Drug Administration_Research	**93.103**			
Direct			175,916 (R)	
Total Food and Drug Administration_Research			175,916	
Model State-Supported Area Health Education Centers	**93.107**			
Direct			332,896	
Total Model State-Supported Area Health Education Centers			332,896	
Maternal and Child Health Federal Consolidated Programs	**93.110**			
Direct			231,172	
Through:				
HEMOPHILIA OF GEORGIA		H30 MC00011	10,157	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	243,016 (R)	
Total Maternal and Child Health Federal Consolidated Programs			484,345	
Biological Response to Environmental Health Hazards	**93.113**			
Direct			314,404 **(R)**	
Through:				
EMORY UNIVERSITY		1 PO1 ES016731-01	98,301 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
EMORY UNIVERSITY		1R01 ES012967	$ 45,936 (R)	
EMORY UNIVERSITY		5-41610-G01	45,732 (R)	
INDIANAPOLIS UNIV PERDUE UNIV INDIANAPOLIS IND		R03ES016434	12,637 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	69,335 (R)	
UNIV OF NEBRASKA MEDICAL CTR		20350	25,568 (R)	
UNIVERSITY OF MIAMI		68841	68,616 (R)	
Total Biological Response to Environmental Health Hazards			680,529	
Applied Toxicological Research and Testing	**93.114**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	148,245 (R)	
Total Applied Toxicological Research and Testing			148,245	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	**93.116**			
Direct			2,326,288	
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs			2,326,288	
Oral Diseases and Disorders Research	**93.121**			
Direct			255,902 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	497,592 (R)	
Total Oral Diseases and Disorders Research			753,494	
Emergency Medical Services for Children	**93.127**			
Direct			133,860	
Total Emergency Medical Services for Children			133,860	
Primary Care Services Resource Coordination and Development	**93.130**			
Direct			205,339	
Total Primary Care Services Resource Coordination and Development			205,339	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	**93.135**			
Through:				
MOREHOUSE SCHOOL OF MEDICINE		unknown	16,502 (R)	
Total Centers for Research and Demonstration for Health Promotion and Disease Prevention			16,502	
Injury Prevention and Control Research and State and Community Based Programs	**93.136**			
Direct			2,005,394 (R)	
Through:				
ASSOCIATED TEACHERS OF PREVENTATIVE MEDICINE		unknown	4,144 (R)	
KENT STATE UNIVERSITY		unknown	57,837 (R)	
Total Injury Prevention and Control Research and State and Community Based Programs			2,067,375	
NIEHS Superfund Hazardous Substances_Basic Research and Education	**93.143**			
Through:				
SYNKERA TECHNOLOGIES INC LONGMONT CO		1R43ES017192-01	2,500 (R)	
UNIVERSITY OF TEXAS AT AUSTIN AUSTIN TX		R01 ES016154-01	51,510 (R)	
Total NIEHS Superfund Hazardous Substances_Basic Research and Education			54,010	
Projects for Assistance in Transition from Homelessness (PATH)	**93.150**			
Direct			902,956	
Total Projects for Assistance in Transition from Homelessness (PATH)			902,956	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Health Program for Toxic Substances and Disease Registry	**93.161**			
Direct			$ 484,744 (R)	
Total Health Program for Toxic Substances and Disease Registry			484,744	
Human Genome Research	**93.172**			
Direct			236,809 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	13,841 (R)	
Total Human Genome Research			250,650	
Research Related to Deafness and Communication Disorders	**93.173**			
Direct			64,973 **(R)**	
Through:				
EMORY UNIVERSITY		2 R56 DC005017-06A1	75,821 (R)	
EMORY UNIVERSITY		5 R01 DC008343-03	39,607 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	216,573 (R)	
STATE UNIV OF NEW YORK BUFFALO NY		1R01 DC005762-01A1	91,589 (R)	
UNIV OF CALIFORNIA/SANTA BARBA		29248	66,719 (R)	
Total Research Related to Deafness and Communication Disorders			555,282	
Nursing Workforce Diversity	**93.178**			
Direct			1,125,953	
Through:				
GSU RESEARCH SERVICES FOUNDATION, INC.		63828383	191,809	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	177,661	
Total Nursing Workforce Diversity			1,495,423	
Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improvement Projects	**93.185**			
Through:				
UNIVERSITY OF CALGARY		70051	31,052 (R)	
Total Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improvement Projects			31,052	
Allied Health Special Projects	**93.191**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	82,227	
Total Allied Health Special Projects			82,227	
Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	**93.197**			
Direct			337,104	
Total Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			337,104	
Human Health Studies_Applied Research and Development	**93.206**			
Direct			263,539 **(R)**	
Through:				
ARIZONA STATE UNIVERSITY TEMPE AZ		AGREEMENT DTD 2/19/0	9,485 (R)	
EMORY UNIVERSITY		1 R21 HL087969-01A1	62,818 (R)	
EMORY UNIVERSITY		1 RO1 HL085417-01A2	10,432 (R)	
EMORY UNIVERSITY		2 R01 HL070531	94,370 (R)	
EMORY UNIVERSITY		2 R01AR049659-06A2	12,544 (R)	
IEM INC BATON ROUGE LA		HSSO1002000600018C M	42,712 (R)	
MOREHOUSE COLLEGE ATLANTA GA		AGR DTD 8/5/08	10,000 (R)	
SAFESLIDEBOARD INC		TBD	28,627 (R)	
STATE UNIV OF NEW YORK AT BINGHAMTON BINGHAMTON N		1R01DC009429-01	77,171 (R)	
TKC INTEGRATION SERVICES LLC TUCKER GA		200-2006-15969	63,283 (R)	
TKC INTEGRATION SERVICES LLC TUCKER GA		200-2006-15969.0102	53,836 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		2 U54 GM069338-06	$ 516,214 (R)	
Total Human Health Studies_Applied Research and Development			1,245,031	
Telehealth Network Grants	**93.211**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	9,460	
Total Telehealth Network Grants			9,460	
Research and Training in Complementary and Alternative Medicine	**93.213**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	196,545 (R)	
TEXAS TECH UNIVERSITY		20244	18,248 (R)	
UNIV OF KY RESEARCH FDN LEXINGTON KY		2 RO1 DA013425-04A2	49,362 (R)	
Total Research and Training in Complementary and Alternative Medicine			264,155	
Family Planning_Services	**93.217**			
Direct			8,927,686	
Total Family Planning_Services			8,927,686	
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers) (HCC)	**93.224**			
Direct			2,525,916	
Total Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers) (HCC)			2,525,916	
Research on Healthcare Costs, Quality and Outcomes	**93.226**			
Direct			1,840,808 **(R)**	
Through:				
CHILDREN'S HEALTHCARE OF ATLANTA ATLANTA GA		1 UC1 HS015236-01	-96,183 (R)	
EMORY UNIVERSITY		1 R18 HS017831-01	9,368 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	71,459 **(R)**	
Total Research on Healthcare Costs, Quality and Outcomes			1,825,452	
Epidemiology Cooperative Agreements	**93.231**			
Through:				
UNIVERSITY OF MINNESOTA		20225	254,662 (R)	
Total Epidemiology Cooperative Agreements			254,662	
Traumatic Brain Injury State Demonstration Grant Program	**93.234**			
Direct			99,739	
Total Traumatic Brain Injury State Demonstration Grant Program			99,739	
Abstinence Education Program	**93.235**			
Direct			1,292,479	
Total Abstinence Education Program			1,292,479	
Grants for Dental Public Health Residency Training	**93.236**			
Direct			117,365	
Total Grants for Dental Public Health Residency Training			117,365	
Policy Research and Evaluation Grants	**93.239**			
Through:				
UNIVERSITY OF KENTUCKY		61-6033693	49,260 (R)	
UNIVERSITY OF KENTUCKY		unknown	8,515 (R)	
Total Policy Research and Evaluation Grants			57,775	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
State Capacity Building	**93.240**			
Direct			$ 127,511	
Total State Capacity Building			127,511	
State Rural Hospital Flexibility Program	**93.241**			
Direct			474,627	
Total State Rural Hospital Flexibility Program			474,627	
Mental Health Research Grants	**93.242**			
Direct			2,400,744 **(R)**	
Through:				
EMORY UNIVERSITY		5 R01 MH065634	9,203 (R)	
EMORY UNIVERSITY		unknown	29,978 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,487,022 (R)	
UNIVERSITY OF IOWA		20251	210,052 (R)	
VIRTUALLY BETTER, INC.		unknown	136 (R)	
Total Mental Health Research Grants			4,137,135	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	**93.243**			
Direct			3,135,858 **(R)**	
Through:				
MCFARLAND AND ASSOCIATES		280-08-05005	84,312	
MOREHOUSE SCHOOL OF MEDICINE		581438873	3,402 (R)	
MOREHOUSE SCHOOL OF MEDICINE		58-1438873	2,084 (R)	
Total Substance Abuse and Mental Health Services_Projects of Regional and National Significance			3,225,656	
Advanced Education Nursing Grant Program	**93.247**			
Direct			84,995	
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	55,733	
Total Advanced Education Nursing Grant Program			140,728	
Universal Newborn Hearing Screening	**93.251**			
Direct			43,674	
Total Universal Newborn Hearing Screening			43,674	
Occupational Safety and Health Program	**93.262**			
Direct			699,860 **(R)**	
Through:				
UNIVERSITY OF WASHINGTON		20292	77,592 (R)	
Total Occupational Safety and Health Program			777,452	
Nurse Faculty Loan Program (NFLP)	**93.264**			
Direct			0	8,000
Total Nurse Faculty Loan Program (NFLP)			0	8,000 (3)
Immunization Grants (IMC)	**93.268**			
Direct			8,795,833 **(R)**	149,219,715
Through:				
TRIBOFILM RESEARCH INC RALEIGH NC		200-2008-M-26726	27,456 (R)	
Total Immunization Grants (IMC)			8,823,289	149,219,715 (4)
Complex Humanitarian Emergency and War-Related Injury Public Health Activities	**93.269**			
Direct			11,109 **(R)**	
Total Complex Humanitarian Emergency and War-Related Injury Public Health Activities			11,109	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Alcohol National Research Service Awards for Research Training	**93.272**			
Direct			$ 47,982 **(R)**	
Through:				
IOWA STATE UNIVERSITY		20291	100,124 (R)	
Total Alcohol National Research Service Awards for Research Training			148,106	
Alcohol Research Programs	**93.273**			
Direct			1,319,156 **(R)**	
Through:				
MERCER UNIVERSITY		67923	3,761 (R)	
Total Alcohol Research Programs			1,322,917	
Drug-Free Communities Support Program Grants	**93.276**			
Direct			91,764	
Total Drug-Free Communities Support Program Grants			91,764	
Drug Abuse and Addiction Research Programs	**93.279**			
Direct			5,760,355 **(R)**	
Through:				
DARTMOUTH COLLEGE		68755	43,948 (R)	
EMORY UNIVERSITY		1 R01 DA 017795-01	37,292 (R)	
EMORY UNIVERSITY		unknown	92,170 (R)	
IOWA STATE UNIVERSITY		20291	8,336 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	159,135 (R)	
UNIV OF CALIFORNIA/IRVINE		20422	50,062 (R)	
UNIVERSITY OF KENTUCKY		20222	38,417 (R)	
Total Drug Abuse and Addiction Research Programs			6,189,715	
National Institutes of Health Loan Repayment Program for Clinical Researchers	**93.280**			
Direct			32,953 **(R)**	
Total National Institutes of Health Loan Repayment Program for Clinical Researchers			32,953	
Mental Health National Research Service Awards for Research Training	**93.282**			
Direct			65,061 **(R)**	
Total Mental Health National Research Service Awards for Research Training			65,061	
Centers for Disease Control and Prevention_Investigations and Technical Assistance	**93.283**			
Direct			27,992,752 (R)	
Through:				
ATPM		unknown	1,498 (R)	
HEMOPHILIA OF GEORGIA		U01 DD000201	11,147	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,089	
SE CENTER EMERGING BIO THREATS		68670	68,603 (R)	
Total Centers for Disease Control and Prevention_Investigations and Technical Assistance			28,075,089	
Discovery and Applied Research for Technological Innovations to Improve Human Health	**93.286**			
Direct			4,478,036 **(R)**	
Through:				
BRIGHAM AND WOMEN'S HOSPITAL BOSTON MA		1 U54 EB005149-01	199,657 (R)	
BRIGHAM AND WOMEN'S HOSPITAL BOSTON MA		2-P41-RR013218-08	2,425 (R)	
CLEMSON UNIVERSITY CLEMSON SC		5 R01 EB006163	76,802 (R)	
FLORIDA INTERNATIONAL UNIVERSITY MIAMI FL		2 R01 AI045545-05	26,431 (R)	
NEURAL SIGNALS INC ATLANTA GA		1 R43 NS064642-0	278 (R)	
TKC INTEGRATION SERVICES LLC TUCKER GA		200-2006-15969	134,234 (R)	
TUFTS UNIVERSITY MEDFORD MA		R01-EB003210	85,890 (R)	
UNIVERSITY OF MIAMI MEDICAL SCHOOL MIAMI FL		2 P01 AG17211-09	-1,074 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
UNIVERSITY OF MIAMI MEDICAL SCHOOL MIAMI FL		3 P01 AG017211-09S1	$ 2,982 (R)	
Total Discovery and Applied Research for Technological Innovations to Improve Human Health			5,005,661	
Nurse Practitioner and Nurse-Midwifery Education Program	**93.298**			
Direct			881	
Total Nurse Practitioner and Nurse-Midwifery Education Program			881	
Small Rural Hospital Improvement Grant Program	**93.301**			
Direct			516,469	
Total Small Rural Hospital Improvement Grant Program			516,469	
Comparative Medicine	**93.306**			
Direct			824 **(R)**	
Total Comparative Medicine			824	
Minority Health and Health Disparities Research	**93.307**			
Direct			150,092 **(R)**	
Total Minority Health and Health Disparities Research			150,092	
Trans-NIH Research Support	**93.310**			
Direct			15,954 **(R)**	
Total Trans-NIH Research Support			15,954	
Clinical Research	**93.333**			
Direct			80,926 **(R)**	
Total Clinical Research			80,926	
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (SFA)	**93.342**			
Direct			0	247,495
Total Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (SFA)			0	247,495 (3)
Advanced Education Nursing Traineeships	**93.358**			
Direct			270,508 **(R)**	
Through:				
GSU RESEARCH SERVICES FOUNDATION, INC.		63828383	32,275	
Total Advanced Education Nursing Traineeships			302,783	
Nurse Education, Practice and Retention Grants	**93.359**			
Direct			635,269	
Total Nurse Education, Practice and Retention Grants			635,269	
Nursing Research	**93.361**			
Direct			135,925 **(R)**	
Through:				
INDIANA UNIVERSITY		20235	19,218 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	90,035 (R)	
Total Nursing Research			245,178	
Nursing Student Loans (SFA)	**93.364**			
Direct			0	1,177,175
Total Nursing Student Loans (SFA)			0	1,177,175 (3)
National Center for Research Resources	**93.389**			
Direct			4,646,596 **(R)**	
Through:				
BRIGHAM AND WOMEN'S HOSPITAL BOSTON MA		P41 RR013218-11	62,583 (R)	
CORNELL UNIVERSITY		2 R01 RR020115-05	48,192 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
EMORY UNIVERSITY		1 UL1 RR025008-01	$ -100,230 (R)	
EMORY UNIVERSITY		1 UL1 RR025008-02	376,971 (R)	
EMORY UNIVERSITY		67128	43,162 (R)	
LOUISIANA STATE UNIVERSITY		20252	50,565 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	5,078 (R)	
UNIV OF MICHIGAN		RR012255-12	62,965 (R)	
Total National Center for Research Resources			5,195,882	
Academic Research Enhancement Award	**93.390**			
Direct			240,993 **(R)**	
Total Academic Research Enhancement Award			240,993	
Cancer Construction	**93.392**			
Direct			120,597 **(R)**	
Total Cancer Construction			120,597	
Cancer Cause and Prevention Research	**93.393**			
Direct			221,869 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	801,511 (R)	
Total Cancer Cause and Prevention Research			1,023,380	
Cancer Detection and Diagnosis Research	**93.394**			
Direct			607,068 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	239,189 (R)	
Total Cancer Detection and Diagnosis Research			846,257	
Cancer Treatment Research	**93.395**			
Direct			530,984 **(R)**	
Through:				
EMORY UNIVERSITY		unknown	143,748 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,690,693 **(R)**	
UNIVERSITY OF HAWAII		29250	45,505 (R)	
Total Cancer Treatment Research			2,410,930	
Cancer Biology Research	**93.396**			
Direct			330,883 **(R)**	
Through:				
EMORY UNIVERSITY		1 R01 CA 108468-01	482,826 (R)	
EMORY UNIVERSITY		5 R01 CA108468-03	-72,528 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	3,163,293 (R)	
WEST VIRGINIA UNIVERSITY		55-6000842	35,682 (R)	
Total Cancer Biology Research			3,940,156	
Cancer Centers Support Grants	**93.397**			
Through:				
EMORY UNIVERSITY		67128	15,138 (R)	
Total Cancer Centers Support Grants			15,138	
Cancer Research Manpower	**93.398**			
Direct			126,304 **(R)**	
Total Cancer Research Manpower			126,304	
Cancer Control	**93.399**			
Through:				
EMORY UNIVERSITY		1 U54 CA119338-01	622,709 (R)	
EMORY UNIVERSITY		5 R01 CA119338-03	49,830 (R)	
EMORY UNIVERSITY		5 U54 CA119338-02	-2,855 (R)	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	$ 544,759 (R)	
VIVONETICS ATLANTA GA		R42CA103103	9,320 (R)	
Total Cancer Control			1,223,763	
Promoting Safe and Stable Families	**93.556**			
Direct			12,521,202	
Through:				
RICHMOND COUNTY DEPT OF FAMILY & CHILDREN SVC		539-2692 & 539-3281	62,025	
Total Promoting Safe and Stable Families			12,583,227	
Temporary Assistance for Needy Families (TANF)	**93.558**			
Direct			368,449,919	
Through:				
CLARKE COUNTY SCHOOL DISTRICT		40092	33,000 (R)	
Total Temporary Assistance for Needy Families (TANF)			368,482,919	
Family Support Payments to States_Assistance Payments	**93.560**			
Direct			-144,644	
Total Family Support Payments to States_Assistance Payments			-144,644	
ARRA-Child Support Enforcement	**93.563**			
Direct			15,968,904	
Total ARRA-Child Support Enforcement			15,968,904	
Child Support Enforcement	**93.563**			
Direct			46,708,326	
Total Child Support Enforcement			46,708,326	
Child Support Enforcement Research	**93.564**			
Direct			149,482	
Total Child Support Enforcement Research			149,482	
Refugee and Entrant Assistance_State Administered Programs	**93.566**			
Direct			8,344,865	
Total Refugee and Entrant Assistance_State Administered Programs			8,344,865	
Low-Income Home Energy Assistance	**93.568**			
Direct			56,281,644	
Total Low-Income Home Energy Assistance			56,281,644	
Community Services Block Grant (CSBG)	**93.569**			
Direct			16,733,832	
Total Community Services Block Grant (CSBG)			16,733,832	
Child Care and Development Block Grant (CCDF)	**93.575**			
Direct			74,988,123	
Total Child Care and Development Block Grant (CCDF)			74,988,123	
Refugee and Entrant Assistance_Discretionary Grants	**93.576**			
Direct			445,922	
Total Refugee and Entrant Assistance_Discretionary Grants			445,922	
Refugee and Entrant Assistance_Wilson/Fish Program	**93.583**			
Through:				
EMORY UNIVERSITY		5 R01 NS20855-18	-12,782 (R)	
UNIVERSITY OF VIRGINIA		20275	88,360 (R)	
Total Refugee and Entrant Assistance_Wilson/Fish Program			75,578	
Refugee and Entrant Assistance_Targeted Assistance Grants	**93.584**			

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Direct			$ 1,171,376	
Total Refugee and Entrant Assistance_Targeted Assistance Grants			1,171,376	
State Court Improvement Program	**93.586**			
Direct			1,336,152	
Total State Court Improvement Program			1,336,152	
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	**93.590**			
Direct			1,141,492	
Total COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS			1,141,492	
Family Violence Prevention and Services/Grants for Battered Womens Shelters_Discretionary Grants	**93.592**			
Through:				
ATPM		unknown	7,216 (R)	
MATHEMATICAL POLICY RESEARCH, INC.		unknown	1,235,905 (R)	
Total Family Violence Prevention and Services/Grants for Battered Womens Shelters_Discretionary Grants			1,243,121	
Welfare Reform Research, Evaluations and National Studies	**93.595**			
Direct			616,450 **(R)**	
Total Welfare Reform Research, Evaluations and National Studies			616,450	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF)	**93.596**			
Direct			110,407,927	
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF)			110,407,927	
Grants to States for Access and Visitation Programs	**93.597**			
Direct			336,081	
Total Grants to States for Access and Visitation Programs			336,081	
Chafee Education and Training Vouchers Program (ETV)	**93.599**			
Direct			552,945	
Total Chafee Education and Training Vouchers Program (ETV)			552,945	
Head Start (HS)	**93.600**			
Direct			2,989,316 **(R)**	
Through:				
CLARKE COUNTY SCHOOL DISTRICT		40092	11,645 (R)	
Total Head Start (HS)			3,000,961	
Adoption Incentive Payments	**93.603**			
Direct			92,000	
Total Adoption Incentive Payments			92,000	
Family Connection Grants	**93.605**			
Through:				
COMMUNITIES IN SCHOOLS OF GA		68988	36,578 (R)	
Total Family Connection Grants			36,578	
Voting Access for Individuals with Disabilities_Grants to States	**93.617**			
Direct			214,859	
Total Voting Access for Individuals with Disabilities_Grants to States			214,859	
Developmental Disabilities Basic Support and Advocacy Grants	**93.630**			
Direct			2,240,305	
Total Developmental Disabilities Basic Support and Advocacy Grants			2,240,305	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	**93.632**			
Direct			$ 456,896 **(R)**	
Through:				
NATIONAL CENTER FOR LEARNING		unknown	412,938	
Total University Centers for Excellence in Developmental Disabilities Education, Research, and Service			869,834	
Childrens Justice Grants to States	**93.643**			
Direct			573,391	
Total Childrens Justice Grants to States			573,391	
Child Welfare Services_State Grants	**93.645**			
Direct			9,797,016	
Total Child Welfare Services_State Grants			9,797,016	
Child Welfare Services Training Grants	**93.648**			
Through:				
UNIVERSITY OF MISSOURI		20226	21,129 (R)	
Total Child Welfare Services Training Grants			21,129	
Adoption Opportunities	**93.652**			
Direct			169,869	
Total Adoption Opportunities			169,869	
ARRA-Foster Care_Title IV-E	**93.658**			
Direct			2,905,854	
Total ARRA-Foster Care_Title IV-E			2,905,854	
Foster Care_Title IV-E	**93.658**			
Direct			85,421,502	
Total Foster Care_Title IV-E			85,421,502	
ARRA-Adoption Assistance	**93.659**			
Direct			2,283,278	
Total ARRA-Adoption Assistance			2,283,278	
Adoption Assistance	**93.659**			
Direct			37,697,494	
Total Adoption Assistance			37,697,494	
Social Services Block Grant	**93.667**			
Direct			55,114,834	
Total Social Services Block Grant			55,114,834	
Child Abuse and Neglect State Grants	**93.669**			
Direct			605,408	
Total Child Abuse and Neglect State Grants			605,408	
Family Violence Prevention and Services/Grants for Battered Womens Shelters_Grants to States and Indian Tribes	**93.671**			
Direct			2,304,783	
Total Family Violence Prevention and Services/Grants for Battered Womens Shelters_Grants to States and Indian Tribes			2,304,783	
Chafee Foster Care Independence Program	**93.674**			
Direct			2,602,134	
Total Chafee Foster Care Independence Program			2,602,134	
ARRA-Trans-NIH Recovery Act Research Support	**93.701**			

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Direct			$ 87,291 **(R)**	
Through:				
AUBURN UNIVERSITY		unknown	11,477 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	154,708 (R)	
Total ARRA-Trans-NIH Recovery Act Research Support			253,476	
ARRA-ARRA Health Center Integrated Services Development Initiative (HCC)	**93.703**			
Direct			12,560	
Total ARRA-ARRA Health Center Integrated Services Development Initiative (HCC)			12,560	
ARRA- Aging Home-Delivered Nutrition Services for States (AC)	**93.705**			
Direct			-1	
Total ARRA- Aging Home-Delivered Nutrition Services for States (AC)			-1	
State Childrens Insurance Program	**93.767**			
Direct			222,704,995	
Total State Childrens Insurance Program			222,704,995	
Medicare_Hospital Insurance	**93.773**			
Direct			2,830,508	
Total Medicare_Hospital Insurance			2,830,508	
Medicare_Supplementary Medical Insurance	**93.774**			
Direct			13,843,095	
Total Medicare_Supplementary Medical Insurance			13,843,095	
State Medicaid Fraud Control Units (MC)	**93.775**			
Direct			3,096,922	
Total State Medicaid Fraud Control Units (MC)			3,096,922	
State Survey and Certification of Health Care Providers and Suppliers (MC)	**93.777**			
Direct			6,938,860	
Total State Survey and Certification of Health Care Providers and Suppliers (MC)			6,938,860	
ARRA-Medical Assistance Program (MC)	**93.778**			
Direct			497,422,574	
Total ARRA-Medical Assistance Program (MC)			497,422,574	
Medical Assistance Program (MC)	**93.778**			
Direct			5,149,526,880	
Total Medical Assistance Program (MC)			5,149,526,880	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	**93.779**			
Direct			2,281,899	
Total Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations			2,281,899	
Seed Grants to States for Qualified High-Risk Pools	**93.781**			
Direct			21,339 **(R)**	
Total Seed Grants to States for Qualified High-Risk Pools			21,339	
Alternatives to Psychiatric Residential Treatment Facilities for Children	**93.789**			
Direct			133,293	
Total Alternatives to Psychiatric Residential Treatment Facilities for Children			133,293	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Alternate Non-Emergency Service Providers or Networks	**93.790**			
Direct			$ 298,288	
Total Alternate Non-Emergency Service Providers or Networks			298,288	
Medicaid Transformation Grants	**93.793**			
Direct			3,761,055	
Total Medicaid Transformation Grants			3,761,055	
Cardiovascular Diseases Research	**93.837**			
Direct			1,720,328 **(R)**	
Through:				
CORNELL UNIVERSITY		67101	-677 (R)	
EMORY UNIVERSITY		1 R01 HL083867-01	150,279 (R)	
EMORY UNIVERSITY		1 R01 HL087012-01A1	237,475 (R)	
EMORY UNIVERSITY		1 R01 HL70531-01	-9,236 (R)	
EMORY UNIVERSITY		1 R01 HL70531-02	156 (R)	
EMORY UNIVERSITY		1 RO1 HL090601-01A2	15,054 (R)	
EMORY UNIVERSITY		1 U01 HL 080711-01	39,163 (R)	
EMORY UNIVERSITY		2 R01 HL060903-08	30,790 (R)	
EMORY UNIVERSITY		2 R01 HL070531	126,647 (R)	
EMORY UNIVERSITY		5 R21 HL089120-01A1	37,624 (R)	
EMORY UNIVERSITY		67128	190,906 (R)	
EMORY UNIVERSITY		R01 HL07627-01A2	38,798 (R)	
EMORY UNIVERSITY		R01 HS073753-01A2	-3,701 (R)	
JOHNS HOPKINS UNIV BALTIMORE MD		1 R21 HL082860-01A2	91,868 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	10,665,252 (R)	
MEDICAL UNIVERSITY OF SOUTH CAROLINA		N01-HV-28281	50,878 (R)	
UNIVERSITY OF TX SW MEDICAL		NA	11,484 (R)	
WRIGHT STATE UNIVERSITY		20440	103,758 (R)	
Total Cardiovascular Diseases Research			13,496,846	
Lung Diseases Research	**93.838**			
Direct			90,550 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,879,861 (R)	
Total Lung Diseases Research			1,970,411	
Blood Diseases and Resources Research	**93.839**			
Direct			846,752 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	577,354 (R)	
UNIV OF CALIFORNIA SAN DIEGO LAJOLLA CA		1 U54 GM069338-01	10,061 (R)	
Total Blood Diseases and Resources Research			1,434,167	
Arthritis, Musculoskeletal and Skin Diseases Research	**93.846**			
Direct			1,235,584 **(R)**	
Through:				
BAYLOR COLLEGE OF MEDICINE		unknown	38,600 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	573,521 (R)	
UNIVERSITY OF MARYLAND		unknown	45,062 (R)	
Total Arthritis, Musculoskeletal and Skin Diseases Research			1,892,767	
Diabetes, Digestive, and Kidney Diseases Extramural Research	**93.847**			
Direct			1,889,811 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	6,750,285 (R)	
Total Diabetes, Digestive, and Kidney Diseases Extramural Research			8,640,096	
Digestive Diseases and Nutrition Research	**93.848**			

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Direct			$ 887,436 **(R)**	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	368,286 (R)	
UNIVERSITY OF TOLEDO		20321	10,584 (R)	
Total Digestive Diseases and Nutrition Research			1,266,306	
Kidney Diseases, Urology and Hematology Research	**93.849**			
Direct			303,206 **(R)**	
Through:				
CHILDREN'S HOSPITAL LOS ANGELES		UNDERGRAD STEP-UP	540 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	283,748 (R)	
Total Kidney Diseases, Urology and Hematology Research			587,494	
Extramural Research Programs in the Neurosciences and Neurological Disorders	**93.853**			
Direct			591,567 **(R)**	
Through:				
DREXEL UNIVERSITY PITTSBURG PA		NIH R01 NS048844	89,886 (R)	
EMORY UNIVERSITY		1 R01 NS053822-01A2	139,318 (R)	
EMORY UNIVERSITY		1 R21 NS053801-01	41,809 (R)	
EMORY UNIVERSITY		1 R21 NS054809-01A1	33,369 (R)	
EMORY UNIVERSITY		1 R21 NS057718-01A2	7,527 (R)	
EMORY UNIVERSITY		5 R01 NS039852	28,458 (R)	
EMORY UNIVERSITY		58-0566256	8,340 (R)	
JOHNS HOPKINS UNIV BALTIMORE MD		1 R01 NS037747	35,155 (R)	
LSU BATON ROUGE LA		R 01 NS054281-01	144,607 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	3,797,719 (R)	
MICHIGAN STATE UNIVERSITY EAST LANSING MI		R01NS06031	4,821 (R)	
NEURAL SIGNALS INC ATLANTA GA		2 R44 DC007050-02	33,546 (R)	
UNIVERSITY OF PENNSYLVANIA PHILADELPHIA PA		2-R01-NS-042645-06A2	62,367 (R)	
UNIVERSITY OF PENNSYLVANIA PHILADELPHIA PA		R01-NS048598-01A2	32,949 (R)	
Total Extramural Research Programs in the Neurosciences and Neurological Disorders			5,051,438	
Allergy, Immunology and Transplantation Research	**93.855**			
Direct			9,303,408 **(R)**	
Through:				
ALNYLAM PHARMACEUTICALS		61440	-96 (R)	
AUBURN UNIVERSITY		20288	125,355 (R)	
EMORY UNIVERSITY		3395000	677,142 (R)	
INSECTIGEN, INC.		61380	32,703 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,501,634 (R)	
OKLAHOMA STATE UNIVERSITY		20248	-13 (R)	
PENNSYLVANIA STATE UNIVERSITY		20269	206,612 (R)	
UNIV OF NORTH CAROLINA CHAPEL HILL NC		3-U54-AI-057157-06S1	103,072 (R)	
UNIVERSITY OF ARIZONA		20266	45,937 (R)	
UNIVERSITY OF FLORIDA		20220	22,020 (R)	
UNIVERSITY OF MASSACHUSETTS		1 R21 AI073425-01A2	110,033 (R)	
UNIVERSITY OF MINNESOTA		20225	76,218 (R)	
UNIVERSITY OF NORTH CAROLINA CHAPEL HILL		unknown	18,392 (R)	
UNIVERSITY OF SOUTH FLORIDA		20294	14,520 (R)	
UNIVERSITY OF WISCONSIN		20232	21,276 (R)	
Total Allergy, Immunology and Transplantation Research			12,258,213	
Microbiology and Infectious Diseases Research	**93.856**			
Direct			1,200,907 **(R)**	
Through:				
BRANDEIS UNIVERSITY		67628	115,725 (R)	
EMORY UNIVERSITY		67128	1,757,155 (R)	
J CRAIG VENTER INSTITUTE		68936	46,072 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	$ 557,078 (R)	
OHIO STATE RESEARCH FDN		69211	71,590 (R)	
UNIVERSITY OF ALABAMA		20216	1,010 (R)	
UNIVERSITY OF MEMPHIS, THE		20420	82,476 (R)	
UNIVERSITY OF NOTTINGHAM		unknown	42,653 (R)	
UNIVERSITY OF PENNSYLVANIA		20240	52,704 (R)	
ZUCHEM		2 R44AI65127-02	47,717 (R)	
Total Microbiology and Infectious Diseases Research			3,975,087	
Biomedical Research and Research Training	**93.859**			
Direct			11,479,994 **(R)**	
Through:				
ADA TECHNOLOGIES, INC.		68544	19,895 (R)	
AMERICAN SOCIETY FOR CELL BIOLOGY		39-6054285	6,937	
EMORY UNIVERSITY		1 P20 GM072069-01	146,468 (R)	
EMORY UNIVERSITY		1 U01 HL08071101	390,674 (R)	
EMORY UNIVERSITY		U01 HL080711	365,905 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	676,825 (R)	
MEDICAL UNIVERSITY OF SOUTH CAROLINA		2 R01 GM063265-05A1	34,200 (R)	
NEW MEXICO STATE UNIVERSITY		unknown	-687 (R)	
RENSSELAER POLYTECHNIC INSTITU		68780	147,796 (R)	
RUTGERS UNIVERSITY		20214	219,988 (R)	
UNIV OF FLORIDA		R01 DK047858	44,356 (R)	
UNIV OF MICHIGAN		3395000	221,316 (R)	
UNIVERSITY OF ILLINOIS		20221	114,808 (R)	
UNIVERSITY OF WASHINGTON		20292	62,996 (R)	
UNIVERSITY OF WISCONSIN MADISON WISCONSIN		1 R01 GM076274-01A1	28,943 (R)	
Total Biomedical Research and Research Training			13,960,414	
Child Health and Human Development Extramural Research	**93.865**			
Direct			2,351,276 **(R)**	
Through:				
EMORY UNIVERSITY		2 P01 HD032571-11A1	419,652 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,764,702 (R)	
UNIV OF CALIFORNIA/IRVINE		20422	22,526 (R)	
UNIVERSITY OF CONNECTICUT		unknown	35,674 (R)	
UNIVERSITY OF TEXAS /AUSTIN		20231	102,239 (R)	
Total Child Health and Human Development Extramural Research			4,696,069	
Aging Research	**93.866**			
Direct			2,945,908 **(R)**	
Through:				
EMORY UNIVERSITY		1 P01 AG026423-01A2	90,488 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,326,500 (R)	
UNIVERSITY OF MIAMI MEDICAL SCHOOL MIAMI FL		5 P01 AG17211-10	183,865 (R)	
UNIVERSITY OF WISCONSIN		unknown	4,290 (R)	
VANDERBILT UNIVERSITY NASHVILLE TN		1 R21AG030184-01A1	23,447 (R)	
WAKE FOREST UNIVERSITY		68059	129,298 (R)	
Total Aging Research			4,703,796	
Vision Research	**93.867**			
Direct			2,310,138 **(R)**	
Through:				
BETH ISRAEL DEACONESS MEDICAL		unknown	64,124 (R)	
EMORY UNIVERSITY		1 U01 HL 080711-01	359,826 (R)	
EMORY UNIVERSITY		5 P01 HL 075209-20	72,770 (R)	
EMORY UNIVERSITY		R24 EY017045-01	236,452 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	1,785,456 (R)	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
UNIVERSITY OF CALIFORNIA, RIVE		unknown	$ 4,365 (R)	
Total Vision Research			4,833,131	
Medical Library Assistance	**93.879**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	3,484 (R)	
Total Medical Library Assistance			3,484	
Grants for Training in Primary Care Medicine and Dentistry	**93.884**			
Direct			350,934	
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	565,913	
TALLAHASSEE MEMORIAL HCARE FND		69838	8,223 (R)	
Total Grants for Training in Primary Care Medicine and Dentistry			925,070	
Health Care and Other Facilities	**93.887**			
Direct			34,600 **(R)**	
Total Health Care and Other Facilities			34,600	
Specially Selected Health Projects	**93.888**			
Through:				
GSU RESEARCH AND SERVICE FOUNDATION, INC.		063828383 DUNS	61,912	
Total Specially Selected Health Projects			61,912	
National Bioterrorism Hospital Preparedness Program	**93.889**			
Direct			14,479,955	
Total National Bioterrorism Hospital Preparedness Program			14,479,955	
Rural Health Care Services Outreach and Rural Health Network Development Program	**93.912**			
Direct			241,669	
Total Rural Health Care Services Outreach and Rural Health Network Development Program			241,669	
Grants to States for Operation of Offices of Rural Health	**93.913**			
Direct			240,882	
Total Grants to States for Operation of Offices of Rural Health			240,882	
HIV Care Formula Grants	**93.917**			
Direct			43,515,254	
Through:				
RICHMOND COUNTY HEALTH DEPARTMENT		Ryan White Part B	344,686	
Total HIV Care Formula Grants			43,859,940	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	**93.918**			
Direct			856,323	
Total Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			856,323	
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	**93.919**			
Direct			-15,134	
Total Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs			-15,134	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Scholarships for Health Professions Students from Disadvantaged Backgrounds (SFA)	**93.925**			
Direct			$ 326,730	
Total Scholarships for Health Professions Students from Disadvantaged Backgrounds (SFA)			326,730	
Healthy Start Initiative	**93.926**			
Direct			877,081	
Total Healthy Start Initiative			877,081	
Native Hawaiian Health Systems	**93.932**			
Through:				
EMORY UNIVERSITY		unknown	21,423 (R)	
Total Native Hawaiian Health Systems			21,423	
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	**93.938**			
Direct			89,687	
Total Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems			89,687	
HIV Prevention Activities_Health Department Based	**93.940**			
Direct			8,711,369	
Total HIV Prevention Activities_Health Department Based			8,711,369	
HIV Demonstration, Research, Public and Professional Education Projects	**93.941**			
Direct			31,478	
Through:				
UNIVERSITY OF CALIFORNIA, SAN FRANCISCO		unknown	56,325 (R)	
Total HIV Demonstration, Research, Public and Professional Education Projects			87,803	
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	**93.944**			
Direct			634,236	
Total Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			634,236	
Assistance Programs for Chronic Disease Prevention and Control	**93.945**			
Direct			-38,250	
Total Assistance Programs for Chronic Disease Prevention and Control			-38,250	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	**93.946**			
Direct			142,228	
Total Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			142,228	
Block Grants for Community Mental Health Services	**93.958**			
Direct			13,866,299	
Total Block Grants for Community Mental Health Services			13,866,299	
Block Grants for Prevention and Treatment of Substance Abuse	**93.959**			
Direct			54,883,990 (R)	
Through:				
COUNCIL ON ALCOHOL AND DRUGS, INC.		58-1088401	34,111	
GSU RESEARCH AND SERVICE FOUNDATION, INC.		63828383	203 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	33,279	
Total Block Grants for Prevention and Treatment of Substance Abuse			54,951,583	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Geriatric Education Centers	**93.969**			
Direct			$ 376,260 **(R)**	
Total Geriatric Education Centers			376,260	
Preventive Health Services_Sexually Transmitted Diseases Control Grants	**93.977**			
Direct			19,958,168	3,826,959
Total Preventive Health Services_Sexually Transmitted Diseases Control Grants			19,958,168	3,826,959
Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	**93.978**			
Direct			10,232 **(R)**	
Total Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants			10,232	
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	**93.988**			
Direct			279,597	
Total Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems			279,597	
International Research and Research Training	**93.989**			
Direct			1,152,571 **(R)**	
Through:				
EMORY UNIVERSITY		67128	6,623 (R)	
VANDERBILT UNIVERSITY		67395	549 (R)	
Total International Research and Research Training			1,159,743	
Preventive Health and Health Services Block Grant	**93.991**			
Direct			2,313,406	
Total Preventive Health and Health Services Block Grant			2,313,406	
Maternal and Child Health Services Block Grant to the States	**93.994**			
Direct			9,573,990	
Total Maternal and Child Health Services Block Grant to the States			9,573,990	
Adolescent Family Life_Demonstration Projects	**93.995**			
Through:				
AUGUSTA COMMUNITY PARTNERSHIP		58-1651611	3,989	
Total Adolescent Family Life_Demonstration Projects			3,989	
Bioterrorism Training and Curriculum Development Program	**93.996**			
Through:				
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	293,375	
Total Bioterrorism Training and Curriculum Development Program			293,375	
Other Federal Assistance	**93.OFA**			
Direct			2,376,393 (R)	
Through:				
COLUMBIA UNIVERSITY		unknown	28,178 (R)	
COMMUNITY HEALTH WORKS		unknown	46,647 (R)	
EMORY UNIVERSITY		unknown	17,097 (R)	
INDIANA UNIVERSITY		20235	14,490 (R)	
MASSACHUSETTS INST OF TECH		68196	65,963 (R)	
MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE		96-666-8691	364,947 (R)	
MEDICAL UNIVERSITY OF S C		20305	20,163 (R)	
NATIONAL LATINO ALLIANCE		unknown	11,774 (R)	
NATIONAL NETWORK OF PUBLIC HEALTH		unknown	15,515 (R)	
NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UN		56-6000007	1,341	
RICHMOND COUNTY HEALTH DEPARTMENT		Emerging Communities	2,658	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
SCIENCE APPLICATIONS INTL CORP		61126	$ 604,465 (R)	
SCIMETRIKA, LLC		unknown	116,480	
SCRIPPS		61170	38,189 (R)	
SE CENTER EMERGING BIO THREATS		68670	2,278 (R)	
UNIVERSITY OF PENNSYLVANIA		20240	995,642 (R)	
UNIVERSITY OF SOUTH CAROLINA		20243	12,833 (R)	
VANDERBILT UNIVERSITY MEDICAL CENTER		unknown	6,930 (R)	
VIRTUALLY BETTER, INC.		61338	6,867 (R)	
Total Other Federal Assistance			4,748,850	
AGENCY TOTAL			**$ 7,231,374,156**	**$ 154,479,344**
Corporation for National and Community Service				
State Commissions	**94.003**			
Direct			$ 258,845	
Total State Commissions			258,845	
Learn and Serve America_School and Community Based Programs	**94.004**			
Direct			537,961	
Total Learn and Serve America_School and Community Based Programs			537,961	
Learn and Serve America_Higher Education	**94.005**			
Through:				
AMERICA ASSOCIATION OF COMMUNITY COLLEGES		03L44DC001	8,031	
MOREHOUSE SCHOOL OF MEDICINE		58-1438873	4,604	
MOREHOUSE SCHOOL OF MEDICINE		unknown	3,494 (R)	
Total Learn and Serve America_Higher Education			16,129	
ARRA-AmeriCorps	**94.006**			
Direct			299	
Total ARRA-AmeriCorps			299	
AmeriCorps	**94.006**			
Direct			3,614,874	
Through:				
JUMPSTART FOR YOUNG CHILDREN ATLANTA GA		CFDA-94.006-JS-SITE	43,766	
JUMPSTART FOR YOUNG CHILDREN ATLANTA GA		JS-SITE #55	11,749 (R)	
JUMPSTART NATIONAL OFFICE		unknown	63,578	
Total AmeriCorps			3,733,967	
Planning and Program Development Grants	**94.007**			
Direct			21,296	
Through:				
ELON UNIVERSITY, NORTH CAROLINA		56-0532303	250	
Total Planning and Program Development Grants			21,546	
Training and Technical Assistance	**94.009**			
Direct			72,815	
Total Training and Technical Assistance			72,815	
Volunteers in Service to America	**94.013**			
Direct			13,442	
Total Volunteers in Service to America			13,442	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Corporation for National and Community Service				
Senior Companion Program (FGCC)	**94.016**			
Direct			$ 157,591	
Total Senior Companion Program (FGCC)			157,591	
AGENCY TOTAL			**$ 4,812,595**	
Social Security Administration				
Social Security_Disability Insurance (DI/SSI)	**96.001**			
Direct			$ 53,882,911	
Total Social Security_Disability Insurance (DI/SSI)			53,882,911	
Social Security_Research and Demonstration	**96.007**			
Through:				
BOSTON COLLEGE CHESTNUT HILL MA		10-P-98361-1-04	9,279 (R)	
UNIVERSITY OF MICHIGAN		unknown	31,231 (R)	
Total Social Security_Research and Demonstration			40,510	
Social Security_Benefits Planning, Assistance, and Outreach Program	**96.008**			
Direct			188,646	
Total Social Security_Benefits Planning, Assistance, and Outreach Program			188,646	
AGENCY TOTAL			**$ 54,112,067**	
Homeland Security, U.S. Department of				
State Domestic Preparedness Equipment Support Program	**97.004**			
Direct			$ 5,025,497	
Total State Domestic Preparedness Equipment Support Program			5,025,497	
Urban Areas Security Initiative (HLS)	**97.008**			
Direct			8,955,748	
Total Urban Areas Security Initiative (HLS)			8,955,748	
Boating Safety Financial Assistance	**97.012**			
Direct			2,251,883	
Total Boating Safety Financial Assistance			2,251,883	
Community Assistance Program State Support Services Element (CAP-SSSE)	**97.023**			
Direct			205,262	
Total Community Assistance Program State Support Services Element (CAP-SSSE)			205,262	
Flood Mitigation Assistance	**97.029**			
Direct			1,025,751	
Total Flood Mitigation Assistance			1,025,751	
Public Assistance Grants	**97.036**			
Direct			12,721,975	
Total Public Assistance Grants			12,721,975	
Hazard Mitigation Grant	**97.039**			
Direct			391,500	
Total Hazard Mitigation Grant			391,500	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Homeland Security, U.S. Department of				
National Dam Safety Program	**97.041**			
Direct			$ 118,431	
Total National Dam Safety Program			118,431	
Emergency Management Performance Grants (HLS)	**97.042**			
Direct			5,749,135	
Total Emergency Management Performance Grants (HLS)			5,749,135	
State Fire Training Systems Grants	**97.043**			
Direct			12,171	
Total State Fire Training Systems Grants			12,171	
Cooperating Technical Partners	**97.045**			
Direct			7,829,870	
Total Cooperating Technical Partners			7,829,870	
Fire Management Assistance Grant	**97.046**			
Direct			2,800,722	
Total Fire Management Assistance Grant			2,800,722	
Pre-Disaster Mitigation	**97.047**			
Direct			6,970,526	
Total Pre-Disaster Mitigation			6,970,526	
Citizen Corps (HLS)	**97.053**			
Direct			314,452	
Total Citizen Corps (HLS)			314,452	
Interoperable Communications Equipment (HLS)	**97.055**			
Direct			7,730,684	
Total Interoperable Communications Equipment (HLS)			7,730,684	
Port Security Grant Program	**97.056**			
Direct			384,510 **(R)**	
Total Port Security Grant Program			384,510	
Centers for Homeland Security	**97.061**			
Through:				
UNIVERSITY OF MARYLAND		unknown	13,923 (R)	
UNIVERSITY OF MINNESOTA		2007-ST-061-000003	47,812 (R)	
UNIVERSITY OF NORTH CAROLINA		unknown	17,903 (R)	
Total Centers for Homeland Security			79,638	
Scholars and Fellows	**97.062**			
Direct			79,043	
Total Scholars and Fellows			79,043	
Homeland Security Advanced Research Projects Agency	**97.065**			
Direct			181,826 **(R)**	
Through:				
AGILTRON INC WOBURN MA		NBCHC070140	17,892 (R)	
DARTMOUTH COLLEGE HANOVER NH		2006-CS-001-000001-0	138,159 (R)	
NORTHROP GRUMMAN BALTIMORE MD		HSHHQDC-09-C-00011	44,904 (R)	
Total Homeland Security Advanced Research Projects Agency			382,781	
Homeland Security Grant Program (HLS)	**97.067**			
Direct			298,758	
Total Homeland Security Grant Program (HLS)			298,758	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Homeland Security, U.S. Department of				
Map Modernization Management Support	**97.070**			
Direct			$ 224,516	
Total Map Modernization Management Support			224,516	
Metropolitan Medical Response System (HLS)	**97.071**			
Direct			383,831	
Total Metropolitan Medical Response System (HLS)			383,831	
State Homeland Security Program (SHSP) (HLS)	**97.073**			
Direct			11,104,112	
Total State Homeland Security Program (SHSP) (HLS)			11,104,112	
Law Enforcement Terrorism Prevention Program (LETPP) (HLS)	**97.074**			
Direct			7,046,949	
Total Law Enforcement Terrorism Prevention Program (LETPP) (HLS)			7,046,949	
Rail and Transit Security Grant Program (HLS)	**97.075**			
Direct			1,383,669	
Total Rail and Transit Security Grant Program (HLS)			1,383,669	
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection (HLS)	**97.077**			
Direct			573,217 (R)	
Total Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection (HLS)			573,217	
Buffer Zone Protection Program (BZPP) (HLS)	**97.078**			
Direct			1,521,573	
Total Buffer Zone Protection Program (BZPP) (HLS)			1,521,573	
Real ID Program	**97.089**			
Direct			339,078	
Total Real ID Program			339,078	
Homeland Security Biowatch Program	**97.091**			
Direct			541,415	
Total Homeland Security Biowatch Program			541,415	
Repetitive Flood Claims	**97.092**			
Direct			3,114,379	
Total Repetitive Flood Claims			3,114,379	
Commercial Equipment Direct Assistance Program (CEDAP)	**97.096**			
Direct			0	8,500
Total Commercial Equipment Direct Assistance Program (CEDAP)			0	8,500
Homeland Security, Research, Testing, Evaluation and Demonstration of Technologies	**97.108**			
Direct			160,765 (R)	
Total Homeland Security, Research, Testing, Evaluation and Demonstration of Technologies			160,765	
AGENCY TOTAL			**$ 89,721,841**	**$ 8,500**
International Development, U.S. Agency for				
USAID Foreign Assistance for Programs Overseas	**98.001**			
Direct			$ 323,547 **(R)**	
Through:				

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
International Development, U.S. Agency for				
ACADEMY FOR EDUCA DEVELOP INC WASHINGTON DC		EPP-A-00-04-00002-00	$ 1,255 (R)	
HIGHER EDUCATION FOR DEVELOPMENT		unknown	23,665	
SRA INTERNATIONAL INC FAIRFAX VA		IRA-E-00-06-00012-00	55,388 (R)	
UNIVERSITY OF WISCONSIN-MADISON		unknown	173,643 (R)	
VIRGINIA POLYTECHNIC INSTITUTE		20233	3,992 (R)	
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSIT		546001805	13,607 (R)	
Total USAID Foreign Assistance for Programs Overseas			595,097	
USAID Development Partnerships for University Cooperation and Development	**98.012**			
Direct			1,891,519 (R)	
Through:				
HIGHER EDUCATION FOR DEVELOPMENT		unknown	149,111	
HIGHER EDUCATION FOR DEVELOPMT		68864	187,818 (R)	
OREGON STATE UNIVERSITY		20250	-162 (R)	
Total USAID Development Partnerships for University Cooperation and Development			2,228,286	
Other Federal Assistance	**98.OFA**			
Direct			71,541 (R)	
Through:				
AMERICAN RESEARCH CENTER IN EGYPT		unknown	42,685 (R)	
HIGHER EDUCATION FOR DEVELOPMENT		unknown	36,718 (R)	
HIGHER EDUCATION FOR DEVELOPMT		68864	41,139 (R)	
OREGON STATE UNIVERSITY		20250	-175 (R)	
WASHINGTON STATE UNIVERSITY		20236	9,009 (R)	
Total Other Federal Assistance			200,917	
AGENCY TOTAL			**$ 3,024,300**	
Miscellaneous				
Other Federal Assistance	**99.OFA**			
Direct			$ 1,009,707	
Total Other Federal Assistance			1,009,707	
AGENCY TOTAL			**$ 1,009,707**	
GRAND TOTAL EXPENDITURES of FEDERAL AWARDS			**$ 15,121,484,511**	**$ 4,292,957,786**

Notes to the Schedule of Expenditures Federal Awards

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

PURPOSE OF THE SCHEDULE

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 reflecting total expenditures for each Federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The accompanying schedule includes all Federal financial assistance programs administered by the State of Georgia for the fiscal year ended June 30, 2009. Refer to Appendix "A" for a comprehensive listing of organizational units comprising the financial reporting entity.

Basis of Presentation - The accompanying *Schedule of Expenditures of Federal Awards* is presented in accordance with OMB Circular A-133.

A. Federal Financial Assistance - Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, Federal financial assistance is defined as assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursements for services rendered to individuals for Medicare and Medicaid.

B. Major Programs - The Single Audit Act Amendments of 1996 and OMB Circular A-133 established a risk-based approach for defining Major Federal financial assistance programs. This approach resulted in 34 of 41 Type A programs and 3 Type B programs being selected as major programs for the State of Georgia. For the fiscal year ended June 30, 2009, a Type A program is defined as any Federal program which exceeded $30,000,000 in expenditures/disbursements/issuances.

Basis of Accounting - *The Schedule of Expenditures of Federal Awards* is prepared using the basis of accounting as described in Note 1 of the CAFR.

Expenditures and Expenses - When a state organization receives Federal monies and redistributes such monies to another state organization, (i.e. pass-through funds from the primary recipient to a subrecipient), the Federal assistance is reported in both the primary recipient's and the subrecipient's accounts. This method of reporting expenditures/expenses results in an overstatement of the aggregate level of Federal expenditures/expenses. Therefore, net Federal expenditures/expenses are reported in the schedule.

OTHER

The following Notes provide additional pertinent information regarding Federal financial assistance.

(1) Expenditures for these programs include Federal, State and/or other funds. In addition, the Unemployment Insurance program (CFDA NO. 17.225) includes Federal expenditures of $1,257,051,034 and State expenditures of $1,258,520,545. Total = $2,515,571,579.

(2) During the fiscal year ended June 30, 2009, the Georgia Department of Human Resources received $64,927,648 in cash rebates from infant formula manufacturers on sales of formula to participants in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (CFDA NO. 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR_246 & PL (Public Law) 108-265 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC benefit costs. The rebate contract allowed the Department to serve approximately 94,364 additional persons per month during fiscal year 2009.

(3) Federally funded loan programs incurred the following current fiscal year monetary and nonmonetary expenditures:

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

	MONETARY					NONMONETARY	
CFDA NUMBER	GRANT PROGRAM	NEW FEDERAL CAPITAL	FEDERAL REIMBURSEMENT	ADMINISTRATIVE COSTS		LOANS OUTSTANDING AT 06/30/09	LOANS MADE DURING THE YEAR
23.011	Appalachian State Research, Technical Assistance, and Demonstration Projects (*)	$ 0	$ 0	$ 99,019		$ 1,692,774	$ 325,000
66.458	Capitalization Grants for Clean Water State Revolving Funds (*)	$ 11,505,384	$ 12,046,753	$ 1,001,584		$ 544,087,744	$ 114,575,000
66.468	Capitalization Grants for Drinking Water State Revolving Funds (*)	$ 22,882,000	$ 20,146,638	$ 680,654		$ 86,806,445	$ 8,135,846
84.032	Federal Family Education Loans (*)	$ 0	$ 0	$ 0		$ 1,204,867,134	$ 502,267,352
84.038	Federal Perkins Loan Program (*)	$ 3,003	$ 544,796	$ 162,592		$ 39,190,030	$ 3,345,461
84.226	Income Contingent Loan Program	$ 0	$ 0	$ 0		$ 51,916	$ 0
93.264	Nurse Faculty Loan Program (NFLP)	$ 29,484	$ 0	$ 0		$ 8,000	$ 8,000
93.342	Health Professions Student Loans, including Primary Care Loans/Loans for Disadvantaged Students	$ 0	$ 0	$ 0		$ 247,495	$ 0
93.364	Nursing Student Loans (*)	$ 0	$ 0	$ 0		$ 1,177,175	$ 448,318

(*) The monetary amount for this program does not equal the monetary amount shown in the schedule. Numerous grants and contracts have been combined for reporting purposes.

(4) Certain programs administered by the Federal government provide goods and services to organizational units of the State in lieu of monetary assistance. An analysis, for major programs, of nonmonetary assistance and the values assigned by the Federal government during the year under review is reflected below:

CFDA NO.	
10.551	The Federal government provides food stamps to low-income households. The amount of food stamp benefits a household receives depends on the household's size and financial circumstances. The Georgia Department of Human Resources is responsible for determining eligibility for participation in the Food Stamp Program. For the year under review, the total value of food stamp benefits distributed as approved by the Department was $1,710,034,926.
93.268	The amount reported represents the U. S. Department of Health and Human Services assigned value of immunizations for vaccine-preventable diseases to eligible individuals.

(5) Cluster programs are detailed on the *Schedule of Cluster Programs* and identified as follows on the *Schedule of Expenditures of Federal Awards*:

(AC)	Aging Cluster (AC)
(CCDF)	Child Care and Development Fund Cluster (CCDF)
(CSBG)	CSBG "Community Service Block Grant" Cluster (CSBG)
(CDBG-S)	CDBG - State-Administered Small Cities Program Cluster (CDBG-S)
(CNC)	Child Nutrition Cluster (CNC)
(DI/SSI)	Disability Insurance/SSI Cluster (DI/SSI)
(EIS)	Early Intervention Services (IDEA) Cluster (EIS)
(EFA)	Emergency Food Assistance Cluster (EFA)
(ESC)	Employment Service Cluster (ESC)
(FTC)	Federal Transit Cluster (FTC)
(FWC)	Fish and Wildlife Cluster (FWC)
(FGCC)	Foster Grandparent / Senior Companion Cluster (FGCC)
(HCC)	Health Centers Cluster (HCC)
(HS)	Head Start Cluster (HS)
(HPCC)	Highway Planning and Construction Cluster (HPCC)
(HSC)	Highway Safety Cluster (HSC)
(HLS)	Homeland Security Cluster (HLS)
(IMC)	Immunization Cluster (IMC)
(MC)	Medicaid Cluster (MC)
(R)	Research and Development Cluster (R)
(SRC)	Schools and Roads Cluster (SRC)
(SC)	SNAP Cluster (SC)
(SEC)	Special Education Cluster (SEC)
(SFS)	State Fiscal Stabilization Fund Cluster (SFS)

(SFA)	Student Financial Aid Cluster (SFA)
(TANF)	TANF Cluster (TANF)
(TITLE1A)	Title I, Part A Cluster (TITLE1A)
(TSP)	Transit Services Programs Cluster (TSP)
(TRIO)	TRIO Cluster (TRIO)
(VRC)	Vocational Rehabilitation Cluster (VRC)
(WIA)	WIA Cluster (WIA)

(6) Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to sub recipients from each Federal program. Major programs expenditures presented in the schedule account for approximately 90% of total Federal expenditures for the State of Georgia. Provided below is the amount of major programs awards provided to sub recipients:

CFDA NUMBER	GRANT PROGRAM	AMOUNT PASSED TO SUBRECIPIENTS
10.553	School Breakfast Program (CNC)	$ 129,282,207
10.555	National School Lunch Program (CNC)	473,225,335
10.556	Special Milk Program for Children (CNC)	23,165
10.579	ARRA-Child Nutrition Discretionary Grants Limited Availability	4,419,969
20.219	Recreational Trails Program (HPCC)	873,436
81.041	ARRA-State Energy Program	2,743
84.048	Career and Technical Education Basic Grants to States	30,478,123
84.287	Twenty-First Century Community Learning Centers	21,201,667
84.357	Reading First State Grants	27,814,365
84.394	ARRA-State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	157,931,185
97.008	Urban Areas Security Initiative (HLS)	7,030,824
97.042	Emergency Management Performance Grants (HLS)	2,450,582
97.053	Citizen Corps (HLS)	236,574
97.055	Interoperable Communications Equipment (HLS)	4,953,691

97.071	Metropolitan Medical Response System (HLS)	$	377,819
97.073	State Homeland Security Program (SHSP) (HLS)		5,968,969
97.074	Law Enforcement Terrorism Prevention Program (LETPP) (HLS)		1,806,037
97.075	Rail and Transit Security Grant Program (HLS)		1,247,786
97.078	Buffer Zone Protection Program (BZPP) (HLS)		1,417,999
	Research and Development Cluster		43,007,743
	TOTAL	$	913,750,219

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Schedule of Cluster Programs

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Aging Cluster (AC)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	$ 8,314,118	
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	12,971,534	
Nutrition Services Incentive Program	93.053	3,303,528	
ARRA – Aging Home-Delivered Nutrition Services for States	93.705	-1	
Total Aging Cluster (AC)		$ **24,589,179**	
Child Care and Development Fund Cluster (CCDF)			
Child Care and Development Block Grant	93.575	$ 74,988,123	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	110,407,927	
Total Child Care and Development Fund Cluster (CCDF)		$ **185,396,050**	
Child Nutrition Cluster (CNC)			
School Breakfast Program	10.553	$ 129,282,207	
National School Lunch Program	10.555	474,895,391	$ 45,473,924
Special Milk Program for Children	10.556	23,165	
Summer Food Service Program for Children	10.559	44,437	
Total Child Nutrition Cluster (CNC)		$ **604,245,200**	$ **45,473,924**
CSBG "Community Service Block Grant" Cluster (CSBG)			
Community Services Block Grant	93.569	$ 16,733,832	
Total CSBG "Community Service Block Grant" Cluster (CSBG)		$ **16,733,832**	
CDBG - State-Administered Small Cities Program Cluster (CDBG-S)			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	$ 48,435,201	
Total CDBG - State-Administered Small Cities Program Cluster (CDBG-S)		$ **48,435,201**	
Disability Insurance/SSI Cluster (DI/SSI)			
Social Security - Disability Insurance	96.001	$ 53,882,911	
Total Disability Insurance/SSI Cluster (DI/SSI)		$ **53,882,911**	
Early Intervention Services (IDEA) Cluster (EIS)			
Special Education-Grants for Infants and Families	84.181	$ 14,141,924	
Total Early Intervention Services (IDEA) Cluster (EIS)		$ **14,141,924**	

State of Georgia

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Emergency Food Assistance Cluster (EFA)			
Emergency Food Assistance Program (Administrative Costs)	10.568	$ 1,868,061	
Total Emergency Food Assistance Cluster (EFA)		$ **1,868,061**	
Employment Service Cluster (ESC)			
ARRA - Employment Service / Wagner - Peyser Funded Activities	17.207	$ 307,361	
Employment Service / Wagner - Peyser Funded Activities	17.207	23,053,418	
Disabled Veterans' Outreach Program (DVOP)	17.801	2,292,659	
Local Veterans' Employment Representative Program	17.804	2,559,882	
Total Employment Service Cluster (ESC)		$ **28,213,320**	
Federal Transit Cluster (FTC)			
Federal Transit - Capital Investment Grants	20.500	$ 12,671,484	
Federal Transit - Formula Grants	20.507	17,267,465	
Total Federal Transit Cluster (FTC)		$ **29,938,949**	
Fish and Wildlife Cluster (FWC)			
Sport Fish Restoration	15.605	$ 6,705,398	
Wildlife Restoration	15.611	7,758,756	
Total Fish and Wildlife Cluster (FWC)		$ **14,464,154**	
Foster Grandparent / Senior Companion Cluster (FGCC)			
Senior Companion Program	94.016	$ 157,591	
Total Foster Grandparent / Senior Companion Cluster (FGCC)		$ **157,591**	
Health Centers Cluster (HCC)			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers (Health Center New Access Points)	93.224	$ 2,525,916	
ARRA – Health Center Integrated Services Development Initiative	93.703	12,560	
Total Health Centers Cluster (HCC)		$ **2,538,476**	
Head Start Cluster (HS)			
Head Start	93.600	$ 2,898,686	
Total Head Start Cluster (HS)		$ **2,898,686**	
Highway Planning and Construction Cluster (HPCC)			
ARRA - Highway Planning and Construction	20.205	$ 23,984	
Highway Planning and Construction	20.205	760,954,294	
Recreational Trails Program	20.219	1,133,688	
Total Highway Planning and Construction Cluster (HPCC)		$ **762,111,966**	

State of Georgia

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Highway Safety Cluster (HSC)			
State and Community Highway Safety	20.600	$ 5,752,009	
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	2,342,437	
Occupant Protection	20.602	854,932	
Safety Belt Performance Grants	20.609	1,703,205	
State Traffic Safety Information System Improvements Grants	20.610	600,278	
Incentive Grant Program to Increase Motorcyclist Safety	20.612	115,444	
Total Highway Safety Cluster (HSC)		$ **11,368,305**	
Homeland Security Cluster (HLS)			
Urban Area Security Initiative	97.008	$ 8,955,748	
Emergency Management Performance Grant	97.042	5,749,135	
Citizens Corps	97.053	314,452	
Interoperable Communications Equipment	97.055	7,730,684	
Homeland Security Grant Program	97.067	298,758	
Metropolitan Medical Response	97.071	383,831	
State Homeland Security Program	97.073	11,104,112	
Law Enforcement Terrorism Prevention Program	97.074	7,046,949	
Rail and Transit Security Grant Program	97.075	1,383,669	
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	97.077	30,399	
Buffer Zone Protection Program	97.078	1,521,573	
Total Homeland Security Cluster (HLS)		$ **44,519,310**	
Immunization Cluster (IMC)			
Immunization	93.268	$ 8,786,151	$ 149,219,715
Total Immunization Cluster (IMC)		$ **8,786,151**	$ **149,219,715**
Medicaid Cluster (MC)			
State Medicaid Fraud Control Units	93.775	$ 3,096,922	
State Survey and Certification of Health Care Providers and Suppliers	93.777	6,938,860	
ARRA - Medical Assistance Program	93.778	497,422,574	
Medical Assistance Program	93.778	5,149,526,880	
Total Medicaid Cluster (MC)		$ **5,656,985,236**	
Research and Development Cluster (R)			
Other Federal Assistance	01.OFA	$ 29,443	
Other Federal Assistance	08.OFA	10,879	
Agricultural Research_Basic and Applied Research	10.001	1,613,565	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	423,760	
Wildlife Services	10.028	729,257	
Bioenergy Program	10.078	30,986	
Grants for Agricultural Research, Special Research Grants	10.200	4,745,653	
Cooperative Forestry Research	10.202	974,058	
Grants for Agricultural Research_Competitive Research Grants	10.206	3,851,564	
Animal Health and Disease Research	10.207	128,930	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	5,847,567	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	72,642	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
Small Business Innovation Research	10.212	$ 243	
Sustainable Agriculture Research and Education	10.215	982,981	
1890 Institution Capacity Building Grants	10.216	3,214,733	
Higher Education Challenge Grants	10.217	110,904	
Biotechnology Risk Assessment Research	10.219	44,834	
Higher Education Multicultural Scholars Program	10.220	57,050	
Fund for Rural America_Research, Education, and Extension Activities	10.224	21,148	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226	14,726	
Agricultural and Rural Economic Research	10.250	37,729	
Food Assistance and Nutrition Research Programs (FANRP)	10.253	7,567	
Program of Research on the Economic of Invasive Species Management (PREISM)	10.254	30,293	
Integrated Programs	10.303	2,171,094	
Homeland Security_Agricultural	10.304	374,374	
International Science and Education Grants	10.305	16,387	
Specialty Crop Research Initiative	10.309	92,837	
Value-Added Producer Grants	10.352	20,517	
Rural Community Development Initiative	10.446	27,357	
Crop Insurance	10.450	75,253	
Community Outreach and Assistance Partnership Program	10.455	7,652	
Food Safety Cooperative Agreements	10.479	224,048	
Cooperative Extension Service	10.500	12,712,693	
Team Nutrition Grants	10.574	58,466	
Food for Progress	10.606	22,896	
Forestry Research	10.652	422,921	
Cooperative Forestry Assistance	10.664	257,485	
National Forest_Dependent Rural Communities	10.670	16,133	
Rural Development, Forestry, and Communities	10.672	6,376	
Forest Products Lab: Technology Marketing Unit (TMU)	10.674	77,662	
Urban and Community Forestry Program	10.675	8,117	
Forest Health Protection	10.680	169,584	
Technical Assistance and Training Grants	10.761	5,000	
Solid Waste Management Grants	10.762	169	
Rural Business Opportunity Grants	10.773	26,704	
Renewable Energy Systems and Energy Efficiency Improvements Program	10.775	20,841	
Soil and Water Conservation	10.902	76	
Soil Survey	10.903	19,095	
Environmental Quality Incentives Program	10.912	143,827	
Technical Agricultural Assistance	10.960	215,192	
Scientific Cooperation and Research	10.961	8,412	
International Training_Foreign Participant	10.962	3,310	
Other Federal Assistance	10.OFA	347,252	
ITA Special Projects	11.113	365,546	
Economic Development_Technical Assistance	11.303	165,701	
Economic Adjustment Assistance	11.307	7,500	
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400	69,015	
Sea Grant Support	11.417	2,002,860	
Coastal Zone Management Estuarine Research Reserves	11.420	27,671	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	3,959	
Marine Sanctuary Program	11.429	737,012	
Undersea Research	11.430	113,772	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
Climate and Atmospheric Research	11.431	$ 762,230	
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432	221,004	
Special Oceanic and Atmospheric Projects	11.460	151,194	
Habitat Conservation	11.463	10,315	
Coastal Services Center	11.473	86,740	
Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	11.478	65,515	
National Standard Reference Data System	11.603	18,514	
Measurement and Engineering Research and Standards	11.609	320,450	
National Center for Standards and Certification Information	11.610	43,143	
Manufacturing Extension Partnership	11.611	252,849	
National Institute of Standards and Technology Construction Grant Program	11.618	22,054	
Other Federal Assistance	11.OFA	35,426	
Aquatic Plant Control	12.100	7,699,194	
Basic and Applied Scientific Research	12.300	30,483,980	
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	193,724	
Military Construction, National Guard	12.400	8,456	
Military Medical Research and Development	12.420	1,785,342	
Basic Scientific Research	12.431	46,053,215	
Basic, Applied, and Advanced Research in Science and Engineering	12.630	10,488,737	
Air Force Defense Research Sciences Program	12.800	80,301,100	
Mathematical Sciences Grants Program	12.901	127,862	
Research and Technology Development	12.910	25,441,483	
Other Federal Assistance	12.OFA	1,580,027	
Other Federal Assistance	13.OFA	216,996	
Housing Counseling Assistance Program	14.169	22,319	
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225	3,679	
General Research and Technology Activity	14.506	5,719	
Other Federal Assistance	14.OFA	716,216	
Recreation Resource Management	15.225	10,460	
Fish, Wildlife and Plant Conservation Resource Management	15.231	10,813	
Water Desalination Research and Development Program	15.506	67,534	
Fish and Wildlife Coordination Act	15.517	44,000	
Fish and Wildlife Management Assistance	15.608	11,655	
Wildlife Restoration	15.611	40,137	
Cooperative Endangered Species Conservation Fund	15.615	11,405	
Multi-State Conservation Grant Program	15.628	135,277	
Great Apes Conservation	15.629	25,971	
Coastal Program	15.630	12,224	
Conservation Grants Private Stewardship for Imperiled Species	15.632	19,942	
State Wildlife Grants	15.634	1,169	
Research Grants - Generic	15.650	15,550	
Migratory Bird Monitoring, Assessment and Conservation	15.655	3,624	
Assistance to State Water Resources Research Institutes	15.805	240,963	
Earthquake Hazards Reduction Program	15.807	58,303	
U.S. Geological Survey_ Research and Data Collection	15.808	1,142,545	
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	44,037	
Cooperative Research Units Program	15.812	522,622	
Technical Preservation Services	15.915	3,474	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
Native American Graves Protection and Repatriation Act	15.922	$ 25,607	
National Center for Preservation Technology and Training	15.923	-1,934	
Save Americas Treasures	15.929	-2,109	
Other Federal Assistance	15.OFA	163,858	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	734,302	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2,329,514	
Regional Information Sharing Systems	16.610	235,106	
Public Safety Partnership and Community Policing Grants	16.710	53,994	
Other Financial Assistance	16.OFA	14,062	
WIA Dislocated Workers	17.260	15,000	
Occupational Safety and Health_Susan Harwood Training Grants	17.502	395,745	
Occupational Safety and Health_State Program	17.503	874,666	
Consultation Agreements	17.504	286,474	
Disability Employment Policy Development	17.720	3,848	
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	-79	
Educational Exchange_Graduate Students	19.400	500,567	
Professional Exchanges_Annual Open Grant	19.415	236,496	
Middle East Partnership Initiative (MEPI)	19.500	2,064	
Overseas Refugee Assistance Programs for Near East and South Asia	19.519	51,998	
Other Federal Assistance	19.OFA	183,061	
Aviation Research Grants	20.108	6,637	
Air Transportation Centers of Excellence	20.109	1,222,892	
Highway Research and Development Program	20.200	1,167,367	
Highway Planning and Construction	20.205	22,537	
Railroad Research and Development	20.313	1,253,414	
Transit Planning and Research	20.514	79,522	
University Transportation Centers Program	20.701	771,941	
Research Grants	20.762	73,265	
Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011	44,035	
Fair Competition Counseling and Investigation of Complaints	36.001	50,966	
Federal Citizen Information Center	39.009	3,074,430	
Public Buildings Service	39.012	9,764	
Semiconductor Chip Protection Service	42.008	63,155	
Aerospace Education Services Program	43.001	1,471,178	
Technology Transfer	43.002	19,132,886	
Other Federal Assistance	43.OFA	877,581	
Promotion of the Arts_Grants to Organizations and Individuals	45.024	32,477	
Promotion of the Humanities_Federal/State Partnership	45.129	1,351	
Promotion of the Humanities_Challenge Grants	45.130	684,451	
Promotion of the Humanities_Division of Preservation and Access	45.149	147,521	
Promotion of the Humanities_Fellowships and Stipends	45.160	25,200	
Promotion of the Humanities_Professional Development	45.163	115,255	
Promotion of the Humanities_We the People	45.168	33,459	
National Leadership Grants	45.312	18,668	
Engineering Grants	47.041	18,927,048	
Mathematical and Physical Sciences	47.049	13,497,627	
Geosciences	47.050	7,204,269	
Computer and Information Science and Engineering	47.070	13,655,687	
Biological Sciences	47.074	15,588,207	
Social, Behavioral, and Economic Sciences	47.075	6,824,944	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
Education and Human Resources	47.076	$ 5,727,365	
Polar Programs	47.078	635,273	
International Science and Engineering (OISE)	47.079	386,786	
Office of Cyberinfrastructure	47.080	57,943	
ARRA-Trans-NSF Recovery Act Reasearch Support	47.082	69,860	
Other Federal Assistance	47.OFA	865,668	
Small Business Development Center	59.037	2,486,722	
Other Federal Assistance	59.OFA	110,454	
Sharing Specialized Medical Resources	64.018	22,397	
Vocational Rehabilitation for Disabled Veterans	64.116	152,178	
Other Federal Assistance	64.OFA	14,450	
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	26,407	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436	35,492	
Nonpoint Source Implementation Grants	66.460	40,195	
Environmental Protection_Consolidated Research	66.500	4,156	
Science To Achieve Results (STAR) Research Program	66.509	1,686,606	
Office of Research and Development Consolidated Research/Training/Fellowships	66.511	146,247	
Science To Achieve Results (STAR) Fellowship Program	66.514	44,744	
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716	15,770	
Solid Waste Management Assistance	66.808	6,120	
Other Federal Assistance	66.OFA	310,534	
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	348,440	
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	7,347	
Used Energy-Related Laboratory Equipment Grants	81.022	10,313	
Inventions and Innovations	81.036	567,491	
State Energy Program	81.041	107,080	
Office of Science Financial Assistance Program	81.049	12,042,935	
University Coal Research	81.057	361,540	
Office of Scientific and Technical Information	81.064	70,001	
Nuclear Waste Disposal Siting	81.065	1,833	
Regional Biomass Energy Programs	81.079	360,954	
Conservation Research and Development	81.086	1,842,127	
Renewable Energy Research and Development	81.087	2,337,852	
Fossil Energy Research and Development	81.089	771,311	
Defense Nuclear Nonproliferation Research	81.113	414,302	
University Reactor Infrastructure and Education Support	81.114	257,157	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	173,716	
Nuclear Energy Research, Development and Demonstration	81.121	1,080,757	
Federal Loan Guarantees for Innovative Energy Technologies	81.126	212,945	
Other Federal Assistance	81.OFA	4,596,359	
Undergraduate International Studies and Foreign Language Programs	84.016	20,023	
International Research and Studies	84.017	209,134	
Overseas Programs - Group Projects Abroad	84.021	70,156	
Overseas Programs - Doctoral Dissertation Research Abroad	84.022	36,987	
TRIO_Student Support Services	84.042	315,756	
TRIO_Talent Search	84.044	320,052	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
TRIO_Upward Bound	84.047	$ 636,457	
Fund for the Improvement of Postsecondary Education	84.116	59,807	
Minority Science and Engineering Improvement	84.120	84,641	
National Institute on Disability and Rehabilitation Research	84.133	2,592,344	
Fund for the Improvement of Education	84.215	25,106	
Centers for International Business Education	84.220	375,299	
Rehabilitation Services Demonstration and Training Programs	84.235	10,751	
Rehabilitation Training_Continuing Education	84.264	14,952	
Civic Education - Cooperative Education Exchange Program	84.304	39,229	
Education Research, Development and Dissemination	84.305	74,983	
Research in Special Education	84.324	3,422,525	
Special Education_Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	783,205	
Special Education_Technology and Media Services for Individuals with Disabilities	84.327	11,209	
Special Education_Studies and Evaluations	84.329	8	
Comprehensive School Reform Demonstration	84.332	23,195	
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333	109,838	
Transition to Teaching	84.350	1,080,803	
Arts in Education	84.351	47,141	
Early Reading First	84.359	39,590	
Improving Teacher Quality State Grants	84.367	2,059,634	
Grants for Enhanced Assessment Instruments	84.368	21,840	
Special Education_Technical Assistance On State Data Collection	84.373	30,796	
National Writing Project	84.928	103,050	
Other Federal Assistance	84.OFA	262,537	
Unsolicited Grant Program	91.001	1,114	
Civil Rights and Privacy Rule Compliance Activities	93.001	270	
Community-Based Abstinence Education (CBAE)	93.010	45,617	
Innovations in Applied Public Health Research	93.061	1,100,891	
Centers for Genomics and Public Health	93.063	67,050	
Public Heatlh Emergency Preparedness	93.069	223,839	
Food and Drug Administration_Research	93.103	1,210	
Maternal and Child Health Federal Consolidated Programs	93.110	240,599	
Biological Response to Environmental Health Hazards	93.113	680,529	
Applied Toxicological Research and Testing	93.114	148,245	
Oral Diseases and Disorders Research	93.121	753,494	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	16,502	
Injury Prevention and Control Research and State and Community Based Programs	93.136	739,539	
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143	54,010	
Health Program for Toxic Substances and Disease Registry	93.161	473,622	
Human Genome Research	93.172	250,650	
Research Related to Deafness and Communication Disorders	93.173	555,282	
Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improvement Projects	93.185	31,052	
Human Health Studies_Applied Research and Development	93.206	1,245,031	
Research and Training in Complementary and Alternative Medicine	93.213	264,155	
Research on Healthcare Costs, Quality and Outcomes	93.226	462,989	
Epidemiology Cooperative Agreements	93.231	254,662	
Policy Research and Evaluation Grants	93.239	57,775	
Mental Health Research Grants	93.242	4,137,135	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	$ 254,089	
Occupational Safety and Health Program	93.262	777,452	
Immunization Grants	93.268	37,138	
Complex Humanitarian Emergency and War-Related Injury Public Health Activities	93.269	11,109	
Alcohol National Research Service Awards for Research Training	93.272	148,106	
Alcohol Research Programs	93.273	1,322,917	
Drug Abuse and Addiction Research Programs	93.279	6,189,715	
National Institutes of Health Loan Repayment Program for Clinical Researchers	93.280	32,953	
Mental Health National Research Service Awards for Research Training	93.282	65,061	
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	1,055,114	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	4,716,571	
Comparative Medicine	93.306	824	
Minority Health and Health Disparities Research	93.307	150,092	
Trans-NIH Research Support	93.310	15,954	
Clinical Research	93.333	80,926	
Advanced Education Nursing Traineeships	93.358	24,001	
Nursing Research	93.361	245,178	
National Center for Research Resources	93.389	5,149,516	
Academic Research Enhancement Award	93.390	240,993	
Cancer Construction	93.392	120,597	
Cancer Cause and Prevention Research	93.393	1,023,380	
Cancer Detection and Diagnosis Research	93.394	846,257	
Cancer Treatment Research	93.395	2,232,001	
Cancer Biology Research	93.396	3,940,156	
Cancer Centers Support Grants	93.397	15,138	
Cancer Research Manpower	93.398	126,304	
Cancer Control	93.399	1,223,583	
Temporary Assistance for Needy Families	93.558	33,000	
Refugee and Entrant Assistance_Wilson/Fish Program	93.583	75,578	
Family Violence Prevention and Services/Grants for Battered Womens Shelters_Discretionary Grants	93.592	1,243,121	
Welfare Reform Research, Evaluations and National Studies	93.595	616,450	
Head Start	93.600	102,275	
Family Connection Grants	93.605	36,578	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	456,896	
Child Welfare Services Training Grants	93.648	21,129	
ARRA-Trans-NIH Recovery Act Research Support	93.701	253,476	
Seed Grants to States for Qualified High-Risk Pools	93.781	21,339	
Cardiovascular Diseases Research	93.837	13,496,846	
Lung Diseases Research	93.838	1,970,411	
Blood Diseases and Resources Research	93.839	1,427,535	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1,891,036	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	8,280,915	
Digestive Diseases and Nutrition Research	93.848	1,266,306	
Kidney Diseases, Urology and Hematology Research	93.849	587,494	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5,011,071	
Allergy, Immunology and Transplantation Research	93.855	12,258,213	
Microbiology and Infectious Diseases Research	93.856	3,975,087	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Research and Development Cluster (R) (Continued)			
Biomedical Research and Research Training	93.859	$ 13,693,851	
Child Health and Human Development Extramural Research	93.865	4,696,580	
Aging Research	93.866	4,624,029	
Vision Research	93.867	4,833,131	
Medical Library Assistance	93.879	3,484	
Grants for Training in Primary Care Medicine and Dentistry	93.884	8,223	
Health Care and Other Facilities	93.887	34,600	
Native Hawaiian Health Systems	93.932	21,423	
HIV Demonstration, Research, Public and Professional Education Projects	93.941	56,325	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	864	
Geriatric Education Centers	93.969	376,260	
Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	10,232	
International Research and Research Training	93.989	1,159,743	
Other Federal Assistance	93.OFA	3,199,008	
Learn and Serve America_Higher Education	94.005	3,494	
AmeriCorps	94.006	11,749	
Social Security_Research and Demonstration	96.007	40,510	
Port Security Grant Program	97.056	121,296	
Centers for Homeland Security	97.061	79,638	
Homeland Security Advanced Research Projects Agency	97.065	382,781	
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	97.077	542,818	
Homeland Security, Research, Testing, Evaluation and Demonstration of Technologies	97.108	151,602	
USAID Foreign Assistance for Programs Overseas	98.001	571,432	
USAID Development Partnerships for University Cooperation and Development	98.012	1,946,526	
Other Federal Assistance	98.OFA	120,433	
Total Research and Development Cluster (R)		$ **548,600,490**	
Schools and Roads Cluster (SRC)			
Secure Payments for States and Counties Containing Federal Lands	10.665	$ 2,046,498	
Total Schools and Roads Cluster (SRC)		$ **2,046,498**	
SNAP Cluster (SC)			
Supplemental Nutrition Assistance Program (SNAP)	10.551	$ 0	$ 1,710,034,926
ARRA - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	5,159,725	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	65,031,332	
Total SNAP Cluster (SC)		$ **70,191,057**	$ **1,710,034,926**
Special Education Cluster (SEC)			
Special Education - Grants to States	84.027	$ 302,571,540	
Special Education - Preschool Grants	84.173	10,003,433	
Total Special Education Cluster (SEC)		$ **312,574,973**	

State of Georgia

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
State Fiscal Stabilization Fund Cluster (SFS)			
State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	$ 160,764,003	
State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act	84.397	12,356,685	
Total State Fiscal Stabilization Fund Cluster (SFS)		$ **173,120,688**	
Student Financial Aid Cluster (SFA)			
Federal Supplemental Educational Opportunity Grants	84.007	$ 9,628,506	
Federal Family Education Loans	84.032	50,911,228	$ 1,707,134,486
Federal Work-Study Program	84.033	9,837,356	
Federal Perkins Loan Program - Federal Capital Contributions	84.038	749,414	39,190,030
Federal Pell Grant Program	84.063	374,264,923	
Federal Direct Student Loans	84.268	535,299,436	
Academic Competitiveness Grants	84.375	7,411,006	
National Science and Mathematics Access to Retain Talent (SMART)	84.376	3,801,974	
Teacher education assistance for college and higher education grants (TEACH Grants)	84.379	1,050,588	
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	0	247,495
Nursing Student Loans	93.364	0	1,177,175
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	326,730	
Total Student Financial Aid Cluster (SFA)		$ **993,281,161**	$ **1,747,749,186**
TANF Cluster (TANF)			
Temporary Assistance for Needy Families (TANF) State Programs	93.558	$ 368,449,919	
Total TANF Cluster (TANF)		$ **368,449,919**	
Title I, Part A Cluster (TITLE1A)			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	$ 444,025,007	
Total Title I, Part A Cluster (TITLE1A)		$ **444,025,007**	
Transit Services Programs Cluster (TSP)			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	$ 3,860,079	
Total Transit Services Programs Cluster (TSP)		$ **3,860,079**	
TRIO Cluster (TRIO)			
TRIO - Student Support Services	84.042	$ 1,898,615	
TRIO - Talent Search	84.044	1,442,822	
TRIO - Upward Bound	84.047	4,669,256	
TRIO - Educational Opportunity Centers	84.066	543,681	
TRIO - McNair Post-Baccalaureate Achievement	84.217	535,351	
Total TRIO Cluster (TRIO)		$ **9,089,725**	

State of Georgia

Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2009

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Vocational Rehabilitation Cluster (VRC)			
Rehabilitation Services--Vocational Rehabilitation Grants to States	84.126	$ 83,186,511	
Rehabilitation Services--Vocational Rehabilitation Grants to States, Recovery Act	84.390	44,679	
Total Vocational Rehabilitation Cluster (VRC)		$ **83,231,190**	
WIA Cluster (WIA)			
ARRA - WIA Adult Program	17.258	$ 406,783	
WIA Adult Program	17.258	35,778,521	
ARRA - WIA Youth Activities	17.259	2,841,222	
WIA Youth Activities	17.259	25,424,375	
ARRA - WIA Dislocated Workers	17.260	463,921	
WIA Dislocated Workers	17.260	40,484,266	
Total WIA Cluster (WIA)		$ **105,399,088**	

Auditee's Responses

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

Summary Schedule of Prior Year Findings and Questioned Costs

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
Administrative Services, Department of		
FS-403-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
Accounting Office, State		
FA-407-08-01	Further Action Not Warranted - Finding Closed	
FS-407-05-02	Further Action Not Warranted - Finding Closed	
Education, Department of		
FA-414-04-01	Further Action Not Warranted - Finding Closed	
FA-414-07-01	Partially Resolved - On Track	See Comments Page 257
FA-414-07-02	Partially Resolved - On Track	See Comments Page 257
FA-414-07-03	Previously Reported Corrective Action Implemented - Finding Closed	
FA-414-07-04	Partially Resolved - On Track	See Comments Page 257
FA-414-07-06	Previously Reported Corrective Action Implemented - Finding Closed	
FA-414-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FA-414-08-02	Partially Resolved - On Track	See Comments Page 257
FA-414-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-414-04-02	Further Action Not Warranted - Finding Closed	
FS-414-04-04	Further Action Not Warranted - Finding Closed	
FS-414-05-01	Further Action Not Warranted - Finding Closed	
FS-414-05-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-414-06-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-414-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-414-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-414-07-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-414-08-01	Partially Resolved - On Track	See Comments Page 257
****Community Health, Department of***		
FA-419-07-02	Further Action Not Warranted - Finding Closed	
FA-419-08-01	Unresolved	See Comments Page 258
FA-419-08-02	Partially Resolved - On Track	See Comments Page 258
FS-419-08-01	Unresolved	See Comments Page 258
FS-419-08-02	Partially Resolved - On Track	See Comments Page 258
Forestry Commission, Georgia		
FA-420-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FA-420-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-420-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
Human Resources, Department of		
FA-427-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-07-03	Previously Reported Corrective Action Implemented - Finding Closed	

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FA-427-07-04	Further Action Not Warranted - Finding Closed	
FA-427-07-05	Further Action Not Warranted - Finding Closed	
FA-427-07-07	Further Action Not Warranted - Finding Closed	
FA-427-07-08	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-07-09	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-07-10	Further Action Not Warranted - Finding Closed	
FA-427-07-12	Further Action Not Warranted - Finding Closed	
FA-427-07-13	Further Action Not Warranted - Finding Closed	
FA-427-07-14	Further Action Not Warranted - Finding Closed	
FA-427-07-16	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-07-17	Further Action Not Warranted - Finding Closed	
FA-427-07-18	Further Action Not Warranted - Finding Closed	
FA-427-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-08-03	Unresolved	See Comments Page 258
FA-427-08-04	Partially Resolved - On Track	See Comments Page 259
FA-427-08-05	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-08-06	Partially Resolved - On Track	See Comments Page 259
FA-427-08-07	Unresolved	See Comments Page 259
FA-427-08-08	Partially Resolved - On Track	See Comments Page 260
FA-427-08-09	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-08-10	Partially Resolved - Not On Track	See Comments Page 260
FA-427-08-100	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-08-11	Previously Reported Corrective Action Implemented - Finding Closed	
FA-427-08-12	Unresolved	See Comments Page 260
FA-427-08-13	Unresolved	See Comments Page 260
FA-427-08-14	Further Action Not Warranted - Finding Closed	
FA-427-08-15	Further Action Not Warranted - Finding Closed	
FA-427-08-16	Partially Resolved - On Track	See Comments Page 261
FS-427-07-01	Further Action Not Warranted - Finding Closed	
FS-427-07-02	Further Action Not Warranted - Finding Closed	
FS-427-07-03	Further Action Not Warranted - Finding Closed	
FS-427-07-04	Further Action Not Warranted - Finding Closed	
FS-427-07-06	Previously Reported Corrective Action Implemented - Finding Closed	
FS-427-08-01	Partially Resolved - Not On Track	See Comments Page 261
FS-427-08-02	Partially Resolved - Not On Track	See Comments Page 261
FS-427-08-03	Partially Resolved - Not On Track	See Comments Page 262

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-427-08-04	Unresolved	See Comments Page 262
FS-427-08-05	Partially Resolved	See Comments Page 262
FS-427-08-06	Unresolved	See Comments Page 262
FS-427-08-07	Previously Reported Corrective Action Implemented - Finding Closed	
FS-427-08-08	Partially Resolved - On Track	See Comments Page 263
FS-427-08-09	Partially Resolved - On Track	See Comments Page 263
Judicial Council		
FS-434-07-03	Further Action Not Warranted - Finding Closed	
FS-434-08-01	Previously Reported Corrective Action Implemented - Finding Closed	See Comments Page 263
Superior Courts		
FS-436-07-01	Further Action Not Warranted - Finding Closed	
FS-436-08-01	Partially Resolved - On Track	See Comments Page 263
Labor, Department of		
FA-440-07-01	Further Action Not Warranted - Finding Closed	
FA-440-08-01	Unresolved - On Track	See Comments Page 264
FA-440-08-02	Unresolved - On Track	See Comments Page 264
FA-440-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-07-01	Further Action Not Warranted - Finding Closed	
FS-440-07-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-07-04	Further Action Not Warranted - Finding Closed	
FS-440-07-06	Further Action Not Warranted - Finding Closed	
FS-440-07-07	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-01	Unresolved - On Track	See Comments Page 264
FS-440-08-02	Unresolved - On Track	See Comments Page 264
FS-440-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-04	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-05	Unresolved - On Track	See Comments Page 265
FS-440-08-06	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-07	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-08	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-09	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-10	Previously Reported Corrective Action Implemented - Finding Closed	
FS-440-08-11	Unresolved - On Track	See Comments Page 265
Juvenile Justice, Department of		
FS-461-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-461-08-01	Further Action Not Warranted - Finding Closed	

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
Natural Resources, Department of		
FA-462-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FA-462-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-07-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-07-04	Partially Resolved - On Track	See Comments Page 265
FS-462-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-462-08-04	Unresolved - On Track	See Comments Page 265
FS-462-08-05	Partially Resolved - On Track	See Comments Page 266
FS-462-08-06	Unresolved - On Track	See Comments Page 266
FS-462-08-07	Partially Resolved	See Comments Page 266
Corrections, Department of		
FS-467-05-01	Partially Resolved - On Track	See Comments Page 266
FS-467-05-02	Partially Resolved - On Track	See Comments Page 267
FS-467-08-01	Partially Resolved - On Track	See Comments Page 267
Regents of the University System of Georgia, Board of		
FS-472-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
Revenue, Department of		
FA-474-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-474-04-05	Previously Reported Corrective Action Implemented - Finding Closed	
FS-474-06-01	Partially Resolved - On Track	See Comments Page 267
FS-474-06-02	Significantly Differing Corrective Action Implemented - Finding Closed	
FS-474-06-04	Further Action Not Warranted - Finding Closed	
FS-474-06-06	Further Action Not Warranted - Finding Closed	
FS-474-07-01	Further Action Not Warranted - Finding Closed	
FS-474-07-02	Further Action Not Warranted - Finding Closed	
FS-474-07-03	Further Action Not Warranted - Finding Closed	
FS-474-07-04	Further Action Not Warranted - Finding Closed	
FS-474-07-07	Further Action Not Warranted - Finding Closed	
FS-474-07-08	Further Action Not Warranted - Finding Closed	
FS-474-08-01	Partially Resolved - On Track	See Comments Page 267
FS-474-08-02	Partially Resolved - On Track	See Comments Page 268
FS-474-08-03	Unresolved - On Track	See Comments Page 268
FS-474-08-04	Partially Resolved - On Track	See Comments Page 268

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-474-08-05	Unresolved - On Track	See Comments Page 268
FS-474-08-06	Previously Reported Corrective Action Implemented - Finding Closed	
FS-474-08-07	Previously Reported Corrective Action Implemented - Finding Closed	
FS-474-08-08	Previously Reported Corrective Action Implemented - Finding Closed	
FS-474-08-09	Previously Reported Corrective Action Implemented - Finding Closed	
Secretary of State		
FS-478-07-01	Further Action Not Warranted - Finding Closed	
Transportation, Department of		
FS-484-07-02	Unresolved - Not On Track	See Comments Page 269
FS-484-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-484-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-484-08-03	Partially Resolved - On Track	See Comments Page 269
FS-484-08-04	Unresolved - On Track	See Comments Page 269
FS-484-08-05	Previously Reported Corrective Action Implemented - Finding Closed	
FS-484-08-06	Unresolved	See Comments Page 270
FS-484-08-07	Previously Reported Corrective Action Implemented - Finding Closed	
FS-484-08-08	Previously Reported Corrective Action Implemented - Finding Closed	
FS-484-08-09	Unresolved	See Comments Page 270
FS-484-08-10	Unresolved	See Comments Page 270
Veterans Service, State Department of		
FS-488-07-01	Further Action Not Warranted - Finding Closed	
FS-488-07-02	Further Action Not Warranted - Finding Closed	
FS-488-08-01	Unresolved - On Track	See Comments Page 271
FS-488-08-02	Unresolved - On Track	See Comments Page 271
Public Defenders Standards Council, Georgia		
FS-492-08-01	Partially Resolved - On Track	See Comments Page 271
****Georgia Institute of Technology***		
FA-503-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FA-503-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FA-503-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-503-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-503-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
****Georgia Tech Research Corporation***		
FS -5036-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS -5036-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
Georgia State University		
FS-509-05-04	Previously Reported Corrective Action Implemented - Finding Closed	

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-509-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
Medical College of Georgia Health, Incorporated		
FS -5124-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
Albany State University		
FS-521-07-01	Further Action Not Warranted - Finding Closed	
FS-521-07-04	Previously Reported Corrective Action Implemented - Finding Closed	
FS-521-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-521-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
Augusta State University		
FS-527-07-02	Partially Resolved - On Track	See Comments Page 273
Columbus State University		
FS-530-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-530-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
Fort Valley State University		
FA-533-08-01	Unresolved - On Track	See Comments Page 274
FA-533-08-02	Unresolved - On Track	See Comments Page 274
FA-533-08-03	Unresolved - On Track	See Comments Page 274
FA-533-08-04	Unresolved - On Track	See Comments Page 274
FA-533-08-05	Previously Reported Corrective Action Implemented - Finding Closed	
FA-533-08-06	Unresolved - On Track	See Comments Page 274
FS-533-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-533-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-533-08-02	Unresolved - On Track	See Comments Page 274
FS-533-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-533-08-04	Unresolved - On Track	See Comments Page 275
Georgia Southern University		
FA-539-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
Georgia Gwinnett College		
FS-540-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-540-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-540-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-540-08-04	Previously Reported Corrective Action Implemented - Finding Closed	
Savannah State University		
FA-548-07-05	Further Action Not Warranted - Finding Closed	
FA-548-08-01	Partially Resolved - On Track	See Comments Page 275
FS-548-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-548-07-02	Further Action Not Warranted - Finding Closed	

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-548-07-04	Further Action Not Warranted - Finding Closed	
FS-548-07-07	Further Action Not Warranted - Finding Closed	
FS-548-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-548-08-02	Unresolved - On Track	See Comments Page 275
FS-548-08-03	Partially Resolved - On Track	See Comments Page 275
Southern Polytechnic State University		
FS-550-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-550-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-550-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
Georgia Perimeter College		
FS-571-06-01	Further Action Not Warranted - Finding Closed	
Macon State College		
FA-581-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
Middle Georgia College		
FS-584-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
South Georgia College		
FS-587-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
DeKalb Technical College		
FS-830-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-830-07-05	Previously Reported Corrective Action Implemented - Finding Closed	
FS-830-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-830-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
Savannah Technical College		
FS-841-06-01	Partially Resolved - On Track	See Comments Page 275
****Building Authority, Georgia - Regular***		
FS-900-07-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-900-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FS-900-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
****Higher Education Assistance Corporation, Georgia***		
FA-918-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
FA-918-08-01	Previously Reported Corrective Action Implemented - Finding Closed	
FA-918-08-02	Unresolved - On Track	See Comments Page 276
FA-918-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
Agricultural Exposition Authority, Georgia		
FS-926-07-01	Further Action Not Warranted - Finding Closed	
****Road and Tollway Authority, State***		
FA-927-08-01	Previously Reported Corrective Action Implemented - Finding Closed	

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-927-08-01	Unresolved - On Track	See Comments Page 276
FS-927-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-927-08-03	Previously Reported Corrective Action Implemented - Finding Closed	
FS-927-08-04	Previously Reported Corrective Action Implemented - Finding Closed	
FS-927-08-05	Previously Reported Corrective Action Implemented - Finding Closed	
Agrirama Development Authority, Georgia		
FS-940-07-02	Previously Reported Corrective Action Implemented - Finding Closed	
Statewide		
FS-SW-06-01	Further Action Not Warranted - Finding Closed	
FS-SW-07-01	Further Action Not Warranted - Finding Closed	
FS-SW-07-05	Further Action Not Warranted - Finding Closed	
FS-SW-08-01	Further Action Not Warranted - Finding Closed	
FS-SW-08-02	Previously Reported Corrective Action Implemented - Finding Closed	
FS-SW-08-03	Previously Reported Corrective Action Implemented - Finding Closed	

* Audit Follow-up was performed by other auditors

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

EDUCATION, DEPARTMENT OF

Finding Control Number: FA-414-07-01
ACTIVITIES ALLOWED OR UNALLOWED - ELIGIBILITY - SUBRECEPIENT MONITORING
Collusion and Management Override of Controls

The GaDOE is currently waiting on an official decision by the USDOE in regards to the questioned costs.

Finding Control Number: FA-414-07-02
ACTIVITIES ALLOWED OR UNALLOWED - ELIGIBILITY - SUBRECEPIENT MONITORING
At least two GDOE former employees appear to have used their position for personal gain through contractual arrangements with sub-grantees.

The two employees in question were terminated by the GaDOE. This occurrence is currently being reviewed by the Federal Attorney General's Office.

Finding Control Number: FA-414-07-04
ACTIVITIES ALLOWED OR UNALLOWED
Reimbursements were made to sub-grantee for improper program expenditures

The GaDOE has been reviewing expenditure information for one of the non-profit organizations that had questioned costs. The review is ongoing and may include a review of the other three non-profit organizations, as time permits. The GaDOE will continue to recoup funds owed as result of unallowable reimbursements. In accordance with Education Support Services' operations manual, grantees may not continue to receive payments from the GaDOE until all owed funds are repaid.

Finding Control Number: FA-414-08-02
SUBRECIPIENT MONITORING
Failure to monitor subrecipient’s activities throughout the fiscal year

The GaDOE has conducted interviews for the three vacant Education Research and Evaluation Specialist (ERES) positions, and recommendations have been made to be approved by the State Board of Education. Twenty-First Century Community Learning Centers (21st CCLC) staff have completed their monitoring instrument, and monitoring has been completed for seven grantees. Monitoring reports are currently being finalized for the year and visits will begin again in late August/early September.

Finding Control Number: FS-414-08-01
ACCOUNTING CONTROLS (Overall)
Inadequate Controls over the Academic Coach Program

The GaDOE contacted the Attorney General’s (AG) Office about a possible review of the circumstances. The AG’s Office

AUDITEE'S COMMENTS

is currently in the process of conducting a criminal investigation against the parties involved. The GaDOE is also in the process of conducting an internal review. This review is being performed by the Department's Legal Services Department. The GaDOE Contract's Division has reviewed its business processes and practices to ensure proper contract management. Program Manager's responsible for contracts have been given guidance concerning proper contract administration through a series of training seminars provided by the Contracts Division.

*COMMUNITY HEALTH, DEPARTMENT OF

Finding Control Number: FA-419-08-01
ELIGIBILITY
Verification and Documentation of Eligibility

See current year finding FA-419-09-01 for status of the documentation of eligibility.

Finding Control Number: FA-419-08-02
REPORTING
Federal Accounts Receivable

See Financial Audit Finding FS-419-08-02.

Finding Control Number: FS-419-08-01
EXPENSES/EXPENDITURES AND LIABILITIES
Reserve for Encumbrances

See current year finding FA-419-09-03 for status of the reserve for encumbrances.

Finding Control Number: FS-419-08-02
REVENUES AND RECEIVABLES
Federal Accounts Receivables

The Department of Community Health implemented procedures whereby the initial federal accounts receivable reconciliation provided was accurately performed and properly approved; however, certain adjustments were noted during audit fieldwork. See current year findings FS-419-09-01 and FS-419-09-02 for status of the federal accounts receivable.

HUMAN RESOURCES, DEPARTMENT OF

Finding Control Number: FA-427-08-03
CASH MANAGEMENT
Inadequate Procedures Over Cash Draws of Federal Grants

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

1) The current procedures will be revised to include using updated AIP disbursement, processing daily draws, monthly reconciliation of draws with supporting documentation of any differences, and OFS will explore the option of including daily re-rate transactions into the daily draw process.

2) Monthly reconciliation will be performed to compare our monthly cash disbursements to the monthly draws reflected on the monthly cash receipt journal. The monthly reconciliation will be reviewed and approved by the manager of the Cash Management Unit to ensure the efficiency and accuracy of the Cash Management Process.

Finding Control Number: FA-427-08-04
ELIGIBILITY
Internal Control Deficiencies

Procedures were changed via email to staff in April of 2007. Appendix G in the Child Care Manual was not updated at that time and will be annotated with an "Under Review" description until such time as the written policy can be updated to match the current practice if deemed appropriate. Policy audit trail will be available through the office of the Child Care Unit Director. Child Care case accuracy reviews are being conducted monthly in both Cherokee and Cobb by way of peer reviews. Second level reviews are subsequently completed on the peer reviews by the CAPs supervisor and/or the CAPs Field Program Specialist. Applicable Policies to be amended located at: Division of Family and Children Services, Child Care Manual, Appendix G

Finding Control Number: FA-427-08-06
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

SHINES implementation is continuing on schedule. One remaining corrective action, the development and implementation of a tracking mechanism to ensure that all SHINES alerts and NOC's have been completed prior to the month of the child's 18th birthday, has not been verified as complete. Verification of that step will occur prior to the next scheduled quarterly reporting

Finding Control Number: FA-427-08-07
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

SHINES Program: The new Adoption Assistance component will assist in resolving both of these issues as there are safe guards built in to assure no child can be paid IVE adoption assistance after their 18th birth month and no child can be paid IV-B adoption assistance after their 21 st birth month. Another component will ensure no child can be paid twice in a given month by the same funding source. Shines should be fully operational by 06/01/09.
Regional Accounting: Will ensure a monthly notification list for all IV-E children turning 18 or IV-B children turning 21 is sent to the county case worker and their supervisor 60 days prior to termination of benefits to ensure all required paperwork is completed in a timely manner. Regional accounting staff will ensure a tracking mechanism is developed and implemented for the monthly adoption assistance verification list sent to the counties are completed and returned in a timely manner per policy. Regional accounting staff will ensure all adoption assistance payments are paid only to adoptive parents. SAU will provide training to regional accounting staff in who can legally receive adoption assistance

AUDITEE'S COMMENTS

payments.
Field Operations: Will ensure a tracking mechanisms is developed and implemented to ensure all adoption assistance verification list generated by Regional Accounting is reviewed, signed by appropriate staff (the case manager and supervisor) and returned in a timely manner per policy. Field Operations staff will ensure a tracking mechanism is developed and implemented to ensure the monthly adoption assistance verification lists sent by regional accounting staff are completed and returned to regional accounting staff.
REV MAX Unit will develop and post a IV-E Eligibility Determination record retention schedule to ensure staff understand record management policies/procedures and develop and implement a IV-E Eligibility Determination file checklist to ensure all files contain the federally mandated forms in a consistent manner. All REV MAX staff will be trained in the utilization of both.
Field Operations: Will ensure all Adoption Assistance Agreements (Form 402) have the appropriate signatures in accordance to policy 109.15 by developing and implementing a tracking form to ensure proper routing and signatures are obtained prior to execution of the agreement.
SAU Unit: Will provide statewide training on completing adoption assistance agreement in accordance with policy 109.15.

Finding Control Number: FA-427-08-08
ELIGIBILITY - SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Policies and Procedures have been implemented. Training on schedule for completion by Dec 2009

Finding Control Number: FA-427-08-10
REPORTING
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

Policies and procedures are being implemented to ensure accurate reporting of Federal expenditures

Finding Control Number: FA-427-08-12
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

The actions which were taken to eliminate this condition have failed to do so. The Agency is now developing a new corrective action plan which will be reported on at the end of the 1st qtr SFY 10.

Finding Control Number: FA-427-08-13
REPORTING
Internal Control Deficiency/Noncompliance with Federal Program Regulations

The actions which were taken to eliminate this condition have failed to do so. The Agency is now developing a new corrective action plan which will be reported on at the end of the 1st qtr SFY 10.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

Finding Control Number: FA-427-08-16
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

DFCS developed a corrective action plan that began April 21, 2008 to address this issue. We feel confident that the plan that we implemented to address areas of weakness in internal controls identified by the auditors is adequate at this time. We will conduct a root cause analysis to determine why any part of the plan did not achieve its' goal. Once the root case analysis is complete, we will make needed adjustments to that plan.
To ensure that all requests to terminate benefits are sent to DFCS, we will do the following:

1. In January 2009 OCSS revised the Policies and Procedures ERG 3800 to clarify that the employee will request the termination of benefits once non-cooperation was determined.

2. To ensure that the request was sent to DFCS, we will reconcile the monthly "didnot- cooperate" cases with the requests sent to DFCS to terminate benefits.
a. We will evaluate the possibility to add a field to $TARS system to track that the benefits termination requests were sent.
b. If system cannot be economically enhanced, we will perform manual reconciliations of non-cooperation cases with requests to terminate benefits sent.
Applicable Policies to be amended located at: Employee Manuals in the OCSS Website ERG#800.

Finding Control Number: FS-427-08-01
ACCOUNTING CONTROLS (OVERALL) - BUDGET
Inadequate Documentation of Allocation Across Budget Programs

This CAP has been delayed due to the restructuring of the Department and year-end close. The new expected date of completion is September 30,2009.
All Division and Office Directors will identify those individuals within their areas who have responsibility for allocating contract costs across program budgets, evaluate the adequacy of the individuals' skill sets and understanding of contract cost allocation requirements and provide back to the Chief Accountability Officer, DHR, a statement:
• Identifying and attesting to the competence of those individuals to perform cost allocation appropriately, including how to adequately document the process, and
• Describing the oversight for the contract cost allocation process within their Division of Office.

Finding Control Number: FS-427-08-02
ACCOUNTING CONTROLS (OVERALL) - BUDGET - EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Journal Entry Documentation

A training session has been developed to address journal entry documentation. This training has been delivered to a portion of the identified staff. The remainder of the staff will be trained at a later session and the training will then be made available through the Department's online Learning Management System

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

Finding Control Number: FS-427-08-03
CASH - INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Additional resources have been brought to bear to complete the back-log of reconciliations, which have now all been caught up, with the exception of the WIC account. Reconciling items are being researched and adjusted on all accounts. Crosstraining will occur later in FY 10 to provide back-up capability. Peoplesoft auto-reconcile will be employed later in FY 10. A root cause analysis will be conducted to determine the reason for extensive reconciling items

Finding Control Number: FS-427-08-04
REVENUES AND RECEIVABLES
Inadequate Procedures Over Cash Draws of Federal Grants

1) The current procedures will be revised to include using updated AP disbursement, processing daily draws, monthly reconciliation of draws with supporting documentation of any differences, and OFS will explore the option of including daily re-rate transactions into the daily draw process.

2) Monthly reconciliations will be performed to compare our monthly cash disbursements to the monthly draws reflected on the cash receipts journal. The monthly reconciliations will be reviewed and approved by the manager of the Cash Management Unit to ensure the efficiency and accuracy of the Cash Management Process.

Finding Control Number: FS-427-08-05
REVENUES AND RECEIVABLES
Invalid Accounts Receivable

The following corrective action plan activities have not been verified as completely implemented: Monthly reconciliations of DHR A/R transactions will be completed in conjunction with a review of the monthly outstanding receivables report and a requirement for timely adjustments. We will report on the status of this item at the next qtrly reporting date.

Finding Control Number: FS-427-08-06
EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Controls over Operating Leases

The following corrective actions have not been verified as completely implemented:
Policies and procedures have been developed to address the verification of amounts reported to the SAO for current and future lease obligations.
A schedule has been developed identifying the deadlines to provide lease information and sent to DFCS and Purchasing.
Lease expenditures to be sent to SAO reconciled to lease expenditures recorded in the accounting records by June

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

30. This reconciliation is now being reviewed and approved by the OFS Director. We expect to report these as completed prior to the next qtrly reporting period.

Finding Control Number: FS-427-08-08
EXPENSES/EXPENDITURES AND LIABILITIES
Questionable Encumbrances and Payables

The following corrective action has not been verified as completely implemented:
A procedure is in place and being monitored, to complete a monthly reconciliation on all liability account balances including a validity test for all balances over 30 days old.

Finding Control Number: FS-427-08-09
EXPENSES/EXPENDITURES AND LIABILITIES
Unrecorded Liabilities

The following activities due to be completed by June 30, 2009 have not been verified as implemented at this time. We expect to verify these prior to the next reporting period: A close-out checklist of all monthly invoices has been developed. Policy has been drafted to require that all invoices are received at a central location.

JUDICIAL COUNCIL

Finding Control Number: FS-434-08-01
ACCOUNTING CONTROLS (OVERALL) - GENERAL LEDGER
Failure to Maintain a Comprehensive Balance Sheet

AUDITOR CONCLUDING REMARKS TO FINDING FS-434-08-01

The Judicial Council's position is that there is no official policy or criteria requiring that a separate comprehensive balance sheet for the two agencies in PeopleSoft, however "Best Accounting Practices" would suggest that separate balance sheets be maintained in order to provide management with their financial position at any given point in time.

SUPERIOR COURTS

Finding Control Number: FS-436-08-01
CASH AND CASH EQUIVALENTS
Failure to record reconciling items on General Ledger

This finding references both the Operating and the Payroll bank reconcilaitions.
All of the Operating bank reconciling items have been cleared.

AUDITEE'S COMMENTS

Approximately 25% of the Payroll reconciling items have been cleared. Of those items remaining, the net G/L impact, when recorded, would be $2,628.95.

LABOR, DEPARTMENT OF

Finding Control Number: FA-440-08-01
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries

The Department has communicated to managers the importance of fully documenting the details of journal entries and feels that improvement was made in during fiscal year 2009. The Department will implement additional procedures to fully resolve this matter in fiscal year 2010.

Finding Control Number: FA-440-08-02
CASH MANAGEMENT
Inadequate Procedures over Cash Draws of Federal Grants

Findings FS-440-08-05 and Finding FA-440-08-02 deal with same matters that resulted in the situations disclosed in both of the Findings. Specifically, in some months the excess federal funds were drawn for the programs, and in other months insufficent Federal Funds were drawn for the same programs. These situations occurred primarily because allocation of expenses to the programs were not made to the programs on current and consistent basis. Procedures will be implemented to improve the methodology used to draw down cash on the Federal Programs noted in the finding.

Finding Control Number: FS-440-08-01
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries

The Department has communicated to managers the importance of fully documenting the details of journal entries and feels that improvement was made in during fiscal year 2009. The Department will implement additional procedures to fully resolve this matter in fiscal year 2010.

Finding Control Number: FS-440-08-02
BUDGET
Program Budgeting Deficiencies

The Georgia Department of Labor maintains its accounting records on the FARS (Federal Accounting and Reporting System) accounting system which is used by many other State Labor Departments across the Country. As noted by the auditors, this system does not facilitate maintaining accounting records on a program basis as the system is designed primarily to provide information to the U.S Department of Labor in a uniform reporting format from the various States. Because of the system constraints, extensive special programming and changes in the chart of accounts are required

AUDITEE'S COMMENTS

to accomplish production of an ongoing set of program budget reports. The Department has re-programmed its budget reports to fully accommodate program budget reporting as required by various State Agencies. These reports will be available beginning in fiscal year 2010.

Finding Control Number: FS-440-08-05
REVENUES AND RECEIVABLES - GENERAL LEDGER
Inadequate Procedures Over Cash Draws of Federal Grants

Findings FS-440-08-05 and Finding FA-440-08-02 deal with same matters that resulted in the situations disclosed in both of the Findings. Specifically, in some months the excess federal funds were drawn for the programs, and in other months insufficent Federal Funds were drawn for the same programs. These situations occurred primarily because allocation of expenses to the programs were not made to the programs on current and consistent basis. Procedures will be implemented to improve the methodology used to draw down cash on the Federal Programs noted in the finding.

Finding Control Number: FS-440-08-11
GENERAL LEDGER
Inadequate General Ledger

The Department of Labor acknowledges that the HOST system currently used to process and account for transactions relating to the Unemployment Compensation Insurance Program is not a formal accounting system. However, over the last four fiscal years, a formal chart of accounts has been developed to facilitate preparation of financial statements and multiple queries have been written and continually revised to produce financial information that is used to prepare the Department of Labor's Financial Statements for the Unemployment Compensation Insurance Program. For the current fiscal year, the auditor's opinion on these statements will be again be unqualified. These efforts show the current system is being effectively utilized until a formal accounting system can be acquired and implemented. The Department of Labor will continue to research other State's UI systems in order to determine the most effective approach to integrate the HOST system or update its accounting capabilities while continuing the day-to-day business as required.

NATURAL RESOURCES, DEPARTMENT OF

Finding Control Number: FS-462-07-04
CAPITAL ASSETS
Inadequate Capital Asset Records – Machinery and Equipment

We are in the process of developing and implementing new administrative procedures with the goal of eliminating any future audit findings. We are following through with our discussions with the auditors.

Finding Control Number: FS-462-08-04
CAPITAL ASSETS
Inadequate Capital Asset Records – Land

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

Procedures are being updated to insure the process for recording proper documentation is filled when completing land transactions. The 77 land items in question have been researched and will be updated once approved. The Department is researching the 72 items for ancillary cost of land purchases. With the updated procedures that will be implemented, the above corrections should eliminate any future discrepancies.

Finding Control Number: FS-462-08-05
CAPITAL ASSETS
Inadequate Capital Asset Records – Buildings and Building Improvements

Procedures are being updated to insure the process for recording items in this category are properly documented, filled and maintanined. Completion date of November 2009. To help resolve the issues, the following request was made June 17, 2009 to the State Accounting Offfice:
FS-462-08-05 Inadequate Capital Asset Records – Buildings and Building Improvements
• Seven facilities were cited for documentation which failed to agree with the recorded capitalized cost. The project dates ranged from 1991 to 1995. We requested that the figures be updated to reflect the supporting documentation column, of which, we have back-up files for verification.

Finding Control Number: FS-462-08-06
CAPITAL ASSETS
Inadequate Capital Asset Records – Improvements Other Than Buildings

Procedures are being updated to insure the process for recording proper documentation is completed during land transactions. Completion date of Novemeber 2009. The following request was made June 17, 2009 via memo to the State Accounting Offfice:
FS-462-08-06 Inadequate Capitol Assets Records – Improvements Other Than Buildings
• The Department constructed three new state park golf courses at Laura Walker, Richard B. Russell and Victoria Bryant for a recorded capitalized cost of $9,263,775.00 between 1994 and 2002. We have requested the SAO to adjust their figures based on the supporting documentation maintained in our files for verification.

Finding Control Number: FS-462-08-07
CAPITAL ASSETS
Inadequate Capital Asset Records – Machinery and Equipment

We are in the process of developing and implementing new administrative procedures with the goal of eliminating any future audit findings. We are following through with our discussions with the auditors.

CORRECTIONS, DEPARTMENT OF

Finding Control Number: FS-467-05-01
CAPITAL ASSETS
Inadequate Capital Asset Records - Improvements Other Than Buildings

AUDITEE'S COMMENTS

The corrective action plan has been implemented with respect to new projects. There are still some projects that were in process at the time of the original finding that are being completed without a unique project number to identify each transaction associated with the project. Our Engineering Department maintains records on these projects and pulls the totals from PeopleSoft at the time the construction is completed.

Finding Control Number: FS-467-05-02
CAPITAL ASSETS
Failure to Maintain Records for Capital Assets-Building and Building Improvements

The corrective action plan has been implemented with respect to new projects. There are still some projects that were in process at the time of the original finding that are being completed without a unique project number to identify each transaction associated with the project. Our Engineering Department maintains records on these projects and pulls the totals from PeopleSoft at the time the construction is completed.

Finding Control Number: FS-467-08-01
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures and Outstanding Checks for Over One Year

Appropriate personnel have been made aware of their responsibilities with respect to the processes associated with the proper reconciliation of the Department's accounts. Thus far, significant progress has been made with the Operating account as it is current with respect to the proper disposition of outstanding checks. The next step for the Department will be to do the same for the Payroll account. It is expected that both accounts will be operating according to Code by the end of FY 2010.

REVENUE, DEPARTMENT OF

Finding Control Number: FS-474-06-01
ACCOUNTING CONTROLS (OVERALL)
Inadequate Monitoring Procedures

The Department has resolved Conditions 1 and 2 for this audit fmding. The Motor Vehicle Unit has adapted internal control policies to ensure accurate check deposits during the course of each business day before the GRATIS reports are finalized and sent to the Cash Management Unit. Currently a GRATIS system change request has been initiated to correct the system to ensure system reports match actual revenue received and deposits.

Finding Control Number: FS-474-08-01
ACCOUNTING CONTROLS (OVERALL) - REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

The Department implemented systematic changes through an integrated tax system for Sales Tax collections beginning in May 2009. This upgrade enabled the Department to record the postmark date for all Sales Tax returns. In

AUDITEE'S COMMENTS

addition, this provided the Department with the ability to monitor delinquent sales tax returns and generate assessments.

Finding Control Number: FS-474-08-02
ACCOUNTING CONTROLS (OVERALL) - GENERAL LEDGER
Deficiencies in Controls over Journal Entries

The Department has developed a manual journal entry log to ensure all manual journal entries are recorded in the financial records, approved by supervisors (when applicable), and all supporting documentation that is available to the Department is attached to the manual journal entries.

Finding Control Number: FS-474-08-03
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Accounting Procedures

The department is currently documenting the flow of transactions to obtain a thorough understanding of this cash account which will be completed by the end of calendar year 2009. This process flow analysis involves, but is not limited to, when transactions are recorded in the general ledger, what documentation supports recording transactions in the general ledger, how are stale dated checks processed by department and the bank, how does the department process returned items on the bank statement, how does the department resolve known variances and reconciling items and what support does the bank provide in resolving variances and reconciling items. The department is performing monthly reconciliations and researching reconciling items and variances between the general ledger and bank balance.

Finding Control Number: FS-474-08-04
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Accounting Procedures

The Department is currently working to eliminate the outstanding check amount of $17K. Remaining outstanding checks that meet the requirements of unclaimed property for governmental entities will be forwarded to the state's unclaimed property unit and appropriate journal entries recorded.

Finding Control Number: FS-474-08-05
REVENUES AND RECEIVABLES
Deficiencies in the Income Tax Division Subsidiary Records

The department is currently in the process of implementing systematic upgrades through an intergrated tax platform that will enable the department to track and analyze taxpayer tax returns. This implementation will be finished by the end of Fiscal Year 2011 as long as appropriate funding is available.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

TRANSPORTATION, DEPARTMENT OF

Finding Control Number: FS-484-07-02
CAPITAL ASSETS
Inadequate Capital Asset Records – Land

GDOT currently maintains detailed actual cost for land, in an Access database. The source of this cost data is the AP lines recorded in PeopleSoft, the Department's financial accounting system. PeopleSoft does not provide the fields necessary to capture and record the description, location, parcel and acreage, for the purchase of land at the time of payment. This information is available in paper form and is tracked in separate databases.
The Department is pursuing the purchase of a software package to consolidate these records in a single location in order to resolve the remaining reporting issues.

Finding Control Number: FS-484-08-03
GENERAL LEDGER
General Ledger not suitable for day-to-day operations

State general funds will continue to be booked quarterly.
The yearly motor fuel appropriation is booked in total during the month of July to create a reconciling item when balancing the general ledger.
To ensure that recorded revenues do not exceed available funds, GDOT contacts GSFIC and SRTA to inquire about available funding prior to accruing revenue for GARVEE and GO Bonds proceeds each quarter and at year end.
In order for Advanced Construction projects to comply with the Constitution of the State of GA, GDOT will ensure sufficient unobligated State Motor Fuel funds are on hand at the time the contracts are executed.
To automate the recording of accounts receivable/revenue for expenditure driven grants on the "Statutory Basis of Accounting" (when qualifying expenditures have been incurred), there are some challenges that must be overcome from a system perspective, to increase the receivable/revenue each time a payment is made, and decrease the receivable each time a reimbursement is received. We are working closely with the State Accounting Office to determine a short-term remedy and ultimate long term resolution to the automation of the revenue process within the statewide accounting system. Additionally, GDOT has engaged an independent consultant who is documenting the business requirements needed and the current gaps that exist. We anticipate that some programming changes will be necessary in order to remedy this finding as it relates to revenue.
For FY2009 GDOT will allocate Federal revenue by program, based on a percentage of expense. Going forward, GDOT plans to continue to use the percentage to allocate Federal, Motor Fuel Revenue, and General Fund revenue by program.
GDOT is monitoring changes to accounts receivable and revenue, for use in day-to-day management decisions.

Finding Control Number: FS-484-08-04
GENERAL LEDGER
Sub-ledger deficiencies

We are actively engaged in correcting the expense sub ledgers. On the receivable/revenue side, there are some challenges that must be overcome from a system perspective, to increase the receivable/revenue each time a

AUDITEE'S COMMENTS

payment is made, and decrease the receivable each time a reimbursement is received, in order to record accounts receivable/revenue at a "Fund Source level".
We are working closely with the State Accounting Office to determine a short-term remedy and ultimate long term resolution to the automation of the revenue process within the statewide accounting system. Additionally, GDOT has engaged an independent consultant who is documenting the business requirements needed and the current gaps that exist. We anticipate that some programming changes will be necessary in order to remedy this finding as it relates to revenue. The Department is monitoring the changes to accounts receivable and revenue at a Fund Source level, for use in day-to-day management decisions.
For FY2009 GDOT will allocate Federal revenue by program, based on a percentage of expense. Going forward, GDOT plans to continue to use the percentage to allocate Federal, Motor Fuel Revenue, and General Fund revenue. (See finding FS 484-04-03)

Finding Control Number: FS-484-08-06
EXPENSES/EXPENDITURES AND LIABILITIES - GENERAL LEDGER
Contract monitoring deficiencies

We are working with the State Accounting Office to develop the purchase order queries that we will need to more closely monitor activity and ensure that obsolete purchase orders are closed in a timely fashion.
GDOT continues to monitor the status of outstanding contractual obligations on a monthly basis using existing reports and queries. Projects which have no requested reimbursement from the Federal Highway Administration are reviewed for final billing, de-obligation or closure and letters of inquiry are sent to Project Managers regarding the status of the contracts.

Finding Control Number: FS-484-08-09
ACCOUNTING CONTROLS (OVERALL)
Internal Control Weaknesses Regarding the Ability to Record, Process, and Report Contractual Obligations and Supplemental Agreements

All contracts and supplemental agreements identified in the audit were entered into PeopleSoft in October of 2008. All new contracts and supplemental agreements are entered as they are executed. Additionally, the Department implemented an automated contract tracking system on July 1, 2009. This system tracks the contracts' various approval stages, from legal review, to the Treasurer's Office, to execution by the Commissioner.

Finding Control Number: FS-484-08-10
BUDGET
Inadequate accounting records at the legal level of budgetary control

As discussed in Finding FS-484-08-04, we are actively engaged in correcting the expense sub ledgers. On the receivable/revenue side, there are some challenges that must be overcome from a system perspective, to increase the receivable/revenue each time a payment is made, and decrease the receivable each time a reimbursement is received, in order to record accounts receivable/revenue at the "Budgetary Control level". Reimbursable Transportation expenditures occur across Budgetary controlled programs. However, when Federal reimbursement is received, the Department is unable to identify at a transaction level, which budgetary controlled program incurred the

AUDITEE'S COMMENTS

reimbursable expense. Due to the volume and complexity of transactions, it is not efficient or feasible to manually record accounts receivable/revenue at the level of Budgetary Control.
The Department is monitoring the changes to accounts receivable and revenue at a Budgetary Control level, for use in day-to-day management decisions.
The Budget Services Office has identified a dedicated resource to monitor expenditures and research any anomalies at the program level, which is required for budgetary compliance. Further, the budget comparison reports are monitored to identify areas that need further research to ensure accurate expenditure activity at the program fund source level. We are working closely with the State Accounting Office to determine a short-term remedy and ultimate long term resolution to the automation of the revenue process within the statewide accounting system. Additionally, GDOT has engaged an independent consultant who is documenting the business requirements needed and the current gaps that exist. We anticipate that some programming changes will be necessary in order to remedy this finding as it relates to revenue.
For FY2009 GDOT will allocate Federal revenue by program, based on a percentage of expense. Going forward, GDOT plans to continue to use the percentage to allocate Federal, Motor Fuel Revenue, and State General Fund revenue.

VETERANS SERVICE, STATE DEPARTMENT OF

Finding Control Number: FS-488-08-01
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

The Department of Veterans Service moved the requested expenditures from FY 2008 to FY 2009. However, we did not lapse enough state funds to cover these expenditures in FY 2009.

Finding Control Number: FS-488-08-02
ACCOUNTING CONTROLS (OVERALL)
Federal Fund Ledger Deficiencies

Veterans Service has received permission from SAO to write off/convert these fund balances; many of which pre date PeopleSoft. The SAO Helpdesk has informed us that currently PeopleSoft does not have the capability to do this conversion. The Department of Veterans Service has done all that it can do at this point.

PUBLIC DEFENDERS STANDARDS COUNCIL, GEORGIA

Finding Control Number: FS-492-08-01
ACCOUNTING CONTROLS (OVERALL) - EXPENSES/EXPENDITURES AND LIABILITIES
Billing practices related to legal defense services provided by private attorneys and other consultants

We concur with this finding. The agency acknowledges that funds for private attorneys and other consultants were not encumbered in accordance with the manner prescribed by GAAP.
The agency will implement a Cooperative Attorney Program. The objective is to create a pool of qualified criminal defense attorneys with adequate experience who are willing to enter into agreements with GPDSC to handle cases in

AUDITEE'S COMMENTS

which public defenders cannot represent clients whose interests are antagonistic to each other. Under these agreements, funds will be encumbered by GPDSC sufficient to cover the fees contained in the agreement at the time it was initiated.

This agreement would include but not be limited to the following:
A.) Defining the responsibilities of a Cooperating Attorney.
B.) Identifying the terms and conditions for participating as a Cooperating Attorney:
1.) Responsibility and scope of representation;
2.) Payments as outlined in fee schedules by executing a written fee agreement with GPDSC prior to accepting cases.
C.) Delineating compensation
1.) Billings - Cooperating Attorney would agree to submit interim activity andbilling reports as outlined in Master Agreement. Said reports would be onforms provided by GPDSC.
2.) Cooperating Attorney would agree to abide by the fee schedule as set forth by GPDSC. The schedule could be revised from time to time and may differ by judicial districts of the state. Any such revision would be prospective in nature.
3.) GPDSC would supply experienced criminal attorneys to oversee the program and be available for Cooperating Attorney to consult with.
4.) Cooperating Attorney would agree to further terms and conditions as to timely case closing, activity and billing reports.
5.) Cooperating Attorney would agree to possible audits of a client file, with review by a Senior Attorney of GPDSC for quality control.

The implementation of this Cooperating Attorney Program would:
A.) Create an approved database statewide of qualified local criminal defense bar attorneys as designated in which courts they are approved to represent GPDSC conflict cases - capital and non-capital;
B.) Provide both GPDSC and the cooperating attorney with written agreements for clarification of terms and expectations of both parties, including fee scheduling, expert costs and payment by GPDSC;
C.) Provide GPDSC, outside of JCATS, with a mechanism of identification, monitoring of cases and determining a reasonable known liability of its obligations at any time. This goal could be accomplished with an Excel spreadsheet;
D.) Accomplish a goal of helping keep the qualified private criminal defense bar employed in conflict cases, on a local basis;
E.) Help GPDSC to maintain the quality assurance of the conflict program;
F.) Create a maximum (yet to be determined) (not flat) fee schedule for services to client that would still be billed on an hourly basis. The maximum fee per the schedule would simply be the largest amount that could be charged without requesting and receiving written authorization to exceed the maximum from GPDSC;
G.) Define what could and could not be billable to GPDSC.

Staffing Requirements for implementation of Cooperating Attorney Program include:
A.) Attorney Positions. Two (2) attorneys both senior and experienced in determining the costs of cases—one designated director of the program—with the following duties:
1). Monitor cases for quality assurance;
2.) Review billing;
3.) Review requests for fees above fee schedule;
4.) Ensure compliance;
5.) Assign cases to Cooperating Attorneys.
B.) Budget Position

AUDITEE'S COMMENTS

To maintain spread sheet. Track, collect and check to see that billing is within fee schedule or_approval to exceed fee schedule.
C.) Administrative Assistant
To maintain accurate data as to cases and compliance with Cooperating Attorney agreements.

Finally, the goal of this program is to provide the GPDSC with the ability to track and monitor all conflict cases as to its obligations and encumbrances in order to maintain a balanced budget within its appropriated funding level.

AUGUSTA STATE UNIVERSITY

Finding Control Number: FS-527-07-02
CAPITAL ASSETS
Inadequate Accounting Procedures

In fiscal year 2009 the Asset Management Team continued its work, as identified in the previous fiscal year, to improve internal controls and procedures relating to the physical inventory:

• The Asset Management - Inventory Custodian Reference Guide was updated and posted on ASU's website.
• An "Asset Trade-In Form" was developed and is now accessible to Inventory Custodians via the campus website (e-forms).
• Inventory Custodians now have direct access to their inventory reports via IRIS and can review their inventory on an as needed basis.
• The Business Office conducted a PeopleSoft training session with Central Services staff reviewing how to record asset location changes.
• TAGLine continued to be published and distributed to Inventory Custodians.
• Beginning in July 2009, TAGLine will become incorporated into a new publication, Business Operations Quarterly, and thereby have a wider audience. Business Operations Quarterly will be electronically distributed to the entire ASU campus.
• New DOAS surplus policies were implemented.
• In October 2008, the Business Office distributed a complete physical inventory list to the inventory custodian of each department for verification and updating.
• In May 2009 a campus wide physical inventory was taken by Central Services. Inventory changes were recorded in PeopleSoft .

The results of the 2009 physical inventory suggest that the procedures that have been implemented in the past two fiscal years are taking effect. There were considerably fewer "Missing Assets" this year. We attribute this progress to an ongoing effort to educate the campus community, via Inventory Custodians, about the importance of keeping inventory records up to date.

In fiscal year 2010, the Asset Management Team will continue its work to address the audit finding and consider additional internal controls as the physical inventory process continues to be analyzed, modified and improved.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

FORT VALLEY STATE UNIVERSITY

Finding Control Number: FA-533-08-01
ELIGIBILITY
Overpayment of Student Financial Aid

We will ask the readers of the financial statements to refer to the respective current year findings.

Finding Control Number: FA-533-08-02
REPORTING
Reports Not Reconciled

We will ask the readers of the financial statements to refer to the respective current year findings.

Finding Control Number: FA-533-08-03
SPECIAL TESTS AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process

We will ask the readers of the financial statements to refer to the respective current year findings.

Finding Control Number: FA-533-08-04
SPECIAL TESTS AND PROVISIONS
Inadequate Control Procedures over Unofficial Withdrawals

We will ask the readers of the financial statements to refer to the respective current year findings.

Finding Control Number: FA-533-08-06
SPECIAL TESTS AND PROVISIONS
Deficiencies Over the Verification Process

We will ask the readers of the financial statements to refer to the respective current year findings.

Finding Control Number: FS-533-08-02
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Internal Controls

We will ask the readers of the financial statements to refer to the respective current year findings.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

AUDITEE'S COMMENTS

Finding Control Number: FS-533-08-04
EMPLOYEE COMPENSATION
Inadequate Internal Controls

We will ask the readers of the financial statements to refer to the respective current year findings.

SAVANNAH STATE UNIVERSITY

Finding Control Number: FA-548-08-01
SPECIAL TESTS AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process

The University implemented a corrective action during the 2009 fiscal year resulting from the 2008 audit report. The corrective action had not taken effect during the 2009 audit year. It is anticipated that the corrective action will be fully implemented and reflected in the 2010 fiscal year operations.

Finding Control Number: FS-548-08-02
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Control Procedures for Collection of Tuition and Fees

Savannah State University has taken steps to reduce, and eventually eliminate, the number and percentage of students having a balance that has not been guaranteed by Financial Aid or some other source. Additionally, the University has taken steps to strengthen the registration clearance process. The University is confident that these steps taken together will resolve these issues.

Finding Control Number: FS-548-08-03
CAPITAL ASSETS
Inadequate Capital Asset Records

Savannah State University is working with the Board of Regents Office of Information and Instructional Technology to resolve this matter.

SAVANNAH TECHNICAL COLLEGE

Finding Control Number: FS-841-06-01
GENERAL LEDGER
Deficiencies in Financial Statement Presentation

We have reduced the deficiencies on our GAAP statements from previous years and understand we need to continue our improvement process by having others trained in our business office in the year end GAAP process so we can

AUDITEE'S COMMENTS

verify entries prior to submitting financial statements.

*HIGHER EDUCATION ASSISTANCE CORPORATION, GEORGIA

Finding Control Number: FA-918-08-02
REPORTING
Failure to maintain current records

Unresolved - See current year finding FA-918-09-01. The failure to maintain current records finding for FA-918-08-02 in the specific context and effect (two accounts were noted to not have a complete set of records) has been resolved although it is again a finding in FA-918-09-01 in another context and effect.

*ROAD AND TOLLWAY AUTHORITY, STATE

Finding Control Number: FS-927-08-01
EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS
Reconciliation of Fund Balance

This finding remains a current year finding for the year ended June 20, 2009. See finding FS-927-09-01.

Corrective Action Responses to Current Year Findings and Questioned Costs

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

State of Georgia

Corrective Action Responses to Current Year Findings and Questioned Costs

Table of Contents

For the Fiscal Year Ended June 30, 2009

ENTITY CODE	ORGANIZATIONAL UNIT	PAGE NO.
SW	Statewide	281
402	Agriculture, Department of	281
407	Accounting Office, State	282
414	Education, Department of	282
418	Prosecuting Attorney's Council	285
419	Community Health, Department of (*)	286
422	Governor, Office of the	289
427	Human Resources, Department of	289
429	Economic Development, Department of	304
434	Judicial Council	305
436	Superior Courts	305
438	Supreme Court	306
440	Labor, Department of	307
461	Juvenile Justice, Department of	310
462	Natural Resources, Department of	310
467	Corrections, Department of	312
474	Revenue, Department of	312
478	Secretary of State	315
483	Aviation Hall of Fame, Georgia	315
484	Transportation, Department of	316
488	Veterans Service, State Department of	321
492	Public Defenders Standards Council, Georgia	321
	Colleges and Universities	
524	Armstrong Atlantic State University	322
533	Fort Valley State University	323
539	Georgia Southern University	326
548	Savannah State University	327
557	Abraham Baldwin Agricultural College	327
562	Bainbridge College	328
912	North Georgia Mountains Authority	329
918	Higher Education Assistance Corporation, Georgia (*)	329
919	Seed Development Commission, Georgia	330
927	Road and Tollway Authority, State (*)	330
928	Environmental Facilities Authority, Georgia (*)	331
942	Sapelo Island Heritage Authority	331
982	Medical Center Authority, Georgia (*)	332

STATE OF GEORGIA
CONSTITUTION
WIS
DOM
JUSTICE
MODER
ATION
1776

STATEWIDE

Finding Control Number: FS-SW-09-01
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Budgetary Compliance Deficiencies

While some mechanisms were in place to track budgets at the legal level of control, we agree that as of June 30, 2009 PeopleSoft did not "control" budgets at the legal level of budgetary control or provide budget errors when agencies exceeded such budgets. As noted in the recommendations above, during fiscal year 2010 SAO implemented a pilot program in which selected agency budgets will be “controlled” within PeopleSoft at the legal level of control. During the second quarter of fiscal year 2010, SAO also developed a report in PeopleSoft that provides agencies with the ability to review interim budgetary balances consistent with the budgetary compliance schedules presented in the BCR and delivered the first of a two part program budget refresher course. We intend to deliver part two of this course and issue a policy on program budget compliance prior to the end of fiscal year 2010.

Contact Person: Alan Skelton
Telephone: (404) 657-4138 ; Fax: (404) 463-5089 ; E-mail: askelton@sao.ga.gov

Finding Control Number: FS-SW-09-02
FINANCIAL REPORTING AND DISCLOSURE
Audit Adjustments to the Comprehensive Annual Financial Report (CAFR)

During the production of the CAFR and BCR for the fiscal year ended 2009, we implemented multiple organizational, process, and technological changes within the financial reporting group at the State Accounting Office. As a result, and with the cooperation of the Department of Audits, we were able to issue the CAFR and BCR prior to December 31, 2009. An accomplishment that has not happened in many years.

We agree that policies and procedures over the period-end financial reporting process could be strengthened to include a comprehensive final review and an enhanced final analytical review. To accomplish this recommendation, we intend to implement the leading financial consolidation and reporting tool for preparation of the CAFR and BCR for the fiscal year ended 2010.

Contact Person: Alan Skelton
Telephone: (404) 657-4138 ; Fax: (404) 463-5089 ; E-mail: askelton@sao.ga.gov

AGRICULTURE, DEPARTMENT OF

Finding Control Number: FS-402-09-01
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Excess Hours Worked by Retired Employees

We concur with this finding. The Department of Agriculture promptly notified the Retirement System that said employee exceeded the stated hours when alerted by the Office of Audits that the hourly paid worker had in fact retired from another agency. Our position is that background checks are not cost effective for casual and hourly laborers, and will request that the State Accounting Office create ‘public queries’ so that hiring agencies can determine if current employees have retired from other departments.

Contact Person: Anthony J. Amoroso, Fiscal Officer and Treasurer
Telephone: (404) 656-9319 ; Fax: (404) 463-0759 ; E-mail: Anthony.Amoroso@agr.georgia.gov

Finding Control Number: FS-402-09-02
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Deficiencies in Federal Funding Source Accounting Record

We concur with this finding. The Department correctly stated CFDA numbers in its' Schedule of Expenditures of Federal Awards database, but neglected to re-enter the data into the State Accounting database. The Department has implemented additional internal controls to address this weakness. CFDA numbers will be matched in each of the States' reporting systems.

Contact Person: Anthony J. Amoroso, Fiscal Officer and Treasurer
Telephone: (404) 656-9319 ; Fax: (404) 463-0759 ; E-mail: Anthony.Amoroso@agr.georgia.gov

ACCOUNTING OFFICE, STATE

Finding Control Number: FA-407-09-01
ALLOWABLE COSTS/COST PRINCIPLES
Failure to submit Statewide Cost Allocation Plan (SWCAP)

We concur with this finding. The State Accounting Office (SAO) acknowledges our responsibility to prepare and submit the Statewide Cost Allocation Plan (SWCAP) for each fiscal year to the US Department of Health and Human Services (the cognizant agency) for approval. We assumed this responsibility in November 2007 and concur that this report needs to be filed each year according to OMB Circular A-87.

SAO recognizes that failure to remain current with the submission of the SWCAP could result in significant financial adjustments required for central service costs charged by the state of Georgia to its federal programs. SAO has taken immediate steps to develop ongoing project plans and schedules to ensure the timely completion of the annual SWCAP. We will continue to work with the vendor under contract, Maximus, to expedite the approval of prior year SWCAP's. Once the 2004 SWCAP is approved SWCAP's for the subsequent years should follow in a timely manner.

Contact Person: Paul Turner
Telephone: (404) 463-1450 ; Fax: (404) 463-5089 ; E-mail: pturner@sao.ga.gov

EDUCATION, DEPARTMENT OF

Finding Control Number: FA-414-09-01
MATCHING, LEVEL OF EFFORT, EARMARKING
Lack of Supervisory Review and Approval of the Annual Report of State Revenue Matching
Child Nutrition Cluster

The GaDOE concurs with this finding. The GaDOE performed the appropriate supervisory review. However, the Department will review its policies and procedures, in regards to supervisory approval, and will update them accordingly to ensure that the proper sign-off is performed.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FA-414-09-02
MATCHING, LEVEL OF EFFORT, EARMARKING
Failure to Maintain Maintenance of Effort Expenditure Requirements
Career and Technical Education – Basic Grants to States (CFDA 84.048)

The GaDOE concurs with this finding. This issue was a direct result of the statewide budget cuts due to the economic downturn. However, the GaDOE will review its processes to ensure the Department is aware of the proper level of state

administrative expenditures in meeting the maintenance of effort requirement.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FA-414-09-03
MATCHING, LEVEL OF EFFORT, EARMARKING
EXPENSES/EXPENDITURES AND LIABILITIES
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Reading First State Grants (CFDA 84.357)

The GaDOE concurs with this finding. The GaDOE has reviewed the transactions involved and concluded the transactions were posted to the incorrect project within the Reading First program. Subsequently, the GaDOE separated the projects in question into two different fund source numbers to resolve the issue of possible mis-postings.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FA-414-09-04
EQUIPMENT AND REAL PROPERTY MANAGEMENT
Inadequate Equipment and Real Property Management

Reconciliations were performed on the GaDOE's Asset Management Module and the general ledger, but this process was not completed on a monthly basis. The Department plans to perform the reconciliations monthly, but not less than quarterly.

The GaDOE is currently in the process of performing the physical inventory of all capital assets. The inventory is approximately 65% complete with an expected completion date of March 1, 2010. As part of its physical inventory the GaDOE will be ensuring that all "In Service" GaDOE capital assets have an assigned decal and custodian.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FA-414-09-05
REPORTING
Lack of Supervisory Review and Approval of Financial Status Reports (SF-269)
Child Nutrition Cluster

The GaDOE concurs with this finding. The GaDOE performed the appropriate supervisory review. However, the Department will review its policies and procedures, in regards to supervisory approval, and will update them accordingly to ensure that the proper sign-off is performed.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FA-414-09-06
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Career and Technical Education – Basic Grants to States (CFDA 84.048)

The GaDOE concurs with this finding. The GaDOE has developed an electronic means for documenting and reconciling its Financial Status Reports for the Career and Technical Education Program to ensure that the amounts reported to the U.S. Department of Education are generated based upon more detailed source documentation.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FS-414-09-01
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Deficiencies in Federal Funding Source Accounting Records

The GaDOE concurs with this finding. A memorandum from the U.S. Department of Agriculture required that the Catalog of Federal Domestic Assistance (CFDA) number for the Commodities Program be changed to 10.555 – National School Lunch Program. However, when making this change to the Commodities Program, the GaDOE also erroneously understood that the School Breakfast Program and Special Milk Program for Children were to be placed under this same CFDA number. The GaDOE still accounted for each program separately by fund source on the Department's accounting records. The GaDOE updated the CFDA numbers that are maintained on the Department's accounting records.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FS-414-09-02
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Excess Hours Worked by Retired Employees

The GaDOE concurs with this finding. The GaDOE reviewed its procedures to comply with the Employee Retirement System policy. The Department reviewed and strengthened the process to notify each retired state employee returning to state employment of their responsibility to ensure they do not work in excess of 1,040 hours per year. In addition, the GaDOE Human Resources department will generate a statement on hours worked in November to review for compliance and will notify the applicable employees of where they stand year-to-date.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FS-414-09-03
ACCOUNTING CONTROLS (OVERALL)
FINANCIAL REPORTING AND DISCLOSURE
Failure to Meet Deadlines Established by the State Accounting Office

The GaDOE does not concur with this finding. The GaDOE's accounting management staff met with the State Accounting Office's (SAO) management staff over financial reporting on July 15, 2009 and an extended deadline for submission of the Department's forms, data and other information required for the preparation of the Single Audit Report was established. The GaDOE provided the SAO with the required information within the time period that was instituted by the SAO.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FS-414-09-04
CAPITAL ASSETS
Inadequate Capital Asset Records

The GaDOE concurs with this finding. (1) The GaDOE has received the appraisals for the land that is in the capital asset management system and this information will be used to update the capital asset records. This should be accomplished by April, 2010.

(2) Reconciliations were performed on the GaDOE's Asset Management Module and the general ledger, but this process was not completed on a monthly basis. The Department plans to perform the reconciliations monthly, but not less than quarterly.

(3) The GaDOE is currently in the process of performing the physical inventory of all capital assets. The inventory is approximately 65% complete with an expected completion date of March 1, 2010. As part of its physical inventory the GaDOE will be ensuring that all "In Service" GaDOE capital assets have an assigned decal and custodian.

(4) The four (4) equipment items questioned that were below the $5,000 threshold have been reviewed and removed from the GaDOE capital asset inventory records.

(5) The GaDOE does not track capital assets utilizing the location codes. As a mitigating control the GaDOE tracks asset equipment by custodian. The majority of the ninety-seven (97) equipment items without a custodian were assets purchased prior to 1991 and do not have a current valid department number. The GaDOE is in the process of completing our physical inventory (see above) and will update the custodians for these assets when the physical inventory has been completed.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: FS-414-09-05
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

The GaDOE concurs with this finding. A memorandum from the U.S. Department of Agriculture required that the Catalog of Federal Domestic Assistance (CFDA) number for the Commodities Program be changed to 10.555 – National School Lunch Program. However, when making this change to the Commodities Program, the GaDOE also erroneously understood that the School Breakfast Program and Special Milk Program for Children were to be placed under this same CFDA number. The GaDOE still accounted for each program separately by fund source on the Department's accounting records. The GaDOE updated the CFDA numbers that are maintained on the Department's accounting records.

Contact Person: Randy Trowell, Associate Superintendent for Finance
Telephone: (404) 656-2504 ; Fax: (404) 657-5512 ; E-mail: rtrowell@doe.k12.ga.us

PROSECUTING ATTORNEY'S COUNCIL

Finding Control Number: FS-418-09-01
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

This response was previously submitted under separate cover. See the management response in the "Financial Statement Findings and Questioned Costs" section of this report.

Contact Person: Jay Garner, Accounting Manager
Telephone: (404) 969-4001 ; Fax: (404) 969-0018 ; E-mail: jgarner@pacga.org

Finding Control Number: FS-418-09-02
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
GENERAL LEDGER
Inadequate Bank Reconciliation Procedures

We concur with this finding. The Agency acknowledges that bank reconciliations should be done monthly to reconcile differences between the reported general ledger balances and the actual bank balances and that appropriate approvers should review for accuracy and completeness in a timely manner.

The Agency has successfully addressed one area of the account control environment with the implementation of positive pay services between the Financials and HCM systems and Bank of America as of the beginning of October 2008. This process has helped to identify and ensure that only items entered in the accounting systems are approved for processing in the bank account. Complexities of the accounting structure, limited staff, needed training and bank account setup limitations imposed

by the Office of Treasury (due to Streamlined Banking Implementation) during the new business unit setup (BU# 41800) are currently being revisited to address these control deficiencies.

To resolve this finding, one action will be an additional request for a separate payroll account to be implemented before end of fiscal year 2010 in accordance with CM-100002, where applicable. This request will be done by February 12, 2010.

Additionally, appropriate staff will review bank reconciliation procedures, acknowledge understanding and will be required to fully reconcile all bank accounts each month in accordance with CM-100008, where applicable. This will be completed by February 28, 2010.

Contact Person: Jay Garner, Accounting Manager
Telephone: (404) 969-4001 ; Fax: (404) 969-0018 ; E-mail: jgarner@pacga.org

Finding Control Number: FS-418-09-03
GENERAL LEDGER
Clearing Account Balance

We concur with this finding. The Agency acknowledges that clearing account balances in the account number series 196000-296000 should be maintained at zero in accordance with Section Three – Accounting Procedures, of the State of Georgia Accounting Procedures Manual. Appropriate month-end procedures will be developed to ensure balances in these accounts are appropriately distributed to the correct accounts by the end of the reporting period.

Contact Person: Jay Garner, Accounting Manager
Telephone: (404) 969-4001 ; Fax: (404) 969-0018 ; E-mail: jgarner@pacga.org

COMMUNITY HEALTH, DEPARTMENT OF

Finding Control Number: FA-419-09-01
ALLOWABLE COSTS/COST PRINCIPLES
Upper Payment Limit Calculation

See Financial Audit Finding FS-419-09-01.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

Finding Control Number: FA-419-09-02
ALLOWABLE COSTS/COST PRINCIPLES
ACTIVITIES ALLOWED OR UNALLOWED
REPORTING
Reserve for Encumbrances, Accounts Payable and Other Accruals

See Financial Audit Finding FS-419-09-02.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

Finding Control Number: FA-419-09-03
ELIGIBILITY
Verification and Documentation of Eligibility

The Department of Community Health concurs with this finding. The Department of Community Health recognizes and acknowledges the need to enhance the monitoring policy for case file storage, verification, documentation and completion of timely reviews. The Department of Community Health continues to conduct an independent review of case records which

includes a review of all points of eligibility. There are 850 records requested for review each month from county DFCS offices. All undetermined and error cases are specifically addressed and resolved by DFCS as a part of the review process. Quarterly meetings are held with DFCS and the Department of Community Health to review progress on these findings and DFCS continues to improve in problem areas. As a result of declining State revenues, DFCS implemented a critical hire process for the replacement of vacant staff positions in this past fiscal year. This, combined with an increase in the amount of people applying for assistance has led DFCS to serve more people with less staff. Missing case files, documentation and untimely reviews are partly a result of this process as they could not hire staff to create and file case records, work manageable caseloads or complete reviews in a timely manner. DFCS specifically tried to address the review process by implementing a “passive review” process for Family Medicaid cases without the consent of the Department of Community Health. The Department of Community Health met with DFCS and stressed that they were out of compliance with set policy and procedures as set by the Department of Community Health. The Department of Community Health followed up in writing in June 2009 informing DFCS of the financial liability they were setting and informed them that it was an unacceptable practice. The memo also opened the communications to DFCS to explore new ways of managing the Medicaid work in collaboration with the Department of
Community Health. As a part of the ongoing corrective action, the Department of Community Health Medicaid Quality Control Unit targets individual DFCS counties on a monthly basis that need additional assistance with compliance to policies and procedures. The Department of Community Health will continue to work with DFCS to provide enhanced policy training for counties and members as needed. If enhanced training fails to provide improved results, the Department of Community Health will request corrective action plans from DFCS for unresponsive counties or workers. Any problematic eligibility policies and procedures identified by the Administrative Services Organization quality control will be strengthened or modified in order to clarify operations.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

Finding Control Number: FA-419-09-04
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
MATCHING, LEVEL OF EFFORT, EARMARKING
Matching of Allowable Expenditures

The Department of Community Health concurs with this finding. We recognize and acknowledge the need to enhance the review of payments to ensure the correct FMAP rate is used in calculating the federal and State portion of CHIP administrative expenses. A procedure will be implemented to have the Accounts Payable Manager review each transaction prior to and after each entry has been processed.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

Finding Control Number: FS-419-09-01
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Upper Payment Limit Calculation

The Department of Community Health concurs with this finding. For future nursing home UPL payment calculations, the Department of Community Health will utilize an audited patient bed day report that has been validated by the Georgia Department of Audits and Accounts in their annual nursing home cost report audit process. The Department of Community Health will also expand the internal quality assurance and review process to validate the correct data has been utilized in preparing UPL payment calculations. The Department of Community Health will continue to provide payment calculations to providers in an additional effort to identify any data errors or payment miscalculations prior to payments being made.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

Finding Control Number: FS-419-09-02
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Reserve for Encumbrances, Accounts Payable and Other Accruals, and Federal Receivables

The Department of Community Health concurs with this finding. Contracts payable policies do not allow funds to be unencumbered without approval from contract owners. A Purchase Order Status form is sent to program managers which requests the following information:
1) Approval to close the purchase order;
2) Extension of purchase order; and,
3) Delayed closing (explanations must be provided).

The Purchase Order Status form is sent periodically throughout the year, and more frequently during the months of April – June. During the months of May and June, a response is requested within two weeks. It was noted responses from program managers were not received in a timely manner and therefore resulted in certain purchase orders not being unencumbered. Prior to year end, the Contracts Payable Unit sends an End of Year Worksheet to the program managers. The worksheet provides the vendor name, contract and purchase order number and the purchase order balance. In addition, the worksheet requests a response within two weeks from the program managers to provide the estimated expenditures remaining for the current fiscal year, amount to extend and amount to unencumber. It was noted that responses from the program managers were not received in a timely manner and therefore, resulted in accounts payable and other accruals not being set-up for expenditures. Modifications will be made to the year end process to include:
1) Revision of End of Year Worksheet to capture ‘not-to-exceed’ amounts for each contract on the payment tracking document;
2) Address the ‘not-to-exceed’ contract clause by requiring the contract owner to include the page that references the ‘not-to-exceed’ amount with their renewal request. The reference page will support the amount of the renewal when the budget is approved and the Purchasing Division is setting up the purchase order;
3) Escalation of the request to department chiefs if responses are not received from program managers as requested;
4) Running queries of outstanding invoices to review dates when expenditures were incurred;
5) Development of a year end audit checklist to include review of outstanding payables to compare to query reports; and,
6) Implement procedures to include review and approval of Georgia Department of Human Resources hospital invoices by the Supplemental Reimbursement Unit, who will in turn submit the approved invoice to the Financial Services Division for payment processing.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

Finding Control Number: FS-419-09-03
ACCOUNTING CONTROLS (OVERALL)
Journal Entries

The Department of Community Health concurs with this finding. As a result of this finding we will implement the following:
1) Modify controls over financial statement journal entries to ensure each journal entry has adequate supporting documentation;
2) Establish written procedures for preparation of journal entries used to reconcile federal revenues and expenses;
3) Review all journal entries to confirm they have gone through appropriate levels of review and approval; and,
4) Require authorized signatures of approval on all journal entries prior to adjustment to the financial statements.

Contact Person: John Hankins
Telephone: (404) 657-7880 ; Fax: (404) 657-4199 ; E-mail: jhankins@dch.state.ga.us

GOVERNOR, OFFICE OF THE

Finding Control Number: FA-422-09-01
SUBRECIPIENT MONITORING
Inadequate Subrecipient Monitoring Procedures

We concur with this finding. The Agency acknowledges that there were no written procedures to accompany the monitoring site visit form being utilized for the subrecipients to provide guidance to program staff on how to further analyze audit information collected during the visits. The subgrantee agreements signed by the recipients of grant funding include their agreement to comply with all requirements of the relevant Financial Guide governing the grant, including the requirements for audits and financial reporting. However, the Agency will add verbiage to the agreements which further explains the requirements of OMB Circular A-133 and clearly states that the nonprofit organizations in receipt of contracts/grants of federal funds of at least $500,000 or more will be required to submit an audit report to the Agency. According to the notification from the Department of Audits and Accounts on July 22, 2009, the Agency will also incorporate instructions within the grant application review procedures for program staff to contact the Department of NPO Review Section for current compliance information so that it can be taken into account during the application review process.

The Agency recognizes that ensuring adequate procedures are available for program staff is vital to the overall effectiveness of the subrecipient monitoring program. The additional performance measures incorporated in the agreements surrounding audit compliance will be enforced through clear instructions for the program staff and guidance from management regarding follow-up actions to take for noncompliance.

Contact Person: Ceporia McMillian, Director of Finance
Telephone: (404) 635-7041 ; Fax: (770) 302-7683 ; E-mail: ceporia.mcmillian@gema.ga.gov

HUMAN RESOURCES, DEPARTMENT OF

Finding Control Number: FA-427-09-01
CASH MANAGEMENT
Inadequate Procedures Over Cash Draws of Federal Grants

Response: We partially concur with this Finding, however, we disagree with the audit methodology used and the conclusions drawn by the auditors

The Department of Human Service draws federal funds based upon the methodology approved in the State's Federal Cash Management Improvement Act (CMIA) agreement. The application of this method in DHS has been reviewed for SFY 2009, by the auditors retained by the Office of Treasury and Fiscal Services, and DHS was found to be in compliance with the approved methodology. DHS draws federal funds based upon expenditures and approved disbursement clearing patterns. DHS also has a cost allocation plan which is also approved by the Department's Federal cognizant agency. In this plan, certain indirect costs are accumulated in a holding pool and allocated to federal funding sources on a quarterly basis. As an intended result of this process, certain cash disbursements will only post to the appropriate fund source after cost allocation is completed at the end of each quarter. Our cash draw process takes this into consideration when determining the amount of federal funds to draw. We utilize estimates of the expected allocated costs for Federal draw calculation purposes so that federal funds are drawn on a timely basis, in compliance with CMIA requirements. Each month we "true up" our draw of federal funds by comparing expenditures for the life of the grant to Federal cash drawn for the same time period. This allows us to adjust draws in consideration of variances between the estimated and actual costs allocated and for any adjusting entries required in managing the grants. This process does not use the fund source trial balance to determine cash draws, as there are significant timing differences in when transactions post to expenditures and when draws of cash are recorded in the fund source trial balance.

The auditors review utilized an analysis of the cash balances posted to the ledger in the Fund Source Trial Balance to evaluate our cash draws. The analysis concluded that positive cash balances in the funds source analysis represented over draws of federal funds, and negative cash balances represented under draws.

There are significant timing differences between cash flow and posting cash entries to the federal fund sources due to the nature of our cash draw methodology. This is impacted by the disbursement clearing pattern, the cost allocation process, and other regular timing differences between the ledger and cash flows. General ledger posting to cash by federal funds source is not going to reflect accurate cash draw balances at a point in time nor is it consistent with our cash draw methodology. Accordingly, we believe that the auditors' analysis is not an appropriate measure to determine proper draws of cash from the federal government.

We believe our cash draw process is consistently allowing appropriate draw down of federal funds based on an established methodology and adjusted on regular basis to true up any variations caused by estimates of cost allocation or other adjustments.

With the above reservations about the basis of the Finding stated, DHS will undertake the following improvement steps to address, to the extent possible, the deficiencies noted in the Finding:

1) Using the auditors' analysis as a starting point, we will be reviewing our cash draw methodology to determine if our estimates of cost allocation and our monthly "true-up" process have been deficient or have given us inaccurate determinations of amounts to be drawn down in Federal funds.

Functional Level Responsibility OFS General Ledger Unit Manager
Oversight Responsibility Deputy Director, OFS
Date for Completion April 1, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-02
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Foster Care – Title IV-E (CFDA 93.658)

Response: We concur with this Finding.

Corrective actions implemented during SFY 2009 have largely corrected the issues in this area related to IV-E Eligibility determination and documentation. In order to complete the improvement process, DHS will undertake the following corrective actions:

1. Revenue Maximization staff will re-verify income and document verification source for the initial IV-E eligibility determination through Clearinghouse, DOL, BENDEX, SDX and SUCCESS screening at the first six (6) month redetermination due to the lag time in these external data systems posting current financial information.

2. Additional financial information found at the first six (6) month redetermination will require a corrective budget to verify meeting the AFDC financial need criteria for the initial IV-E eligibility determination.

3. Revenue Maximization Unit will ensure all budgeting protocols are adhered to by conducting monthly supervisory case reviews and following up with their staff on any identified issues.

4. Monthly Supervisory Case Review results are forwarded to state office for tracking and monitoring by RevMax Field Program Specialist and Unit Manager. The RevMax QA Unit performs case record and funding determination reviews annually.

5. Revenue Maximization staff will receive refresher training on foster care IV-E Eligibility budgeting protocols and standards.

Functional Level Responsibility Revenue Maximization Unit Supervisor

Oversight Responsibility Revenue Maximization Unit Director
Date for Completion April 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-03
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Adoption Assistance (CFDA 93.659)

Response: We concur with this Finding.

Corrective actions implemented during SFY 2009 have largely corrected the issues in this area related to IV-E Eligibility determination and documentation. In order to complete the improvement process, DHS will undertake the following corrective actions:

1. SHINES/Accenture Leadership will ensure the safe guards built into the Adoption Assistance Payment Program are working as designed to ensure no child over the age 18 is paid out of IV-E funds.

Functional Level Responsibility SHINES Unit Director
Oversight Responsibility Deputy Director, DFCS
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

2. The Field Fiscal Operations Unit (FFO) will ensure the monthly notification lists (Adoption Log, Almost 18 & Over 18) for all IV-E/IV-B clients are sent to county staff and returned every month prior to any payment disbursement. Regional accounting staff will ensure no payments are made to any IV-E child over the age of 18. Regional Accounting staff will report any non-compliance with the monthly verification list to the Regional & County Director for follow up. Additionally, the FFO Unit will ensure that accounting staff pay Adoption Assistance in accordance with Form 529 (Authorization of Foster Care Change/Termination) sent to them by REV MAX unit. FFO will provide an update/training to regional accounting staff to ensure that policy and procedures are being followed.

Functional Level Responsibility Director, DFCS Field Fiscal Operations
Oversight Responsibility Deputy Director, DFCS
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

3. Field operations will ensure the monthly verifications lists are completed and returned to regional accounting staff in a timely manner per policy/procedures. The Field Operations Liaison will compile a monthly comparison of the supervisory review and RAC's secondary reviews and disseminate to all Regional/County Directors, SSA Director and Education and Training Liaison for review/follow up on any identified issues.
Field Operations will ensure all Adoption Assistance Agreements (Form 402) have the appropriate signatures in accordance to policy 109.15 by developing and implementing a tracking form to ensure proper routing and signatures are obtained prior to execution of the agreement.

Functional Level Responsibility Field Operations Liaison
Oversight Responsibility Deputy Director, DFCS
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management, Routing and Tracking Form

4. The Education and Training Unit (E&T) will ensure their monthly comprehensive Adoption Assistance training reinforces Adoption Assistance Policy (Chapter 109) and Procedures.

Functional Level Responsibility Education and Training Unit Director
Oversight Responsibility Deputy Director, DFCS
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Training Roster

5. The Permanency Unit will complete statewide monthly secondary Adoption Assistance Supervisory reviews (2 per adoptions supervisor) and provide immediate feedback to county leadership concerning any identified issues and forward their findings to the field operations liaison. They will also send their monthly review results to the field liaison for analysis/report compilation.
Regional Adoption Coordinators will conduct an annual desk audit on 10% of Regional Adoption Assistance Files and provide the results and recommendations to the SSA Director for dissemination to Regional/County Directors and Education and Training Liaison for review/follow up on any identified issues.

Functional Level Responsibility Permanency Unit Director
Oversight Responsibility DFCS Acting Social Services Administration Director
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

6. The Social Services Administration Unit will provide statewide update on adoption assistance policy/procedures in accordance with policy 109. SSAU will provide an update/training along with REV Max to regional accounting staff to ensure policy/procedures are being followed.

Functional Level Responsibility DFCS Acting Social Services Administration Director
Oversight Responsibility Deputy Director, DFCS
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

7. The Revenue Maximization Unit will ensure all protocols developed, implemented and trained on for IV-E eligibility determination criteria and documentation standards for Adoption Assistance are adhered to in accordance with federal regulations and guidelines. Rev Max supervisors complete supervisory case reviews on IV-E eligibility determinations for Adoption Assistance on a monthly basis and follow up with their staff on any identified issues. Monthly case review results are forwarded to state office for tracking and monitoring by Field Program Specialist and Unit Manager. The Rev Max QA Unit performs case records and funding determination reviews annually.
Revenue Maximization staff will receive refresher training on the Adoption Assistance IV-E eligibility determination documentation standards and eligibility determination criteria/standards as scheduled for April 15, 2010. The Rev Max Unit will provide an update/training along with SSAU to regional accounting staff to ensure policy/procedures are being followed.

Functional Level Responsibility Revenue Maximization Unit Director
Oversight Responsibility Deputy Director, DFCS
Date for Completion June 30, 2010
Documentation to be provided Staff Training and Desk Procedures, Monthly Report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-04
ELIGIBILITY
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Response: We concur with this Finding.

Corrective actions implemented during SFY 2009 have largely corrected the issues in this area related to Child Care

Eligibility determination and documentation. In order to complete the improvement process, DHS will undertake the following corrective actions:

1. Procedures were changed via email to staff in April of 2007 to allow Regional management of the CAR process. Based upon local risk assessment, the Regional Director or Manager may adjust the methodology related to determining how many cases need to be reviewed for a county. During the audit review period, Regions were transitioning from this county-based managed structure to the "regionalization" of child care statewide. Effective April 2009, the child care policy was modified to support regionalization of the child care program across all 17 regions. Region 15's CAR (consisting of Gwinnett and Rockdale) plan indicates that thirty cases per month will be read by the Region. The policy does not specify/mandate the number of cases to be read per "county". Therefore, all case accuracy review findings subsequent to the April 2009 are supported by policy/procedure.

1) Policy and Procedures, as noted for Appendix G, were revised effective April 2009. Policy is consistent with the CAR plan that is required to be on file for each Region
2) The state requires a CAR plan to be placed on file for each Region detailing their methodology for reading cases.
3) Establish a minimum benchmark for quarterly review/ monitoring for the number of cases reviewed per Region.
4) Establish a process to remediate non-compliance for Regional CAR reviews.

Functional Level Responsibility Child Care Unit Manager
Oversight Responsibility Office of Family Independence Director, DFCS
Date for Completion April 30, 2010
Documentation to be provided Revised Policies and Procedures, Staff training and Desk Procedures, Monthly Report to Management

2. Every "Region" will read cases in accordance with their CAR plan.

Functional Level Responsibility Regional Manager
Oversight Responsibility Deputy Director, DFCS
Date for Completion March 31, 2010
Documentation to be provided Revised Policies and Procedures, Staff training and Desk Procedures, Monthly Report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-05
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

Response: We concur with this Finding.

As of July 1, 2009, as part of the reorganization of Health and Human Services in the State of Georgia, responsibility for managing the operations of the Block Grants for the Prevention and Treatment of Substance Abuse (PTSA), was transferred to the new Department of Behavioral Health and Developmental Disabilities (DBHDD). DHS management will provide notification of, and historical perspective on, this Finding to DBHDD Management so that they may ensure that adequate program and financial controls are built into PTSA operations within their agency. We have addressed the deficiencies identified in this Finding in our responses to other Findings, as applicable.

Functional Level Responsibility Director, DHS Office of Audits
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion March 31, 2010
Documentation to be provided Documentation of Meeting Outcomes

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-06
PERIOD OF AVAILABILITY OF FEDERAL FUNDS
Expenditures Charged Outside Period Of Availability
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

See Response to Finding # FA-427-09-05

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-07
PERIOD OF AVAILABILITY OF FEDERAL FUNDS
Expenditures Charged Outside Period Of Availability
Special Supplemental Nutrition Program for Women, Infants and Children (CFDA 10.557)

Response: We concur with this Finding.

As of July 1, 2009, as part of the reorganization of Health and Human Services in the State of Georgia, responsibility for managing the operations of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Grant, was transferred to the Department of Community Health (DCH). DHS management will provide notification of, and historical perspective on, this Finding to DCH Management so that they may ensure that adequate program and financial controls are built into WIC operations within their agency. We have addressed the deficiencies identified in this Finding in our responses to other Findings, as applicable.

Functional Level Responsibility Director, DHS Office of Audits
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion March 30, 2010
Documentation to be provided Documentation of Meeting Outcomes

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-08
PROCUREMENT AND SUSPENSION AND DEBARRMENT
Failure to Follow Procurement and Suspension and Debarment Regulations

Response: We concur with this Finding.

DHS will undertake the following corrective actions to address this Finding:

1. The Office of Procurement and Contracts (OPC) will provide refresher training to all staff on the requirements for Debarment and Suspension Assertions to be included in all contracts where Federal funds are obligated, and for all new potential contractors to be validated against the Federal EPLS system prior to contract finalization.

Functional Level Responsibility Director, Office of Procurement and Contracts
Oversight Responsibility DHS Procurement and Business Operations Officer
Date for Completion March 31, 2010
Documentation to be provided Revised Policies and Procedures, Staff Training and Desk Procedures, Training certifications to business unit management.

2. DHS is currently in the process of implementing the Team Georgia Market Place (TGMP) solution for its procurement

and contracting activities. Full implementation of TGMP will enable contract monitoring within that system. At that time we will discontinue use and support of CRS. OPC will identify and arrange DOAS training for all applicable staff, on the contract performance management functions (Supplier Contracts Module) of TGMP.

Functional Level Responsibility Director, Office of Procurement and Contracts
Oversight Responsibility DHS Procurement and Business Operations Officer
Date for Completion June 30, 2010
Documentation to be provided Revised Policies and Procedures, Staff Training and Desk Procedures, Monthly Report to Management

3. OPC will develop a departmental policy to make it mandatory for program offices to monitor and report contractor's performance in TGMP. In addition, OPC will develop a monitoring plan to ensure that the controls identified in these corrective actions are monitored monthly and that any control failures are reported to DHS management for oversight.

Functional Level Responsibility Director, Office of Procurement and Contracts
Oversight Responsibility DHS Procurement and Business Operations Officer
Date for Completion March 30, 2010
Documentation to be provided Revised Policies and Procedures, Staff Training and Desk Procedures, Monthly Report to Management

4. DHS will remove all current policy requirements for the use of CRS during the transition to full implementation of TGMP.

Functional Level Responsibility Director, Office of Procurement and Contracts
Oversight Responsibility DHS Procurement and Business Operations Officer
Date for Completion February 28, 2010
Documentation to be provided Transitional policy modification

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-09
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

See Response to Finding # FA-427-09-05

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-10
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Response: We concur with this finding.

DHS will undertake the following corrective actions to address this Finding:

1. The Fiscal Integrity Unit of the Commissioner's Office is currently leading a number of Fiscal Transformation Process Improvement initiatives, in part, designed to address the Federal reporting aspects of grants management. These projects are scheduled to be completed over the next 2 years.

Functional Level Responsibility Fiscal Integrity Unit Staff
Oversight Responsibility DHS Chief Accountability Officer

Date for Completion June 30, 2011
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures

2. Until such time as the above review is completed, DHS will take the following temporary measure to ensure timely and accurate Federal reporting:

I. OFS will establish a timeline of key dates, responsibilities and accountability to ensure financial reports are submitted to Federal awarding agencies in a timely manner. This set of requirements will be communicated to all business unit management as well as executive financial leadership

Functional Level Responsibility OFS Grants Manager
Oversight Responsibility Director, OFS
Date for Completion March 30, 2010
Documentation to be provided Specific Grants Management Requirements and communication

II. OFS will identify and obtain from the programs, the appropriate additional temporary resources needed to complete the required Federal reports timely and accurately under the current processes. Additionally, OFS will conduct weekly grant review meetings to highlight issues with grant availability, surpluses and deficits, as well as other issues related to completing Federal reports. The results of these meetings will be distributed to business unit management as well as executive financial leadership.

Functional Level Responsibility Deputy Director, OFS
Oversight Responsibility Director, OFS
Date for Completion March 30, 2010
Documentation to be provided Weekly Grants management Issues Reports

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-11
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Supplemental Nutrition Assistance Program (10.551)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Response: We concur with this finding.

DHS will undertake the following corrective actions to address this Finding:

1. OFS managers have reviewed the responsibilities for approving Federal financial reports. Additionally, a list of required Federal reports including due dates, will be developed and provided to all applicable financial and program management to ensure that expected approval actions occur as needed.

Functional Level Responsibility Director, OFS
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion March 30, 2010
Documentation to be provided List of Federal reporting due dates, determination on feasibility of electronic document back-up

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-12
SUBRECIPIENT MONITORING
Sub recipient Audit Reports Not Submitted Within Required Time Period
Special Supplemental Nutrition Program for Women, Infants and Children (CFDA 10.557)

Response: We concur with this Finding.

Currently, our contracting and financial management processes do not allow for accurate capture and reporting of sub-recipient contractor information in all circumstances. Several antiquated and manual procedures have been in place for years to allow for minimal compliance with Federal and State level reporting of sub-recipient financial information, but we recognize the weaknesses in those old processes. The Fiscal Integrity Unit of the Commissioner's Office is currently leading a number of Fiscal Transformation Process Improvement initiatives, one of which will be tentatively titled Managing Sub-recipient Financial Reporting. These projects are scheduled to be completed over the next 2 years. During the interval prior to completion of this project, DHS will implement the following temporary measures:

1. The DHS Office of Audits will work with OFS to identify additional manual processes designed to provide confidence in the sub recipient financial data collected and reported by DHS for sub-recipient monitoring purposes, for purposes of complying with State statutory requirements and for ensuring that data reported on our Schedule of Federal Awards (SEFA) is timely and accurate. Additionally, the Office of Audits will ensure that appropriate sanctions are levied against sub-recipients who fail to submit required annual audit reports.

Functional Level Responsibility Director, DHS Office of Audits
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion May 31, 2010
Documentation to be provided New Procedures to ensure data integrity. Record of Training, Oversight process

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-13
SUBRECIPIENT MONITORING
Deficiencies in Sub recipient Monitoring Procedures
Child Support Enforcement (CFDA 93.563)

Response: See Response to Finding # FA-427-09-12

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-14
SPECIAL TESTS AND PROVISIONS
Failure to Document Policies and Procedures
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

See Response to Finding # FA-427-09-05

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-15
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Temporary Assistance for Needy Families (CFDA 93.558)

Response: We concur with this Finding.

Corrective actions implemented by the Division of Child Support Services (DCSS) and DFCS, in response to prior year audit findings, have greatly reduced the number of deficiencies related to termination of TANF benefits in case of non-cooperation with Child Support. In order to complete the improvement process, DHS will implement the following activities:

1. Upon receipt of the appropriate State TANF Office contact information, local DCSS offices will copy the State TANF Office on all notifications of non-cooperation. This will allow DFCS to "close the loop" on the notification and termination process and monitor local DFCS office activities for compliance. DCSS will archive all notifications for documentation purposes. DCSS will revise the Employee Reference Guide procedure #800 with the above changes, and will inform all DCSS staff of the requirements.

Functional Level Responsibility DCSS Regulatory Compliance Manager
Oversight Responsibility Deputy Director DCSS
Date for Completion March 31, 2010
Documentation to be provided Policy # 800 Revisions, Documentation of communication and training

2. The DFCS TANF Unit Business Operation Specialist will reconcile the email request to terminate services from DCSS with the TANF Tracking Log submitted by the regional offices to determine if remediation actions are required. If remediation action is required, then the Business Operation Specialist will notify the regional office of the required action needed to resolve the issue.

Functional Level Responsibility DFCS TANF Unit Manager
Oversight Responsibility DFCS OFI Director
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions, Documentation of communication and training, Monthly Report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-16
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Child Support Enforcement (CFDA 93.563)

Response: We partially concur with this Finding.

Item # 5 in the Finding indicates that " case information recorded in the Support Tracking, Accounting and Reporting System ($TARS) was not consistent with information in the case files for six(6) client case files. We maintain that Federal program regulations as well as DCSS internal policy, allows for the definition of a "case file" to include STAR$ data, paper records and electronically stored documents, and that the inconsistent case information noted in the Finding would have been clarified had the auditors allowed for the inclusion of all data sources in their definition of "case file". With regards to the remainder of the Finding, DHS is implementing the following activities to address the deficiencies noted:

1. Continue on-going training of case managers and local management. Bi-monthly web cast progress meetings are held with all Regional Managers and standard case review findings are discussed. Identified data reliability deficiencies are corrected and communicated to the Training and Staff Development Unit. Employees receive supervisory feed back and corrective action is taken with the employee.

2. Each month managers must report to the acting Director of Field Operations to ensure (1) that standard case reviews are performed consistently and (2) reviews include cases from each function (intake, establishment, enforcement, etc.) This WIG will continue until we are confident this will not be an issue. The status of monthly meetings will be documented.

3. To further address the Health Insurance and Medical Support issues, a committee has been formed to complete an in-depth overview of the medical process from application to the data input of insurance information. This will assure that Health

Insurance for the custodial parent and non-custodial parent is properly documented on $TARS. The Director of the Policy Unit will be accountable for monitoring compliance of the National Medical Support Notice vendor.
I. DCSS will continue training staff to clarify their responsibilities to resolve issues related to the National Medical Support Notice (NMSN) and the proper fields to populate on the $tars system. Also, DCSS will continue to work with the Auditor to further clarify case file requirements.
II. Staff are required to document the $tars case action logs and/or appropriate corresponding $tars screens of all actions taken on cases. This is reinforced during supervisory case reviews and in on-going training sessions.

Functional Level Responsibility DCSS Regulatory Compliance Manager
Oversight Responsibility Deputy Director DCSS
Date for Completion May 30, 2010
Documentation to be provided Policy # 800 Revisions, Documentation of communication and training

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FA-427-09-17
SPECIAL TESTS AND PROVISIONS
Failure to Submit an Accurate Schedule of Federal Awards

Response: We concur with this Finding

DHS accurately identifies all American Recovery and Reinvestment Act (ARRA) transactions and balances separately in its accounting system, as required by Federal and State guidance. The guidance received from the State Accounting Office in regards to entering Federal ARRA activity into the Schedule of Federal Awards (SEFA) was unclear. We now have a clear description of what is required and the next SEFA reporting will be adjusted accordingly.

Also See Response to Finding # FA-427-09-12

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-01
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
BUDGET
Inadequate Journal Entry Documentation

Response: We concur with this finding.

DHS will undertake the following corrective actions to address this Finding:

1. The Fiscal Integrity Unit of the Commissioner's Office is currently leading a number of Fiscal Transformation Process Improvement initiatives, in part, designed to identify and prevent avoidable Journal Entries. These projects are scheduled to be completed over the next 2 years. Due to the complexity of the Department's Federal funding structure, year-end processes designed to fully maximize funding opportunities may always require a significant number of adjusting entries.

Functional Level Responsibility Fiscal Integrity Unit Staff
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion June 30, 2011
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures

2. The DHS Office of Audits has developed a training presentation on appropriate Journal Entry documentation. This training has been presented to 4 test groups to date and will be modified for E-Learning applicability and made available to all staff through the Department's Learning Management System (LMS) System. Additionally, a single additional session

targeted for financial supervisors will be conducted.

Functional Level Responsibility Office of Audits Staff
Oversight Responsibility DHS Director of Internal Audit
Date for Completion March 31, 2010
Documentation to be provided LMS Training Module on Journal Entry Documentation

3. Office of Financial Services Staff (OFS) and management will be responsible for ensuring that Journal Entry requests are fully and adequately documented.

Functional Level Responsibility Deputy Director, OFS
Oversight Responsibility Director, OFS
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-02
GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
A/P Reconciliation Inaccurate/Incomplete

Response: We concur with this finding.

DHS will undertake the following corrective actions to address this Finding:

1. OFS will immediately implement monthly and year-end reconciliations of the A/P Module to the General Ledger. Reconciling items will be resolved prior to the next monthly reconciliation. Accounts with debit balances will be identified and resolved. This resolution process will include reporting to Division management on any issues requiring Division cooperation or correction and a monthly recap summary report to the Chief Accountability Officer

Functional Level Responsibility OFS Accounts Payable Manager
Oversight Responsibility Director, OFS
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Monthly Management Report

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-03
GENERAL LEDGER
Federal Program Fund Balances

Response: We Partially Concur with this Finding

The time frame for closing the books at year-end was reduced by one week for FY 09. At the time that the State Accounting Office published the year-end closing schedule, DHS communicated with them that it would be very difficult for the Department to close successfully within the required time frames. The department made every effort to balance its Federal Program fund balances under this constraint. The balances cited in the Finding, as described, were balances as of the end of Period 998. We maintain, as we did with the auditors, that consideration of our post-closing entries, in total, would have substantially reduced the number of out-of-balance fund balances.

DHS will undertake the following corrective actions to address this Finding:

1. The Fiscal Integrity Unit of the Commissioner's Office is currently leading a number of Fiscal Transformation Process improvement initiatives, including our overall grants management processes, designed to ensure that year-end close occurs timely and accurately and that the Department operates within budgetary compliance. These projects are scheduled to be completed over the next 2 years. Monthly reviews will be implemented.

Functional Level Responsibility Fiscal Integrity Unit Staff
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion June 30, 2011
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, E-Performance Criteria

2. We believe that it is critical for DHS Leadership to work with SAO on development of an alternative year-end close timetable which would allow adequate time to perform required reconciliations and adjustments. We will initiate and promote this conversation.

Functional Level Responsibility Fiscal Integrity Unit Staff
Oversight Responsibility DHS Chief Accountability Officer
Date for Completion June 30, 2010
Documentation to be provided Revised Closing Schedule for SFY 2010

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-04
GENERAL LEDGER
REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

Response: We concur with this finding.

DHS has made numerous requests to our Federal funding agencies to send grant award notifications to a central notification location for the Department. That effort has been largely unsuccessful to date. Currently, Federal Award Notifications are being received at multiple locations throughout the Department. Operating under the assumption that this condition will continue, DHS will undertake the following corrective actions to address this Finding:

1. All staff have been instructed to forward Grant Award Notifications (GANs) to a central notification site in OFS. GANs received in OFS are logged for tracking purposes. On a monthly basis, a report will be prepared by OFS for distribution to financial and program management, on all GANs received and entered successfully into the financial records, including those which were received at remote locations but not forwarded and received in OFS within 7 days. Those managers will be responsible for reviewing the reports and identifying any grants awards that have not yet been entered into the accounting records

Functional Level Responsibility Deputy Director, OFS
Oversight Responsibility Director, OFS
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Monthly Management Report

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-05
GENERAL LEDGER
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
Improper Revenue Recognition

Response: We concur with this Finding

DHS has identified the process which caused this Finding and remedied the deficiency. This was not a systemic control issue, rather an isolated, misinterpretation of the requirements for accounting for fee revenue.

DHS will undertake the following corrective actions to address this Finding:

1. The particular deficiency noted in the Finding has been reviewed and the process to record these revenues has been corrected by financial management.

Functional Level Responsibility Deputy Director, OFS
Oversight Responsibility Director, OFS
Date Completed January 15, 2010

2. A review of all revenue sources will be undertaken at calendar year-end each year and again at fiscal year-end, to ensure that no other similar conditions exist or develop.

Functional Level Responsibility Deputy Director, OFS
Oversight Responsibility Director, OFS
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Documentation of twice year review

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-06
CASH
INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Response: We concur with this finding.

Corrective actions implemented during SFY 2009 have largely corrected the issues in this area related to untimely reconciliation of the bank accounts. In order to complete the improvement process, DHS will undertake the following corrective actions:

1. Financial management will review procedures currently in place and determine their adequacy. If deemed adequate, a determination will then be made on how to resource the General Ledger Unit to address any outstanding issues from prior periods in order to clear those issues by April 30, 2010. If determined to be inadequate, procedures will be revised.

Functional Level Responsibility Manager, OFS General Ledger Unit
Oversight Responsibility Director, OFS
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Documentation of twice year review

2. Monthly bank reconciliations will be reviewed and approved by the Director, OFS. This review and approval will be

adequately documented.

Functional Level Responsibility Manager, OFS General Ledger Unit
Oversight Responsibility Director, OFS
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Monthly report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-07
REVENUES AND RECEIVABLES
Inadequate Procedures Over Cash Draws of Federal Grants

Response: See Response to Finding # FA-427-09-01

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-08
EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Controls Over Operating Leases

Response: We concur with this Finding.

DHS will undertake the following corrective actions to address this Finding:

1. DHS will develop procedures to ensure adequate internal controls are in place. These internal control measures include reconciliations throughout the fiscal year to ensure timely and accurate submission to the State Accounting Office at year end. DHS's has formulated an Operating Lease Guide and Policy that comprises the internal controls aforementioned and was developed as a corrective action plan. The Operating Lease Guide and Policy will be distributed throughout the organization for us in day to day operations. Contents of the Operating Lease Guide are outlined as follows:

Contents:

I. Lease Type Determination

A. Consistent, complete and accurate submission of Lease Agreement Data From
B. Checklist for operating lease criteria

II. Asset Inventory Management

A. Define criteria for assets that are added to inventory
B. Directions how to submit and dispose assets from inventory

III. Recording Operating Lease Payments

A. Explanation of appropriate expense account to use when recording operating lease payments
B. Directive on proper alignment of budgets to expenses

IV. Establish Reconciliation Process

A. Monthly reconciliation of contractual lease obligations to actual payments made
B. Quarterly reconciliation of documented payments to Trial Balance

V. Set Up Accrual Process

A. Establishes procedure that ensures expenditures are recognized in the year they incurred

Functional Level Responsibility Fiscal Integrity Unit Staff
Oversight Responsibility Chief Accountability Officer
Date for Completion March 31, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Monthly Report to Management

2. DHS will implement the aforementioned Operating Lease Guide and Policy within the Department and identify and train all appropriate staff, accordingly. Fiscal Integrity Unit Staff will perform an annual review of this process to ensure effective implementation.

Functional Level Responsibility Division/Office financial managers, OFS A/P Manager
Oversight Responsibility Chief Accountability Officer
Date for Completion July 1, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training and Desk Procedures, Monthly report to Management

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

Finding Control Number: FS-427-09-09
EXPENSES/EXPENDITURES AND LIABILITIES
Invalid and Questionable Encumbrances

Response: We concur with this Finding

DHS will undertake the following corrective actions to address this Finding:

The Fiscal Integrity Unit of the Commissioner's Office is currently leading a number of Fiscal Transformation Process improvement initiatives, including the initial project which is a review of our Accounts Payable processes. This review will include our processes for encumbering funds for contract commitments. Until such time as this review has been completed, we will be implementing a quarterly A/P Review for PO's which should be de-encumbered due to closed contracts, extended periods of inactivity, etc. Additionally, requests for PO set-up will include a budget check to ensure availability of funds. PO's will not be encumbered at year-end without finalized contracts in place to support the encumbrance.

Functional Level Responsibility OFS A/P Unit Manager
Oversight Responsibility Director, OFS
Date for Completion April 1, 2010
Documentation to be provided Policy Revisions in the ODIS System, Staff Training, and Desk Procedures

Contact Person: Robert Dorr
Telephone: (404) 656-9294 ; Fax: (404) 651-5091 ; E-mail: rbdorr@dhr.state.ga.us

ECONOMIC DEVELOPMENT, DEPARTMENT OF

Finding Control Number: FS-429-09-01
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
GENERAL LEDGER
Inadequate Bank Reconciliation Procedures

1. 3 wire transfers totalling $25,582.75 were not on the general ledger prior to closing the year but were on the June bank

statement. A post closing entry will be made to debit the wire transfer account and credit cash. Please note this occurred during 2 periods being open at the same time. The expense posted in the correct period but the cash did not.

2. Operating bank account had a variance of $199.43. Rather than writing this off, I continued to search for the difference. I would have written off had I know it would have been part of the finding. It has since been reconciled.

Contact Person: Dawn Schlich, Director of Accounting & Finance
Telephone: (404) 962-4105 ; Fax: (404) 962-4096 ; E-mail: DSchlich@georgia.org

JUDICIAL COUNCIL

Finding Control Number: FS-434-09-01
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Failure to Maintain a Comprehensive Balance Sheet

The AOC does not concur with is recommendation. The official State of Georgia Accounting Policies and Procedures maintained by the State Accounting Office does not require nor provide guidance on the use of stand alone trial balances for these agencies. However, we have requested the State Accounting Office create a new fund within the state chart of accounts in order to provide a self balancing chart field in order to enhance the reporting of the results of operations. All activites of each Business unit will then be posted into separate funds.

Contact Person: Randy Dennis
Telephone: (404) 651-7613 ; Fax: (770) 342-4764 ; E-mail: randy.dennis@gaaoc.us

SUPERIOR COURTS

Finding Control Number: FS-436-09-01
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

We do not concur with this finding.

Management Response:

The Council of Superior Court Judges does not concur that the budget deficit in FY 2009 was the result of a failure to have procedures in place to keep expenditures and obligations in compliance with allotted or withdrawn appropriations of State general funds. The budget deficit is the result of an agreement negotiated between the Chief Justice of the Georgia Supreme Court and the Governor of the State of Georgia. We did not overspend our appropriation, but rather did not receive the funds which had been appropriated and then withheld the last month of the fiscal year. CSCJ neither ratified nor accepted the actions of the Governor or the Chief Justice.

Superior Court Judges' salaries are protected under Article VI, Section VII, Paragraph V of the Georgia Constitution. Their salary cannot be reduced during their term in office. No consideration was given to this financial constraint by the Governor in his 25% across the board solution in June though the judges' salaries make up 57% of Superior Court's entire budget. To operate under this constraint and avoid a fiscal year-end budget deficit would have required Superior Courts to furlough all state-paid staff from June 11, 2009, through June 30, 2009. This furlough would have included all payroll, accounting, and budget personnel leaving no personnel in place for the remaining three weeks of the FY 2009 fiscal year-end close. Once the impact of this alternative was examined, it was determined to be an unacceptable solution.

The Chief Justice of the Georgia Supreme Court, acting in her capacity as the head of the Judicial Branch of Georgia, intervened and negotiated an agreement with the Governor. This agreement states that in order to achieve the 25% figure, courts would necessarily have to defer some current obligations and expenses until FY 2010, and, in some instances, will have to make a request for those funds during the FY 2010 Amended Budget process. This clearly states that a budget

deficit in FY 2009 will occur in order to achieve the 25% allotment reduction. The Chief Justice informed all classes of court of the negotiated agreement. This agreement resulted in the FY 2009 budget deficit.

Contact Person: Sandy Lee, Executive Director
Telephone: (404) 656-4982 ; Fax: (404) 651-8626 ; E-mail: lees@cscj.org

SUPREME COURT

Finding Control Number: FS-438-09-01
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

The Supreme Court of Georgia disagrees with the “tone” of this finding and the conclusion that we failed to have procedures in place to record liabilities in the proper accounting period. We request that the report reflect a more thorough and correct explanation of the condition causing the audit and the effect of non-payment of the assessment, which is inaccurately characterized as a contractual obligation.

The Supreme Court of Georgia did not “spend or contractually obligate” itself in excess of State general funds for FY2009 after an audit adjustment. On May 28, 2009, the Governor announced that he was withholding 25% of the Court’s June budget allotment giving the Court four weeks to adjust its budget to meet the $98,922 shortfall in appropriations. The Supreme Court was unable to make payment towards the Judicial Branch’s annual membership assessment from the National Center for State Courts. The National Center for State Courts bill is not a contractual obligation in the traditional sense, in that the Supreme Court will not be in breach if the bill does not get paid. The State of Georgia Judicial Branch will simply be suspended from the rolls of the national organization.

The announcement that 25% of our June budget allotment would be withheld left us with a Hobson’s choice. We could either: (a) fail to pay obligations and receive an audit finding for failing to pay those bills, or (b) pay the obligations with funds from FY2010 and receive an audit finding for paying FY2009 expenses out of funds appropriated for FY2010. Deferring payment of the National Center for State Courts assessment does not reflect that the Court entered into contractual obligations it could not pay.

Additionally, we are concerned about the amount of the adjustment reflected in the report. The National Center for State Courts membership assessment is payable in a calendar year – the assessment was not due on March 2, 2009. Assuming that the National Center for State Court assessment should have been recorded as of June 30th, since the assessment is based on a calendar year, only one-half of the assessed amount, or $91,351.50, should be "obligated" at June 30, 2009, not the full amount of $182,703.00. Thus, if the June 2009 budget allotment of $98,922 had not been withheld, the Court would have had sufficient funds to pay, or accrue or encumber one-half of the National Center for State Courts assessment. Furthermore, there is a potential that the National Center for State Courts will not require the full amount to be paid for membership by the Georgia Judicial Branch.

The Court did not fail to have procedures in place to record liabilities in the proper accounting period nor did any action by the Court increase the risk of material misstatements of the Court’s financial statements, especially a misstatement due to fraud. The 25% allotment reduction by the State was an isolated instance under highly unusual circumstances and does not reflect any deficiency in internal control procedures. The Court adeptly monitored expenditures despite the last-minute 25% allotment reduction.

Conclusion:
The Supreme Court of Georgia performs its job with integrity, honesty and a commitment to excellence and always strives to protect the public’s trust through utilizing only best practices in accounting for State funds. It is unclear what the Supreme Court of Georgia could have done differently in light of the crisis-based reduction mandated by the Governor. The National Center for State Courts assessment is not a contractual obligation and the National Center for State Courts cannot undertake collection efforts for payment of the assessment. The sole effect of non-payment is that the State of Georgia Judicial Branch will not be reflected as a participant in the National Center for State Courts. While this is not preferable (especially since the State of Georgia has funded comparable memberships for other branches of government) it does not rise to the level of a

collection issue, nor does it implicate the accounting policies and procedures already implemented by the Supreme Court.

Contact Person: Randy Dennis
Telephone: (404) 651-7613 ; Fax: (770) 342-4764 ; E-mail: randy.dennis@gaaoc.us

LABOR, DEPARTMENT OF

Finding Control Number: FA-440-09-01
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries
Employment Service/ Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)
Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)
Unemployment Insurance Administration (UI) (CFDA 17.225)
Rehabilitation Services-Vocational Rehabilitation Grants to States (CFDA 84.126)

We concur with this finding.
This finding is a repeat of Finding FS-440-09-01, except that it is from the perspective of how the Federal Programs listed above may have been affected. The Department acknowledges better documentation could accompany adjusting journal entries and will implement additional procedures to improve this condition in subsequent periods. It should be noted however, that the vast majority of funding received by the Department is Federal in nature and audits conducted by various Federal grantors have not have indicated problems with the manner journal entries are documented by the Department.

Contact Person: John T. Williams, Accounting Director
Telephone: (404) 232-3575 ; Fax: (404) 232-3578 ; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: FA-440-09-02
ALLOWABLE COSTS/COST PRINCIPLES
ACTIVITIES ALLOWED OR UNALLOWED
Overpayment of unemployment Compensation Benefits
Unemployment Insurance Administration (UI) CFDA 17.225)

We concur with this finding in part with the following explanation.
This finding is a repeat of Finding FS-440-09-04, except that it is from the perspective of how the Federal Programs listed above may have been affected. The Department found the condition discussed in the audit finding and was already into process of recouping the overpayments when the condition was noted by the auditors.

As noted in the finding, the cause of the overpayments was the result of computer jobs submitted that ran out of sequence. Procedures have been established to prevent a re-occurrence of matters of this nature in subsequent periods

Contact Person: Robert Thomas, Program Analyst – Unemployment Insurance
Telephone: (706) 583-2613 ; Fax: (706) 369-5895 ; E-mail: Robert.Thomas@dol.state.ga.us

Finding Control Number: FA-440-09-03
CASH MANAGEMENT
Inadequate Procedures over Cash Draws of Federal Grants
Employment Service/ Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)
Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)
Rehabilitation Services-Vocational Rehabilitation Grants to States (CFDA 84.126)

We concur with this finding.
Procedures were implemented in fiscal year 2008 to improve the methodology used to draw down cash on the Federal Programs noted in the finding. Further procedures will be implemented in fiscal year 2009 to improve timing of drawdowns

of federal cash in subsequent periods.

Contact Person: John T. Williams, Accounting Director
Telephone: (404) 232-3575 ; Fax: (404) 232-3578 ; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: FS-440-09-01
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries

We concur with this finding.
The Department acknowledges better documentation could accompany adjusting journal entries and will implement additional procedures to improve this condition in subsequent periods. It should be noted however, that the vast majority of funding received by the Department is Federal in nature and audits conducted by various Federal grantors have not have indicated problems with the manner journal entries are documented by the Department.

Contact Person: John T. Williams, Accounting Director
Telephone: (404) 232-3575 ; Fax: (404) 232-3578 ; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: FS-440-09-02
BUDGET
Program Budgeting Deficiencies

We concur with this finding with the following explanation.

The Georgia Department of Labor maintains its accounting records on the FARS (Federal Accounting and Reporting System) accounting system which is used by many other State Labor Departments across the Country.

As noted by the auditors, this system does not facilitate maintaining accounting records on a program basis as the system is designed primarily to provide information to the U.S Department of Labor in a uniform reporting format from the various States.

The Department has made programming changes in its accounting system and program budget reports will available in fiscal year 2010.

Contact Person: John T. Williams, Accounting Director
Telephone: (404) 232-3575 ; Fax: (404) 232-3578 ; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: FS-440-09-03
REVENUES AND RECEIVABLES
GENERAL LEDGER
Inadequate Procedures over Cash Draws of Federal Grants

We concur with this finding.

Procedures were implemented in fiscal year 2008 to improve the methodology used to draw down cash on the Federal Programs noted in the finding. Further procedures will be implemented in fiscal year 2009 to improve timing of drawdowns of federal cash in subsequent periods.

Contact Person: John T. Williams, Accounting Director
Telephone: (404) 232-3575 ; Fax: (404) 232-3578 ; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: FS-440-09-04
EXPENSES/EXPENDITURES AND LIABILITIES
Overpayment of Unemployment Compensation Benefits

We concur with this finding in part with the following explanation.

The Department found the condition discussed in the audit finding and was already into process of recouping the overpayments when the condition was noted by the auditors.
As noted in the finding, the cause of the overpayments was the result of computer jobs submitted that ran out of sequence. Procedures have been established to prevent a re-occurrence of matters of this nature in subsequent periods.

Contact Person: Robert Thomas, Program Analyst – Unemployment Insurance
Telephone: (706) 583-2613 ; Fax: (706) 369-5895 ; E-mail: Robert.Thomas@dol.state.ga.us

Finding Control Number: FS-440-09-05
GENERAL LEDGER
Inadequate General Ledger

We concur with this finding in part with the following explanation.

The Department acknowledges the HOST system currently used to process and account for transactions relating to the Unemployment Compensation Insurance Program of the State of Georgia is not a formal accounting system, per se. However, over the last five fiscal years, a general ledger has been utilized and is posted with data from other systems, a formal chart of accounts has been developed to facilitate preparation of financial statements, and multiple queries have been written and continually revised to produce financial information that are used to update and prepare the Department of Labor's Financial Statements for the Unemployment Compensation Insurance Program. It should be noted that for the fourth consecutive fiscal year (including fiscal year 2009), the auditor's opinion as to the fairness if these statements will be unqualified. These results demonstrate the current system is being both effectively utilized and maintained. Given this scenario, the Department of Labor continues to question the validity of the continued recommendation by the Auditors for a new accounting system.

However, the Department of Labor will continue to research other State's unemployment compensation accounting systems in order to determine the most effective approach to either replace its accounting system or improve integration of the Department's HOST system to improve its accounting capabilities while continuing the day-to-day business as required.

Contact Person: Robert Thomas, Program Analyst – Unemployment Insurance
Telephone: (706) 583-2613 ; Fax: (706) 369-5895 ; E-mail: Robert.Thomas@dol.state.ga.us

Finding Control Number: FS-440-09-06
FINANCIAL REPORTING AND DISCLOSURE
Surety Bonds

Procedures have been implemented to ensure that the total balance for surety bonds carried forward from one fiscal year to the subsequent fiscal year is in balance or at a minimum is clearly reconcilable.

Contact Person: Robert Thomas, Program Analyst – Unemployment Insurance
Telephone: (706) 583-2613 ; Fax: (706) 369-5895 ; E-mail: Robert.Thomas@dol.state.ga.us

JUVENILE JUSTICE, DEPARTMENT OF

Finding Control Number: FS-461-09-01
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Excess Hours Worked by Retired Employees

We concur with the finding. We have establish a corrective action by developing and implementing procedures within our human resources and payroll units to alert the Employees' and Teachers' Retirement Systems of all applicable retirees that are hired. In addition, the payroll unit will monitor the hours worked by the retirees; and alert both the retiree and the applicable retirement system if the hours worked approach the level of 1,040 per calendar year.

Contact Person: Doug Peetz/Vita Jordan
Telephone: (404) 508-6625 /6622 ; Fax: (404) 508-5086 ; E-mail: dougpeetz@djj.state.ga.us, vitajordan@djj.state.ga.us

NATURAL RESOURCES, DEPARTMENT OF

Finding Control Number: FS-462-09-01
ACCOUNTING CONTROLS (OVERALL)
Deficiencies in Federal Fund Ledgers

We concur with this finding.

The Department of Natural Resources have developed and implemented policies and procedures to ensure that every federal fund ledger is monitored and properly maintained at the fund source level. Correcting entries have been made to the books so that as of December 31, 2009, all federal fund balances are accurate.

Contact Person: Carmen R. Salgado, Accounting Director
Telephone: (404) 656-7736 ; Fax: (404) 463-3558 ; E-mail: carmen.salgado@dnr.state.ga.us

Finding Control Number: FS-462-09-02
EXPENSES/EXPENDITURES AND LIABILITIES
Unallowed Severance Packages for DNR Executives

We do not concur with this finding.

The Department paid the CFO for services that were apparently not earned….
The Department under the previous Commissioner suspended the CFO under para 478-1-.15(6)(a) of the State Personnel Board Rules. That paragraph specifically states that "An agency may suspend an employee with pay if it is determined by the agency to be in the best interest of the agency." According to experts on State Personnel Board Rules, this paragraph was changed to eliminate any any time limit to allow agency heads more freedom in unusual situations. However, the current Commissioner has indicated that in similar situations he would be reluctant to use this paragraph for such an extended length of time.

Fifteen days prior to the CFO's termination, 240 hours of compensatory time was added to her leave balance.....

The addition of such time neither added to nor subtacted from the original lenght of the CFO's suspension with pay. It was not used to extend her time on the payroll.

As the CFO was on suspension with pay in accordance with the SPB Rules paragraph above, the Department had no choice but to allow the CFO to accrue annual and sick leave.

Contact Person: Jim Laine, Assistant Deputy Commissioner for Human Resources
Telephone: (404) 656-7560 ; Fax: (404) 657-9837 ; E-mail: jim.laine@dnr.state.ga.us

Finding Control Number: FS-462-09-03
CAPITAL ASSETS
Inadequate Capital Asset Records - Land

We concur with this finding.

The Department of Natural Resources is in the process of developing appropriate policies and procedures to ensure that Land is correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in Land will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner -Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 656-2285 ; E-mail: paul.burkhalter@dnr.state.ga.us

Finding Control Number: FS-462-09-04
CAPITAL ASSETS
Inadequate Capital Asset Records - Buildings and Building Improvements

We concur with this finding.

The Department of Natural Resources is in the process of developing appropriate policies and procedures to ensure that Buildings and Building Improvements are correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in the accounting of Buildings and Building Improvements will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner -Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 656-2285 ; E-mail: paul.burkhalter@dnr.state.ga.us

Finding Control Number: FS-462-09-05
CAPITAL ASSETS
Inadequate Capital Asset Records - Improvements Other than Buildings

We concur with this finding.

The Department of Natural Resources is in the process of developing appropriate policies and procedures to ensure that Improvements Other than Buildings are correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in the accounting of Improvements Other than Buildings will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner -Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 656-2285 ; E-mail: paul.burkhalter@dnr.state.ga.us

Finding Control Number: FS-462-09-06
CAPITAL ASSETS
Inadequate Capital Asset Records - Construction in Progress

We concur with this finding.

The Department of Natural Resources is in the process of developing appropriate policies and procedures to ensure that Constructions in Progress are correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in the accounting of Construction in Progress will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner -Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 656-2285 ; E-mail: paul.burkhalter@dnr.state.ga.us

Finding Control Number: FS-462-09-07
CAPITAL ASSETS
Inadequate Capital Asset Records - Depreciation Expense and Accummulated Depreciation

We concur with this finding.

The Department of Natural Resources is in the process of developing appropriate policies and procedures to ensure that Depreciation Expenses and Accummulated Depreciation are correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in the accounting of Depreciation Expenses and Accummulated Depreciation will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner -Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 656-2285 ; E-mail: paul.burkhalter@dnr.state.ga.us

CORRECTIONS, DEPARTMENT OF

Finding Control Number: FS-467-09-02
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures and Outstanding Checks for Over One Year

We concur with this finding. To correct this deficiency, the bank account reconciler will ensure that all reconciling items will be addressed immediately with the appropriate personnel upon discovery. As an additional control, the reconciler's supervisor will review the reconciliations on a monthly basis to verify that progress is being made to clear any reconciling items. GDC Financial Services staff have also reviewed the Accounting Procedures Manual maintained by the State Accounting Office for items related to the proper disposition of outstanding checks. Appropriate personnel will be made aware of their responsibilities as mandated in the Unclaimed Property Act (O.C.G.A. 44-12-190 through 44-12-235).

Contact Person: Travis Kennedy, Director of Financial Services
Telephone: (404) 656-4619 ; Fax: (404) 657-7936 ; E-mail: kennet00@dcor.state.ga.us

REVENUE, DEPARTMENT OF

Finding Control Number: FS-474-09-01
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

We concur with this finding.

During FY 2009 the Department of Revenue (DOR) engaged in a clean-up of erroneous prior year balances (FY 1999 through FY 2006) which were on the Department's PeopleSoft Financials general ledger. The objective of the clean-up was to analyze and resolve erroneous general ledger account balances and the associated prior year audit finding. These erroneous balances were not related to state revenue collection accounts but rather a general fund clearing account. The general fund clearing account is used to record payments to other state agencies and reduce the Department's State Appropriation receivable. Because the PeopleSoft Financial system was purged of all accounting records prior to FY 2005 the Department had no documentation.

Beginning in FY 2008 the Department upgraded the experience level and qualifications of accounting unit personnel. A Certified Public Accountant (CPA) with nine years of state governmental accounting experience was hired along with three experienced financial professionals from other State agencies and the private sector to manage the General Ledger, Accounts Receivable, and Accounts Payable units.

During FY 2009, procedures were implemented to ensure timely resolution of all reconciling items and at FY 2009 year-end all clearing accounts had a zero balance. The State Department of Audits has advised DOR that the related prior year audit finding for unidentified clearing account balances is resolved as of June 30, 2009.

The prior year(s) fund balance deficit will remain until the Department receives authority to retain future state fund surplus and/or receives reimbursement of excess surplus returned to the State Treasury for prior fiscal years to the extent necessary to eliminate the deficit fund balance. The Department did not overspend budget in FY 2009 (nor in prior fiscal years) as evidenced by prior fiscal year financial audits.

Contact Person: Michael F. Joyner, Controller
Telephone: (404) 417-2225 ; Fax: (404) 417-2221 ; E-mail: michael.joyner@dor.ga.gov

Finding Control Number: FS-474-09-02
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

We concur with this finding.

The Department acknowledges that the postmark date was not consistently entered in the Sales Tax database for delinquent Sales Tax returns which prevented the ability to generate an assessment to the tax payer and impose penalties and interest.

In December 2008 the Department implemented a process whereby the Accounts Receivable unit compiled data for sales tax payments from the Returned Items report provided by the financial institution and prepared a Rejected Items memorandum providing a list of customer payments that were returned (delinquent). This memorandum was provided to the Sales Tax unit, which entered the date on the Rejected Items memorandum as the postmark date in the Sales Tax database in order to generate an assessment to the customer.

In May 2009 the Department implemented the Sales Tax module as part of the Department's Integrated Tax System project. The Sales Tax Module provides automated functionality that records the postmark date upon receipt of a sales tax payment and if applicable generates an assessment to the customer for a delinquent return.

The State Department of Audits has advised DOR that the related prior year audit finding and this current year audit finding for the postmark date is resolved as of June 30, 2009.

Contact Person: Michael F. Joyner, Controller
Telephone: (404) 417-2225 ; Fax: (404) 417-2221 ; E-mail: michael.joyner@dor.ga.gov

Finding Control Number: FS-474-09-03
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Deficiencies in Controls over Journal Entries

We concur with this finding.

During FY 2009 the Department of Revenue (DOR) engaged in the clean-up of specific general ledger account balances due in part to prior year audit findings related to: 1) prior year account balances, 2) reconciling items, and 3) inactive fund sources. The objective of the clean-up was to identify the transactions that compile the balances and reconciling items to determine the necessary adjustments that needed to be recorded in the general ledger. In addition, the Department had old inactive fund sources with no financial activity since Fiscal Year 2006 that were analyzed and balances in those fund sources were adjusted in the general ledger.

The Department's ability to obtain adequate supporting documentation for the clean-up journal entries was limited due to the age of the transactions and the purge of accounting records prior to Fiscal Year 2005 in the PeopleSoft Financial System. The Department did provide all available documentation which included a brief description of the basis for the journal entries.

The Department, as a policy, always includes available supporting documentation for all transactions recorded to the general

ledger.

Contact Person: Michael F. Joyner, Controller
Telephone: (404) 417-2225 ; Fax: (404) 417-2221 ; E-mail: michael.joyner@dor.ga.gov

Finding Control Number: FS-474-09-04
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

We concur with this finding.

The Department has deployed all available resources, including engaging a private consulting service, in an attempt to identify the reconciling items in question. These reconciling items date as far back as Fiscal Year 2005. Due to the age of the reconciling items and the purge of all accounting records prior to Fiscal Year 2005 in the PeopleSoft Financial System limited documentation is available. The Department has identified $17M based upon limited documentation and will be discussing recommended resolution for all reconciling items with the State Accounting Office and Department of Audits and Accounts during Fiscal Year 2010.

Contact Person: Michael F. Joyner, Controller
Telephone: (404) 417-2225 ; Fax: (404) 417-2221 ; E-mail: michael.joyner@dor.ga.gov

Finding Control Number: FS-474-09-05
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliations

We concur with this finding.

The Department performed monthly bank reconciliations on the Payroll account during Fiscal Year 2009. The reconciliation process involves balancing the Department’s general ledger payroll account balance to the bank statement balance and identifying all reconciling items. During Fiscal Year 2009 the Department: 1) researched all reconciling items, 2) identified reconciling items by description and amount, and 3) recorded adjustments for reconciling items in the general ledger.

In addition, the Department had outstanding checks over two years old in the amount of $17,446.75. During the first six months of Fiscal Year 2010 the Department identified and notified prior/current employees. Based upon responses several payroll checks were voided and reissued; the remaining outstanding check balance was processed, with applicable adjustments recorded in the general ledger, and submitted to the State of Georgia Unclaimed Property as required by the State of Georgia Accounting Procedures Manual, Section 4-6-2 and the “Disposition of Unclaimed Property Act”, O.C.G.A. 44-12-190 through 44-12-235.

All reconciling items and all stale dated checks have been eliminated and the monthly payroll reconciliation continues (as previously was the case) to be properly reconciled.

Contact Person: Michael F. Joyner, Controller
Telephone: (404) 417-2225 ; Fax: (404) 417-2221 ; E-mail: michael.joyner@dor.ga.gov

Finding Control Number: FS-474-09-06
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Outstanding Checks for Over One Year

We concur with this finding.

In Fiscal Year 2010 the Department modified the process of compiling the general disbursement account outstanding check list to include: 1) check number, 2) check issue date, 3) check amount, 4) vendor name and address. The Department has modified the reconciliation process to ensure that all data for the outstanding check list is included as part of the monthly reconciliation.

The Department is currently in the process of removing outstanding checks that are over one year old, with applicable adjustments recorded in the general ledger, based upon the guidelines provided in the State of Georgia Accounting Procedures Manual, Section 4-6-2 and the State of Georgia Unclaimed Property as required by the "Disposition of Unclaimed Property Act", O.C.G.A. 44-12-190 through 44-12-235. The target date of completion is Fiscal Year-end 2010.

Contact Person: Michael F. Joyner, Controller
Telephone: (404) 417-2225 ; Fax: (404) 417-2221 ; E-mail: michael.joyner@dor.ga.gov

SECRETARY OF STATE

Finding Control Number: FS-478-09-01
CAPITAL ASSETS
FINANCIAL REPORTING AND DISCLOSURE
Inadequate Capital Asset Records

We can concur with this finding on one of our attached agencies. The Secretary of State will implement policies and procedures to ensure that all equipment items are recorded correctly, have the correct descriptions, and are in the designated location as reported on the capital asset inventory listing for all attached agencies.

The Secretary of State has worked with the Georgia Real Estate Commission to develop and implement appropriate policies and procedures to ensure that all capital asset inventory records for the attached agency can be identified by decal number, description and location. The Secretary of State will implement these policies and procedures for all attached agencies.

Contact Person: Betty Strickland, Director of Administration
Telephone: (404) 657-5812 ; Fax: (404) 657-7675 ; E-mail: bstrick@sos.state.ga.us

AVIATION HALL OF FAME, GEORGIA

Finding Control Number: FS-483-09-01
ACCOUNTING CONTROLS (OVERALL)
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

We concur with this finding. During the audit process we were advised that bank reconciliation reports needed to be reviewed by organization management and signed on a monthly basis in a timely manner. Prior to this audit, we had not been advised of this requirement. We have changed our accounting procedures immediately following this audit so that organization management is reviewing and signing off on all bank reconciliations on a monthly basis.

Contact Person: Kim Carlisle, Office Director
Telephone: (478) 328-0704 ; Fax: ; E-mail: kim.carlisle@museujnofaviation.orH

Finding Control Number: FS-483-09-02
GENERAL LEDGER
Failure to Maintain an Adequate Trail Balance

We concur with this finding. Our organization made a change in accounting systems in the middle of our fiscal year during this audit period, resulting in errors in the trial balance. We feel confident that now that we are in a new and improved accounting system the trial balance will balance from this date forward. We will additionally be having an outside accounting firm review our general ledger/trial balance.

Contact Person: Kim Carlisle, Office Director
Telephone: (478) 328-0704 ; Fax: ; E-mail: kim.carlisle@museujnofaviation.orH

TRANSPORTATION, DEPARTMENT OF

Finding Control Number: FA-484-09-01
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Internal Control Deficiency/Noncompliance with Federal Program Regulations

We concur with this finding. GDOT, in concert with its consultant Calyptus Group, Inc., is developing a cost allocation plan to assure that labor, as well as other administrative costs are appropriately charged. This plan will be submitted to the Federal Transit Administration (FTA) for review and concurrence. The plan will be immediately implemented upon acceptance by the FTA. Additionally, GDOT is conducting an internal time study analysis and will use this analysis as a benchmark for charging and reviewing labor charges in the future.

Contact Person: Harvey Keepler
Telephone: (404) 631-1242 ; Fax: ; E-mail: hkeepler@dot.ga.gov

Finding Control Number: FA-484-09-02
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
CASH MANAGEMENT
REPORTING
SUBRECIPIENT MONITORING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

We concur with this finding. GDOT Office of Internal Audits is currently conducting compliance reviews of all of the sub-recipients (approximately 130) to benchmark their performance in critical areas. GDOT and its consultant, Calyptus Group, Inc., is also developing a Procedures Manual for each FTA funded program (Section 5303, 5307, 5309, 5311, 5311(f), 5316 and 5317) to guide sub-recipients in fulfilling contract and grant requirements through all phases (pre-award, award, post award and closeout). These procedures are also intended to provide Intermodal Programs with appropriate oversight procedures and guidance. Included in these manuals are risks assessment procedures which will be conducted for each sub-recipient. Additionally, in accordance with the results of the risk assessments, reviews will be conducted on at least a 1-3 year cycle.

Contact Person: Harvey Keepler
Telephone: (404) 631-1242 ; Fax: ; E-mail: hkeepler@dot.ga.gov

Finding Control Number: FA-484-09-03
ALLOWABLE COSTS/COST PRINCIPLES
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency/Noncompliance with Federal Program Regulations

We concur with this finding. The funding sources (on each project) are constantly changing, along with the matching requirements of each funding component (for each of the Department’s thousands of projects). In addition, it is the Department’s policy to exhaust all funding on a first-in, first-out basis, which further complicates the cost allocation of State matching contribution rates and precludes the automation of the matching requirement.

In order to monitor each project from inception to conclusion, the Department has recently hired true Project Managers. The Department is training these Project Managers on the existing available financial systems and is developing new monitoring tools for their use. One of the duties of the new Project Managers will be to monitor the available funding on each of their projects, to ensure that the correct State matching contribution rates are properly applied to expenditures in accordance with Federal regulations.

The Department recognizes that human error is possible in any manual process, which requires decisions to be made. Therefore, as a mitigating control, the Department has in place an extensive review process, which is conducted by experienced staff as a part of the closing out of each project. This allows the Department to adjust the application of State matching contribution rates, prior to the close of every project.

Contact Person: Angela Whitworth
Telephone: (404) 631-1290 ; Fax: ; E-mail: awhitworth@dot.ga.gov

Finding Control Number: FA-484-09-04
CASH MANAGEMENT
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Regulations

We concur with this finding. The deficiency in cash management was the result of a temporary change in operating procedures, whereby reimbursements were requested twice weekly based on incurred expense to date. To correct the deficiency, the Office of Financial Management has resumed its normal operating procedure, where reimbursement request are prepared weekly based on the previous week's expense.

The Department is also developing an automated reconciliation process to identify differences in expenses incurred by period covered on the Federal Bill, eligible expenses claimed on the Federal Bill and expenses ultimately approved for reimbursement by the Federal Highway Administration. In addition, Office of Financial Management policies and procedures will require supervisory approval of the reconciliation.

Contact Person: Angela M. Whitworth
Telephone: (404) 631-1290 ; Fax: ; E-mail: awhitworth@dot.ga.gov

Finding Control Number: FA-484-09-05
CASH MANAGEMENT
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

We concur with this finding. Reports have been created from PeopleSoft, the State of Georgia's financial accounting system, and the Department's Contracts Payable Ledger system to balance the contract expenditures on a monthly basis. The contract expenditures will be balanced at the beginning of each month for the previous month's transactions. Each quarter the Intermodal Programs financial system remains open for 10 days to process the quarterly close out. The expenditures will be balanced as soon as the books close for the quarter.

The expenditures are reviewed and printed on a daily basis to verify the sub-recipient was paid and to ensure the correct fund codes were applied to each payment. The Federal Transit Administration (FTA) is billed at the beginning of each month for the previous month's transactions. The wire payments are booked within 3-5 business days in GDOT's Revenue unit. The bank statements are reconciled showing the FTA reimbursements to the Department each month. The receipts for the FTA reimbursements to the Department will be reconciled at the beginning of each month for the previous month's transactions. The Revenue Unit forwards Intermodal Programs a cash draft receipt of funds detailing the Agency type (FTA/Federal Aviation Administration) with amount for period requested. Additionally, an Electronic Clearing House (ECHO) audit revenue receipt is prepared to reconcile receipt of actual funds requested and approved in regards to receipt.

Contact Person: Harvey Keepler
Telephone: (404) 631-1242 ; Fax: ; E-mail: hkeepler@dot.ga.gov

Finding Control Number: FA-484-09-06
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations

We concur with this finding. In the past, National Transportation Data information was completed and submitted by GDOT

Transit Planners. At present, GDOT is engaging the services of a consultant, CHA Incorporated, for future submissions, prior to which, such data will be entered by the consultant and reviewed/approved by the Transit Program Manager. Upon this review and approval, the Transit Program Manager will submit the information on behalf of GDOT.

Contact Person: Harvey Keepler
Telephone: (404) 631-1242 ; Fax: ; E-mail: hkeepler@dot.ga.gov

Finding Control Number: FA-484-09-07
SUBRECIPIENT MONITORING
Internal Control Deficiency/Noncompliance with Federal Program Regulations

We concur with this finding. GDOT and its consultant, Calyptus Group, Inc., is developing a Procedures Manual for each Federal Transit Administration funded program (Section 5303, 5307, 5309, 5311, 5311(f), 5316 and 5317) to guide sub-recipients in fulfilling contract and grant requirements through all phases (pre-award, award, post award and closeout). These procedures are also intended to provide Intermodal Programs with appropriate oversight procedures and guidance. Included in these manuals are risks assessment tools and procedures which will be used to conduct risk assessments for each sub-recipient. In accordance with the results of the risk assessments, compliance reviews will be conducted on at least a 1-3 year cycle. Corrective actions for each sub-recipient will be instituted based on the findings of the compliance reviews.

Contact Person: Harvey Keepler
Telephone: (404) 631-1242 ; Fax: ; E-mail: hkeepler@dot.ga.gov

Finding Control Number: FA-484-09-08
SPECIAL TEST AND PROVISIONS
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

We concur with this finding. The Office of General Accounting has implemented procedures to ensure that the Schedule of Expenditures of Federal Awards (SEFA) is submitted in accordance with Federal regulations.

1. American Recovery and Reinvestment Act (ARRA) expenditures share the same CFDA Number as Federal Highway Construction Funds and were reported as a consolidated total; however, expenditures are maintained separately by fund source on the Departments books and ledgers. The separate identification allows for easy identification of ARRA expenditures for separate reporting on the SEFA as required.
2. The Department has changed its business practice, where by future expenditures under the Advanced Construction (AC) program will be reported under a separate fund source identifier from Federal Highway Construction funds, until such time as they are converted for Federal funding under the Federal Highway Construction Program. Prior years' expenditures under the AC program are also being moved until eligible for Federal funding. The Department believes this new business practice will prevent the confusion that resulted in the inaccuracies in the SEFA.

Contact Person: Alenka McElhaney
Telephone: (404) 347-0469 ; Fax: ; E-mail: amcelhaney@dot.ga.gov

Finding Control Number: FA-484-09-09
SPECIAL TEST AND PROVISIONS
Internal Control Deficiency/Noncompliance with Federal Program Regulations

We concur with this finding. Due to a miscommunication and an emphasis on final checklists, quarterly Materials Certificate checklists were not consistently being submitted to the Office of Materials and Research (OMR). The Department has implemented procedures to insure that the quarterly checklists are completed and submitted according to policy. Specifically, a directive was sent out by the Division Director reiterating the importance of completing and submitting the Materials Certificate Checklist Quarterly. Web-training on the Materials Certificate Checklist process has been developed and will be provided to all Districts in early 2010. In addition, the OMR has also been given additional access to electronic databases to track the projects more effectively.

State of Georgia

Auditee's Corrective Action Plans
For the Fiscal Year Ended June 30, 2009

Contact Person: Georgene M Geary
Telephone: (404) 363-7512 ; Fax: ; E-mail: ggeary@dot.ga.gov

Finding Control Number: FS-484-09-01
ACCOUNTING CONTROLS (OVERALL)
Failure to Document Policies and Procedures

We concur with this finding. The Department has engaged an outside resource to properly document internal control policies and procedures for critical level processes and tasks related to identifying, recording, and monitoring financial transactions and file maintenance, in accordance with the guidelines outlined in the Accounting Procedures Manual for the State of Georgia. These additional policies and procedures will be monitored by management and maintained in electronic format so that they are available to all Georgia Department of Transportation (GDOT) staff.

The Department follows the module reconciliation procedures as published by the State Accounting Office in their Business Process Document titled: "PeopleSoft Subsystem Reconciliation Procedures". The Department will formally incorporate these procedures into our policies.

Contact Person: Connie Steele
Telephone: (404) 347-0471 ; Fax: ; E-mail: csteele@dot.ga.gov

Finding Control Number: FS-484-09-02
ACCOUNTING CONTROLS (OVERALL)
Sub-ledgers Not Properly Maintained

We concur with this finding. However, we do have some challenges that must be overcome from a system perspective. We are working closely with the State Accounting Office to determine a short-term remedy and ultimate long term resolution to the automation of the revenue process. Additionally, GDOT has engaged an independent consultant who is documenting the business requirements needed and the current gaps that exist. We anticipate that some programming changes will be necessary in order to remedy this finding as it relates to revenue and receivables. With regard to payables and clearing accounts, the Department will reconcile these monthly using ledgers at the fund source level.

Contact Person: Alenka McElhaney
Telephone: (404) 347-0469 ; Fax: ; E-mail: amcelhaney@dot.ga.gov

Finding Control Number: FS-484-09-03
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Inadequate Accounting Records at the Legal Level of Budgetary Control

We concur with this finding. Approximately 65 percent of the Department's funding is based on reimbursements of cash disbursements from Federal and Other Sources. Due to the long term nature of road construction, the majority of these receipts stem from disbursements against Purchase Orders from prior Fiscal Years, established before the inception of Program Based Budgeting and the use of a Program identification code. Receipts from Federal and Other sources do not identify the Fiscal Year or the budgetary controlled program. We are working closely with the State Accounting Office to determine a short-term remedy and ultimate long term resolution to the automation of the revenue process. Additionally, GDOT has engaged an independent consultant who is documenting the business requirements needed and the current gaps that exist. We anticipate that some programming changes will be necessary in order to remedy this finding as it relates to revenue. As a result there is no valid matching of the revenue and expenditures within a single specific financial reporting period (Fiscal Year) or Budgetary Program.

Contact Person: Chris Pittman
Telephone: (404) 347-0473 ; Fax: ; E-mail: cpittman@dot.ga.gov

Finding Control Number: FS-484-09-04
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

We concur with this finding. The Office of General Accounting has implemented procedures to ensure that the Schedule of Expenditures of Federal Awards (SEFA) is submitted in accordance with Federal regulations.

CFDA numbers which require the reporting of sub recipient amounts will be identified using the PeopleSoft query 0GL076E. The query will be run by account and fund source range. Fund sources are included on the PeopleSoft query used to provide the CFDA data (AUDS_GL_LKNOWLES_CFDA_EXP). The results of these queries will be sorted by CFDA and Source code. Transactions with a source code of "AP" for accounts payable will be subtotaled by vendor and the amounts reported in the SEFA.

Please see response to Finding Control Number: FA-484-09-08

Contact Person: Alenka McElhaney
Telephone: (404) 347-0469 ; Fax: ; E-mail: amcelhaney@dot.ga.gov

Finding Control Number: FS-484-09-05
REVENUES AND RECEIVABLES
Inadequate Accounting Procedures

We concur with this finding. The Department is now performing all required accounting reconciliations per the State Accounting Manual and has developed a monthly checklist that notes that the appropriate supervisor reviewed and approved the reconciliations.

Contact Person: Alenka McElhaney
Telephone: (404) 347-0469 ; Fax: ; E-mail: amcelhaney@dot.ga.gov

Finding Control Number: FS-484-09-06
EXPENSES/EXPENDITURES AND LIABILITIES
Contract Monitoring Deficiencies

We concur with this finding. We are working with the State Accounting Office to develop the purchase order queries that we will need to more closely monitor activity and ensure that obsolete purchase orders are closed in a timely fashion. Additionally, we will make sure that employees responsible for approving and recording encumbrances receive training on the guidelines outlined in Sections 3-2-1 and 3-2-3 of the Accounting Procedures Manual for the State of Georgia.

Contact Person: Angela Whitworth
Telephone: (404) 631-1290 ; Fax: ; E-mail: awhitworth@dot.ga.gov

Finding Control Number: FS-484-09-07
EXPENSES/EXPENDITURES AND LIABILITIES
Internal Control Weaknesses Regarding the Ability to Record, Process, and
Report Contractual Obligations

We concur with this finding. Previously, executed contracts were returned to the business owner for distribution. This led to delays in the contracts being appropriately routed to the Office of General Accounting. The Department has changed this process so that all executed contracts will be sent to the Office of Legal Services for distribution.

In addition, the Department has implemented a new Contract Tracking System (CATS) to identify and track the location of all contracts as they progress through the approval process. CATS is a workflow tool that can help the Department identify issues in the process and can be used by General Accounting to proactively monitor that they are in receipt of executed contracts.

Contact Person: Kate Pfirman
Telephone: (404) 631-1012 ; Fax: ; E-mail: kpfirman@dot.ga.gov

Finding Control Number: FS-484-09-08
CAPITAL ASSETS
Inadequate Capital Asset Records - Land

We concur with this finding. GDOT currently maintains detailed actual cost for land, in an Access database. The source of this cost data is the accounts payable lines recorded in PeopleSoft, the state's financial accounting system. PeopleSoft currently does not provide the fields necessary to capture and record the description, location, parcel and acreage, for the purchase of land at the time of payment. This information is available in paper form and is tracked in separate databases.

The Department is actively engaged in resolving this finding. Potential resolutions include: the purchase of a software tool to track this information, or a remediation of the statewide accounting system's fixed asset module.

Contact Person: Beryl Renfroe
Telephone: (404) 347-0323 ; Fax: ; E-mail: brenfroe@dot.ga.gov

VETERANS SERVICE, STATE DEPARTMENT OF

Finding Control Number: FS-488-09-01
ACCOUNTING CONTROLS
Deficit Fund Balance

We concur with this finding. The Department of Veterans Service has implemented a plan to eliminate the deficit through reductions of expenses. Our Department has implemented policies and procedures to ensure that the accounting records are properly maintained and monitored throughout the year to prevent reoccurrence.

Contact Person: Christopher Hambright
Telephone: (404) 656-5896 ; Fax: (404) 656-7006 ; E-mail: clhambri@vs.state.ga.us

Finding Control Number: FS-488-09-02
ACCOUNTING CONTROLS
Deficiencies in Accounting Records at the Fund Source Level

We concur with this finding. The Department of Veterans Service will seek assistance from the State Accounting Office for assistance in correcting these balances. The Department will adequately maintain all fund source ledgers through appropriate policies and procedures to prevent reoccurence of this finding.

Contact Person: Christopher Hambright
Telephone: (404) 656-5896 ; Fax: (404) 656-7006 ; E-mail: clhambri@vs.state.ga.us

PUBLIC DEFENDERS STANDARDS COUNCIL, GEORGIA

Finding Control Number: FS-492-09-01
ACCOUNTING CONTROLS (OVERALL)
Deficit Fund Balance

We concur with this finding. The Agency has implemented procedures to ensure that the expenditures and purported obligations are not in excess of legally available funds. The agency received special funding in the 2010 appropriation to clear any deficit resulting from those 2005-2008 conflict cases.

Contact Person: Marques Smith, Budget Director
Telephone: (404) 232-8900 ; Fax: ; E-mail: msmith@gpdsc.org

Finding Control Number: FS-492-09-02
ACCOUNTING CONTROLS (OVERALL)
FINANCIAL REPORTING AND DISCLOSURE
Audit Adjustments to remove estimated liability

We concur with this finding. GPDSC has implemented procedures to comply with the budget process. Each circuit sends a request for conflict counsel form to the conflict division whenever a conflict of interest exists within that circuit. The conflict division is responsible for finding conflict counsel and to ensure that the correct and complete amount of its obligation is recorded on its accounting records.

Contact Person: Marques Smith, Budget Director
Telephone: (404) 232-8900 ; Fax: ; E-mail: msmith@gpdsc.org

Finding Control Number: FS-492-09-04
GENERAL LEDGER
Deficiencies in General Ledger

We concur with this finding. GPDSC will contact the State Accounting Office to determine a new Budget Fund number to ensure that all Budget fund amounts are properly identified.

Contact Person: Marques Smith, Budget Director
Telephone: (404) 232-8900 ; Fax: ; E-mail: msmith@gpdsc.org

ARMSTRONG ATLANTIC STATE UNIVERSITY

Finding Control Number: FS-524-09-01
CASH AND CASH EQUIVALENTS
GENERAL LEDGER
Inadequate Accounting Controls

The University concurs with this finding and has reviewed and implemented controls and procedures to address this concern by June 30, 2010. The University has dedicated one of its accountants the sole responsibility of reconciling the bank statements until the reconciliation process becomes current. Monthly the reconciliations will be reviewed and signed. Corrective action has been taken to clear revenue from the Banner clearing account daily. Also, monthly unexplained variances will be researched, documented, and resolved by necessary action.

Contact Person: Jo Parrott, Controller
Telephone: (912) 344-3108 ; Fax: (912) 344-3421 ; E-mail: jo.parrott@armstrong.edu

Finding Control Number: FS-524-09-02
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Accounting Procedures for Restricted Funds

The University concurs with this finding and has reviewed and implemented controls and procedures to address this concern by June 30, 2010. The University will reconcile grants monthly to ensure revenues equal expenditures, and research any discrepancies, document, and resolve them with necessary action. Monthly unexplained variances in restricted receivables will be researched, documented, and resolved by necessary action.

Contact Person: Jo Parrott, Controller
Telephone: (912) 344-3108 ; Fax: (912) 344-3421 ; E-mail: jo.parrott@armstrong.edu

Finding Control Number: FS-524-09-03
CAPITAL ASSETS
Inadequate Accounting Procedures for Capital Assets

The University concurs with this finding and has reviewed and implemented controls and procedures to address this concern by June 30, 2010. The University will reconcile capital assets monthly to ensure the Capital Asset Management Module is properly reconciled to the Capital Ledger and research, document, and resolve discrepancies with necessary action. The capital assets accountant will review and reconcile depreciation expense monthly to ensure accurate depreciation posting for assets.

Contact Person: Jo Parrott, Controller
Telephone: (912) 344-3108 ; Fax: (912) 344-3421 ; E-mail: jo.parrott@armstrong.edu

FORT VALLEY STATE UNIVERSITY

Finding Control Number: FA-533-09-01
ELIGIBILITY
Overpayment of Student Financial Aid
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with this finding. The University has made significant changes in office personnel by hiring a Director of Financial Aid and Assistant Director of Financial Aid with over 50 years of financial aid experience between them. The administrative leadership team has implemented a comprehensive training program for staff to ensure that staff has the requisite knowledge of Title IV Programs in areas of need analysis, packaging, award adjustments, verification, satisfactory academic progress, Return to Title IV, cost of attendance, ACG and SMART Grant determination, Pell Grant adjustments due to enrollment changes, and award coordination. The Staff is required to attend four hours of training each week. Additionally, staff has been sent to Department of Education workshops. Staff development has become a priority for the office.

The Office of Financial Aid has begun a collaborative effort with the Office of Business and Finance to ensure that all financial aid awards are sent to the Office of Financial Aid for processing prior to application to the student's account to eliminate the possibility of awards being applied to students' accounts without being included in students' financial aid package. This will include all outside awards and all institutional awards. A scholarship committee has been commissioned to develop written guidelines which will be disseminated to the entire University community. Better coordination of student financial aid awards will eliminate chances of student over awards.

Contact Person: Freida Jones, Director of Financial Aid
Telephone: (478) 825-6605 ; Fax: (478) 825-6976 ; E-mail: jonesf@fvsu.edu

Finding Control Number: FA-533-09-02
ELIGIBILITY
Undocumented Cost of Attendance Budgets
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with this finding. The University has taken steps to ensure that cost of attendance budgets are developed and applied according to standards set by the Department of Education. Cost of Attendance budgets will be developed using actual tuition, fees, and room and board charges as set by the Georgia State Board of Regents. Off-campus living expenses will be based upon the Bureau of Labor Statistics for living costs for the local area. Book costs will be based upon the average book charges as computed by the University Book Store. The University has reduced financial aid budgets to three, Campus, Off-Campus, and Living with Parents. The University's computing software (Banner) will be programmed to correctly assign cost of attendance budgets based upon students' actual living arrangements.

Contact Person: Freida Jones, Director of Financial Aid
Telephone: (478) 825-6605 ; Fax: (478) 825-6976 ; E-mail: jonesf@fvsu.edu

Finding Control Number: FA-533-09-03
REPORTING
Reports Not Reconciled
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with this finding. The University will institute a reconciliation committee to reconcile all Title IV funds. At a minimum, the committee will comprise of senior members from the departments of student financial services, financial aid, registrar, and information technology. The reconciliation committee is responsible to ensure that the reconciliation is performed monthly on GAPS, general ledgers, COD, NSLDS, and bank statements. The committee will use the fiscal management reconciliation worksheets developed by the Department of Education.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FA-533-09-04
SPECIAL TESTS AND PROVISIONS
Failure to Reconcile the Federal Direct Loan Program
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with this finding. See response to finding FA-533-09-03.

Contact Person: Freida Jones, Director of Financial Aid
Telephone: (478) 825-6605 ; Fax: (478) 825-6976 ; E-mail: jonesf@fvsu.edu

Finding Control Number: FA-533-09-05
SPECIAL TESTS AND PROVISIONS
Inadequate Control Procedures over Unofficial Withdrawals
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with this finding. Students who subsequently discontinue their enrollment without officially withdrawing from the University will be considered to be unofficially withdrawn. This will be determined by the Registrar's Office at the end of the semester by the reviewing of all "F" grades. For any students who have been determined to have unofficially withdrawn, refunds for Title IV aid will be considered to have occurred at the 50% point in accordance with federal regulations. The 50% point will be used if the last date of attendance cannot be determined by the Registrar's Office. Furthermore, if it is determined by the Registrar that the student has earned all "F" grades, then a calculation for return of Title IV funds will not be performed.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FA-533-09-06
SPECIAL TESTS AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with this finding. If a student owes unearned Title IV funds from a federal grant, the University will notify the student within 30 days of determining the student's withdrawal and Title IV return calculation. The student will be allowed

45 days to repay that amount to Fort Valley State University who will forward the funds to the Department of Education. After that time payment arrangements must be made with the U.S. Department of Education or eligibility for federal financial aid at any higher education institutions will be denied. The student also needs to repay to the institution the money that the institution is required to return to the Department of Education for the unearned institutional charges. Students can repay the student portion of federal loans under the terms and conditions of the promissory note for the loan. Grant repayments are federal repayments that the student will be required to make to the U. S. Department of Education.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FA-533-09-07
SPECIAL TESTS AND PROVISIONS
Deficiencies over the Verification Process
U. S. Department of Education
Student Financial Aid Cluster Program

We concur with the finding. The University has corrected this issue through staff training and development. The staff is involved in an ongoing training program on a weekly basis. Staff is required to attend four hours of staff training and development each week. Additionally, staff has been sent to workshops conducted by the Department of Education and state guaranty agencies. The Financial Aid Office has begun to use a comprehensive verification checklist worksheet. This sheet lists all of the required verification items, the corresponding tax reference lines on the parent and student tax returns, and all untaxed income required by verification regulations. Proper verification of student files is a major priority of the Financial Aid Office.

Contact Person: Freida Jones, Director of Financial Aid
Telephone: (478) 825-6605 ; Fax: (478) 825-6976 ; E-mail: jonesf@fvsu.edu

Finding Control Number: FS-533-09-01
FINANCIAL REPORTING
Inadequate Controls over the Financial Reporting Process

We concur with this finding. The University will adopt and implement the current University System of Georgia's month-end and year-end procedures checklist. All staff under the Comptroller will be trained under the aforementioned manual. This practice will begin by the month-ending February 2010. In connection with the annual financial report, the University will deliver a final draft of the report to the University System of Georgia's System Office for detailed quality review. The results of the aforementioned review will be incorporated into the University's financial report. Further, the final draft report will be reviewed by the University's Vice President for Business & Finance or Associate Vice President for Business & Finance prior to submission to the System Office.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FS-533-09-02
BUDGET PREPARATION/EXECUTION
GENERAL LEDGER
Inadequate Accounting Procedures

We concur with this finding. The University's Director of Accounting Services will submit monthly financial reports to all department managers that state the approved budget, encumbrances, pre-encumbrances and expenditures. The overall budget to actual across all funds and departments will be monitored by the University Budget Director to ensure that an overall surplus is maintained.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FS-533-09-03
ACCOUNTING CONTROLS (OVERALL)
Inadequate Controls over Financial System Access

We concur with this finding. The University's IT Director will obtain a report of active employees in the HRIS System. The University will obtain a listing of active users within PeopleSoft Financials. The University will create an exception report and purge access to all employees that are not active.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FS-533-09-04
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Internal Controls

We concur with this finding. The University's Director of Auxiliary Services will review the listing of students that have unpaid housing and meal plan charges on a monthly basis and take necessary action within 45 days of review. Further, within 45 days of the start of a semester the University's Director of Auxiliary Services will review the listing of all students in housing to ensure that all students have submitted an approved housing application and paid the appropriate room reservation fee.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

Finding Control Number: FS-533-09-05
EMPLOYEE COMPENSATION
Inadequate Internal Controls

We concur with this finding. The University will require all department managers to review and approve their respective employee's timecard on a monthly basis. The University's Leave Administrator will monitor leave balances on a quarterly basis.

Contact Person: Kevin Howard, Associate Vice President for Business & Finance/Comptroller
Telephone: (478) 825-6300 ; Fax: (478) 825-6977 ; E-mail: howardk@fvsu.edu

GEORGIA SOUTHERN UNIVERSITY

Finding Control Number: FS-539-09-01
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Inadequate Accounting Procedures

We concur with this finding. The University acknowledges that sufficient controls and procedures were not in place for preparation of the annual financial statements and related notes to the financial statements to ensure all account balances were properly recorded and adequately documented. The University has implemented or will implement the following to address lack of controls during 2009 year end process and preparation of annual financial statements:

1. Review, standardize and document month end and year end closing procedures.
2. Replacement of key accounting management staff and addition of additional professional accounting staff.
3. Reassignment of accounting duties to assure compliance with standard business procedures and achieve cross training for key accounting functions.
4. Expand business procedures for balance sheet and other standard reconciliations to assure minimum standard procedures are met and timely, documented management review.
5. Assign an accounting manager who is not involved with day to day transaction and report development to manage year

end close, AFR development and state audit.

Contact Person: Kim Brown, Controller
Telephone: (912) 478-5224 ; Fax: (912) 478-0196 ; E-mail: kthompson@georgiasouthern.edu

SAVANNAH STATE UNIVERSITY

Finding Control Number: FA-548-09-01
SPECIAL TESTS AND PROVISIONS
Student Financial Aid Cluster Program
Deficiencies in Student Financial Aid Refund Process

We concur with this Finding. Savannah State University has dedicated a great deal of energy on this issue and has made significant progress. We will continue our educational efforts with the student body on their responsibility to inform the University when they stop attending their classes. We have also instituted a notification process with the faculty for when a student stops attending class in an effort to identify unofficial withdrawals.

Contact Person: Janice Johnson, Bursar
Telephone: (912) 356-2535 ; Fax: (912) 353-3188 ; E-mail: allenj@savannahstate.edu

Finding Control Number: FS-548-09-01
REVENUE/RECEIVABLES/RECEIPTS
Inadequate Control Procedures for Collection of Tuition and Fees

We concur with this Finding. Savannah State University has taken several steps to address this repeat finding. We will continue to work with our students to be in compliance with the Board of Regents' Business Procedures Manual as recommended. The steps taken to this point have resulted in reduced write-offs compared to prior years.

Contact Person: Edward B. Jolley, Vice President for Fiscal Affairs
Telephone: (912) 351-3812 ; Fax: (912) 353-3188 ; E-mail: jolleye@savannahstate.edu

ABRAHAM BALDWIN AGRICULTURAL COLLEGE

Finding Control Number: FS-557-09-01
CASH AND CASH EQUIVALENTS
Inadequate Accounting Procedures

The college concurs with this finding.

The college has implemented several new procedures to ensure that this activity is completed on a timely manner and that the appropriate reconciling items are dealt with expeditiously and accurately. A schedule of activities/reports that are due on a monthly, quarterly, etc. has been posted to assist staff in scheduling their activities and duties. Renewed emphasis on getting reports completed and submitted in a timely manner has been instilled in the relatively inexperienced staff here at ABAC. Assistance from neighboring college institutions and the System Office has helped in training and developing better procedures to ensure these procedures are done properly.

Corrective measures have already shown results in that all reconciliations are up-to-date at this time and newly implemented procedures are working well.

Contact Person: John T. Clemens, CFO
Telephone: (229) 391-4875 ; Fax: (229) 391-5215 ; E-mail: jclemens@abac.edu

Finding Control Number: FS-557-09-02
ACCOUNTING CONTROLS (OVERALL)
Inadequate Accounting Procedures

The college concurs with this finding and recognizes the significance of this finding and failings on the part of college management to properly and thoroughly prepare for the audit and the associated shortcomings determined through discovery processes.

A key staff member (comptroller) responsible for audit preparation and accounting oversight has been terminated. Additional findings discovered by current college staff and consultants not directly employed by the college further support the findings referenced. A self-evaluation of the overall college financial operations has determined that numerous changes must be made to comply with standard operating procedures for college financial operations. A first step in this process is to fully determine the risk factors that should have been discovered in the audit had it been completed. This process is nearing completion and should be done by mid February. New procedures have already been put into place as the result of the "self-audit". It is expected that more changes will be implemented as the process is completed.

With the assistance of an outside consultant and expertise from a neighboring college, the current staff is being trained in new procedures to ensure compliance. Once the "self-audit" is completed, a thorough review of policies and procedures is planned to determined risk factors/areas that need attention and correction. Once completed, a new procedures manual will be developed and published for all aspects of the college's financial activities. An independent review will be included in this process.

Currently, corrective actions are already underway to improve controls over key areas outlined in the audit and listed above: (1) Ensure amounts posted to the general ledger were accurate and timely; (2) Ensure that financial information were properly documented and recorded in the accounting records; and (3) Ensure that financial statements as presented for audit were accurate and properly supported by underlying accounting records.

At the recommendation of consultants, additional measures have been implemented to address findings outlined in the "Information" section listed above.

Additionally, a new position is being filled to oversee grants and contracts as well as fee accounts to ensure these fund accounts are managed and accounted for properly (including reporting) given the increased emphasis on acquiring these funds and the need to better account for their use.

Contact Person: John T. Clemens, CFO
Telephone: (229) 391-4875 ; Fax: (229) 391-5215 ; E-mail: jclemens@abac.edu

BAINBRIDGE COLLEGE

Finding Control Number: FS-562-09-01
REVENUES/RECEIVABLES/RECEIPTS
PROCUREMENT
EXPENDITURES/LIABILITIES/DISBURSEMENTS
EMPLOYEE COMPENSATION
CAPITAL ASSETS
FINANCIAL REPORTING
Inadequate Accounting Procedures

We concur with this finding. Bainbridge College agrees that adequate documentation and reconciliation procedures have not been implemented in the cited instances. We also agree that existing policies and procedures were not followed in the specific instances cited.

Corrective action has been taken to prevent future violations of procurement and PCard policies and procedures. All PCard holders have received additional training on policies and procedures. Other procurement procedures have also been

reviewed to ensure future compliance. We believe that our inability to provide documentation of account balances is primarily due to lack of timely reconciliation between sub-systems and the general ledger. We are addressing this issue by creating a new position in the Controller's office whose primary responsibility will be to perform monthly reconciliations and review general ledger trial balances.

Contact Person: Kay Livingston, Controller
Telephone: (229) 248-2520 ; Fax: (229) 248-2594 ; E-mail: kay.livingston@bainbridge.edu

NORTH GEORGIA MOUNTAINS AUTHORITY

Finding Control Number: FS-912-09-01
CAPITAL ASSETS
Inadequate Capital Assets Records - Land

We concur with this finding.

The North Georgia Mountain Authority is in the process of developing appropriate policies and procedures to ensure that Land is correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in the accounting of Land will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner - Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 463-3558 ; E-mail: paul.burkhalter@dnr.state.ga.us

Finding Control Number: FS-912-09-02
CAPITAL ASSETS
Inadequate Capital Asset Records - Buildings and Building Improvements

We concur with this finding.

The Department of Natural Resources is in the process of developing appropriate policies and procedures to ensure that Buildings and building Improvements are correctly stated on the books and correctly reported to SAO. With the hiring of an Asset Manager soon, the deficiencies and material weaknesses in the accounting of Building and Building Improvements will be eliminated.

Contact Person: Paul Burkhalter, Deputy Commissioner -Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 656-2285 ; E-mail: paul.burkhalter@dnr.state.ga.us

HIGHER EDUCATION ASSISTANCE CORPORATION, GEORGIA

Finding Control Number: FA-918-09-01
REPORTING
Failure to maintain current records

The Corporation agrees with the findings which concerns the failure to update an enrollment status change within 10 business days. The enrollment data was received from the National Student Loan Clearinghouse and processed within 10 days of receipt of the electronic file. However, the data resulted in an exception that went into a queue to be worked. GHEAC will put internal controls in place to ensure all exceptions are researched and updated timely.

The Corporation will also be pursuing guidance on the interpretation for 682.414(a) which requires records to be maintained in system that allows ready identification of each loan's status updated at least every 10 business days. We believe our servicing system meets the requirement for this regulation. However in the event that a transaction is processed and placed into a queue, the 10 day requirement is impractical as it takes time to research and update the account.

Contact Person: Gerlda B. Hines
Telephone: (770) 924-9116 ; Fax: (770) 724-9101 ; E-mail: gerldah@gsfc.org

SEED DEVELOPMENT COMMISSION, GEORGIA

Finding Control Number: FS-919-09-01
ACCOUNTING CONTROLS-GENERAL LEDGER
EQUITY AND FINANCIAL STATEMENT RECONCILIATION
GENERAL LEDGER
Excessive Year-end unreserved, undesignated fund balance

We concur with the finding. The Commission had discussions in 2009 regarding the establishment of a policy for determining a reasonable reserve amount, but has not established and adopted a documented policy to date. Although not properly reserved and designated on financials, and without the guidance of an adopted policy on reserves, the Commission believes that its requirements for operating funds, sorely needed capital expenditures and reserve for uninsurable losses to crops by natural disaster prior to their delivery to GSDC do not allow for these current unreserved, undesignated funds to be remitted to the state treasury at this time. Without these reserves, the Commission would have to depend on legislatively appropriated monies for capital expenditures or unexpected shortfalls. However, in concurrence with the audit finding GSDC has not adopted a reasonable reserve policy, a committee will be charged with development of a policy for determining reasonable reserves at the Commission's Febuary 19, 2010 Special Meeting with a committee report required for consideration and adoption by the Commission at the Annual Meeting in August, 2010. The committee will be assigned the task of recommending an ongoing standard reserve policy for maintaining a reasonable reserve for the future operations of the Commission and to deal immediatly with significant near term capital expenditures on its aging Athens and Plains facilities and seed processing equipment (In 2009 the Commission approved pending projects of approximately $1.5 million for Plains).

The Commission will continue to maintain proper insurance policies as recommended. Further, the Commission will evaluate the reasonable reserve amount to establish for future operations in light of the audit report's finding. The Commission will include in the deliberations and policy development its exposure to uninsurable crop failure from natural disasters prior to harvest and delivery to GSDC insured facilities, adverse commodity prices and their impact on GSDC operating reserves, and its required and necessary capital expenditures. As recommended in the audit report and reqired by the state law, any remaining excess profits would be remitted to the state treasury.

Contact Person: Marshall L. Garland Executive Director, GSDC
Telephone: (706) 542-5640 ; Fax: (706) 227-7159 ; E-mail: mike.garland@agr.georgia.gov

ROAD AND TOLLWAY AUTHORITY, STATE

Finding Control Number: FS-927-09-01
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS
Reconciliation of Fund Balance

We concur with this finding. Effective 11/01/2009 procedures were developed to analyze all Interfund activity. A report was developed to pull the activity from each of the interfund accounts and match it with the transactions in the off-setting interfund account. This ensures that the interfund balances balance to a net of zero. If the interfunds do not balance back to zero, the individual transactions are reviewed and necessary corrections made to record these transactions correctly. Effective 11/01/2009, a procedure was developed and is being maintained to reconcile equity accounts during each accounting period and at fiscal year-end. The beginning balances for each of the equity accounts is verified against the prior year ending balances, activity within these accounts is reviewed and analized for accuracy and appropriateness and a roll-forward schedule is prepared.

Contact Person: Henry Li, Treasurer/Director of Administration
Telephone: (404) 893-6140 ; Fax: (404) 893-6144 ; E-mail: HenryLi@georgiatolls.com

ENVIRONMENTAL FACILITIES AUTHORITY, GEORGIA

Finding Control Number: FA-928-09-01
ALLOWABLE COSTS/COST PRINCIPLES
Documentation of Payroll, CFDA No. 81.041

We concur with this finding. The Authority realizes that complete documentation was not available to provide an attestation or certification by employees of the hours worked on federal reimbursable grants. However, the questioned costs are allowable due to the fact that the expenditures incurred are those of personnel funded by and through the direct grant application. The Authority's mechanism for charging payroll hours is based on the same allocations as prescribed in its applications for federal funds and is used once the federal grant award has been approved. It is understood that the Authority must maintain signed documentation from employees that certify that the hours or billed allocations to federal funds are representative of actual hours spent on grant programs. GEFA will implement corrective action measures prior to close of FY 2010 that are acceptable to its auditors and its federal granting agencies.

Contact Person: Jammie Harden
Telephone: (404) 584-1015 ; Fax: (404) 584-1067 ; E-mail: jammie@gefa.ga.gov

Finding Control Number: FA-928-09-02
ALLOWABLE COSTS/COST PRINCIPLES
Documentation of Payroll

We concur with this finding. The Authority realizes that complete documentation was not available to provide an attestation or certification by employees of the hours worked on federal reimbursable grants. However, the questioned costs are allowable due to the fact that the expenditures incurred are those of personnel funded by and through the direct grant application. The Authority's mechanism for charging payroll hours is based on the same allocations as prescribed in its applications for federal funds and is used once the federal grant award has been approved. It is understood that the Authority must maintain signed documentation from employees that certify that the hours or billed allocations to federal funds are representative of actual hours spent on grant programs. GEFA will implement corrective action measures prior to close of FY 2010 that are acceptable to its auditors and its federal granting agencies.

Contact Person: Jammie Harden
Telephone: (404) 584-1015 ; Fax: (404) 584-1067 ; E-mail: jammie@gefa.ga.gov

SAPELO ISLAND HERITAGE AUTHORITY

Finding Control Number: FS-942-09-01
CAPITAL ASSETS
Inadequate Capital Assets Records - Land

We concur with this finding.

The Sapelo Island Heritage Authority is in the process of developing appropriate policies and procedures to ensure that Land is correctly stated on the books and correctly reported to SAO. Critical to addressing the deficiencies and material weaknesses in the accounting of Land Capital Assets is the filling of the Asset Manager position. We hope to complete this task as soon as possible.

Contact Person: Paul Burkhalter, Deputy Commissioner - Finance and Administration
Telephone: (404) 656-7559 ; Fax: (404) 463-3558 ; E-mail: paul.burkhalter@dnr.state.ga.us

State of Georgia

Auditee's Corrective Action Plans
For the Fiscal Year Ended June 30, 2009

MEDICAL CENTER AUTHORITY, GEORGIA

Finding Control Number: FS-982-09-01
FINANCIAL REPORTING AND DISCLOSURE
BUDGET
Failure to Adopt Budget

It should be noted that ongoing multiple budget cuts from the State has made it difficult to maintain a formal budget. Furthermore, subsequent to year end, the authority has adopted a budget for the fiscal year 2010 and it has been approved by the Board of Trustees.

Contact Person: Cem Oruc
Telephone: (706) 922-5404 ; Fax: ; E-mail: cem@georgiamedicalcenterauthority.org

Appendix “A”
Organizational Units

State of Georgia

Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2009

ORGANIZATIONAL UNIT	CONTROL NUMBERS
Accounting Office, State	407
Administrative Services, Department of	403
Agricultural Exposition Authority, Georgia	926
Agriculture, Department of	402
Agrirama Development Authority, Georgia	940
Audits and Accounts, Department of (*)	404
Aviation Hall of Fame, Georgia	483
Banking and Finance, Department of	406
Building Authority, Georgia	
Regular (*)	900
Markets (*)	904
Community Affairs, Department of	428
Community Health, Department of (*)	419
Correctional Industries Administration, Georgia	921
Corrections, Department of	467
Defense, Department of	411
Development Authority, Georgia (*)	914
Driver Services, Department of	475
Early Care and Learning, Department of	469
Economic Development, Department of	429
Economic Development Foundation, Inc., Georgia	989
Tourism Foundation, Georgia	990
Education, Department of	414
Environmental Facilities Authority, Georgia (*)	928
Financing and Investment Commission, Georgia State (*)	409
Forestry Commission, Georgia	420
Games Commission, State	496
General Assembly, Georgia (*)	444
Golf Hall of Fame Authority, Georgia	975
Golf Hall of Fame Board, Georgia	958
Governor, Office of the	422
Higher Education Assistance Corporation, Georgia (*)	918
Higher Education Facilities Authority, Georgia (*)	969
Highway Authority, Georgia	924
Housing and Finance Authority, Georgia (*)	923
Human Resources, Department of	427
Insurance, Office of the Commissioner of	408
International and Maritime Trade Center Authority, Georgia (*)	974
Investigation, Georgia Bureau of	471
Jekyll Island State Park Authority	910
Judicial Branch	430
Court of Appeals	432
Judicial Council	434
Juvenile Court Judges, Council of	431
Prosecuting Attorney's Council	418
Superior Courts	436
Supreme Court	438
Juvenile Justice, Department of	461
Labor, Department of	440
Lake Lanier Islands Development Authority	913
Law, Department of	442
Lottery Corporation, Georgia (*)	973
Medical Center Authority, Georgia (*)	982
Military College, Georgia	968
Music Hall of Fame Authority, Georgia	929
Natural Resources, Department of	462
North Georgia Mountains Authority	912
Oconee River Greenway Authority	988
OneGeorgia Authority	981
Pardons and Paroles, State Board of	465
Pension Funds	
Employees' Retirement System of Georgia (*)	

State of Georgia

Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2009

ORGANIZATIONAL UNIT	CONTROL NUMBERS
Regular	416
Deferred Compensation Plan	n/a
Defined Contribution Plan	n/a
District Attorneys Retirement Fund	946
Judicial Retirement System	n/a
Legislative Retirement System	n/a
Military Pension Fund	n/a
Public School Employees' Retirement System	468
State Employees' Assurance Department	n/a
Superior Court Judges Retirement Fund	945
Firefighter's Pension Fund, Georgia	950
Judges of the Probate Courts Retirement Fund of Georgia	949
Magistrates Retirement Fund of Georgia	991
Peace Officers' Annuity and Benefit Fund of Georgia	947
Sheriffs' Retirement Fund of Georgia	951
Superior Court Clerks' Retirement Fund of Georgia (*)	948
Teachers Retirement System of Georgia (*)	482
Personnel Administration, State	460
Ports Authority, Georgia (*)	916
Properties Commission, State (*)	203
Public Defenders Standards Council, Georgia	492
Public Safety, Department of	466
Public Service Commission	470
Public Telecommunications Commission, Georgia	977
Rail Passenger Authority, Georgia	960
Regents of the University System of Georgia, Board of	472
Colleges, Universities and Foundations	
Research Universities	
Georgia Institute of Technology (*)	503
Georgia Tech Athletic Association (*)	5032
Georgia Tech Facilities, Incorporated (*)	5034
Georgia Tech Foundation, Incorporated (*)	5035
Georgia Tech Research Corporation (*)	5036
Georgia State University	509
Georgia State University Foundation (*)	5091
Georgia State University Research Foundation (*)	5092
Medical College of Georgia	512
Medical College of Georgia Foundation, Incorporated (*)	5122
Medical College of Georgia Health, Incorporated (*)	5124
Medical College of Georgia Physician's Practice Group Foundation (*)	5125
University of Georgia (*)	518
University of Georgia Athletic Association, Incorporated (*)	5181
University of Georgia Foundation (*)	5182
University of Georgia Research Foundation, Incorporated (*)	5184
Regional Universities	
Georgia Southern University	539
Georgia Southern University Housing Foundation, Incorporated (*)	5392
Valdosta State University	551
VSU Auxiliary Services Real Estate Foundation, Inc.	5512
State Universities	
Albany State University	521
Armstrong Atlantic State University	524
Augusta State University	527
Clayton State University	528
Columbus State University	530
Fort Valley State University	533
Georgia College and State University	536
Georgia College and State University Foundation (*)	5362
Georgia Southwestern State University	542
Kennesaw State University	543
Kennesaw State University Foundation, Incorporated (*)	5431
North Georgia College and State University	545

State of Georgia

Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2009

ORGANIZATIONAL UNIT	CONTROL NUMBERS
Savannah State University	548
Southern Polytechnic State University	550
University of West Georgia	554
State Colleges	
Abraham Baldwin Agricultural College	557
College of Coastal Georgia	563
Dalton State College	569
Gainesville College	575
Georgia Gwinnett College	540
Gordon College	576
Macon State College	581
Middle Georgia College	584
Two-Year Colleges	
Atlanta Metropolitan College	561
Bainbridge College	562
Darton College	570
East Georgia College	572
Georgia Highlands College	573
Georgia Perimeter College	571
South Georgia College	587
Waycross College	589
University System of Georgia Foundation (*)	4721
Other	
Skidaway Institute of Oceanography	593
Regional Educational Service Agencies (RESA)	
Central Savannah River Area RESA	8684
Chattahoochee-Flint RESA	8724
Coastal Plains RESA	8864
First District RESA	8804
Griffin RESA	8624
Heart of Georgia RESA	8764
Metropolitan RESA	8564
Middle Georgia RESA	8644
North Georgia RESA	8524
Northeast Georgia RESA	8584
Northwest Georgia RESA	8504
Oconee RESA	8664
Okefenokee RESA	8884
Pioneer RESA	8544
Southwest Georgia RESA	8844
West Georgia RESA	8604
Regional Transportation Authority, Georgia	976
Removal of Hazardous Materials, Agency for	497
Revenue, Department of	474
Road and Tollway Authority, State (*)	927
Sapelo Island Heritage Authority	942
Secretary of State	478
Seed Development Commission, Georgia	919
Soil and Water Conservation Commission, State	480
Southwest Georgia Railroad Excursion Authority	984
Sports Hall of Fame Authority, Georgia	944
Stone Mountain Memorial Association (*)	911
Student Finance Authority, Georgia (*)	917
Student Finance Commission, Georgia	476
Subsequent Injury Trust Fund Board of Trustees	489
Superior Court Clerks Cooperative Authority, Georgia (*)	955
Technical College System of Georgia	415
State Technical Colleges	
Albany Technical College	820
Altamaha Technical College	821
Appalachian Technical College	840
Athens Technical College	822

State of Georgia

Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2009

ORGANIZATIONAL UNIT	CONTROL NUMBERS
Atlanta Technical College	823
Augusta Technical College	824
Central Georgia Technical College	835
Chattahoochee Technical College	827
Columbus Technical College	828
Coosa Valley Technical College	829
DeKalb Technical College	830
East Central Technical College	825
Flint River Technical College	847
Griffin Technical College	831
Gwinnett Technical College	832
Heart of Georgia Technical College	833
Lanier Technical College	834
Middle Georgia Technical College	836
Moultrie Technical College	837
North Georgia Technical College	838
North Metro Technical College	839
Northwestern Technical College	849
Ogeechee Technical College	844
Okefenokee Technical College	818
Sandersville Technical College	817
Savannah Technical College	841
South Georgia Technical College	842
Southeastern Technical College	843
Southwest Georgia Technical College	846
Swainsboro Technical College	845
Valdosta Technical College	848
West Central Technical College	826
West Georgia Technical College	819
Technology Authority, Georgia	980
Transportation, Department of	484
Treasury and Fiscal Services, Office of	486
Veterans Service, State Department of	488
Workers' Compensation, State Board of	490
World Congress Center Authority, Geo. L. Smith II, Georgia	922

(*) Audits of these organizational units performed in whole or in part by other auditors.