2008

Florida Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

Florida Department of Financial Services

ACKNOWLEDGEMENTS

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SPECIAL APPRECIATION

Special appreciation is given to all fiscal and accounting personnel throughout the State who contributed financial information for their agencies.

GRAPHIC DESIGN

The report cover was designed by the Publications Unit, Division of Consumer Services, Department of Financial Services.

STATE OF FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2008

Charlie Crist
GOVERNOR

Alex Sink
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

This document and related information is available via the Florida Department of Financial Services' homepage at: *www.myfloridacfo.com*

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008

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INTRODUCTORY SECTION

CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

ALEX SINK

February 26, 2009

The Honorable Charlie Crist, Governor
The Honorable Jeff Atwater, President of the Senate
The Honorable Larry Cretul, Speaker pro tempore of the House of Representatives
Citizens of the State of Florida

Dear Governor Crist, President Atwater, Speaker Cretul, and the Citizens of Florida:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008 in accordance with Section 216.102(3), Florida Statutes (F.S.). This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the costs do not exceed the benefits derived.

The Auditor General has issued an opinion on the state's financial statements for the fiscal year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE STATE

Florida's constitution divides the governmental structure of the state into three independent branches. The Legislative Branch has exclusive law-making power for the state. The Executive Branch, with the Governor as its chief, administers the laws made by the Legislature. The Cabinet shares some executive power and responsibilities with the Governor. The Judicial Branch interprets the law and applies the Constitution. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a full range of services to its citizens including education, health and family services, transportation, law and corrections, natural resources, environmental, and other services.

The financial reporting entity of the state includes the primary government as well as component units for which the state is either financially accountable or a relationship exists with the state such that exclusion would cause the financial statements to be misleading or incomplete. Refer to Note 1 to the financial statements for a listing of Florida's component units and the Financial Section of the report to obtain an overview of their financial position.

Florida's budget focuses on the needs of the state and its citizens, as well as desired results of programs and services. It is prepared using the guiding principles in Chapter 216, F.S. The major phases of the budget process are detailed in the Other Required Supplementary Information Section of this report. Florida law strictly prohibits overspending and requires budgetary control to be maintained at the individual appropriation account level.

DEPARTMENT OF FINANCIAL SERVICES
THE CAPITOL, TALLAHASSEE, FLORIDA 32399-0301 • (850) 413-2850 • TELECOPIER (850) 413-2950

ECONOMIC CONDITION

Florida, like virtually every other state, has been affected by the national and global economic recessions. In a presentation dated February 16, 2009, the Florida Legislature's Office of Economic and Demographic Research (EDR) reported Florida's economic growth as decelerating. EDR indicates that the state's unemployment rate has already reached 8.1 percent, a level they were not anticipating until late summer 2009. They also indicate that employment conditions have deteriorated rapidly and exceed the national unemployment rate of 7.2 percent. Population growth hovered between 2.0 percent and 2.6 percent per year from the mid 1990's to 2006, and then began to slow down, only reaching 0.7 percent in 2008. Over the forecast horizon, it is projected that population growth will rebound slightly, averaging 1.1 percent between 2025 and 2030. EDR attributes the housing market correction and credit tightening as predominant reasons for Florida's economic decline. EDR projects that the economic decline in Florida will not abate until the second quarter of fiscal year 2009-10, followed by a slow and protracted recovery period.

Florida's leaders have already initiated reductions in state spending in light of declining state revenues. In a special session held in January 2009, the Florida Legislature reduced mid-year expenditures for fiscal year 2008-09 to resolve a $2.3 billion deficit in the general revenue funds as certified by Governor Crist in his letter dated December 23, 2008. Special Session A of 2009 also authorized a transfer in the amount of $400 million from the Budget Stabilization Fund to support the state's general revenue funds, leaving the remaining balance of the Budget Stabilization Fund at $274 million after the transfer. Transfers in the amount of $700 million from the Lawton Chiles Endowment Fund and $292 million from various trust funds were also authorized. Additional spending reductions may be needed as revenue collections continue to fall below projections.

The state's financial stability is vulnerable to the potential financial impacts of natural disasters, especially major hurricane events. The expansion of the Florida Hurricane Catastrophe Fund and Citizen's Property Insurance Corporation subjects the state to much greater potential financial liability for hurricane-related costs. The ability of these quasi-governmental insurance enterprises to fulfill their financial responsibilities in the event of major hurricanes may be in doubt considering how the ongoing national credit crisis and overall economic environment may impact the borrowing capacity of these entities following a hurricane event.

Florida will receive as much as $12.2 billion from the Federal American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009, by President Obama. Although the federal stimulus package will provide a short-term economic boost to Florida, state leaders must continue to identify ways to reduce expenditures, increase efficiency, and better define a path for long-term fiscal sustainability. Long-term sustainability efforts should continue to focus on diversification of the state's economy.

ACKNOWLEDGEMENTS

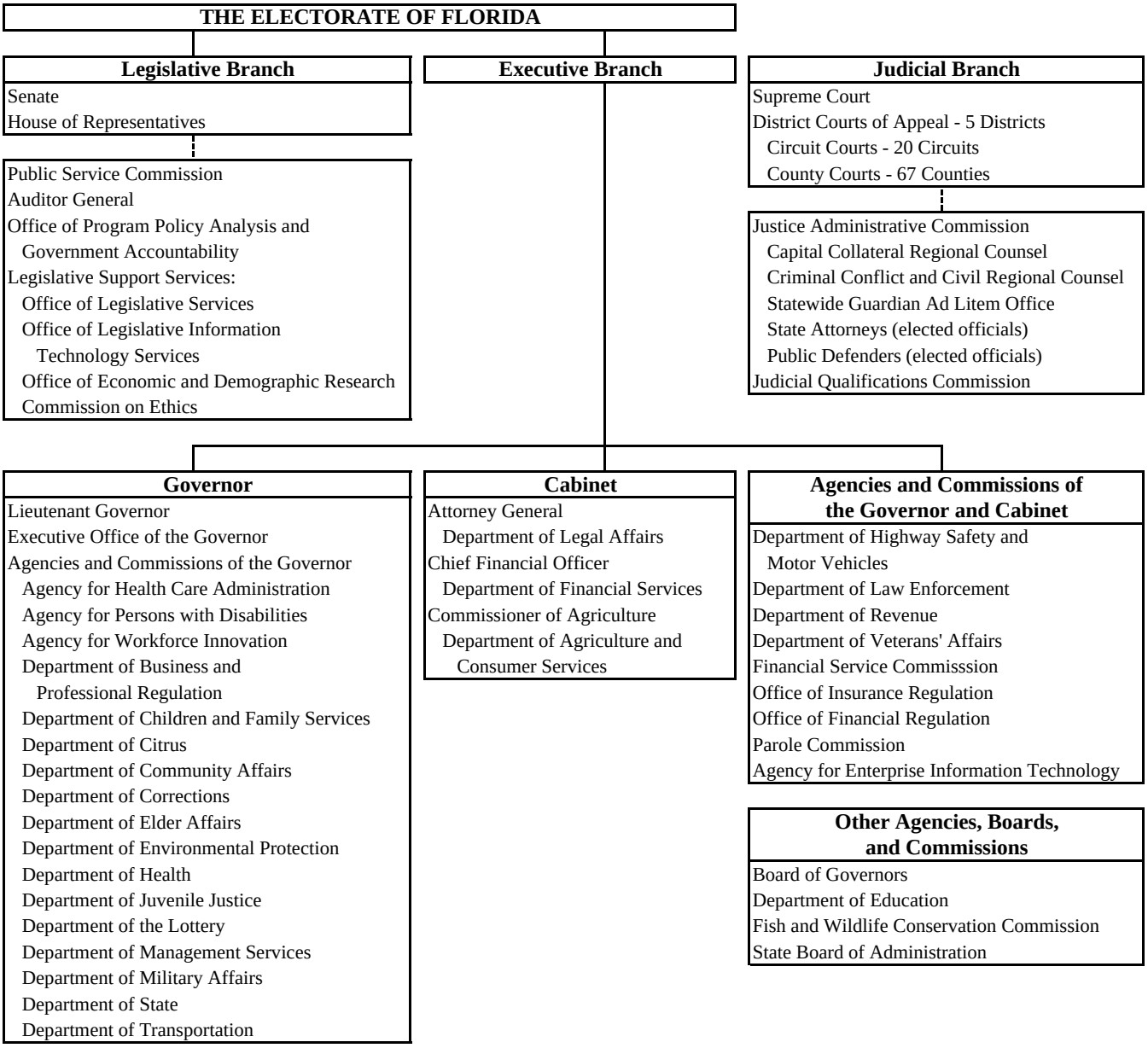
Preparation of the CAFR requires a significant investment of time and resources of fiscal and accounting personnel throughout the state. We appreciate all the contributions made to this effort.

Sincerely,

Alex Sink

AS: th

ORGANIZATION AT JUNE 30, 2008



PRINCIPAL OFFICIALS AT JUNE 30, 2008

Legislative Branch

Senate
Ken Pruitt, President
House of Representatives
Marco Rubio, Speaker

Executive Branch

Charlie Crist, Governor
Jeff Kottkamp, Lieutenant Governor
Cabinet
Bill McCollum, Attorney General
Alex Sink, Chief Financial Officer
Charles H. Bronson, Commissioner of Agriculture

Judicial Branch

R. Fred Lewis, Chief Justice

FINANCIAL SECTION

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STATE OF FLORIDA

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AUDITOR GENERAL

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying 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 Florida as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of:

- The Prepaid College Program Fund, which is a major enterprise fund and represents 34 percent and 12 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 93 percent of the assets and revenues of the Transportation major enterprise fund.
- The Hurricane Catastrophe Fund, which represents 99 percent and 98 percent, respectively, of the assets and revenues of the State Board of Administration major enterprise fund.
- The College Savings Plan, which represents 9 percent and 4 percent, respectively, of the assets and additions of the Private Purpose Trust Fund.
- The Florida Legislature, which represents one percent of the assets and revenues of the General Fund.
- The Florida Finance Housing Corporation, Citizens Property Insurance Corporation, component units related to the State's universities and community colleges, and certain other funds and entities that, in the aggregate, represent 69 percent and 50 percent, respectively, of the assets and revenues of the discretely presented component units.

Financial statements for the above were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position 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 Florida, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated February 26, 2009, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit. That report will be included as part of our separately issued report entitled *State of Florida, Compliance and Internal Controls Over Financial Reporting and Federal Awards*.

As discussed in Note 1 I. to the financial statements, the State has implemented Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions;* No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues;* and No. 50, *Pension Disclosures.* As further discussed in Note 1 I., the State reclassified certain employee health and disability funds previously reported in pension and other employee benefit trust funds (fiduciary fund type) to internal service funds (proprietary fund type), and the Prepaid College Foundation, a component unit of the Prepaid College Board, was reclassified from an enterprise fund (proprietary fund type) to a private-purpose trust fund (fiduciary fund type).

The accompanying management discussion and analysis on pages 12 through 17 and the budgetary information, pension information, other postemployment benefit information, and information on infrastructure using the modified approach on pages 130 through 141 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. As a result of the limited procedures performed, we believe that the amounts reported on page 139 for the actuarial accrued liability and the unfunded actuarial accrued liability for the Retiree Health Insurance Subsidy Program were not measured in conformity with accounting principles generally accepted in the United States of America because the discount rate utilized in determining the amounts reported was not appropriately matched to current and expected investment yields and the nature and mix of related investments.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The supplementary information - introductory section on pages 6 through 8, combining statements and individual fund statements and schedules on pages 145 through 229, and the statistical section on pages 233 through 261, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

David W. Martin, CPA
February 26, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida's (the state's) financial activities and performance for the fiscal year ended June 30, 2008 (fiscal year 2007-08). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Comprehensive Annual Financial Report (CAFR).

Financial Statements Overview

The state's basic financial statements are comprised of the following elements:

Government-wide Financial Statements
Government-wide financial statements provide both long-term and short-term information about the state's overall financial condition. Changes in the state's financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the state's net assets changed during the fiscal year is presented in the Statement of Activities. Financial information for the state's component units is also presented.

Fund Financial Statements
Fund financial statements for governmental and proprietary funds focus on individual parts of the state, reporting the state's operations in more detail than the government-wide financial statements. Fund financial statements for fiduciary funds are also included to provide financial information related to the state's fiduciary activities.

Notes to the Financial Statements
Notes to the financial statements provide additional information that is essential to the full understanding of the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	***Proprietary Funds***	***Fiduciary Funds***
Scope	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	• Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Government-wide Financial Statements and Overall Financial Analysis

Statement of Net Assets

Table 2 below presents the state's Condensed Statement of Net Assets as of June 30, 2008, and 2007, derived from the government-wide Statement of Net Assets. The assets of the state exceeded its liabilities (net assets) at the close of the fiscal year by $50.2 billion for governmental activities and by $8.9 billion for business-type activities, for a combined total of $59.1 billion for the primary government. The three components of net assets include invested in capital assets, net of related debt; restricted; and unrestricted. The largest component, totaling $56.3 billion as of June 30, 2008, reflects investment in capital assets, net of related debt. The state uses these capital assets to provide services to the citizens and businesses in the state; consequently, these net assets are not available for future spending. Restricted net assets are the next largest component, totaling $14.2 billion as of June 30, 2008. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect a negative or deficit unrestricted net asset balance of $12 billion at June 30, 2008. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Asset Deficit, for more information.

Business-type activities reflect an unrestricted net asset balance of $622 million at June 30, 2008. The improvement in the unrestricted net asset balance over that reported in prior years is explained in the Major Fund Analysis, State Board of Administration section that follows.

Table 2: Condensed Statement of Net Assets
As of June 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 26,559	$ 30,405	$ 27,225	$ 22,748	$ 53,784	$ 53,153
Capital assets	55,689	53,254	6,930	6,376	62,619	59,630
Total assets	82,248	83,659	34,155	29,124	116,403	112,783
Other liabilities	10,436	11,081	9,802	7,230	20,238	18,311
Noncurrent liabilities	21,537	20,072	15,498	13,918	37,035	33,990
Total liabilities	31,973	31,153	25,300	21,148	57,273	52,301
Net assets:						
Invested in capital assets, net of related debt	51,938	49,604	4,361	4,165	56,299	53,769
Restricted	10,334	10,455	3,872	3,417	14,206	13,872
Unrestricted	(11,997)	(7,553)	622	394	(11,375)	(7,159)
Total net assets	$ 50,275	$ 52,506	$ 8,855	$ 7,976	$ 59,130	$ 60,482

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2007-08 and fiscal year 2006-07, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the state's financial position is improving or deteriorating. The state's total net assets decreased during the fiscal year by $1.4 billion. The net assets of governmental activities decreased by $2.3 billion and the net assets of business-type activities increased by $900 million. Revenue declines related to governmental activities are detailed in the Economic Factors section below. The $1 billion increase in human services expense is due to increased need for program services. The majority of the 31% increase in total program expenses for business-type activities is related to an increase in reserve for unpaid hurricane losses as a result of ongoing loss development and actuarial analyses.

Table 3: Condensed Statement of Activities
For the Fiscal Year Ended June 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues						
Charges for services	$ 5,806	$ 6,385	$ 9,298	$ 8,968	$ 15,104	$ 15,353
Operating grants and contributions	17,501	17,105	29	39	17,530	17,144
Capital grants and contributions	2,145	2,164	4	2	2,149	2,166
Total program revenues	25,452	25,654	9,331	9,009	34,783	34,663
General revenues and payments						
Sales and use tax	19,716	20,684	.....	.....	19,716	20,684
Other taxes	12,015	13,532	.....	.....	12,015	13,532
Investment earnings (loss)	579	813	11	11	590	824
Emergency assessments	.....	.....	357	195	357	195
Total general revenues and payments	32,310	35,029	368	206	32,678	35,235
Total revenues	57,762	60,683	9,699	9,215	67,461	69,898
Program expenses						
General government	7,493	8,411	.....	.....	7,493	8,411
Education	20,460	19,739	.....	.....	20,460	19,739
Human services	21,715	20,634	.....	.....	21,715	20,634
Criminal justice and corrections	4,296	3,993	.....	.....	4,296	3,993
Natural resources and environment	2,750	2,768	.....	.....	2,750	2,768
Transportation	4,098	3,546	446	404	4,544	3,950
State courts	464	437	.....	.....	464	437
Lottery	.....	.....	2,987	3,029	2,987	3,029
State Board of Administration	.....	.....	1,045	242	1,045	242
Prepaid College Program	.....	.....	1,302	856	1,302	856
Nonmajor enterprise funds	.....	.....	1,654	1,146	1,654	1,146
Indirect interest on long-term debt	12	12	.....	.....	12	12
Total program expenses	61,288	59,540	7,434	5,677	68,722	65,217
Excess (deficiency) before gain (loss) and transfers	(3,526)	1,143	2,265	3,538	(1,261)	4,681
Gain (loss) on sale of capital assets	(108)	(251)	(6)	(10)	(114)	(261)
Transfers	1,378	1,357	(1,378)	(1,357)	.....	.....
Change in net assets	(2,256)	2,249	881	2,171	(1,375)	4,420
Beginning net assets	52,506	50,257	7,976	5,805	60,482	56,062
Prior period adjustments	25	.....	(2)	.....	23	.....
Ending net assets	$ 50,275	$ 52,506	$ 8,855	$ 7,976	$ 59,130	$ 60,482

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of $16 billion at June 30, 2008, of which $10 billion is reserved for specific purposes and the remaining $6 billion is unreserved and available for the different purposes of the various funds. Refer to Note 1 to the financial statements for an explanation of the different types of reserves. Information is provided below regarding funds with more significant variances relative to the prior year.

General Fund – The state's primary operating fund is used to account for the financial resources and transactions not required to be accounted for in other funds. Fund balance declined by $3.2 billion or 44 percent to approximately $4 billion at June 30, 2008. The decrease is due to lower than anticipated revenues and affected the unreserved portion of fund balance. See the Economic Factors section below for more information regarding actions relating to maintenance of the fund balance for this fund.

Proprietary Funds

The state's proprietary funds, used to account for the business-type activities reported in the government-wide statements, reported $8.9 billion of net assets at June 30, 2008, an increase of $900 million from the prior year attributable mainly to the circumstances described below for the State Board of Administration.

State Board of Administration – This fund includes the Florida Hurricane Catastrophe Fund to provide reinsurance to Florida property insurance companies in the event of a hurricane disaster. This fund had an increase in fund balance at June 30, 2008 of approximately $900 million. The increase can be attributed to the continued growth of reimbursement premiums and the statutory emergency assessment levy issued in 2007. The revenue growth and no hurricane events for the current year led to the improvement in the reported unrestricted net asset balance.

General Fund Budget Variances

Budgeted expenditures are based on revenues estimated by the Revenue Estimating Conference and other sources. Original expenditures are budgeted for less than total expected available resources. There was a $2.4 billion decrease between the original and final estimated tax revenues associated with the overall economic decline experienced in the current year. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the CAFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2008, the state reported $55.7 billion in net capital assets for governmental activities and $6.9 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2006-07 to fiscal year 2007-08 by approximately five percent. The increase is consistent with prior year and primarily due to land acquisition and the capitalization of construction costs related to infrastructure projects. Capitalized infrastructure projects provide additions to and/or enhancements of roadways and bridges on the state's highway system. Construction costs for infrastructure of $2.3 billion were capitalized as construction work in progress and $4.1 billion was reclassified from construction work in progress to infrastructure for completed projects. Construction commitments by the Florida Department of Transportation remained consistent with the prior year at about $7.1 billion. Construction commitments by other state agencies not relating to transportation increased over $397 million due to major projects including office buildings and correctional facilities. Refer to Note 5 to the financial statements for more information on capital assets and Note 7 to the financial statements for more information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding increased by $5.5 billion, or 23 percent, from the prior fiscal year to a total of $29.4 billion at June 30, 2008. The majority of the outstanding debt serves to finance educational facilities ($14 billion), liquidity for the Florida Hurricane Catastrophe Fund ($7.6 billion) and transportation infrastructure ($4.6 billion). New debt issues for 2008 totaled $6.8 billion with the largest issuance of $3.5 billion made to increase liquidity for the Florida Hurricane Catastrophe Fund and the remaining amounts used for infrastructure development. Annual debt service payments on net tax-supported debt

totaled $1.9 billion for 2008, an increase of $130 million relative to the prior year. Annual debt service payments are projected to increase by 26 percent from $1.9 billion to $2.4 billion over the next three years based on projected bond issuance.

The state maintained its strong credit ratings during the past year. However, the outlook for the state's credit rating was changed from stable to negative by all three major credit rating agencies at various times due to the severity of the slowdown of the state's economy and sharp decline in revenues: Moody's Investors Services, March 2008; Fitch Ratings, December 2008; and Standard & Poor's, January 2009. The benchmark debt ratio of debt service to revenues available to pay debt service now exceeds a 6 percent target limit established by the legislature. The increase of this ratio from 5.49 percent at June 30, 2007 to 6.38 percent at June 30, 2008 is due to lower than expected revenues and an increase in debt service requirements. The benchmark ratio is projected to exceed a 7 percent cap in 2009 based on current revenue projections and existing borrowing plans. The benchmark ratio is expected to further worsen in 2010, before improvement of the debt position is projected beginning in 2011. The expected ratios are dependent upon realization of revenue growth projections.

Section 11 of Article VII of the State Constitution authorizes the state to issue general obligation bonds or revenue bonds to finance or refinance fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the state and payable from specified taxes. Revenue bonds are payable solely from specified revenues. The responsibility to issue most state bonds rests with the Division of Bond Finance of the State Board of Administration. However, certain quasi-governmental entities also incur debt and are reported as part of the primary government. See the *State of Florida 2008 Debt Affordability Report* for more detailed information about the state's debt position. The report can be found at *www.sbafla.com/bond* or by contacting the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308, (850) 488-4782. Additional information on long-term debt is also found in Notes 8, 9, and 10 to the financial statements and the Statistical Section of this report.

Infrastructure Accounted for Using the Modified Approach

The state elected to use the modified approach to account for roadways and bridges of the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) committed to maintain these assets at levels established by FDOT and approved by the Florida Legislature. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. FDOT maintains an inventory of these assets and performs periodic assessments to establish that predetermined condition levels are being maintained. The condition assessments performed during fiscal year 2007-08 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during the last two years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is changed as projects are added, deleted, adjusted, or postponed.

Refer to the Other Required Supplementary Information of the CAFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

Economic Factors

General fund tax revenues for the fiscal year ended June 30, 2008, were 9.5 percent lower than the prior fiscal year. Sales tax revenues, the state's primary source of general revenue, contracted 5.6 percent. This is primarily due to downward trends in consumer confidence, losses in employment, constrained housing construction and the credit market freeze. Although Florida's housing market reflects national trends, it has proven more vulnerable to the real estate market downturn due to the decrease in demand for second homes and a drop in speculative investment activity from prior years. Collections of documentary stamp taxes, which largely result from sales of real estate, declined significantly (a decrease of 36 percent) compared to the prior fiscal year. The overall trend for other sources of general fund revenues (such as corporate income taxes) is negative in comparison to the previous fiscal year with the notable exception of communications tax, which experienced an increase of 4.2 percent.

Population growth, the historical driver of Florida's economy, has been stunted by net migration falling to nearly zero. State demographers do not expect net migration to increase again until fiscal year 2010-11. As of December 2008, the state's unemployment rate was 8.1 percent versus a national unemployment rate of 7.2 percent. Personal incomes are stagnant and the median price for existing single family homes has fallen 20 percent over the past year.

The most recent projections by state economists indicate that general revenue collections for the fiscal year ending June 30, 2009 will be lower by 8.9 percent or $2.1 billion, the third year of declining receipts. These declines were not predicted when the state's spending levels for the current fiscal year were initially established and a special legislative session was held in

January 2009 to address revenue shortfalls. As passed, Senate Bill 2A permanently reduced spending of general revenues on an annualized basis by almost $1.12 billion for the fiscal year ending June 30, 2009. Governor Crist signed the appropriations bill into law minus $91 million of spending cuts that he vetoed. The unreserved fund balance for all governmental funds decreased by 34 percent or $3.2 billion from the prior year to $6.1 billion. Since June 30, 2008, over $1 billion has been transferred from the budget stabilization fund to the general fund to partially remediate budget deficits. The remaining fund balance for the budget stabilization fund is $274 million on the cash basis at the date of this report.

Contact the State's Financial Management

Questions about this report or requests for additional financial information may be addressed to:

Department of Financial Services
Bureau of Accounting
Statewide Financial Reporting Section
200 East Gaines Street
Tallahassee, Florida 32399-0354
(850) 413-5511

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FINANCIAL SECTION:

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS
JUNE 30, 2008
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
ASSETS				
Cash and cash equivalents	$ 168,932	$ 226,582	$ 395,514	$ 5,171,969
Pooled investments with State Treasury	16,028,170	3,371,049	19,399,219	3,597,531
Other investments	3,246,914	19,185,836	22,432,750	13,729,655
Receivables, net	3,747,126	920,032	4,667,158	2,232,657
Internal balances	454,443	(454,443)	.....	.....
Due from component units/primary	10,293	931	11,224	1,502,808
Inventories	90,739	5,802	96,541	38,684
Restricted cash and cash equivalents	.....	98	98	388,278
Restricted pooled investments with State Treasury	4,467	232,312	236,779	326,369
Restricted investments	.....	2,383,749	2,383,749	2,335,979
Loans and notes receivable, net	2,798,504	1,309,980	4,108,484	3,707,006
Other assets	9,709	42,656	52,365	696,581
Capital assets, net	55,688,515	6,930,273	62,618,788	17,805,759
Total assets	82,247,812	34,154,857	116,402,669	51,533,276
LIABILITIES				
Accounts payable and accrued liabilities	3,282,719	1,437,282	4,720,001	2,900,953
Due to component units/primary	76,664	246	76,910	254,240
Deferred revenue	.....	.....	.....	2,350,114
Obligations under security lending agreements	3,640,642	4,387,689	8,028,331	.....
Obligations under reverse repurchase agreements	1,367,970	112,076	1,480,046	.....
Long-term liabilities				
Due within one year	2,068,246	3,864,087	5,932,333	699,036
Due in more than one year	21,536,977	15,498,187	37,035,164	14,538,325
Total liabilities	31,973,218	25,299,567	57,272,785	20,742,668
NET ASSETS				
Invested in capital assets, net of related debt	51,937,584	4,360,753	56,298,337	14,831,155
Restricted for:				
Environment, Recreation and Conservation	2,910,269	.....	2,910,269	.....
Public Education	1,438,845	.....	1,438,845	.....
Health and Family Services	760,644	.....	760,644	.....
Transportation	1,564,767	154,853	1,719,620	.....
Nonmajor governmental funds	1,852,966	.....	1,852,966	.....
Debt service	84,221	.....	84,221	56,115
Lottery	.....	158,532	158,532	.....
Prepaid College Program	.....	727,678	727,678	.....
Hurricane Catastrophe Fund	.....	856,986	856,986	.....
Unemployment Compensation	.....	1,974,312	1,974,312	.....
Other	.....	.....	.....	7,038,132
Funds held for permanent endowment				
Expendable	409,958	.....	409,958	.....
Nonexpendable	1,312,289	.....	1,312,289	2,959,582
Unrestricted (Note 8)	(11,996,949)	622,176	(11,374,773)	5,905,624
Total net assets	$ 50,274,594	$ 8,855,290	$ 59,129,884	$ 30,790,608

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 7,492,475	$ 3,167,668	$ 777,584	$ 111	$ (3,547,112)
Education	20,459,549	291,975	2,541,256	165	(17,626,153)
Human services	21,715,055	1,020,441	12,884,021	.....	(7,810,593)
Criminal justice and corrections	4,296,298	340,143	129,213	1,826	(3,825,116)
Natural resources and environment	2,749,924	451,363	1,132,297	50,319	(1,115,945)
Transportation	4,098,203	514,737	34,827	2,091,910	(1,456,729)
State courts	464,190	19,479	1,571	615	(442,525)
Indirect interest on long-term debt	12,314	.....	.....	.....	(12,314)
Total governmental activities	61,288,008	5,805,806	17,500,769	2,144,946	(35,836,487)
Business-type activities:					
Transportation	446,489	738,450	712	3,589	296,262
Lottery	2,987,265	4,338,303	.....	.....	1,351,038
State Board of Administration	1,044,927	1,188,703	.....	.....	143,776
Prepaid College Program	1,302,094	1,619,334	.....	.....	317,240
Nonmajor enterprise funds	1,654,422	1,413,825	28,764	.....	(211,833)
Total business-type activities	7,435,197	9,298,615	29,476	3,589	1,896,483
Total primary government	$ 68,723,205	$ 15,104,421	$ 17,530,245	$ 2,148,535	$ (33,940,004)
Component units					
Florida Housing Finance Corporation	$ 436,230	$ 358,702	$	$	(77,528)
University of Florida	4,262,423	2,381,294	990,075	175,472	(715,582)
Citizens Property Insurance Corporation	1,815,091	3,074,754	.....	.....	1,259,663
Nonmajor component units	9,341,853	2,268,350	2,678,643	1,741,288	(2,653,572)
Total component units	$ 15,855,597	$ 8,083,100	$ 3,668,718	$ 1,916,760	$ (2,187,019)

	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Net (expense) revenue	$ (35,836,487)	$ 1,896,483	$ (33,940,004)	$ (2,187,019)
General revenues:				
Taxes				
Sales and use tax	19,716,442	.....	19,716,442	.....
Fuel taxes	2,548,254	.....	2,548,254	.....
Corporate income tax	2,253,781	.....	2,253,781	.....
Documentary stamp tax	1,924,526	.....	1,924,526	.....
Intangible personal property tax	428,804	.....	428,804	.....
Communications service tax	1,546,853	.....	1,546,853	.....
Beverage and tobacco taxes	1,043,526	.....	1,043,526	.....
Insurance premium tax	940,534	.....	940,534	.....
Gross receipts utilities tax	670,442	.....	670,442	.....
Property taxes	.....	.....	.....	953,163
Other taxes	657,981	.....	657,981	.....
Investment earning (loss)	578,770	11,270	590,040	515,680
Gain (loss) on sale of capital assets	(107,535)	(6,425)	(113,960)	3,235
Payments from the State of Florida	.....	.....	.....	4,037,215
Emergency assessments	.....	356,697	356,697	68,008
Miscellaneous	.....	.....	.....	799,647
Transfers	1,377,500	(1,377,500)	.....	.....
Contributions to permanent funds	.....	.....	.....	133,447
Total general revenues, transfers and contributions	33,579,878	(1,015,958)	32,563,920	6,510,395
Changes in net assets	(2,256,609)	880,525	(1,376,084)	4,323,376
Net assets - beginning	52,505,965	7,976,490	60,482,455	26,467,232
Adjustments to increase (decrease) beginning net assets	25,238	(1,725)	23,513	.....
Net assets - ending	$ 50,274,594	$ 8,855,290	$ 59,129,884	$ 30,790,608

The notes to the financial statements are an integral part of this statement.

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND
This fund is the State's primary operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

ENVIRONMENT, RECREATION AND CONSERVATION
This fund accounts for operations of various programs, such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

PUBLIC EDUCATION
This fund includes internal reporting funds administered by the Department of Education to operate education-related programs.

HEALTH AND FAMILY SERVICES
This fund includes internal reporting funds used to operate various health and family service-related programs, such as health care, elder affairs, and child support.

TRANSPORTATION
This fund includes the internal reporting special revenue funds used to account for the administration of the maintenance and development of the State highway system and other transportation-related projects.

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 145.

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008
(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
ASSETS					
Current assets					
Cash and cash equivalents	$ 14,546	$ 3,864	$	$ 8,882	$ 2,503
Pooled investments with State Treasury	5,648,098	2,568,145	2,381,031	1,153,972	2,135,594
Investments	240,276	.....	.....	51	.....
Receivables, net	1,321,118	148,822	24,142	1,374,207	214,898
Due from other funds	178,829	9,890	121,208	31,953	194,813
Due from component units/primary	8,501	1,733	.....	8	.....
Inventories	14,628	1,117	.....	64,486	5,807
Other	991	.....	.....	.....	755
Total current assets	7,426,987	2,733,571	2,526,381	2,633,559	2,554,370
Noncurrent assets					
Restricted pooled investments with State Treasury	.....	.....	.....	.....	.....
Long-term investments	.....	.....	.....	.....	.....
Advances to other funds	2,631	.....	.....	.....	222,848
Other loans and notes receivable, net	50,817	1,007,787	.....	16,007	709,788
Other	.....	.....	.....	.....	6,143
Total noncurrent assets	53,448	1,007,787	.....	16,007	938,779
Total assets	$ 7,480,435	$ 3,741,358	$ 2,526,381	$ 2,649,566	$ 3,493,149
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities	$ 683,674	$ 51,216	$ 29,229	$ 1,084,870	$ 476,382
Due to other funds	138,798	35,689	9,137	25,369	42,229
Due to component units/primary	7,274	62,002	.....	6,462	.....
Compensated absences	9,308	600	48	1,843	5,668
Claims payable	20,415	.....	10	.....	.....
Deposits	668	3,694	.....	112,060	110,948
Deferred revenues	216,329	27,938	.....	364,180	25,801
Obligations under security lending agreements	1,665,223	458,654	429,406	32,942	332,704
Obligations under reverse repurchase agreements	707,322	194,818	182,395	13,993	141,320
Total current liabilities	3,449,011	834,611	650,225	1,641,719	1,135,052
Noncurrent liabilities					
Advances from other funds	600	3,044	422,552	.....	.....
Deposits	.....	.....	.....	42,012	413,104
Deferred revenues	132	141	.....	11,947	384,407
Total noncurrent liabilities	732	3,185	422,552	53,959	797,511
Total liabilities	3,449,743	837,796	1,072,777	1,695,678	1,932,563
Fund balances					
Reserved for encumbrances	104,614	3,268	1,787	16,012	13,927
Reserved for inventories	14,628	1,117	.....	64,486	5,807
Reserved for advances	2,631	.....	.....	.....	222,848
Reserved for long-term receivables	50,686	1,007,647	.....	.....	323,991
Reserved for capital outlay	177,049	1,072,814	1,513,053	9,390	791,300
Reserved for debt service	.....	.....	.....	.....	.....
Reserved for permanent trust	.....	.....	.....	.....	.....
Reserved for Budget Stabilization Fund	1,353,690	.....	.....	.....	.....
Other reserved	2,806	76,516	.....	.....	6,143
Unreserved, reported in:					
General fund	2,324,588	.....	.....	.....	.....
Special revenue funds	.....	742,200	(61,236)	864,000	196,570
Capital projects funds	.....	.....	.....	.....	.....
Permanent fund	.....	.....	.....	.....	.....
Total fund balances	4,030,692	2,903,562	1,453,604	953,888	1,560,586
Total liabilities and fund balances	$ 7,480,435	$ 3,741,358	$ 2,526,381	$ 2,649,566	$ 3,493,149

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Totals 6/30/08
$ 120,852	$ 150,647
1,634,143	15,520,983
1,160,767	1,401,094
537,025	3,620,212
134,461	671,154
.....	10,242
4,547	90,585
1,740	3,486
3,593,535	21,468,403
4,467	4,467
1,804,907	1,804,907
.....	225,479
1,014,105	2,798,504
80	6,223
2,823,559	4,839,580
$ 6,417,094	$ 26,307,983
$ 335,680	$ 2,661,051
141,136	392,358
926	76,664
1,441	18,908
15,157	35,582
6,084	233,454
68,003	702,251
639,151	3,558,080
93,051	1,332,899
1,300,629	9,011,247
625	426,821
3,851	458,967
20,007	416,634
24,483	1,302,422
1,325,112	10,313,669
46,226	185,834
4,547	90,585
.....	225,479
1,010,031	2,392,355
181,887	3,745,493
84,221	84,221
1,722,247	1,722,247
.....	1,353,690
30,780	116,245
.....	2,324,588
1,582,064	3,323,598
17,733	17,733
412,246	412,246
5,091,982	15,994,314
$ 6,417,094	$ 26,307,983

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RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008
(in thousands)

Total fund balances for governmental funds		$ 15,994,314
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities reported in governmental funds are not financial resources and therefore are not reported in the funds.		
Land and other nondepreciable assets	15,714,115	
Nondepreciable infrastructure	31,659,937	
Buildings, equipment and other depreciable assets	5,604,156	
Accumulated depreciation	(2,963,702)	
Construction work in progress	5,000,925	
		55,015,431
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(796,138)	
Installment purchases/capital leases	(105,495)	
Claims payable	(2,281,403)	
Due to other governments	(1,472)	
Bonds payable	(18,746,825)	
Other	(111,021)	
		(22,042,354)
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Assets.		(46,128)
Assets (receivables) not available to provide current resources are offset with deferred revenues (liability) in the fund statements. The reduction of the liability and recognition of revenue increases net assets in the Statement of Net Assets.		1,118,885
Internal service funds are used to report activities that provide goods and services to other funds or agencies within the state. Therefore, the excess of assets over liabilities of the internal service funds are included as governmental activities on the Statement of Net Assets.		234,446
Net assets of governmental activities		$ 50,274,594

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
REVENUES					
Taxes	$ 27,175,236	$ 302,621	$ 1,116,298	$ 438,055	$ 2,240,612
Licenses and permits	131,453	45,927	.....	35,579	10,982
Fees and charges	723,174	157,971	45,287	1,069,899	580,353
Grants and donations	6,129	165,747	2,367,720	13,147,344	2,095,423
Investment earnings	478,953	127,194	107,050	14,567	66,459
Fines, forfeits, settlements and judgments	72,351	11,222	114,829	46,054	28,165
Other revenue	7,836	2,204	15,057	494	1,868
Total revenues	28,595,132	812,886	3,766,241	14,751,992	5,023,862
EXPENDITURES					
Current:					
General government	4,767,299	22,070	.....	184,001	198,599
Education	13,727,855	.....	5,932,205	.....	.....
Human services	6,240,908	.....	.....	15,073,925	.....
Criminal justice and corrections	3,596,409	.....	.....	.....	.....
Natural resources and environment	338,385	1,464,068	.....	28,608	.....
Transportation	10,007	.....	.....	.....	3,961,836
State courts	433,420	.....	.....	.....	.....
Capital outlay	86,818	203,819	6,135	18,278	2,066,513
Debt service:					
Principal retirement	6,719	.....	56	1,937	.....
Interest and fiscal charges	741	.....	1	1,275	.....
Total expenditures	29,208,561	1,689,957	5,938,397	15,308,024	6,226,948
Excess (deficiency) of revenues over expenditures	(613,429)	(877,071)	(2,172,156)	(556,032)	(1,203,086)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	2,815	399,536	1,930,882	.....	58,650
Proceeds of refunding bonds	.....	.....	.....	.....	.....
Operating transfers in	659,102	1,064,501	1,539,424	1,090,696	1,641,206
Operating transfers out	(3,256,438)	(546,006)	(1,171,851)	(524,928)	(616,523)
Proceeds of financing agreements	8,875	.....	.....	109	.....
Payments to refunded bond agent	.....	.....	.....	.....	.....
Total other financing sources (uses)	(2,585,646)	918,031	2,298,455	565,877	1,083,333
Net change in fund balances	(3,199,075)	40,960	126,299	9,845	(119,753)
Fund balances - beginning	7,229,767	2,862,602	1,327,305	944,043	1,680,339
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	.....
Fund balances - beginning, as restated	7,229,767	2,862,602	1,327,305	944,043	1,680,339
Fund balances - ending	$ 4,030,692	$ 2,903,562	$ 1,453,604	$ 953,888	$ 1,560,586

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Totals 6/30/08
$ 271,540	$ 31,544,362
1,076,213	1,300,154
941,298	3,517,982
1,828,537	19,610,900
(21,892)	772,331
546,183	818,804
16,603	44,062
4,658,482	57,608,595
2,512,894	7,684,863
182,145	19,842,205
454,090	21,768,923
576,994	4,173,403
890,243	2,721,304
25	3,971,868
24,463	457,883
254,572	2,636,135
851,577	860,289
901,620	903,637
6,648,623	65,020,510
(1,990,141)	(7,411,915)
179,428	2,571,311
94,760	94,760
3,852,830	9,847,759
(2,341,084)	(8,456,830)
.....	8,984
(94,760)	(94,760)
1,691,174	3,971,224
(298,967)	(3,440,691)
5,388,553	19,432,609
2,396	2,396
5,390,949	19,435,005
$ 5,091,982	$ 15,994,314

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RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

Net change in fund balance - total governmental funds		$ (3,440,691)
Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the state. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.		(7,272)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.		
Capital outlay expenditures	2,882,695	
Depreciation expense	(294,258)	
		2,588,437
In the Statement of Activities, the gain or (loss) on the sale of assets is reported whereas in the governmental funds only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold.		(106,001)
In the Statement of Activities, some revenues are recognized that do not provide current financial resources and are not recognized as revenues in the governmental funds until available, i.e., deferred revenues.		401,802
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences	42,977	
Increase in accrued interest	(4,590)	
Increase in claims payable	(38,156)	
Decrease in arbitrage liability	443	
Increase in other liabilities	(40,412)	
		(39,738)
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Bond proceeds	(2,571,311)	
Refunding bond proceeds	(94,760)	
Financing agreement proceeds	(8,984)	
Repayment of bonds	830,448	
Repayment of capital leases/installment purchase contracts	29,094	
Payment to refunded bond escrow agent	94,760	
Amortization of bond premium	81,761	
Amortization of deferred amount on refunding	(13,425)	
Accrued interest payable at refunding	(729)	
		(1,653,146)
Change in net assets of governmental activities		$ (2,256,609)

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PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION
This fund accounts for operations of the Florida Turnpike Enterprise which includes the Florida Turnpike System.

LOTTERY
This fund accounts for lottery operations in the state, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

STATE BOARD OF ADMINISTRATION
This fund, administered by the State Board of Administration, a blended component unit, includes the State Board of Administration's Administrative Expense Fund and the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

PREPAID COLLEGE PROGRAM
This fund, administered by the State Board of Administration, is used to account for payments from purchasers of the Florida Prepaid College Program, a blended component unit. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

Nonmajor Funds

Nonmajor enterprise funds are presented on page 187.

Internal Service Funds

Internal service funds are presented on page 195.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008
(in thousands)

	Transportation	Lottery	State Board of Administration	Prepaid College Program
ASSETS				
Cash and cash equivalents	$ 8,000	$ 687	$ 338	$ 214,485
Pooled investments with State Treasury	749,710	218,114	.....	.....
Investments	.....	.....	6,577,339	2,765,554
Receivables, net	4,418	43,138	105,872	350,775
Due from other funds	1,546	.....	3,107	2
Due from component units/primary	.....	.....	.....	.....
Inventories	4,952	844	.....	.....
Other	112	3,525	9,786	.....
Total current assets	768,738	266,308	6,696,442	3,330,816
Noncurrent assets				
Restricted cash and cash equivalents	98	.....	.....	.....
Restricted pooled investments with State Treasury	157,964	74,348	.....	.....
Restricted investments	154,229	2,229,519	.....	.....
Long-term investments	.....	.....	2,902,755	6,940,188
Advances to other funds	500	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	1,309,980
Capital assets				
Land and other nondepreciable assets	867,531	.....	.....	.....
Nondepreciable infrastructure	5,166,374	.....	.....	.....
Buildings, equipment, and other depreciable assets	367,132	18,260	13,766	59
Accumulated depreciation	(175,645)	(16,981)	(11,084)	(53)
Construction work in progress	693,974	.....	.....	.....
Other	13,600	.....	15,588	.....
Total noncurrent assets	7,245,757	2,305,146	2,921,025	8,250,174
Total assets	8,014,495	2,571,454	9,617,467	11,580,990
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	41,027	18,315	970,771	336,260
Accrued prize liability	.....	270,777	.....	.....
Due to other funds	112,836	112,909	9	.....
Due to component units/primary	.....	.....	.....	.....
Compensated absences	.....	852	787	36
Installment purchases/capital leases	.....	.....	.....	.....
Bonds payable	.....	.....	2,999,430	.....
Bonds payable from restricted assets	85,620	.....	.....	.....
Deposits	3,062	.....	.....	.....
Obligations under security lending agreements	165,231	1,148,508	28,905	2,999,602
Obligations under reverse repurchase agreements	70,184	22,589	.....	.....
Certificates of participation payable	.....	.....	.....	.....
Tuition and housing benefits payable	.....	.....	.....	452,113
Total current liabilities	477,960	1,573,950	3,999,902	3,788,011
Noncurrent liabilities				
Advances from other funds	218,904	.....	.....	.....
Accrued prize liability	.....	834,545	.....	.....
Due to other governments	25	.....	.....	.....
Bonds payable	2,500,678	.....	4,679,503	.....
Certificates of participation payable	.....	.....	.....	.....
Installment purchases/capital leases	.....	.....	.....	.....
Deposits	848	.....	.....	.....
Compensated absences	.....	2,897	2,739	155
Tuition and housing benefits payable	.....	.....	.....	7,065,139
Other	.....	252	.....	.....
Total noncurrent liabilities	2,720,455	837,694	4,682,242	7,065,294
Total liabilities	3,198,415	2,411,644	8,682,144	10,853,305
NET ASSETS				
Invested in capital assets, net of related debt	4,349,846	1,279	2,682	5
Restricted for unemployment compensation	.....	.....	.....	.....
Restricted for lottery	.....	158,531	.....	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	856,986	.....
Restricted for Prepaid College Program	.....	.....	.....	727,678
Restricted - other	154,853	.....	.....	.....
Unrestricted	311,381	.....	75,655	2
Total net assets	$ 4,816,080	$ 159,810	$ 935,323	$ 727,685

The notes to the financial statements are an integral part of this statement.

Nonmajor Enterprise Funds	Totals 6/30/08	Internal Service Funds
$ 3,072	$ 226,582	$ 18,285
2,403,224	3,371,048	507,187
.....	9,342,893	40,913
411,990	916,193	23,153
3,052	7,707	19,419
931	931	51
6	5,802	154
45	13,468	.....
2,822,320	13,884,624	609,162
.....	98	.....
.....	232,312	.....
.....	2,383,748	.....
.....	9,842,943	.....
.....	500	.....
.....	1,309,980	.....
.....	867,531	360
.....	5,166,374	.....
16,744	415,961	982,090
(9,804)	(213,567)	(323,651)
.....	693,974	14,285
.....	29,188	.....
6,940	20,729,042	673,084
2,829,260	34,613,666	1,282,246
70,909	1,437,282	84,629
.....	270,777	.....
14,154	239,908	26,776
246	246	.....
3,312	4,987	2,749
16	16	945
.....	2,999,430	17,330
.....	85,620	.....
48,082	51,144	138,137
45,443	4,387,689	82,562
19,302	112,075	35,070
.....	.....	13,645
.....	452,113	.....
201,464	10,041,287	401,843
.....	218,904	2,803
.....	834,545	.....
.....	25	369
.....	7,180,181	381,480
.....	.....	243,237
16	16	4,723
399,533	400,381	.....
10,547	16,338	11,460
.....	7,065,139	.....
1,310	1,562	1,885
411,406	15,717,091	645,957
612,870	25,758,378	1,047,800
6,941	4,360,753	129,524
1,974,312	1,974,312	.....
.....	158,531	.....
.....	856,986	.....
.....	727,678	.....
.....	154,853	.....
235,137	622,175	104,922
$ 2,216,390	$ 8,855,288	$ 234,446

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Transportation	Lottery	State Board of Administration	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	$ 3,317	$ 4,181,897	$ 1,337,670	$ 556,355
Fees	683,804	.....	89	4,049
Sales - state	.....	.....	25,283	.....
Rents and royalties - nonstate	10,363	287	3	.....
Rents - state	.....	.....	.....	.....
Fines, forfeits, settlements and judgments	2,106	316	28	.....
Other revenue	.....	.....	.....	.....
Total operating revenues	699,590	4,182,500	1,363,073	560,404
OPERATING EXPENSES				
Benefit payments	.....	.....	.....	.....
Payment of lottery winnings	.....	2,476,032	.....	.....
Commissions on lottery sales	.....	235,651	.....	.....
Contractual services	317,609	117,921	719,542	1,147,853
Insurance claims expense	.....	.....	.....	.....
Personal services	19,386	27,010	15,685	869
Depreciation	21,068	695	2,127	2
Materials and supplies	5,861	1,387	677	31
Repairs and maintenance	.....	1,317	997	1
Basic services	.....	5,005	2,402	122
Interest and fiscal charges	.....	.....	513	39
Bad debt	.....	674	.....	.....
Total operating expenses	363,924	2,865,692	741,943	1,148,917
Operating income (loss)	335,666	1,316,808	621,130	(588,513)
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	4,301	.....	.....	.....
Investment earnings	36,859	155,803	246,171	628,168
Interest and fiscal charges	(78,132)	(121,561)	(302,985)	(151,813)
Property disposition gain (loss)	(6,435)	(51)	.....	.....
Grant expense and client benefits	.....	.....	.....	.....
Emergency Assessment Funds Received	.....	.....	356,697	.....
Other	(4,433)	(12)	.....	.....
Total nonoperating revenues (expenses)	(47,840)	34,179	299,883	476,355
Income (loss) before transfers and contributions	287,826	1,350,987	921,013	(112,158)
Operating transfers in	14,110	.....	14,274	131
Operating transfers out	(17,136)	(1,283,954)	(10,007)	(1,364)
Capital contributions	2,000	.....	.....	.....
Change in net assets	286,800	67,033	925,280	(113,391)
Total net assets - beginning	4,529,280	92,777	10,043	842,801
Adjustments to increase (decrease) beginning net assets	.....	.....	.....	(1,725)
Total net assets - beginning, as restated	4,529,280	92,777	10,043	841,076
Total net assets - ending	$ 4,816,080	$ 159,810	$ 935,323	$ 727,685

The notes to the financial statements are an integral part of this statement.

Nonmajor Enterprise Funds	Totals 6/30/08	Internal Service Funds
$ 55,392	$ 6,134,631	$ 37,563
1,167,653	1,855,595	.....
431	25,714	1,717,548
.....	10,653	298
75	75	107,192
16,038	18,488	441
14	14	19,209
1,239,603	8,045,170	1,882,251
1,441,692	1,441,692	.....
.....	2,476,032	.....
.....	235,651	.....
44,920	2,347,845	923,026
.....	.....	760,895
132,229	195,179	104,054
1,349	25,241	21,262
6,528	14,484	19,494
689	3,004	19,531
24,527	32,056	15,761
526	1,078	3
.....	674	.....
1,652,460	6,772,936	1,864,026
(412,857)	1,272,234	18,225
28,764	33,065	.....
181,128	1,248,129	19,651
(220)	(654,711)	(34,063)
61	(6,425)	(26,571)
(862)	(862)	.....
.....	356,697	.....
(829)	(5,274)	(21)
208,042	970,619	(41,004)
(204,815)	2,242,853	(22,779)
9,211	37,726	27,221
(89,713)	(1,402,174)	(17,340)
118	2,118	5,626
(285,199)	880,523	(7,272)
2,501,589	7,976,490	218,875
.....	(1,725)	22,843
2,501,589	7,974,765	241,718
$ 2,216,390	$ 8,855,288	$ 234,446

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Transportation	Lottery	State Board of Administration
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 685,359	$ 4,174,399	$ 1,360,412
Cash paid to vendors	(338,675)	(357,266)	(24,164)
Cash paid to employees	(16,506)	(26,875)	(15,700)
Lottery prizes	.....	(2,504,154)	.....
Cash paid for insurance claims	.....	.....	(591,885)
Unemployment benefits	.....	.....	.....
Net cash provided (used) by operating activities	330,178	1,286,104	728,663
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	11,555	(1,287,968)	3,776
Advances from or repayment from other funds	519	.....	.....
Advances, grants or loans (to) from or repayment from others	18,023	.....	.....
Cash received from sale of bonds	.....	.....	3,489,682
Payment of bonds or loans (principal and interest)	.....	.....	(309,180)
Cash received from noncapital grants or donations	.....	.....	.....
Emergency assessment funds received	.....	.....	365,702
Net cash provided (used) by noncapital financing activities	30,097	(1,287,968)	3,549,980
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale of capital assets	17	.....	2
Cash received from the sale of bonds	614,712	.....	.....
Payment of bond principal	(226,093)	.....	.....
Payment of principal on installment purchase/capital lease	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(115,115)	.....	.....
Purchase or construction of capital assets	(537,031)	(101)	(236)
Net cash provided (used) by capital and related financing activities	(263,510)	(101)	(234)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	33,693	13,521	120
Proceeds from the sale or maturity of investments	796,550	246,337	322,341,997
Cash paid to grand prize winners upon maturity of grand prize investments	.....	(246,337)	.....
Investment earnings	29,658	12,723	334,376
Purchase of investments	(828,801)	(3,379)	(326,954,588)
Net cash provided (used) by investing activities	31,100	22,865	(4,278,095)
Net increase (decrease) in cash and cash equivalents	127,865	20,900	314
Cash and cash equivalents - beginning	787,907	272,249	24
Adjustments to increase beginning cash and cash equivalents	.....	.....	.....
Total cash and cash equivalents - beginning	787,907	272,249	24
Cash and cash equivalents - ending	$ 915,772	$ 293,149	$ 338

The notes to the financial statements are an integral part of this statement.

Prepaid College Program	Nonmajor Enterprise Funds	Totals 6/30/08	Internal Service Funds
$ 513,768	$ 1,141,149	$ 7,875,087	$ 1,908,935
(293,065)	(78,950)	(1,092,120)	(980,638)
(840)	(130,332)	(190,253)	(98,533)
.....	.....	(2,504,154)	.....
.....	(102)	(591,987)	(761,731)
.....	(1,421,072)	(1,421,072)	(20)
219,863	(489,307)	2,075,501	68,013
(1,233)	(81,878)	(1,355,748)	8,726
.....	.....	519	(7)
.....	(862)	17,161	(1)
.....	.....	3,489,682	.....
.....	.....	(309,180)	.....
.....	21,075	21,075	.....
.....	.....	365,702	.....
(1,233)	(61,665)	2,229,211	8,718
.....	.....	19	(30)
.....	.....	614,712	26,045
.....	.....	(226,093)	(29,734)
.....	(9)	(9)	(302)
.....	.....	(115,115)	(44,060)
.....	(1,575)	(538,943)	(5,102)
.....	(1,584)	(265,429)	(53,183)
11,727	2,325	61,386	64,150
20,977,785	.....	344,362,669	.....
.....	.....	(246,337)	.....
119,067	131,478	627,302	18,823
(21,113,854)	.....	(348,900,622)	.....
(5,275)	133,803	(4,095,602)	82,973
213,355	(418,753)	(56,319)	106,521
2,060	2,825,049	3,887,289	232,007
(930)	.....	(930)	186,944
1,130	2,825,049	3,886,359	418,951
$ 214,485	$ 2,406,296	$ 3,830,040	$ 525,472

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Transportation	Lottery	State Board of Administration
Operating income (loss)	$ 335,666	$ 1,316,808	$ 621,130
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	21,068	695	2,127
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	935	(7,102)	(500)
(Increase) decrease in due from other funds	(6,694)	.....	(1,580)
Increase (decrease) in allowance for uncollectibles	.....	(318)	.....
(Increase) decrease in inventories	(4,952)	123	.....
Increase (decrease) in accounts payable	(11,507)	1,776	107,483
Increase (decrease) in compensated absences	.....	(143)	2
Increase (decrease) in due to other funds	(4,338)	(558)	1
Increase (decrease) in other non-current liability	.....	252	.....
Increase (decrease) in deferred revenues	.....	.....	.....
Increase (decrease) in prize liability	.....	(25,429)	.....
Net cash provided (used) by operating activities	$ 330,178	$ 1,286,104	$ 728,663

Noncash investing, capital, and financing activities			
Borrowing under capital lease or installment purchase	$	$	$ .....
Change in fair value of investments	.....	(64,268)	(64,896)

The notes to the financial statements are an integral part of this statement.

Prepaid College Program	Nonmajor Enterprise Funds	Totals 6/30/08	Internal Service Funds
$ (588,513)	$ (412,857)	$ 1,272,234	$ 18,225
2	1,349	25,241	21,262
(134,159)	(118,130)	(258,956)	(4,414)
13	5,322	(2,939)	1,589
.....	5,844	5,526	.....
.....	(15)	(4,844)	56
942,490	27,836	1,068,078	(1,252)
30	(1,322)	(1,433)	(250)
.....	59	(4,836)	(963)
.....	1,310	1,562	1,885
.....	1,297	1,297	31,875
.....	.....	(25,429)	.....
$ 219,863	$ (489,307)	$ 2,075,501	$ 68,013
$	$	$	$ 6
107,311	.....	(21,853)	.....

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FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS
Individual fund descriptions and financial statements begin on page 203.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
Individual fund descriptions and financial statements begin on page 209.

INVESTMENT TRUST FUND
This blended component unit includes the internal reporting funds used to account for the external portion of investment pools reported by the State beginning on page 215.

AGENCY FUNDS
Individual fund descriptions and financial statements begin on page 219.

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008
(in thousands)

	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/08
ASSETS					
Cash and cash equivalents	$ 25,151	$ 484,962	$ 255	$ 52,119	$ 562,487
Pooled investments with State Treasury	669,790	106,538	.....	5,484,010	6,260,338
Total cash and cash equivalents	694,941	591,500	255	5,536,129	6,822,825
Investments					
Certificates of deposit	2	287,148	61	525	287,736
U.S. government & federally guaranteed obligations	14,909	3,336,801	758	1,297,118	4,649,586
Federal agencies	24,776	12,133,224	2,753	66,943	12,227,696
Commercial paper	.....	4,146,373	253,759	71,241	4,471,373
Repurchase agreements	31	1,125,099	1,757,793	501,774	3,384,697
Bonds and notes	20,226	23,716,912	3,716,308	1,072,985	28,526,431
International bonds and notes	999	3,406,255	396	2,533	3,410,183
Real estate contracts	.....	8,884,301	.....	.....	8,884,301
Mutual fund investments	7,995	11,565,502	.....	.....	11,573,497
Money market and short-term investments	21,426	1,386,373	265,163	75,358	1,748,320
Domestic equity	91,837	42,850,732	.....	38,249	42,980,818
Limited partnerships	.....	4,236,079	.....	.....	4,236,079
Equity group trust	.....	3,067	.....	.....	3,067
International equity	741	19,504,331	.....	.....	19,505,072
Deferred compensation annuities	.....	51,887	.....	.....	51,887
Other investments	23	.....	.....	160	183
Total investments	182,965	136,634,084	5,996,991	3,126,886	145,940,926
Receivables					
Accounts receivable	23,324	7,457	.....	414,889	445,670
State contributions receivable	.....	56,842	.....	.....	56,842
Nonstate contributions receivable	.....	292,861	.....	7	292,868
Interest receivable	2,000	377,096	5,391	20,284	404,771
Dividends receivable	107	128,582	.....	44	128,733
Pending investment sales	151	4,336,045	53	844	4,337,093
Forward contracts	.....	642,138	.....	.....	642,138
Futures trade equity	.....	.....	1	4	5
Due from state funds	163	4,210	.....	68,418	72,791
Due from other governments	26,235	.....	.....	.....	26,235
Total receivables	51,980	5,845,231	5,445	504,490	6,407,146
Security lending collateral	28,634	15,558,805	717	4,845	15,593,001
Advances to other funds	422,552	.....	.....	.....	422,552
Loans receivable	883,067	.....	.....	.....	883,067
Capital assets	1,131	1,840	.....	.....	2,971
Accumulated depreciation	(382)	(1,029)	.....	.....	(1,411)
Other assets	224	.....	2	.....	226
Total assets	2,265,112	158,630,431	6,003,410	9,172,350	176,071,303
LIABILITIES					
Accounts payable	13,811	107,266	472	652,095	773,644
DROP	.....	2,451,605	.....	.....	2,451,605
Pending investment purchases	183	6,771,278	771	5,593	6,777,825
Short sell obligations	.....	1,248,558	.....	.....	1,248,558
Forward contracts payable	.....	643,471	.....	448,229	1,091,700
Broker rebate fees	53	23,331	2	13	23,399
Due to other funds	3,580	9,096	28	99,328	112,032
Due to other governments	7,441	.....	254	527,335	535,030
Due to component units	.....	.....	.....	4,738,883	4,738,883
Obligations under security lending agreements	145,303	15,956,427	718	850,745	16,953,193
Obligations under reverse repurchase agreements	48,439	2,064	.....	359,304	409,807
Claims payable	.....	4,598	.....	14,865	19,463
Deposits payable	14,202	11,577	.....	1,475,960	1,501,739
Compensated absences	363	1,090	.....	.....	1,453
Other liabilities	278	749	.....	.....	1,027
Total liabilities	233,653	27,231,110	2,245	9,172,350	36,639,358
NET ASSETS					
Held in trust for pension benefits and other purposes	$ 2,031,459	$ 131,399,321	$ 6,001,165	$	$139,431,945

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Totals 06/30/08
ADDITIONS				
Contributions and other deposits				
Pension fund contributions - state	$	$ 879,029	$	$ 879,029
Pension fund contributions - nonstate	.....	2,913,521	.....	2,913,521
Employer/employee contributions	.....	135,303	.....	135,303
Purchase of time by employees	.....	90,262	.....	90,262
Fees	6,351	657	6,222	13,230
Grants and contributions	241,928	.....	.....	241,928
Flexible benefit contributions	.....	237,918	.....	237,918
Fines, forfeits, settlements and judgments	285	16	.....	301
Unclaimed property remittances	313,097	.....	.....	313,097
Transfers in from state funds	1,908	1,188,416	496,743	1,687,067
Total contributions and other deposits	563,569	5,445,122	502,965	6,511,656
Investment income				
Interest income	31,673	2,518,431	686,099	3,236,203
Dividends	1,838	1,680,803	.....	1,682,641
Other investment income	294	117	.....	411
Net increase (decrease) in fair market value	(12,090)	(10,714,767)	(165,959)	(10,892,816)
Total investment income	21,715	(6,515,416)	520,140	(5,973,561)
Investment activity expense	(1,337)	(260,157)	(4,741)	(266,235)
Net income (loss) from investing activity	20,378	(6,775,573)	515,399	(6,239,796)
Security lending activity				
Security lending income	1,008	912,729	6,194	919,931
Security lending expense	(899)	(786,259)	(5,976)	(793,134)
Net income from security lending	109	126,470	218	126,797
Total net investment income	20,487	(6,649,103)	515,617	(6,112,999)
Other additions	7,063	13,699	.....	20,762
Total additions	591,119	(1,190,282)	1,018,582	419,419
DEDUCTIONS				
Benefit payments	.....	6,398,342	.....	6,398,342
Insurance claims expense	200	.....	.....	200
Supplemental insurance payments	.....	57,377	.....	57,377
Flexible reimbursement payments	.....	21,774	.....	21,774
Life insurance premium payments	.....	38,993	.....	38,993
Remittances to annuity companies	.....	208,107	.....	208,107
Interest expense	671	2	.....	673
Student loan default payments	213,938	.....	.....	213,938
Payments to unclaimed property claimants	67,190	.....	.....	67,190
Distribution to State School Fund	197,000	.....	.....	197,000
Administrative expense	7,695	40,128	.....	47,823
Property disposition gain (loss)	4	17	.....	21
Transfers out to state funds	3,408	1,223,278	496,743	1,723,429
Other deductions	34,045	501	.....	34,546
Total deductions	524,151	7,988,519	496,743	9,009,413
Depositor activity				
Deposits	102,520	.....	17,588,372	17,690,892
Withdrawals	(39,630)	.....	(38,046,462)	(38,086,092)
Excess (deficiency) of deposits over withdrawals	62,890	.....	(20,458,090)	(20,395,200)
Change in net assets	129,858	(9,178,801)	(19,936,251)	(28,985,194)
Net assets - beginning	1,899,876	140,600,965	25,937,416	168,438,257
Adjustments to increase (decrease) beginning net assets	1,725	(22,843)	.....	(21,118)
Net assets - beginning, as restated	1,901,601	140,578,122	25,937,416	168,417,139
Net assets - ending	$ 2,031,459	$ 131,399,321	$ 6,001,165	$ 139,431,945

The notes to the financial statements are an integral part of this statement.

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COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

FLORIDA HOUSING FINANCE CORPORATION
Pursuant to Section 420.504, Florida Statutes, this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida.

UNIVERSITY OF FLORIDA
University of Florida is a major, public, comprehensive, land-grant, research university with a main campus location in Gainesville, Florida.

CITIZENS PROPERTY INSURANCE CORPORATION
Pursuant to Section 627.351(6), Florida Statutes, this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the State of Florida under specified circumstances.

Nonmajor Component Units

Nonmajor component units are presented beginning on page 225.

STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2008
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units
ASSETS				
Cash and cash equivalents	$ 225,289	$ 304,124	$ 3,251,622	$ 1,390,934
Pooled investments with State Treasury	520,537	677,525	1,227,918	1,171,551
Other investments	2,597,388	2,268,313	5,324,260	3,539,694
Receivables, net	134,877	486,371	440,207	1,171,202
Due from component units/primary	.....	276,195	.....	1,226,613
Inventories	.....	6,837	.....	31,847
Restricted cash and cash equivalents	.....	5,144	70,585	312,549
Restricted pooled investments with State Treasury	.....	75,858	.....	250,511
Restricted investments	.....	191	.....	2,335,788
Loans and notes receivable, net	2,906,829	40,000	686,243	73,934
Other assets	21,692	126,807	314,412	233,670
Capital assets, net	211	2,478,886	28,802	15,297,860
Total assets	6,406,823	6,746,251	11,344,049	27,036,153
LIABILITIES				
Accounts payable and accrued liabilities	81,839	409,126	937,339	1,472,649
Due to component units/primary	24,824	52,516	.....	176,900
Deferred revenue	59,736	106,057	1,631,878	552,443
Long-term liabilities				
Due within one year	73,192	86,269	122,762	416,813
Due in more than one year	4,173,966	1,364,972	5,591,976	3,407,411
Total liabilities	4,413,557	2,018,940	8,283,955	6,026,216
NET ASSETS				
Invested in capital assets, net of related debt	211	1,540,741	28,802	13,261,401
Restricted for:				
Nonexpendable permanent endowment	.....	977,718	.....	1,981,864
Debt Service	.....	3,245	.....	52,870
Other	1,896,472	1,299,197	.....	3,842,463
Unrestricted	96,583	906,410	3,031,292	1,871,339
Total net assets	$ 1,993,266	$ 4,727,311	$ 3,060,094	$ 21,009,937

The notes to the financial statements are an integral part of this statement.

	Totals 6/30/08
$	5,171,969
	3,597,531
	13,729,655
	2,232,657
	1,502,808
	38,684
	388,278
	326,369
	2,335,979
	3,707,006
	696,581
	17,805,759
	51,533,276
	2,900,953
	254,240
	2,350,114
	699,036
	14,538,325
	20,742,668
	14,831,155
	2,959,582
	56,115
	7,038,132
	5,905,624
$	30,790,608

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Florida Housing Finance Corporation
Florida Housing Finance Corporation	$ 436,230	$ 358,702	$	$	$ (77,528)
University of Florida	4,262,423	2,381,294	990,075	175,472	.....
Citizens Property Insurance Corporation	1,815,091	3,074,754	.....	.....	.....
Nonmajor Component Units	9,341,853	2,268,350	2,678,643	1,741,288	.....
Total component units	$ 15,855,597	$ 8,083,100	$ 3,668,718	$ 1,916,760	(77,528)

General revenues	
Property taxes	.....
Investment earnings (loss)	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	383,118
Emergency assessment	.....
Miscellaneous	44,344
Contributions to permanent funds	.....
Total general revenues and contributions	427,462
Change in net assets	349,934
Net assets - beginning	1,643,332
Net assets - ending	$ 1,993,266

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/08
$	$	$	$ (77,528)
(715,582)	.....	.....	(715,582)
.....	1,259,663	.....	1,259,663
.....	.....	(2,653,572)	(2,653,572)
(715,582)	1,259,663	(2,653,572)	(2,187,019)
.....	.....	953,163	953,163
32,031	342,523	141,126	515,680
(4,467)	.....	7,702	3,235
662,574	.....	2,991,523	4,037,215
.....	68,008	.....	68,008
189,963	2,744	562,596	799,647
61,257	.....	72,190	133,447
941,358	413,275	4,728,300	6,510,395
225,776	1,672,938	2,074,728	4,323,376
4,501,535	1,387,156	18,935,209	26,467,232
$ 4,727,311	$ 3,060,094	$ 21,009,937	$ 30,790,608

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The State of Florida's (the state's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions, boards of the Executive Branch, and various offices relating to the Judicial Branch) and its component units.

Component units, as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, are legally separate organizations for which the elected officials of the state are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete.

Blended Component Units

A component unit is reported as blended when either (1) the component unit's governing body is substantively the same as the governing body of the state or (2) the component unit provides services entirely, or almost entirely, to the state or otherwise exclusively, or almost exclusively, benefits the state even though the component unit does not provide services directly to the state.

The state's blended component units are:

- Citrus Commission (Department of Citrus)
- Corrections Foundation, Inc.
- Florida Clerks of Court Operations Corporation
- Florida Engineers Management Corporation
- Florida High Speed Rail Authority
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida State Board of Administration (SBA)
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Investment Fraud Restoration Financing Corporation
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Education (SBE)
- Wireless Emergency Telephone System
- Workforce Florida, Inc.

Blended component units that are considered major are reported in separate columns in the fund financial statements. Other blended component units that are considered nonmajor are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units (i.e., State Board of Administration) are reported in more than one fund type, some of which are considered major and others that are considered nonmajor. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

Discretely Presented Component Units

Component units that are not blended are discretely presented. In the government-wide financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the state.

In addition, financial data for discretely presented component units that are considered major are reported in separate columns in the basic financial statements for component units. Discretely presented component units that are considered nonmajor are combined and reported in one column in the component unit financial statements and are aggregated by type in the combining statements. The state's financial statements are reported for the fiscal year ended June 30, 2008. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the

statement of net assets may not agree with amounts reported by the component units as due from and to the state**.** Refer to Section D of this note for more information on major fund determination and presentation. The state's discretely presented component units are grouped into the following categories:

State Universities and Colleges. State universities and colleges receive funding from the state. The state university system is governed by the Florida Board of Governors. Each university is administered by a local board of trustees. The state community college system is governed by the State Board of Education. All state universities and community colleges have a June 30 year-end. Component units included in this category are:

State Universities

Major:

- University of Florida

Nonmajor:

- Florida Agricultural and Mechanical University
- Florida Atlantic University
- Florida Gulf Coast University
- Florida International University
- Florida State University
- New College of Florida
- University of Central Florida
- University of North Florida
- University of South Florida
- University of West Florida

Community Colleges

Nonmajor:

- Brevard Community College
- Broward Community College
- Central Florida Community College
- Chipola College
- Daytona State College
- Edison College
- Florida Community College at Jacksonville
- Florida Keys Community College
- Gulf Coast Community College
- Hillsborough Community College
- Indian River Community College
- Lake City Community College
- Lake-Sumter Community College
- Manatee Community College
- Miami Dade College
- North Florida Community College
- Northwest Florida State College
- Palm Beach Community College
- Pasco-Hernando Community College
- Pensacola Junior College
- Polk Community College
- St. Johns River Community College
- St. Petersburg College
- Santa Fe Community College
- Seminole Community College
- South Florida Community College
- Tallahassee Community College
- Valencia Community College

Florida Housing Finance Corporation (Major). Pursuant to Section 420.504, Florida Statutes (F.S.), this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the

governmental function of financing or refinancing housing and related facilities in Florida. This entity has a December 31 year-end.

Water Management Districts. Pursuant to Section 373.069, F.S., these districts were created to provide for the management and conservation of water and related land resources. In addition, the general regulatory and administrative functions of the districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

Nonmajor:

- Northwest Florida Water Management District
- St. Johns River Water Management District
- South Florida Water Management District
- Southwest Florida Water Management District
- Suwannee River Water Management District

Citizens Property Insurance Corporation (Major). Pursuant to Section 627.351(6), F.S., this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the state under specified circumstances. This entity has a December 31 year-end.

Other. Additional discretely presented component units of the state include various foundations and not-for-profit organizations. The fiscal year-ends of these component units may vary. Component units included in this category are:

Nonmajor:

- Commission for Florida Law Enforcement Accreditation, Inc.*
- Enterprise Florida, Inc.
- Florida Agricultural Museum*
- Florida Agriculture Center and Horse Park Authority*
- Florida Agriculture in the Classroom Program*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Black Business Investment Board, Inc.*
- Florida Board of Governors Foundation, Inc.*
- Florida Comprehensive Health Association
- Florida Education Foundation, Inc.*
- Florida Education Fund, Inc.
- Florida Fund for Minority Teachers, Inc.*
- Florida Healthy Kids Corporation
- Florida Mobile Home Relocation Corporation*
- Florida Patient's Compensation Fund
- Florida Sports Foundation, Inc.*
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.*
- Florida Tourism Industry Marketing Corporation, Inc.
- Forestry Arson Alert Association, Inc.*
- Friends of Florida State Forests, Inc.*
- Higher Educational Facilities Financing Authority*
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- South Florida Regional Transportation Authority (formerly Tri-County Commuter Railroad Authority)
- Technological Research and Development Authority*
- The Astronauts Memorial Foundation, Inc.*
- The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
- Wildlife Alert Reward Association*
- Wildlife Foundation of Florida, Inc.*

*The state's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled $114 million and $99 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

Joint Ventures

A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. Financial data for the state's joint ventures are not included in its statements. The state's joint ventures include the following:

Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission. Section 373.71, F.S., provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

Board of Control for Southern Regional Education. Section 1000.32, F.S., promotes the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region.

Regional Planning Councils. Sections 186.501 through 186.513, F.S., the "Florida Regional Planning Council Act," provide for the creation of regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organizations to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

Southern States Energy Compact. Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that proper employment and conservation of energy and employment of energy-related facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. The State of Florida appropriates funds to support Florida's participation in the compact.

Related Organizations

Organizations for which the state is accountable because the state appoints a voting majority of the board, but for which the state is not financially accountable, are related organizations. The state's related organizations include certain transportation authorities, hospital districts, port authorities, and aviation authorities. Since the state is not financially accountable for any of these organizations, applicable financial data is not included in the state's financial statements.

Contact

Financial statements of the component units that issue separate statements and other financial statement-related information may be obtained from:

Department of Financial Services
Bureau of Accounting
Statewide Financial Reporting Section
200 East Gaines Street
Tallahassee, Florida 32399-0354
Telephone: (850) 413-5511
Department Website: *http://www.myfloridacfo.com*

Joint ventures may be contacted directly for their financial statements.

B. Basic Financial Statements

The state's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The basic financial statements of the state, including its component units, are presented in the required format discussed below.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function. Some functions may include administrative overhead that is essentially indirect expenses of other functions. The state currently does not allocate those indirect expenses to other functions. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not included in program revenues are reported in general revenues.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available, with the exception of certain tax revenues, which are considered available when collected within 30 days of year-end. For governmental funds, certain long-term liabilities, such as compensated absences, due within 60 days of the end of the current fiscal year are expected to be liquidated with expendable financial resources and are recognized within the applicable governmental fund. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the state, for business-type activities and enterprise funds, has the option to elect to apply all pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements. The state has elected not to apply FASB pronouncements issued after the applicable date.

D. Basis of Presentation

Major Funds

GASB Statement No. 34, as amended by GASB Statement No. 37, sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses for either fund category or the governmental and enterprise funds combined) for the determination of major funds. GASB 34 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements. The state reports the following major funds:

Major Governmental Funds

General Fund - accounts for the financial resources of the state, except those required to be accounted for in another fund. This is the state's primary operating fund.

Environment, Recreation and Conservation – a special revenue fund, accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

Public Education – a special revenue fund, includes funds used to operate education-related programs.

Health and Family Services – a special revenue fund, includes funds used to operate various health and family service-related programs such as health care, elder affairs, and child support.

Transportation – a special revenue fund, accounts for the maintenance and development of the state highway system and other transportation-related projects.

Major Business-type Funds

Transportation – an enterprise fund, primarily accounts for operations of the Florida Turnpike.

Lottery – an enterprise fund, accounts for lottery operations in the state, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Educational Enhancement Trust Fund.

State Board of Administration – an enterprise fund, primarily accounts for investments for the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

Prepaid College Program – an enterprise fund, accounts for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

Fund Types

Additionally, the state reports the following fund types:

Internal Service Funds

These proprietary-type funds are primarily used to report activities that provide goods or services to other funds or agencies within the state, rather than to the general public. Internal service funds are classified into the following categories:

- ***Employee Health and Disability –*** includes funds that account for state employee's health and disability plans.
- ***Data Centers -*** accounts for services provided by data processing centers operated by various agencies.
- ***Communications and Facilities -*** primarily accounts for services provided by the Department of Management Services such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.
- ***Other -*** accounts for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

Fiduciary Fund Types

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the state's own programs.

Private-Purpose Trust Funds - used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments including funds accounting for unclaimed property; federally guaranteed, higher education loans; contributions to a college savings plan; and various others.

Pension and Other Employee Benefits Trust Funds - used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plans and other employee benefit plans.

Agency Funds - used to report resources held by the state in a purely custodial capacity. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, student funds held by the School for Deaf and Blind, and the external portion of investment pools reported by the State Board of Administration. See also Note 1J.

Investment Trust Funds - used to report the external portion of investment pools reported by the state.

E. Assets, Liabilities, and Net Assets or Fund Balance

Cash and Cash Equivalents

The state's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flow Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 2.

Investments

Florida Statutes authorize the state to invest in various instruments. The state records investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments.*

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Quoted market prices are used for corporate debt securities. U.S. government, municipal bonds, and mortgage backed and asset backed securities are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid price and bid price are used. If no source of values is available, cost or last available price from any source is used.

Investments managed by the State Board of Administration (SBA) are reported in various funds. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Investments of the Local Government Surplus Funds Trust Fund (LGIP) are reported based on amortized cost and disclosed in Note 2 at fair value. Other investments managed by the SBA, including those related to the state's defined benefit and defined contribution pension plans, are reported at fair value at the reporting date.

For SBA-managed investments, fair values are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian, BNY Mellon Bank. BNY Mellon Bank uses a variety of independent pricing vendors and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon Bank monitors prices supplied by primary sources and may use a supplemental price source or change the primary price source if any of the following occurs:

- The price of a security is not received from the primary price source.
- The primary price source no longer prices a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon Bank reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds BNY Mellon Bank's price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by the custodian.

When a portfolio includes securities or instruments for which BNY Mellon Bank does not receive a price from its vendor price sources, BNY Mellon Bank uses a "non-vendor price source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is no or limited information in the market place; and unique fixed income and equity instruments. In such cases where the securities or instruments are in the portfolio of an investment manager, BNY Mellon Bank will obtain the non-vendor price by either contacting the manager of the investment vehicle where the security is a private vehicle, e.g., the "General Partner" of a Limited Partnership, or by contacting the investment manager which directed the purchase of the security or other instrument to obtain direction as to a price. The SBA does not provide direction regarding the substitution of prices in such instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In such cases where the SBA directed the purchase of such securities or instruments, BNY Mellon Bank may obtain the non-vendor price by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price from the broker of record, as identified by the SBA. BNY Mellon Bank performs a limited reasonableness review of non-vendor prices by comparing the current month-end price to the prior month-end price.

Investments that do not have an established market are reported at their estimated fair value. Real estate investments are based on independent appraisals or more recent appraisals provided by real estate investment advisors, adjusted by subsequent cash

flows (i.e. contributions and withdrawals). Investments in mortgages are valued on the basis of expected future principal and interest payments and are discounted at prevailing interest rates for similar instruments. For the few mortgaged-backed securities that BNY Mellon Bank is unable to obtain a price source, SBA obtains broker prices for each of the underlying mortgage collateral holdings and calculates a total market value, then divides the total market value by the total current outstanding face of the investment security to get a price per unit. SBA's total units held, multiplied by the unit price, is used as the estimated fair value. If no current price source can be found for a security, the last known price from any source is used. Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 2.

Inventories

Inventories primarily consist of expendable supplies. Inventories are recorded according to the consumption method as expenditures when consumed. At the end of the fiscal year, inventory is reported as an asset and a fund balance reservation. The method used to determine the cost of inventories varies by agency responsible for the inventories.

Capital Assets

Capital assets are real and personal property that have a cost equal to or greater than an established capitalization threshold and have an estimated useful life extending beyond one year. For additional information, refer to Note 5.

Long-term Liabilities

Refer to Note 8 for information on bonds payable and certificates of participation, Note 9 for information on capital leases and installment purchase contracts, and Note 10 for changes in long-term liabilities.

Compensated Absences Liability

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions at current rates.

Net Assets

The government-wide statement of net assets classifies net assets into the following categories: (1) invested in capital assets, net of related debt, (2) restricted, and (3) unrestricted. The "invested in capital assets, net of related debt" component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net assets are reported as "restricted" when constraints placed on net asset use are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. "Unrestricted" net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources. At June 30, 2008, the government-wide statement of net assets report $14.2 billion of restricted net assets, of which $9.2 billion is restricted by enabling legislation.

Reserves of Fund Balance

In the fund financial statements, governmental funds report reserves of fund balance for amounts that are not available for appropriation or are legally reserved by outside parties for use for a specific purpose. The state has the following types of reserves of fund balance:

Reserve for encumbrances represents outstanding purchase orders, contracts, and other commitments.

Reserves for inventories, advances, and long-term receivables represent fund assets that are not expendable financial resources.

Reserve for capital outlay represents funds reserved for capital projects.

Reserve for debt service represents fund assets reserved for payment of debt service.

Reserve for permanent trust represents trust fund assets for which the corpus and the residual net earnings are non-expendable and the net earnings are reserved for endowment-approved programs.

Reserve for Budget Stabilization Fund represents funds available to cover revenue shortfalls in the General Revenue Fund and for emergencies defined by law.

Other reserves represent fund assets reserved for various reasons, including donor-imposed restrictions and statutory guidelines.

F. Interfund Activity and Balances

The effect of interfund activities, except those between funds reported as governmental activities and funds reported as business-type activities, has been eliminated from the government-wide statements. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers between funds are made to accomplish various provisions of law.

Interfund receivables and payables have been eliminated from the statement of net assets, except for the residual amounts due between governmental and business-type activities.

For additional information, refer to Note 11.

G. Nonmonetary Transactions

The state participates in various activities that are, in part, represented by nonmonetary transactions. Examples include nonmonetary assistance in the form of Federal grants, such as vaccines, Electronic Benefit Transfer (EBT) cards for food assistance, and donated food commodities. The state also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the state's reporting entity. The fair value of these items is reported in the governmental fund financial statements.

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 29, F.S. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of the facilities and services provided by the counties is not reported as revenue.

H. Operating and Nonoperating Revenues

Proprietary funds distinguish operating and nonoperating revenues. Operating revenues typically derive from providing goods or services, and include all transactions involved in delivering those goods or services. These revenues are a direct result of exchange-type transactions associated with the principal activity of the fund. Cash flow resulting from capital and related financing, noncapital financing and investment activities are considered nonoperating for reporting purposes.

I. Accounting and Reporting Changes

Accounting Changes

The state implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which requires the state, as an employer with other postemployment benefits (OPEB) other than pensions, to actuarially determine an annual required contribution (ARC) and an unfunded actuarial accrued liability (UAAL) and disclose an amount for annual OPEB cost on the accrual basis of accounting.

The state also implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria that governments must use to determine whether a transaction should be reported as a sale or collateralized borrowings based on amount of control retained or relinquished. The notes to the financial statements disclose additional information related to pledged revenue committed to secure certain debt of the state. A schedule showing pledged revenues is included in Note 8.

In addition, the state has implemented GASB Statement No. 50, *Pension Disclosures.* This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and, in doing so, enhances information disclosed in the notes to the financial statements.

Reporting Changes

In prior years, the Investment Trust Fund was reported as a single fund on the fiduciary fund statements. This fund mainly accounted for the pooled assets of the LGIP. On December 6, 2007, the State Board of Administration, custodian of the LGIP, separated the LGIP and began accounting for two separate pools, Pool A and Pool B. Subsequently, Section 218.417, F.S., was passed to formally create the Fund B Surplus Funds Trust Fund. The creation of separate pools is reflected in the basic financial statements by the addition of a fiduciary combining statement for Investment Pool A, Investment Pool B, and Other Investment Trust Funds. Beginning net assets reported for Investment Pool A and Other Investment Trust Funds represent the June 30, 2007, ending net assets of the Investment Trust Fund.

Changes in Major/Non-Major Funds

Public Education, a special revenue fund, is reported as a major fund for the fiscal year ended June 30, 2008. The beginning fund balance for non-major governmental funds was reduced as a result of this change.

The following discretely presented component units, previously reported as major funds, are reported as non-major funds for the fiscal year ended June 30, 2008, because they do not meet the revised state thresholds for major funds:

- South Florida Water Management District
- Florida State University
- University of South Florida

Changes in Fund Classification

State Employees Health Insurance Trust Fund and State Employees Disability Trust Funds, reported in prior years as Pension and Other Employee Benefit Trust Funds, Employee, Health, Life and Disability Plans, on the fiduciary fund statements were reclassified to internal service funds. The funds are currently being reported in the Employee Health and Disability Fund in the internal service fund statements. This reclassification in the amount of $22,842,712 accounts for the change in beginning net assets on these statements.

The Prepaid College Foundation, previously reported as part of the Prepaid College Program in the proprietary fund statements was reclassified to a fiduciary fund type. The fund is currently included in Private-purpose Trust Funds on the fiduciary statements. This reclassification in the amount of $1,724,668 accounts for the change in beginning net assets on these statements.

J. Prior Period Adjustments

Due to overstatements of prior year revenues in the Consumer Protection and Safety Fund and the Agriculture Fund, adjustments were made to decrease beginning fund balance in the funds by $18,536,000 and $7,331,000, respectively. In addition, an adjustment in the amount of $28,263,000 was made to increase the beginning fund balance of the Business and Community Development Fund for related overstatement of prior year expenditures. The net effect of the adjustments to these non-major special revenue funds on the Nonmajor Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances is $2,396,000.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2008, the state's deposits in financial institutions totaled approximately $2.1 billion for primary government and $1.7 billion for discretely presented component units.

1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the state will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The state mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the state and meets the collateral requirements as set forth in Chapter 280, Florida Statutes (F.S.).

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, F.S., and Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 125, and 200 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, F.S., outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

In accordance with section 280.08, F.S., if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

At June 30, 2008, the following deposits were not secured pursuant to Chapter 280, F.S., and were exposed to custodial credit risk because they were uninsured and (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name (in thousands).

Custodial Credit Risk
As of June 30, 2008

	Bank Statement Balance (in U.S. $)	
Custodial Credit Risk	Primary Government	Component Units
(1)	$ 553,874	$ 410,638
(2)	134,373	268,425
(3)	.....	56,896
Total deposits subject to custodial credit risk	$ 688,247	$ 735,959

2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed a total fund investment plan for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund and the Lawton Chiles Endowment Fund (LCEF) that sets ranges on investments by asset class. In the FRS Trust Fund, total assets held in the foreign equities asset class (all non-U.S. investments) are limited to a range of 11-25% of total investments with a target of 20%. For the LCEF, total assets held in the foreign equities asset class are limited to a range of 6-18% of total investments with a target of 12%. Other asset classes may hold non-U.S. securities as well, depending on portfolio guidelines. In both cases, Florida law limits the exposure to foreign securities to 25% of the total fund. The FRS and LCEF investment plans were adopted April 29, 2008, and February 25, 2003; respectively, and may be modified in the future if the SBA adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2008, as illustrated in the following schedule (in thousands):

Foreign Currency Deposits Held
As of June 30, 2008

	Bank Statement Balance (in U.S. $)		
Currency	FRS Pension Trust Fund	LCEF	Total
Australian dollar	$ 8,896	$ 198	$ 9,094
Brazilian real	817	57	874
British pound sterling	7,169	36	7,205
Canadian dollar	2,803	129	2,932
Euro currency unit	116,144	1,353	117,497
Hong Kong dollar	5,416	52	5,468
Indian rupee	4,372	.....	4,372
Japanese yen	31,288	513	31,801
Singapore dollar	664	1	665
Swiss franc	657	16	673
Taiwan new dollar	11,242	3	11,245
Other	2,079	604	2,683
Total deposits subject to foreign currency risk	$ 191,547	$ 2,962	$ 194,509

B. Investments

At June 30, 2008, the state's investments in governmental and business-type activities and fiduciary funds totaled $212.3 billion, consisting of pooled investments with the State Treasury in the amount of $25.9 billion and other investments in the amount of $186.4 billion. The State Treasury had holdings at June 30, 2008, of $2.4 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units totaled $16.1 billion.

Pooled Investments with the State Treasury

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. Certain component units are allowed by statute to deposit cash with the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 17.57, F.S.

The State Treasury records, as an investment, funds credited to the state's account in the Federal Unemployment Compensation Trust Fund pursuant to Section 903 of the Social Security Act. The fund is drawn upon primarily to pay unemployment compensation benefits. This money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

The schedule below discloses the detail of the State Treasury holdings and the fair value of each type of investment at June 30, 2008 (including security lending collateral investments), as well as reconciliation to the basic financial statements (in thousands):

Schedule of Pooled Investments with State Treasury
As of June 30, 2008

Investment type		Fair value
Commercial paper	$	629,609
U.S. guaranteed obligations		3,871,432
Federal agencies		8,822,256
Bonds and notes - domestic		5,171,984
Bonds and notes - international		57,117
Unemployment compensation funds pooled with U. S. Treasury		2,080,074
Mutual funds		691,144
Repurchase agreements		508,658
Certificates of deposit		2,000
Total investments excluding security lending collateral		21,834,274
Lending collateral investments:		
Repurchase agreements		464,713
Bonds and notes - domestic		3,831,603
Mutual funds		53,090
Federal agencies		99,801
Total lending collateral investments		4,449,207
Total investments		26,283,481
Cash on hand		300
Cash on deposit		1,235,960
Total State Treasury holdings		27,519,741
Adjustments:		
Outstanding warrants		(709,337)
Unsettled securities liability		(914,068)
Reconciled balance, June 30, 2008	$	25,896,336
Reconciliation to the basic financial statements (in thousands):		
Pooled investments with State Treasury		
Governmental activities	$	16,028,170
Business-type activities		3,371,049
Fiduciary funds		6,260,338
Total pooled investments with State Treasury	$	25,659,557
Restricted pooled investments with State Treasury		
Governmental activities	$	4,467
Business-type activities		232,312
Total restricted pooled investments with State Treasury		236,779
Total pooled investments with State Treasury for primary government	$	25,896,336

Other Investments

Other investments in various funds of the state are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 78% of total other investments of the primary government at June 30, 2008. Investments in the Florida Prepaid College Trust Fund represented another 5.3% of total other investments of the primary government. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments, including security lending agreements and reverse repurchase agreements.

The schedule below discloses other investments at fair value and their total carrying value at June 30, 2008, as well as a reconciliation to the basic financial statements (in thousands):

Schedule of Other Investments
As of June 30, 2008

	Fair value			
		Other funds		
Investment type	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	Total
Certificates of deposit	$ 211,534	$ 2,718,589	$ 687	$ 2,930,810
Commercial paper	4,136,380	2,714,597	.....	6,850,977
Money market funds	181	1,363,388	777,775	2,141,344
Repurchase agreements	1,114,117	3,569,988	.....	4,684,105
U.S. guaranteed obligations	3,336,801	7,257,155	10,895	10,604,851
Federal agencies	12,128,212	1,869,089	388	13,997,689
Domestic bonds & notes	23,693,537	8,498,927	5,287	32,197,751
Domestic bonds & notes mutual fund	148,538	1,167,526	.....	1,316,064
International bonds & notes	3,396,332	301,046	.....	3,697,378
Domestic stocks	43,186,876	2,113,008	15,581	45,315,465
Domestic equity group trust	3,067	.....	.....	3,067
Domestic equity commingled funds	.....	1,698,308	.....	1,698,308
International stocks	19,503,071	280,092	2,356	19,785,519
International equity commingled funds	6,453,199	893,592	.....	7,346,791
Limited partnerships	4,148,967	.....	.....	4,148,967
Limited partnerships - international	87,112	.....	.....	87,112
Swap contracts (debt related)	(105,933)	.....	.....	(105,933)
Swap contracts (equity index)	(341,784)	.....	.....	(341,784)
Real estate investments	8,884,301	.....	25	8,884,326
Mutual funds	.....	.....	1,218,716	1,218,716
Deferred compensation annuities	.....	.....	51,887	51,887
Total investments excluding lending collateral	129,984,508	34,445,305	2,083,597	166,513,410
Lending collateral investments:				
Certificates of deposit	1,938,286	70,639	.....	2,008,925
Commercial paper	1,894,306	.....	.....	1,894,306
Money market funds	243,786	94,048	.....	337,834
Short-term security lending collateral pool	.....	155,267	.....	155,267
Repurchase agreements	3,086,766	1,001,554	.....	4,088,320
U.S. guaranteed obligations	.....	225,742	.....	225,742
Federal agencies	.....	396,711	.....	396,711
Domestic bonds & notes	6,452,497	2,100,309	.....	8,552,806
International bonds & notes	1,943,164	253,065	.....	2,196,229
Total lending collateral investments	15,558,805	4,297,335	.....	19,856,140
Total investments for all types - fair value	$ 145,543,313	$ 38,742,640	$ 2,083,597	$ 186,369,550
Total investments for all types - carrying value	$ 145,543,313	$ 38,723,515	$ 2,083,597	$ 186,350,425
% of total other investments for primary government	78%	21%	1%	

Reconciliation of carrying value to the basic financial statements (in thousands):

	Governmental activities	Business-type activities	Fiduciary funds	Total
Other investments	$ 3,246,914	$ 19,185,836	$	$ 22,432,750
Restricted investments	.....	2,383,749	.....	2,383,749
Long-term investments	.....	.....	145,940,925	145,940,925
Security lending collateral	.....	.....	15,593,001	15,593,001
Total other investments for primary government	$ 3,246,914	$ 21,569,585	$ 161,533,926	$ 186,350,425

The SBA issued a separate report (financial statements and notes) pertaining to the LGIP within the state's Investment Trust Fund for the period ended June 30, 2008. This report may be obtained from the Senior Operating Officer, Finance and Accounting, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

Component Units

The schedule below discloses other investments reported at fair value and total carrying value, as of June 30, 2008, for discretely presented component units and a reconciliation to the basic financial statements (in thousands). Those investments held with the State Treasury as of June 30, 2008, are excluded.

Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2008

Investment type	Fair value
Certificates of deposit	$ 53,929
Commercial paper	30,334
Repurchase agreements	30,724
Money market funds	3,134,097
U.S. guaranteed obligations	1,717,379
Federal agencies	1,119,787
Domestic bonds & notes	4,387,717
International bonds & notes	18,692
Domestic stocks	984,630
International stocks	273,115
Real estate investments	20,242
Mutual funds	2,009,862
Investment agreements	2,303,255
Total other investments for all types - fair value	$ 16,083,763
Total other investments for all types - carrying value	$ 16,065,634
Reconciliation of carrying value to the basic financial statements:	
Other Investments	$ 13,729,655
Restricted investments	2,335,979
Total other investments for component units	$ 16,065,634

At June 30, 2008, 63% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, University of Florida, and Citizens Property Insurance Corporation.

1. Credit Risk and Concentration of Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the state's investment in a single issuer.

Pooled Investments with the State Treasury

The State Treasury follows the investment guidelines set forth in Section 17.57, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2008, were rated by Standard and Poor's (S&P) and/or an equivalent nationally recognized statistical rating organization (NRSRO), and the ratings are presented below using the S&P rating scale (in thousands):

State Treasury
Credit Quality Ratings
As of June 30, 2008

Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Certificates of deposit	Total*	S&P rating**
$	$ 946,381	$ 3,073,499	$	$	$ 4,019,880	AAA
.....	.....	2,903,653	.....	.....	2,903,653	AA
.....	.....	1,819,390	40,246	2,000	1,861,636	A
.....	.....	1,013,875	16,871	.....	1,030,746	BBB
.....	.....	22,459	.....	.....	22,459	BB
629,609	1,331,155	128,859	.....	.....	2,089,623	A-1
.....	6,644,521	41,852	.....	.....	6,686,373	Not rated
$ 629,609	$ 8,922,057	$ 9,003,587	$ 57,117	$ 2,000	18,614,370	
				U.S. guaranteed obligations	3,871,432	Not rated
				Mutual funds	744,234	Not rated
				Repurchase Agreements	973,371	Not rated
					$ 24,203,407	

* The remaining $1,692,929 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, unsettled securities liability, and outstanding warrants as presented in the Schedule of Pooled Investments with State Treasury.

** Long-term ratings are presented except for "A-1," which is a short-term rating for S&P.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2008, more than five percent of the State Treasury's investment pool is invested in the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. These investments are approximately 17 percent and 9 percent of the State Treasury's investments pool, respectively.

Other Investments

The SBA, in compliance with Section 215.47, F.S., has adopted certain investment policies with regard to credit risk of debt securities. Investment policies vary by fund or portfolio. Below are the investment policies and credit risk disclosures for the FRS Pension Trust Fund, which constitute the primary portion of other investments.

FRS Pension Trust Fund – Investments are generally managed through individual portfolios within various asset classes, as listed below. Some of the individual portfolios have slightly different restrictions on credit quality.

Short-term portfolios – Securities must be investment grade at the time of purchase. Minimum short-term ratings are at least S&P A-1, Moody's P-1, or Fitch F-1; and long-term ratings are at least S&P BBB-, Moody's Baa3, or Fitch BBB-. Securities of a single issuer should not represent more than 5% of portfolio amortized cost (excluding U.S. Treasuries and Agencies).

Mortgage portfolios – Securities are generally limited to those issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). No specific credit rating criteria are listed. The state may own notes secured by first mortgages on Florida real property, insured or guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs, but exposure is limited to 10% of portfolio market value. All collateralized mortgage obligations (CMOs) should have publicly traded GNMA, FNMA, FHLMC securities as underlying collateral. Exposure is limited to 10-35% of the portfolio. U.S. Treasury and Agency debentures are allowed but are limited to 10% of portfolio market value.

Government/Corporate portfolios – Securities should be rated investment grade by one of the NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody's Baa3, and Fitch BBB-. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

Core Plus portfolios – The strategic portion of the portfolio is invested in investment grade securities with a tactical weighting to the 'plus' sectors which include sectors such as high yield, emerging markets, foreign governments, and preferred stock. Non-dollar obligations issued by foreign governments, foreign agencies, or supranationals must be rated investment grade by at least one nationally recognized rating service.

High Yield portfolios – Emerging market securities are not permitted, with the exception of securities issued in the Yankee market that meet the criteria for inclusion in the Lehman BB or B-rated 2% Cap indices. All securities should be rated at least single B or double B by one of the NRSROs at the time of purchase. If a security is no longer rated at least the equivalent of single B- by any of the NRSROs, the state must provide written notification and justify retaining such investment beyond 90 days. Also, no more than 5% of market value shall be invested in investment grade securities (BBB- or higher). Securities of a single issuer should not exceed 5% of portfolio market value. No more than 35% of market value may be in any one industry.

Lending portfolios – Short-term rating requirements are similar to short-term portfolio rating requirements. Investments with original maturity of greater than two years, at the time of purchase, should carry ratings of at least S&P AA-, Moody's Aa3, or Fitch AA-, except for asset-backed securities, which should have a rating of either S&P AAA, or Moody's Aaa, or Fitch AAA. There are no rating requirements for U.S. Government guaranteed securities, federal agencies or instrumentalities, repurchase agreements (repos) or shares of mutual funds. Repos should be fully collateralized. The state may hold up to the greater of $5 million or 5% of its assets in securities by a single issuer and its affiliates (excluding U.S. Government guaranteed investments, its agencies or instrumentalities). For all lending programs, up to an additional 5% of the book value of the portfolio may be invested in the obligations of any single issuer, guarantor or repo counterparty that will mature on the next business day, that are redeemable upon demand, or that contain an unconditional put feature.

The FRS Pension Trust Fund held investments with the Federal National Mortgage Association representing 5.3% of the fund's fair market value at June 30, 2008. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2008 (in thousands).

FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2008

Certificates of deposit	Commercial paper	Money market & short-term bond funds	Federal agencies	Domestic bonds & notes*	International bonds & notes	Total**	S&P rating***	Moody's rating****
$ 75,599	$	$ 76,044	$ 2,266,979	$ 12,019,123	$ 1,887,688	$ 16,325,433	AAA	
1,303,392	.....	.....	10,167	4,270,208	1,149,412	6,733,179	AA	
334,832	.....	.....	.....	5,493,642	862,704	6,691,178	A	
.....	.....	.....	.....	2,853,961	541,607	3,395,568	BBB	
.....	.....	.....	.....	1,414,374	218,464	1,632,838	BB	
.....	.....	.....	.....	1,474,328	104,776	1,579,104	B	
.....	.....	.....	.....	79,849	17,949	97,798	CCC	
.....	.....	.....	.....	243	.....	243	C	
.....	.....	.....	.....	310,099	.....	310,099	D	
.....	.....	111,421	109,466	486,126	407,696	1,114,709		Aaa
236,197	.....	.....	.....	376,870	39,391	652,458		Aa
.....	.....	.....	.....	70,282	57,029	127,311		A
.....	.....	.....	.....	21,728	.....	21,728		Baa
.....	.....	.....	.....	6,761	21,155	27,916		B
.....	.....	.....	.....	4,452	.....	4,452		Caa
.....	5,917,282	.....	.....	.....	.....	5,917,282	A-1****	
.....	63,404	.....	.....	.....	.....	63,404		P-1****
199,800	50,000	56,502	9,741,600	1,176,792	31,625	11,256,319	Not rated	Not rated
$ 2,149,820	$ 6,030,686	$ 243,967	$ 12,128,212	$ 30,058,838	$ 5,339,496	55,951,019		
					Repurchase agreements	4,200,883	Not rated	Not rated
					U.S. guaranteed obligations	3,336,801	Not rated	Not rated
					Investment agreements	235,734	Not rated	Not rated
					Domestic stocks	43,186,876	Not rated	Not rated
					Domestic equity group trust	3,067	Not rated	Not rated
					International stocks	19,503,071	Not rated	Not rated
					International equity commingled funds	6,453,199	Not rated	Not rated
					Limited partnerships	4,148,967	Not rated	Not rated
					Limited partnerships-international	87,112	Not rated	Not rated
					Swap contracts	(447,717)	Not rated	Not rated
					Real estate investments	8,884,301	Not rated	Not rated
					Total investments	$ 145,543,313		

* The column for Domestic bonds & notes includes domestic commingled funds totaling $69,074,297 with a S&P credit rating of "BB" and $79,463,451 with a S&P credit rating of "B".

** All FRS investments are included in this schedule, including security lending collateral investments.

*** S&P ratings were primarily used. If S&P did not rate a security, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated".

****Long-term ratings are presented except for "A-1" and "P-1". These are short-term ratings for S&P and Moody's, respectively.

The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2008 (in thousands).

All SBA Managed Funds (except Defined Benefit Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2008

Certificates of deposit	Commercial paper	Money market & Short-term bond funds	Federal agencies	Domestic bonds & notes	International bonds & notes	Total*	S&P rating**	Moody's rating**
$ 154,983	$	$ 660,395	$ 908,529	$ 1,535,334	$ 272,038	$ 3,531,279	AAA	
1,835,120	.....	.....	1,017	3,015,340	253,050	5,104,527	AA	
639,226	.....	.....	.....	3,583,996	11,185	4,234,407	A	
.....	.....	.....	.....	302,845	17,838	320,683	BBB	
.....	.....	.....	.....	66,502	.....	66,502	BB	
.....	.....	.....	.....	99,750	.....	99,750	D	
4,997	.....	175,743	54,826	54,990	.....	290,556		Aaa
.....	.....	.....	.....	608,497	.....	608,497		Aa
.....	.....	.....	.....	637,720	.....	637,720		A
9,992	2,714,597	.....	.....	.....	.....	2,724,589	A-1***	
144,910	.....	621,298	1,301,428	669,262	.....	2,736,898	Not rated	Not rated
$ 2,789,228	$ 2,714,597	$ 1,457,436	$ 2,265,800	$ 10,574,236	$ 554,111	20,355,408		
					Repurchase agreements	4,571,542	Not rated	Not rated
					Security lending collateral pool	155,267	Not rated	Not rated
					U.S. guaranteed obligations	7,482,897	Not rated	Not rated
					Investment agreements	25,000	Not rated	Not rated
					Domestic bonds & notes mutual fund	1,167,526	Not rated	Not rated
					Domestic stocks	2,113,008	Not rated	Not rated
					Domestic equity commingled funds	1,698,308	Not rated	Not rated
					International stocks	280,092	Not rated	Not rated
					International equity commingled funds	893,592	Not rated	Not rated
					Total investments	$ 38,742,640		

* All investments are included in this schedule, including security lending collateral investments.

** S&P ratings were primarily used. If S&P did not rate a security, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated."

*** Long-term ratings are presented except for "A-1". This is a short-term rating for S&P.

The LGIP held investments with the National Rural Utilities Finance Corporation (8.8 percent), Morgan Stanley (8.3 percent), Merrill Lynch & Company (7.6 percent), Bear Stearns (7.5 percent), Florida Hurricane Catastrophe Finance Corporation (6.4 percent), and HSBC Finance Corporation (6.1 percent) in excess of 5 percent of the LGIP's fair value.

Component Units

Investment policies with regard to credit risk of debt securities vary from component unit to component unit. In addition, investment policies vary among Universities' direct support organizations. Investment policies may be obtained separately from component units. Presented below are reported credit quality ratings for debt securities of major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

Major Component Units
Credit Quality Ratings
As of June 30, 2008

Component Unit	Certificates of deposit	Federal agencies	Bonds & notes	Mutual funds	Money market funds	Total	S&P rating
Florida Housing Finance Corporation *	$ 985	$	$ 145,379	$	$	$ 146,364	A-, AAA-, BB+
FHFC (continued)	.....	31,982	113,499	.....	.....	145,481	AAA
FHFC (continued)	.....	193,655	.....	.....	.....	193,655	Not rated
University of Florida (UF)	.....	8,391	21,454	42,330	1,953	74,128	A, AA, AAA
UF (continued)	.....	41	5	42,418	238	42,702	Not rated
Citizens Property Insurance Corporation	.....	41,688	4,692,109	.....	.....	4,733,797	AA-, AAA
	$ 985	$ 275,757	$ 4,972,446	$ 84,748	$ 2,191	$ 5,336,127	

* Florida Housing Finance Corporation reported total investments with a fair value in the amount of $841.3 million subject to concentration of credit risk. These investments were issued by Trinity Funding and FannieMae.

2. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the state will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Pooled Investments with the State Treasury

The State Treasury does not have an overall policy addressing custodial credit risk. However, as required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the Treasury's custodial financial institutions at June 30, 2008. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

State Treasury
Custodial Credit Risk
As of June 30, 2008

	Fair value
Invested security lending collateral:	
Repurchase agreements	$ 464,713
Domestic bonds & notes	3,831,603
Mutual funds	53,090
Federal agencies	99,801
Total	$ 4,449,207

Other Investments

The SBA does not have an overall policy addressing custodial credit risk. However, as required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the SBA's custodial financial institutions at June 30, 2008. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

Other Investments
Custodial Credit Risk
As of June 30, 2008

	FRS Pension Trust Fund	Other funds
Repurchase agreements	$ 939,117	$ 870,000
Invested security lending collateral:		
Certificates of deposit	1,913,326	70,639
Commercial paper	1,844,306	.....
U.S. Government guaranteed obligations	.....	225,742
Federal agencies	.....	396,711
Domestic bonds & notes	4,706,011	2,023,245
International bonds & notes ($ denom)	1,770,078	253,065
Total	$ 11,172,838	$ 3,839,402

Component Units

Component units manage their exposure to custodial credit risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable custodial credit risk information for a major component unit (in thousands).

Major Component Unit
Custodial Credit Risk
As of June 30, 2008

Component unit / Investment type	Fair value
University of Florida	
Bonds and notes	$ 22,023
Mutual funds	4,277
Domestic stocks	3,089
International stocks	738
Total	$ 30,127

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt investments.

Pooled Investments with the State Treasury

Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. The maximum effective weighted duration allowed, per externally managed portfolio with various investments, is six years. In addition, the security lending portfolios manage exposure to interest rate risk by limiting the weighted average maturity. The maximum weighted average maturity for security lending portfolios is 120 days.

Presented below is the interest rate risk table for the debt investments with the State Treasury (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to security lending collateral portfolios are presented using weighted average maturity.

Debt Investments
As of June 30, 2008

Investment type	Fair value	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Commercial paper	$ 629,609	0.02	$	NA
Repurchase agreements	508,658	0.00	464,713	1
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	2,190,524	5.15	.....	NA
U.S. Treasury strips	75,072	10.30	.....	NA
U.S. Treasury bills	1,107,699	0.18	.....	NA
GNMA mortgage-backed pass-through	164,653	4.67	.....	NA
GNMA TBA pass-through	171,655	4.47	.....	NA
GNMA collateralized mortgage obligations (CMO's)	80,494	5.11	.....	NA
GNMA CMO's - interest only	7,777	6.01	.....	NA
GNMA CMO's - principal only	775	8.59	.....	NA
SBA CMO's	20,832	5.62	.....	NA
SBA asset-backed	31,904	5.12	.....	NA
Other U.S. agency securities	2,933	0.82	.....	NA
Corporate bonds & notes	7,175	2.12	.....	NA
International bonds & notes	9,938	9.02	.....	NA
Federal agencies:				
Discount notes	1,331,156	0.05	.....	NA
Unsecured bonds & notes	1,355,560	2.71	99,801	1
Mortgage-backed pass-through	2,739,852	3.85	.....	NA
TBA mortgage-backed pass-through	809,342	4.50	.....	NA
Mortgage-backed CMO's	2,511,645	3.24	.....	NA
Mortgage-backed CMO's - principal only	25,929	18.42	.....	NA
Mortgage-backed CMO's - interest only	43,396	-8.20	.....	NA
FICA zero coupons	4,303	9.24	.....	NA
Resolution funding corporate strips	1,075	9.80	.....	NA
Domestic bonds & notes:				
Corporate	2,909,760	5.34	3,795,772	26
Non-government backed CMO's & CMBS*	1,654,226	3.45	.....	NA
Non-government backed CMO's & CMBS* - principal only	5,027	8.56	.....	NA
Non-government backed CMO's & CMBS* - interest only	27,078	3.02	.....	NA
Municipal/provincial	25,301	5.99	.....	NA
Corporate asset-backed	452,224	1.05	35,831	1
Collateralized debt obligations	98,367	0.86	.....	NA
International bonds & notes:				
Government & regional	57,117	2.73	.....	NA
Mutual funds	691,144	NA	53,090	1
Certificates of deposit	2,000	0.01	.....	NA
Total debt investments	$ 19,754,200	**	$ 4,449,207	

* Commercial Mortgage-Backed Securities (CMBS)

** The remaining $1,692,929 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, unsettled securities liability, and outstanding warrants as presented in the Schedule of Pooled Investments with State Treasury.

Other Investments

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund are presented below.

Investments authorized by Section 215.47, F.S., are managed through individual portfolios within various asset classes. The individual portfolios may have different policies regarding interest rate risk. Major types of debt portfolios are listed below.

Short-term portfolios – Weighted average maturity (WAM) is limited to 120 days in Cash and Central Custody portfolio and 180 days in the internally managed FRS Short-term Investment Pool (STIPFRS) portfolio. In the STIPFRS, no individual security shall have a final maturity date longer than three years. Final maturity is limited to two years in the Cash and Central Custody portfolio. For securities without a fixed interest rate, the next interest rate reset date is used as the maturity date for the WAM calculation.

Mortgage portfolios – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 1 to 1.5 years of index duration. The index is the Lehman U.S. MBS Index component of the Lehman Brothers Aggregate Index.

Government/Corporate portfolios – Portfolio duration should remain within plus or minus 0.25-0.50 years of the index duration. Several different Lehman indices are used among the individual portfolios.

Core Plus portfolios – Portfolio duration should remain within plus or minus 1.0 year of the Lehman Aggregate Index duration.

High Yield portfolios – Portfolio duration should remain within 2.5 years of the high yield index duration. Index duration for high yield securities is the effective duration as reported by Lehman Brothers.

Security Lending portfolios – Maximum WAM for a portfolio is 60 or 90 days, depending on the lending program.

Presented in the following schedule is the interest rate risk table for FRS Pension Trust Fund (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to short-term and security lending collateral portfolios are presented using weighted average maturity.

FRS Pension Trust Fund
Debt Investments
As of June 30, 2008

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$ 11,734	0.31	$ 2,138,086	38
Commercial paper	.....	NA	6,030,686	23
Money market funds	.....	NA	243,967	14
Repurchase agreements	.....	NA	4,200,883	1
U.S. guaranteed obligations:				
U.S. Treasury bills	75	0.14	.....	NA
U.S. Treasury bonds and notes	1,869,588	6.68	.....	NA
Index linked government bonds	712,647	10.32	.....	NA
U.S. government guaranteed	86,598	5.74	.....	NA
GNMA mortgage-backed	667,619	3.94	.....	NA
GNMA interest-only collateralized mortgage obligations (CMO's)	273	-16.98	.....	NA
Federal agencies:				
Discount notes	10,035	0.45	.....	NA
Unsecured bonds & notes	2,469,208	3.87	.....	NA
Mortgage-backed	9,487,700	4.06	.....	NA
Mortgage-backed CMO's	79,063	3.71	.....	NA
Interest-only CMO's	47,876	-13.98	.....	NA
Interest-only inverse floating CMO's	4,038	-5.76	.....	NA
Principal-only CMO's	30,293	10.98	.....	NA
Domestic bonds & notes:				
Corporate	18,605,653	2.61	4,090,344	28
Non-government asset-backed & mortgage-backed	1,088,274	3.15	1,430,420	25
Non-government backed CMO's	3,804,261	4.06	696,000	22
Non-government backed interest-only CMO's	13,986	3.69	.....	NA
Municipal/provincial	160,657	1.17	.....	NA
Real estate mortgage loans	20,707	6.65	.....	NA
Master notes	.....	NA	85,734	1
Funding agreements	.....	NA	150,000	29
Domestic bonds & notes mutual funds	148,538	2.10	.....	NA
International bonds & notes:				
Government & regional	498,269	5.60	.....	NA
Government agency	210,855	4.88	.....	NA
Corporate	2,537,395	4.48	942,696	35
Non-government asset-backed & mortgage-backed	149,812	3.64	152,706	23
Non-government backed CMO's	.....	NA	847,761	41
Futures contracts - U.S. Treasury bonds, notes and 3 month LIBOR *	.....	1.07	.....	NA
Futures contracts - Foreign debt *	.....	3.85	.....	NA
Swap contracts (debt related)*	(105,933)	3.30	.....	NA
Total debt investments	$ 42,609,221		$ 21,009,283	

* The futures and swap contracts' weighting on duration was calculated using notional rather than fair values.

Presented below are interest rate risk schedules for all debt-related investments managed by the SBA (excluding the FRS Pension Trust Fund), as of June 30, 2008 (in thousands). Certain investment types may be presented using two or more interest rate risk methods, if the investment types are managed using different techniques. For example, if investments are purchased to match scheduled debt payments, to coincide with Lottery prize payouts, or are entirely client directed investments, the investments are presented using the segmented time distribution method. If investments are in a portfolio that contains weighted average maturity restrictions, the investments are presented using this method. If investments are subject to certain restrictions on duration, then that method is used. Individual investments are only included in one of the following three methods scheduled below.

Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Segmented Time Distribution Method
As of June 30, 2008

		Investment maturities (in years)						
Investment type	Total fair value	Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20
U.S. guaranteed obligations:								
U.S. Treasury bills	$ 119,798	$ 119,798	$	$	$	$	$	$ .....
U.S. Treasury bonds, notes, & SLGS*	1,447,295	329,615	989,636	96,034	31,440	570	.....	.....
U.S. Treasury strips	1,161,202	217,586	358,555	251,279	239,954	40,310	34,796	18,722
Federal agencies:								
Unsecured bonds & notes	93,465	17,671	39,522	21,391	14,881	.....	.....	.....
Agency strips	83,146	16,990	31,269	24,754	10,133	.....	.....	.....
Inverse floating rate CMO's	399	.....	.....	.....	.....	399	.....	.....
Domestic bonds & notes:								
Municipal/provincial	252	.....	.....	.....	252	.....	.....	.....
Total debt investments	$ 2,905,557	$ 701,660	$ 1,418,982	$ 393,458	$ 296,660	$ 41,279	$ 34,796	$ 18,722

* Special U.S. Treasury securities for State and Local Governments.

Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Weighted Average Maturity Method or Duration Method
As of June 30, 2008

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$	NA	$ 2,789,228	55
Commercial paper	.....	NA	2,714,597	25
Money market funds	613,655	0.05	843,782	17
Security lending collateral pools	.....	NA	155,267	19
Repurchase agreements	.....	NA	4,571,542	1
U.S. guaranteed obligations:				
U.S. Treasury bills	.....	NA	139,678	48
U.S. Treasury bonds and notes	220,508	11.51	704,295	14
U.S. Treasury strips	3,181,546	11.33	.....	NA
Index linked government bonds	410,207	7.45	.....	NA
U.S. government guaranteed	38,228	9.06	.....	NA
GNMA mortgage-backed	57,151	4.92	.....	NA
GNMA collateralized mortgage obligations (CMO's)	2,990	4.21	.....	NA
Federal agencies:				
Discount notes	259,100	0.00	266,889	74
Unsecured bonds & notes	150,332	6.56	269,496	406
Agency strips	249,105	10.82	.....	NA
Mortgage-backed	794,642	4.82	.....	NA
Mortgage-backed CMO's	99,226	5.90	.....	NA
Domestic bonds & notes:				
Corporate	487,971	6.68	7,429,001	32
Non-government asset-backed & mortgage-backed	742,975	7.71	857,693	119
Non-government backed CMO's	551,792	5.15	41,318	23
Municipal/provincial	732	12.71	462,500	15
Funding agreements	.....	NA	25,000	16
Domestic bonds & notes mutual fund	1,161,152	5.12	6,374	525
International bonds & notes:				
Government & regional	5,844	4.54	.....	NA
Government agency	4,823	3.85	.....	NA
Corporate	63,633	7.90	260,152	46
Non-government asset-backed & mortgage-backed	.....	NA	34,773	38
Non-government backed CMO's	.....	NA	184,886	32
Futures contracts - U.S. Treasury bonds & notes *	.....	4.10	.....	NA
Total debt investments	$ 9,095,612		$ 21,756,471	

*The futures contracts' weighting on duration was calculated using notional values rather than fair values.

Component Units

Component units manage their exposure to interest rate risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable interest rate risk information for major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

Major Component Units
Debt Investments
That Use Segmented Time Distribution Method
As of June 30, 2008

		Investment maturities (in years)			
Component unit / Investment type	Total fair value	Less than or equal to 1	> 1 to 5	> 6 to 10	> 10
University of Florida					
U.S. guaranteed obligations	$ 3,745	$	$ 1,066	$ 2,671	$ 8
Federal agencies	8,431	8,368	4	19	40
Bonds and notes	21,459	1,071	13,434	634	6,320
Mutual funds	84,748	1,339	78,576	3,581	1,252
Total debt investments	$ 118,383	$ 10,778	$ 93,080	$ 6,905	$ 7,620

Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2008

Component unit / Investment type	Fair value (duration)	Modified duration (in years)	Fair value (WAM)	Weighted Average maturity (in years)
Florida Housing Finance Corporation				
Certificates of deposit	$ 985	1.18	$	NA
U.S. guaranteed obligations	103,325	1.09	.....	NA
Federal agencies	225,636	0.71	.....	NA
Bonds and notes	258,878	1.02	.....	NA
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	.....	NA	5,213	0.00
Federal agencies	.....	NA	41,688	4.15
Bonds and notes	.....	NA	4,686,896	1.85
Total debt investments	$ 588,824		$ 4,733,797	

4. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Pooled Investments with the State Treasury

The State Treasury does not have any investments in foreign currency. State law and investment policy do not authorize investments in foreign currency related to State Treasury investment operations.

Other Investments

The FRS Pension Trust Fund and the Lawton Chiles Endowment Fund had exposure to foreign currency risk at June 30, 2008. These funds are managed primarily by the use of "asset classes." In addition to securities denominated in foreign currency, the SBA purchases many investments that are issued in other countries, but that are denominated in U.S. dollars. These securities are, in many cases, traded on U.S. exchanges and function similar to U.S. securities. They do contain foreign country risk exposure, even if they do not contain foreign currency exposure.

The FRS Pension Trust Fund's Foreign Equities asset class range limits, as adopted in the SBA's Total Fund Investment Plan, are 11-25% of total fund assets, with a target of 20%. Other asset classes may hold non-U.S. securities as well, depending on portfolio guidelines. The Lawton Chiles Endowment Fund's foreign equities asset class range limits, as adopted in the fund's investment plan, are 6-18% of total fund assets, with a target of 12%. A limited amount of exposure occurs in certain Fixed Income portfolios. In all cases, Florida law limits the total exposure to foreign securities to 25% of the total fund. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the managers use them in many cases.

Presented below in U.S. dollars are the FRS Pension Trust Fund and Lawton Chiles Endowment Fund investments exposed to foreign currency risk as of June 30, 2008, listed in total, by currency (in thousands). International securities that are denominated in U.S. dollars are also included.

FRS Pension Trust Fund and Lawton Chiles Endowment Fund (LCEF)
Investments Exposed to Foreign Currency Risk
As of June 30, 2008

	FRS Pension Trust Fund Investment type				LCEF Investment type
Currency	Swap Contracts *	Bonds	Equity	Total	Equity
Australian dollar	$ (1,599)	$	$ 705,943	$ 704,344	$ 16,575
Brazilian real	.....	1,008	327,003	328,011	4,791
British pound sterling	(1,219)	49,823	2,850,173	2,898,777	22,820
Canadian dollar	(1,782)	.....	985,214	983,432	20,542
Danish krone	.....	.....	111,211	111,211	1,692
Euro currency unit	(3,039)	30,836	5,064,772	5,092,569	94,889
Hong Kong dollar	.....	.....	907,174	907,174	13,178
Japanese yen	(2,239)	21,239	3,113,365	3,132,365	44,735
Mexican peso	.....	.....	189,209	189,209	7,624
Norwegian krone	.....	.....	203,058	203,058	1,333
Singapore dollar	.....	.....	264,442	264,442	3,572
South African rand	.....	.....	213,365	213,365	.....
South Korean won	.....	.....	421,975	421,975	10,623
Swedish krona	868	.....	276,092	276,960	2,159
Swiss franc	.....	.....	1,321,836	1,321,836	4,249
Taiwan new dollar	.....	.....	355,915	355,915	13,466
Thailand baht	.....	.....	116,998	116,998	.....
Turkish lira	.....	.....	110,954	110,954	3,954
Other	.....	.....	439,663	439,663	1,752
Foreign equity mutual funds and foreign private equity limited partnerships (various currencies)	.....	.....	6,540,311	6,540,311	.....
Foreign Bond Index Futures**	.....	.....	.....	.....	.....
Foreign Stock Index Futures***	.....	.....	.....	.....	.....
Total investments subject to foreign currency risk	$ (9,010)	$ 102,906	$ 24,518,673	$ 24,612,569	$ 267,954

* The FRS Pension Trust Fund has a variety of interest rate swap contracts with notional values totaling 387,500,000 Australian dollars, 560,840,000 Canadian dollars, 966,380,000 Euro currency units, 40,010,000 British pound sterling, 12,760,000,000 Japanese yen, and 406,500,000 Swedish krona. In these swap contracts, the fund either receives or pays a fixed rate of interest, and pays or receives a variable rate of interest that represents the respective short-term index rate in each country (i.e. The BBA LIBOR AUD 3 month, Canada Bankers Acceptances 3 month, EURIBOR 3 month or 6 month, BBA LIBOR GBP 6 month, BBA LIBOR JPY 6 month, or the Stockholm Interbank Offered Rates 3 month).

** The FRS Pension Trust Fund held 203 long contracts on Euro-BUXL 30 year (German) bond futures (notional value 20,300,000 Euro currency units), 600 long contracts on Euro-Bund (German) bond futures (notional value 60,000,000 Euro currency units), 326 short contracts on Euro-BOBL (German) bond futures (notional value 32,600,000 Euro currency units), 20 short contracts on Euro-Schatz (German) bond futures (notional value 2,000,000 Euro currency units), 196 long contracts on 90 day Sterling LIBOR futures (notional value 98,000,000 British pound sterling), and 39 short contracts on UK Long Gilt futures (notional value 3,900,000 British pound sterling). These futures contracts have a market of $0 since margins are settled between counterparties daily. Margin settlements are subject to currency risk.

***The FRS Pension Trust Fund also held 19 long contracts on S&P/TSE 60 stock futures (notional value 3,291,560 Canadian dollars), 59 long contracts on FTSE 100 Index stock futures (notional value 3,332,320 British pound sterling), 187 long contracts on DJ Euro STOXX 50 stock futures (notional value 6,320,600 Euro currency units), and 49 long contracts on TOPIX Index stock futures (notional value 646,065,000 Japanese yen). These futures contracts have a market value of $0 since margins are settled between counterparts daily.

Component Units

Component unit information regarding foreign currency risk was not readily available.

5. Security Lending

Pooled Investments with the State Treasury

Section 17.61(1), F.S. authorizes the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. government and federally guaranteed obligations, bonds, and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash; government securities; unconditional, irrevocable standby letters of credit; or other assets specifically agreed to in writing. Cash collateral is invested by the agent in investments authorized by Section 17.57, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. Since the collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest), the Treasury had no credit risk exposure at June 30, 2008. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury received $4,506,303,084 in cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell the non-cash collateral securities, the non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled $4,443,175,753, while securities held with others under security lending agreements with non-cash collateral totaled $86,164,677. Security lending asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government. The securities held with others under security lending agreements as of June 30, 2008, are as follows (fair value equals carrying value of investments on loan): U.S. guaranteed obligations of $3,149,717,430, federal agencies of $1,190,644,000, domestic bonds and notes of $185,987,000, and international bonds of $2,992,000.

Other Investments

Through the SBA, various funds, including the FRS Pension Trust Fund, the LGIP, the Florida Lottery Trust Fund, the Florida Hurricane Catastrophe Fund, and the Florida Prepaid College Trust Fund participate in security lending programs. The LGIP's participation in security lending programs ended in November 2007. Initial collateral requirements for securities on loan primarily must be 102 percent or greater. The SBA had received and invested $20,540,803,312 in cash and $568,172,616 in U.S. government securities as collateral for the lending programs as of June 30, 2008. At June 30, 2008, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest) except with one borrower totaling $1,174. The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet. All security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, because security loan agreements are generally open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 40% to 95% of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2008 (in thousands):

Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2008

	Fair value		
Investment type	FRS Pension Trust Fund	Other funds Managed by SBA	Total
U.S. guaranteed obligations	$ 1,759,156	$ 4,033,726	$ 5,792,882
Federal agencies	5,079,810	241,398	5,321,208
Domestic bonds & notes	586,654	56,309	642,963
International bonds & notes	85,491	……	85,491
Domestic stocks	5,825,509	143,816	5,969,325
International stocks	2,025,777	37,502	2,063,279
Total investments on loan for all types - fair value *	$ 15,362,397	$ 4,512,751	$ 19,875,148

* The fair value equals the carrying value of investments on loan.

6. Derivatives

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Interest rate futures are the only type of derivative authorized.

As of June 30, 2008, all of the State Treasury interest rate futures were reported at fair value.

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are not to be used to speculate in the expectation of earning extremely high returns. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, and mortgaged-backed security prepayment risk, as well as for yield-curve strategy purposes, diversification, and the management of equity market exposure. Derivative investment instruments include futures, options, forward exchange contracts, interest rate swaps, and equity index swaps.

The FRS Pension Trust Fund also held units in the SSGA Daily Active Emerging Markets Fund, BGI International Alpha Tilts, and BGI Index Plus Funds. These Funds use equity return swaps and equity futures to gain exposure to certain international equity markets. The FRS Pension Trust Fund does not directly hold positions in these derivatives; it only holds units of the commingled funds.

As of June 30, 2008, all of the SBA derivatives were reported at fair value.

7. Reverse Repurchase Agreements

Section 17.57, F.S., authorizes the State Treasury to enter into reverse repurchase agreements. The maturities of the reverse repurchase agreements are monthly. The maturities of the reverse repurchase agreements are not matched to the underlying collateral securities; however, the collateral securities are comprised primarily of floating rate securities that reset monthly. Securities provided as collateral by State Treasury under reverse repurchase agreements include Federal Agency obligations totaling $2,156,311,402; while obligations held by State Treasury under reverse repurchase agreements totaled $1,889,850,286. Reverse repurchase agreement asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government.

NOTE 3 - RECEIVABLES AND PAYABLES

"Receivables, net" and "Other loans and notes receivables, net," as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of net assets in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportaion
Accounts receivable	$ 99,901	$ 35,987	$ 776	$ 375,202	$ 3,466
Taxes receivable	2,078,566	27,233	.....	.....	127,479
Interest & dividends receivable	11,866	5,316	5,780	356	8,028
Loans & notes receivable	14,173	63,472	2,693	.....	3,121
Due from Federal government	159	42,650	17,343	1,030,868	22,878
Other receivables	314	2,012	.....	2,947	50,306
Allowance for uncollectibles	(883,861)	(27,848)	(2,450)	(35,166)	(380)
Receivables, net	**$ 1,321,118**	**$ 148,822**	**$ 24,142**	**$ 1,374,207**	**$ 214,898**
Loans & notes receivable from other governments	$	$ 893,723	$	$	$ 719,122
Other loans & notes receivable	139	188	.....	182,386	514
Advances to other governments	$ 8,730	18,647	.....	4,059	.....
Advances to component units	41,956	95,229	.....	.....	.....
Long-term interest receivable	.....	.....	.....	.....	1,389
Allowance for uncollectibles	(8)	.....	.....	(170,438)	(11,237)
Other loans & notes receivable, net	**$ 50,817**	**$ 1,007,787**	**$ .....**	**$ 16,007**	**$ 709,788**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts receivable	$ 304,201	**$ 819,533**	$ 19,559	$ 103,761	**$ 942,853**
Taxes receivable	3,648	**2,236,926**	.....	.....	**2,236,926**
Interest & dividends receivable	17,395	**48,741**	967	.....	**49,708**
Loans & notes receivable	95,218	**178,677**	.....	.....	**178,677**
Due from Federal government	125,638	**1,239,536**	.....	.....	**1,239,536**
Other receivables	67,127	**122,706**	2,627	.....	**125,333**
Allowance for uncollectibles	(76,202)	**(1,025,907)**	.....	.....	**(1,025,907)**
Receivables, net	**$ 537,025**	**$ 3,620,212**	**$ 23,153**	**$ 103,761**	**$ 3,747,126**
Loans & notes receivable from other governments	$ 728,275	**$ 2,341,120**	$	$	**$ 2,341,120**
Other loans & notes receivable	427,402	**610,629**	.....	.....	**610,629**
Advances to other governments	3,851	**35,287**	.....	.....	**35,287**
Advances to component units	.....	**137,185**	.....	.....	**137,185**
Long-term interest receivable	.....	**1,389**	.....	.....	**1,389**
Allowance for uncollectibles	(145,423)	**(327,106)**	.....	.....	**(327,106)**
Other loans & notes receivable, net	**$ 1,014,105**	**$ 2,798,504**	**$ .....**	**$ .....**	**$ 2,798,504**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	State Board of Administration	Prepaid College Program	Nonmajor Enterprise Funds
Accounts receivable	$ 1,980	$ 42,544	$ 92,396	$ 19,547	$ 93,043
Taxes receivable	.....	.....	.....	.....	381,774
Interest & dividends receivable	2,381	3,066	13,476	24,566	135,120
Loans & notes receivable	.....	.....	.....	306,662	.....
Due from Federal government	.....	.....	.....	.....	.....
Other receivables	57	.....	.....	.....	3,465
Allowance for uncollectibles	.....	(2,472)	.....	.....	(201,412)
Receivables, net	**$ 4,418**	**$ 43,138**	**$ 105,872**	**$ 350,775**	**$ 411,990**

(Continued below)

	Total Enterprise Funds	Government-wide Reconciling Balances	**Total Business-type Activities**
Accounts receivable	**$ 249,510**	$ 3,839	**$ 253,349**
Taxes receivable	**381,774**	.....	**381,774**
Interest & dividends receivable	**178,609**	.....	**178,609**
Loans & notes receivable	**306,662**	.....	**306,662**
Due from Federal government	**.....**	.....	**.....**
Other receivables	**3,522**	.....	**3,522**
Allowance for uncollectibles	**(203,884)**	.....	**(203,884)**
Receivables, net	**$ 916,193**	**$ 3,839**	**$ 920,032**

COMPONENT UNITS

Accounts receivable	$ 1,543,581
Interest & dividends receivable	87,849
Loans & notes receivable	95,942
Due from Federal government	9,845
Other receivables	823,987
Allowance for uncollectibles	(328,547)
Receivables, net	**$ 2,232,657**
Other loans & notes receivable	$ 3,890,812
Allowance for uncollectibles	(183,806)
Other loans & notes receivable, net	**$ 3,707,006**

"Accounts payable and accrued liabilities," as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of net assets in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportaion
Accounts payable	$ 506,628	$ 32,144	$ 29,191	$ 1,065,045	$ 169,791
Construction contracts	5	.....	.....	.....	290,691
Claims payable	.....	.....	.....	.....	.....
Accrued salaries & wages	25,937	.....	38	8,517	4,458
Deposits payable	75	357	.....	.....	3,679
Due to Federal government	2	135	.....	5,693	.....
Due to other governmental units	141,729	18,580	.....	5,615	7,693
Other payables	9,298	.....	.....	.....	70
Accounts payable and accrued liabilities	**$ 683,674**	**$ 51,216**	**$ 29,229**	**$ 1,084,870**	**$ 476,382**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts payable	$ 292,853	**$ 2,095,652**	$ 30,750	$ 537,039	**$ 2,663,441**
Construction contracts	1,313	**292,009**	.....	.....	**292,009**
Claims payable	20	**20**	46,699	.....	**46,719**
Accrued salaries & wages	3,252	**42,202**	1,021	.....	**43,223**
Deposits payable	868	**4,979**	.....	.....	**4,979**
Due to Federal government	1,394	**7,224**	.....	.....	**7,224**
Due to other governmental units	23,531	**197,148**	17	.....	**197,165**
Other payables	12,449	**21,817**	6,142	.....	**27,959**
Accounts payable and accrued liabilities	**$ 335,680**	**$ 2,661,051**	**$ 84,629**	**$ 537,039**	**$ 3,282,719**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	State Board of Administration	Prepaid College Program	Nonmajor Enterprise Funds
Accounts payable	$ 213	$ 14,732	$ 929,122	$ 336,260	$ 70,037
Construction contracts	40,240	.....	.....	.....	.....
Accrued salaries & wages	.....	58	.....	.....	848
Deposits payable	574	3,525	.....	.....	21
Other payables	.....	.....	41,649	.....	3
Accounts payable and accrued liabilities	**$ 41,027**	**$ 18,315**	**$ 970,771**	**$ 336,260**	**$ 70,909**

(Continued below)

	Total Enterprise Funds	Government-wide Reconciling Balances	**Total Business-type Activities**
Accounts payable	**$ 1,350,364**	$	**$ 1,350,364**
Construction contracts	**40,240**	.....	**40,240**
Accrued salaries & wages	**906**	.....	**906**
Deposits payable	**4,120**	.....	**4,120**
Other payables	**41,652**	.....	**41,652**
Accounts payable and accrued liabilities	**$ 1,437,282**	**$ .....**	**$ 1,437,282**

COMPONENT UNITS

Accounts payable	$	923,634
Construction contracts		93,652
Claims payable		1,553,513
Accrued salaries & wages		148,979
Deposits payable		62,606
Due to Federal government		11,856
Due to other governmental units		1,769
Other payables		104,944
Accounts payable and accrued liabilities	**$**	**2,900,953**

NOTE 4 – TAXES

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, one of the principal sources of financing state operations. A schedule of tax revenues by major tax type for each applicable major governmental fund, and for nonmajor governmental funds in the aggregate, is presented below (in thousands):

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	$ 19,529,661	$	$	$	$	$	$ 19,529,661
Fuel taxes:							
Motor fuel tax	.....	.....	.....	.....	2,175,780	.....	2,175,780
Pollutant tax	.....	249,104	.....	.....	.....	.....	249,104
Aviation fuel tax	.....	.....	.....	.....	64,832	.....	64,832
Solid minerals severance tax	.....	44,523	.....	.....	.....	.....	44,523
Oil and gas production tax	14,015	.....	.....	.....	.....	.....	14,015
Total fuel taxes	14,015	293,627	.....	.....	2,240,612	.....	2,548,254
Corporate income tax	2,253,781	.....	.....	.....	.....	.....	2,253,781
Documentary stamp tax	1,924,526	.....	.....	.....	.....	.....	1,924,526
Intangible personal property tax	428,804	.....	.....	.....	.....	.....	428,804
Communications service tax	1,092,003	.....	454,850	.....	.....	.....	1,546,853
Estate tax	11,696	.....	.....	.....	.....	.....	11,696
Gross receipts utilities tax	.....	8,994	661,448	.....	.....	.....	670,442
Beverage and tobacco taxes:							
Alcoholic beverage tax	594,067	.....	.....	.....	.....	11,532	605,599
Cigarette tax	406,520	.....	.....	.....	.....	.....	406,520
Smokeless tobacco tax	31,407	.....	.....	.....	.....	.....	31,407
Total beverage and tobacco taxes	1,031,994	.....	.....	.....	.....	11,532	1,043,526
Other taxes:							
Insurance premium tax	880,784	.....	.....	.....	.....	59,750	940,534
Hospital public assistance tax	.....	.....	.....	438,055	.....	.....	438,055
Citrus excise tax	.....	.....	.....	.....	.....	53,158	53,158
Pari-mutuel wagering tax	4,376	.....	.....	.....	.....	147,100	151,476
Other	3,596	.....	.....	.....	.....	.....	3,596
Total other taxes	888,756	.....	.....	438,055	.....	260,008	1,586,819
Total	$ 27,175,236	$ 302,621	$ 1,116,298	$ 438,055	$ 2,240,612	$ 271,540	$ 31,544,362

A reconciliation of balances in governmental fund statements to government-wide financial statements follows (in thousands):

	Sales and Use Tax
Governmental fund statements	$ 19,529,661
Government-wide accruals	186,781
Government-wide statements	$ 19,716,442

NOTE 5 - CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

For financial statement purposes, the state reports capital assets under the following categories and has established a reporting capitalization threshold for each category. Applicable capital assets are depreciated over the appropriate estimated useful lives using the straight-line method.

Capital Asset Category	Financial Statement Capitalizing Threshold	Estimated Useful Life (in Years)
Land and other nondepreciable assets	Capitalize all	Not depreciable
Nondepreciable infrastructure	Capitalize all	Not depreciable
Construction work in progress	$100,000 when work is completed	Not depreciable
Buildings, equipment, and other depreciable assets		
Buildings and building improvements	$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	$100,000	3 - 50
Leasehold improvements	$100,000	2 - 15
Property under capital lease	Threshold correlates to asset category	2 - 20
Furniture and equipment	$1,000 and $250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	$25	5 - 50
Other capital assets	$1,000	3 - 20

The state has elected to use the modified approach for accounting for its bridges and roadways included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to preserve and maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to the Required Supplementary Information for additional information on infrastructure using the modified approach.

Not included in the reported capital assets are the irreplaceable collections at various historic sites and museums throughout the state. For example, the Museum of Florida History, located in Tallahassee, has displayed artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include Florida upland and underwater archaeology, Florida archives, and Florida and Spanish colonial numismatics.

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2008, is as follows (in thousands):

General government	$	73,004
Education		7,382
Human services		32,706
Criminal justice and corrections		94,451
Natural resources & environment		56,993
Transportation		46,422
State courts		4,562
Total depreciation expense (governmental activities)	**$**	**315,520**

Primary government capital asset activities for the fiscal year ended June 30, 2008, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance 7/1/2007	Increases	Decreases	Balance 6/30/2008
Capital assets, not being depreciated:				
Land and other nondepreciable assets	$ 15,065,038	$ 676,186	$ 26,749	$ 15,714,475
Infrastructure and infrastructure improvements - nondepreciable	28,092,455	3,567,481	.....	31,659,936
Construction work in progress	6,817,112	2,041,770	3,843,672	5,015,210
Total capital assets, not being depreciated	**49,974,605**	**6,285,437**	**3,870,421**	**52,389,621**
Capital assets, being depreciated:				
Buildings and building improvements	3,719,994	133,294	39,503	3,813,785
Infrastructure and infrastructure improvements	510,563	22,032	2,202	530,393
Leasehold improvements	268	.....	.....	268
Property under capital lease	214,485	103,553	43,568	274,470
Furniture and equipment	1,784,993	207,407	204,289	1,788,111
Works of art and historical treasures	1,458	.....	27	1,431
Library resources	31,707	706	2,824	29,589
Other	147,836	1,861	1,500	148,197
Total capital assets, being depreciated	**6,411,304**	**468,853**	**293,913**	**6,586,244**
Less accumulated depreciation for:				
Buildings and building improvements	1,629,665	106,562	.....	1,736,227
Infrastructure and infrastructure improvements	211,712	20,969	1,182	231,499
Leasehold improvements	89	18	.....	107
Property under capital lease	56,127	5,227	14,904	46,450
Furniture and equipment	1,179,514	170,362	143,115	1,206,761
Works of art and historical treasures	531	40	25	546
Library resources	10,759	979	126	11,612
Other	43,889	11,363	1,104	54,148
Total accumulated depreciation	**3,132,286**	**315,520**	**160,456**	**3,287,350**
Total capital assets, being depreciated, net	**3,279,018**	**153,333**	**133,457**	**3,298,894**
Governmental activities capital assets, net	**$ 53,253,623**	**$ 6,438,770**	**$ 4,003,878**	**$ 55,688,515**

BUSINESS-TYPE ACTIVITIES

	Balance 7/1/2007	Increases	Decreases	Balance 6/30/2008
Capital assets, not being depreciated:				
Land and other nondepreciable assets	$ 842,471	$ 25,313	$ 253	$ 867,531
Infrastructure and infrastructure improvements - nondepreciable	4,637,396	540,391	11,413	5,166,374
Construction work in progress	720,016	519,765	545,807	693,974
Total capital assets, not being depreciated	**6,199,883**	**1,085,469**	**557,473**	**6,727,879**
Capital assets, being depreciated:				
Buildings and building improvements	230,765	18,922	14	249,673
Infrastructure and infrastructure improvements	51	9	.....	60
Furniture and equipment	130,619	52,761	25,698	157,682
Library resources	2	.....	.....	2
Other	8,544	.....	.....	8,544
Total capital assets, being depreciated	**369,981**	**71,692**	**25,712**	**415,961**
Less accumulated depreciation for:				
Buildings and building improvements	91,918	8,405	4	100,319
Infrastructure and infrastructure improvements	37	2	.....	39
Furniture and equipment	96,960	31,900	22,238	106,622
Other	4,934	1,653	.....	6,587
Total accumulated depreciation	**193,849**	**41,960**	**22,242**	**213,567**
Total capital assets, being depreciated, net	**176,132**	**29,732**	**3,470**	**202,394**
Business-type activities capital assets, net	**$ 6,376,015**	**$ 1,115,201**	**$ 560,943**	**$ 6,930,273**

Component units' capital asset activities for the fiscal year ended June 30, 2008, are as follows (in thousands):

COMPONENT UNITS

	Balance 7/1/2007	Increases	Decreases	Balance 6/30/2008
Capital assets, not being depreciated:				
Land and other non-depreciable assets	$ 4,870,068	$ 373,791	$ 15,930	$ 5,227,929
Construction work in progress	1,254,518	1,561,802	1,204,881	1,611,439
Total capital assets, not being depreciated	**6,124,586**	**1,935,593**	**1,220,811**	**6,839,368**
Capital assets, being depreciated:				
Buildings and building improvements	10,621,481	1,195,654	171,819	11,645,316
Infrastructure and infrastructure improvements	1,582,677	271,631	23,915	1,830,393
Leasehold improvements	199,713	13,098	309	212,502
Property under capital lease	115,778	12,241	5,100	122,919
Furniture and equipment	2,978,999	495,813	206,614	3,268,198
Works of art and historical treasures	1,734	211	39	1,906
Library resources	738,247	46,713	2,528	782,432
Other	179,907	20,991	8,289	192,609
Total capital assets, being depreciated	**16,418,536**	**2,056,352**	**418,613**	**18,056,275**
Less accumulated depreciation for:				
Buildings and building improvements	3,323,968	308,435	21,583	3,610,820
Infrastructure and infrastructure improvements	496,475	62,738	2,076	557,137
Leasehold improvements	51,822	8,859	219	60,462
Property under capital lease	39,225	13,396	5,678	46,943
Furniture and equipment	2,019,842	292,140	179,147	2,132,835
Works of art and historical treasures	497	231	32	696
Library resources	506,425	41,079	953	546,551
Other	112,910	24,754	3,224	134,440
Total accumulated depreciation	**6,551,164**	**751,632**	**212,912**	**7,089,884**
Total capital assets, being depreciated, net	**9,867,372**	**1,304,720**	**205,701**	**10,966,391**
Component units capital assets, net	**$ 15,991,958**	**$ 3,240,313**	**$ 1,426,512**	**$ 17,805,759**

NOTE 6 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

A. Pensions

1. The Florida Retirement System

The Florida Retirement System (FRS) was created December 1, 1970, with consolidation of the Teachers' Retirement System (Chapter 238, Florida Statutes [F.S.]), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Section 121.046, F.S.) was also consolidated with the FRS. The FRS was created by (and can be amended by) Chapter 121, F.S., to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program and further amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the Public Employee Optional Retirement Program (PEORP). Effective July 1, 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program, as established under Section 121.40, F.S., was consolidated under the Florida Retirement System defined benefit plan. Participation in the Institute of Food and Agricultural Sciences Supplemental Retirement Program does not constitute membership in the Florida Retirement System.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to members of the Senior Management Service Class (SMSC) employed by the state or state elected officials who chose SMSC membership in lieu of membership in the Elected Officers' Class, as well as faculty and specified employees in the state university system and state community colleges. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Except for employees who elect to withdraw from the FRS altogether, or eligible employees who participate in the non-integrated optional retirement programs in lieu of the FRS, FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made.

There are five general classes of membership, as follows:

- *Regular Class* - This class consists of members of the FRS who do not qualify for membership in the other classes.

- *Senior Management Service Class (SMSC)* - This class consists of members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the Senior Management Service Class in lieu of the Elected Officers' Class.

- *Special Risk Class* - This class consists of members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers, certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's officer or a law enforcement agency, and meet the criteria to qualify for this class.

- *Special Risk Administrative Support Class* - This class consists of Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.

- *Elected Officers' Class (EOC)* - This class consists of elected state and county officers in addition to the elected officers of cities and special districts that choose to place their elected officials in this class.

The FRS defined benefit plan (the FRS Pension Plan) provides vesting of benefits after six years of service for all membership classes. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* - Six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age.

- *Special Risk Class and Special Risk Administrative Support Class Members* - Six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age. A total of twenty-five years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Note: Any member not employed in a regularly established position on July 1, 2001, shall be deemed vested upon completion of creditable service, provided that such member is employed in a covered position for at least one work year after July 1, 2001.

Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a 3 percent cost-of-living adjustment.

The Deferred Retirement Option Program (DROP) was established, effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. It permits eligible defined benefit plan members who have reached normal retirement to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months after becoming eligible to participate. Additionally, authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of DROP participation, deferred monthly benefits remain in the FRS Trust Fund and accrue interest. As of June 30, 2008, the FRS Trust Fund projected $2,451,604,890 in accumulated benefits and interest for 31,253 current and prior participants in the DROP.

The FRS Pension Plan is primarily a cost-sharing multiple-employer public-employee defined benefit pension plan administered by the Department of Management Services, Division of Retirement. The State Board of Administration invests the assets of the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded through earnings on investments of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Service retirement benefits under the Public Employee Optional Retirement Program (FRS Investment Plan) are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service for all Investment Plan contributions regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, six years of service (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. The investment of this account is directed by the member from investment options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.05 percent of payroll and by forfeited benefits of plan members. After termination, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement in order to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or choose to remain in the FRS Investment Plan and rely upon that account balance for retirement income.

All participating employers must comply with statutory contribution requirements. Section 121.031(3), F.S., requires an annual actuarial study of the FRS, which is provided to the Legislature as guidance for funding decisions. Employer contribution rates are established in Section 121.71, F.S. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Except in those instances where employees have elected to remain in pre-existing plans, employees make no required contributions. Statutes require that any unfunded actuarial liability (UAL) be amortized within 30 plan years. Pursuant to Section 121.031(3)(f), F.S., any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for all defined benefit pension plans at June 30, 2008, was $124,531,396,690. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

FRS Retirement Contribution Rates:

Membership Class	Uniform Normal Cost Rates Recommended by Actuarial Valuation as of 7/1/2006 for Fiscal Year 2007-2008*	7/1/2007 Statutory Rates* (Ch. 121, F.S.)
Regular	9.55%	8.69%
Senior Management Service	12.95%	11.96%
Special Risk	21.92%	19.76%
Special Risk Administrative Support	11.86%	11.39%
Judges	20.42%	18.40%
Legislators/Attorneys/Cabinet	14.66%	13.32%
Elected Officers	17.03%	15.37%
Deferred Retirement Option Program - applicable to members from all of the above classes or plans	10.89%	9.80%

* Rates indicated are uniform rates for all FRS members created by blending the FRS Investment Plan and FRS Pension Plan rates and do not include a 0.05% contribution for the FRS Investment Plan administration and educational program fee. The FRS Pension Plan rates for 2007-08 used in the statutory rates are offset (reduced) using surplus actuarial assets.

FRS Participating Employers:

State Agencies	55
County Agencies	397
District School Boards	67
Community Colleges	28
Cities	175 *
Special Districts	223 *
Hospitals	4 *
Other	12
Total Participating Employers	961

* These totals include the 26 cities, 3 independent hospitals, and 13 independent special districts that are closed to new FRS members as of January 1, 1996.

FRS Membership:

Member Types	Regular Class	SMSC	Special Risk	Special Risk Admin Supp	EOC	Total
Active:						
Non-vested	189,533	1,656	25,185	1	405	216,780
Vested	409,148	6,187	49,754	74	1,868	467,031
DROP Participants	27,988	510	2,510	9	236	31,253
Current Retirees and Beneficiaries	249,120	1,711	22,599	166	1,899	275,495
Vested Terminated	78,937	855	5,115	18	344	85,269
Total Members	954,726	10,919	105,163	268	4,752	1,075,828

The above counts for “Current Retirees and Beneficiaries” do not reflect the FRS Investment Plan members who retired.

Additional information about the FRS Pension Plan can be obtained from the Research and Education Section, Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; by email at rep@dms.myflorida.com; or at the Division’s website (http://frs.myflorida.com).

FRS Participation by the State of Florida

The State of Florida contributed to the FRS as a participating employer. State participation for the following disclosure includes the employees of state agencies and the State University System that elect to participate in the FRS. The state contributes to both the defined benefit and defined contribution plans within the FRS. For the fiscal year ended June 30, 2008, the state's total covered payroll for its 141,154 active members and 7,738 DROP participants is $5,830,610,950 with contributions totaling $672,250,883, or 11.53 percent of payroll. Contributions for the fiscal years ending June 30, 2006, and June 30, 2007, were $536,836,078 and $671,246,176, respectively. These amounts were equal to the required contributions for each year. Covered payroll refers to all compensation paid by the state to active employees covered by the FRS on which contributions are based. The state's contributions represented 20.27 percent of the total contributions required of all participating employers.

Employee eligibility, benefits, and contributions by class are as previously described. Employees not filling regular established positions and working under the other personal services (OPS) status are not covered by the FRS.

2. Retiree Health Insurance Subsidy Program

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The benefit is a monthly cash payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2008, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, F.S. To be eligible to receive the HIS, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended June 30, 2008, the contribution rate was 1.11 percent of payroll pursuant to Section 112.363, F.S. The state contributed 100 percent of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. In the event contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

The Other Required Supplementary Information section of this report includes actuarial and other information regarding this HIS Program. The HIS Program disclosures are also included in the FRS Annual Report prepared by the Division of Retirement. For a copy of that report or other information regarding this benefit, please contact the Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; or by email at rep@dms.myflorida.com. The table below provides additional information for the HIS as of June 30:

	2006	2007	2008
Recipients	220,757	232,406	244,390
Contributions	$301,747,699	$326,052,459	$334,819,272
Benefits paid	$275,602,670	$290,655,776	$305,682,298
Trust Fund net assets	$192,466,911	$238,353,353	$275,139,201

3. Funded Status for Defined Benefit Pension Plans

The following table provides funding information for the most recent actuarial valuation dates (amounts expressed in thousands):

Pension Plan	Actuarial Valuation Date	Actuarial Value of Assets *(A)*	Actuarial Accrued Liability (AAL) Entry Age *(B)*	Unfunded AAL (UAAL) *(B-A)*	Funded Ratio *(A/B)*	Annualized Covered Payroll *(C)*	UAAL as a Percentage of Covered Payroll *((B-A)/C)*
FRS	July 1, 2007	$125,584,704	$ 118,870,513	$ (6,714,191)	105.65%	26,385,768 [1]	(25.45%)
HIS	July 1, 2006	$ 192,808	$ 4,667,058	$ 4,474,250	4.13%	27,712,320 [2]	16.15%

Additional information as of the latest actuarial valuation follows:

	FRS	HIS
Valuation date	July 1, 2007	July 1, 2006
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percentage of Pay, Open	Level Percentage of Pay, Open
Equivalent single amortization period	30 Years [3], Open	30 Years [3], Open
Asset valuation method	5-Year Smoothed Method	Market Value
Actuarial assumptions:		
Investment rate of return	7.75% [4]	7.75% [4]
Projected salary increases	6.25% [4, 5]	6.25% [4, 5]
Cost-of-living adjustments	3.00%	0.00%

[1] Includes Deferred Retirement Option Program (DROP) payroll.

[2] Includes Deferred Retirement Option Program (DROP) and Public Employee Optional Retirement Program (PEORP) payroll.

[3] Used for GASB Statement No. 27 reporting purposes.

[4] Includes inflation at 3.00%.

[5] Includes individual salary growth of 4.00% plus an age- and service-graded merit scale defined by gender and employment class.

The FRS schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits. The Retiree HIS schedule of funding progress presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits as of July 1, 2006.

4. Other Defined Contribution Programs (Optional Retirement Programs)

State University System Optional Retirement Program (SUSORP)

Section 121.35, F.S., created the SUSORP for eligible State University System faculty, administrators, and administrative and professional staff. This program was designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible positions are compulsory participants in the SUSORP unless they elect membership in the FRS.

The employing universities were statutorily required to contribute 10.43 percent of the participants' gross monthly compensation from July 2007 through June 2008. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize any unfunded actuarial liability (UAL). There was no UAL for fiscal year 2007-08. In accordance with Chapter 60U-2, Florida Administrative Code, 0.01 percent of the employer contribution rate was used for the administration of the SUSORP program and the remainder was distributed to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. Additional information pertaining to the SUSORP is as follows:

Members	16,919		
Payroll	$ 1,373,063,708		
Contributions:			
Employee	$ 67,386,255	4.91%	of payroll
Employer	$ 140,373,607	10.22%	of payroll

Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, F.S., created the SMSOAP as an optional retirement program for state members of the Senior Management Service Class. The SMSOAP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers were required to contribute 12.49 percent of covered payroll from July 2007 through June 2008. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability (UAL). There was no UAL for fiscal year 2007-08. The employers' contributions were paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer. Additional information pertaining to the SMSOAP is as follows:

Members	49		
Payroll	$ 5,323,367		
Contributions:			
Employee	$ 4,955	0.09%	of payroll
Employer	$ 709,761	13.33%	of payroll

B. Other Postemployment Benefits (OPEB)

The state implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45) for fiscal year 2007-08. GASB 45 is implemented prospectively so there is no financial statement liability at the transition date, July 1, 2007.

Plan Description

The state subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same group health plan offered to active employees. Although retirees pay 100% of the premium amount, the premium cost to the retiree is implicitly subsidized due to increasing health care costs with age and the commingling of the claims experience in a single risk pool with a single premium determination. Section 110.123, F.S., authorizes the offering of health insurance benefits to retired state and university employees. Section 112.0801, F.S., requires all public employers that offer benefits through a group insurance plan to allow their retirees to continue participation in the plan. The law also requires the claims experience of the retiree group to be combined with the claims experience of active employees for premium determination and the premium offered to retired

employees to be no more than the premium applicable to active employees. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the plan is secondary payer to Medicare Parts A and B. The State Employees' Group Health Insurance Program (Program) operates as a cost-sharing multiple-employer defined benefit health plan. The Division of State Group Insurance within the Department of Management Services is designated by Section 110.123, F.S., to be responsible for all aspects of the purchase of healthcare for state and university employees and retirees under the Program.

There are eighteen participating employers including the primary government of the state, the eleven state universities, and other governmental entities. There was an average enrollment of 175,229 contracts including 34,569 retirees and 140,660 employees and COBRA participants for fiscal year 2007-08. Employees must make an election to participate in the plan within 31 days of the effective date of their retirement to be eligible to continue in the plan as a retiree. Four types of health plans are offered to eligible participants: a standard statewide Preferred Provider Organization (PPO) Plan, a Health Investor PPO Plan, a standard Health Maintenance Organization (HMO) Plan, and a Health Investor HMO Plan. HMO coverage is available only to those retirees who live in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks.

The asset and liability balances relating to retiree participation in the state group health insurance program are reported in an Agency Fund on the accrual basis of accounting. Premium payments from retirees are recognized as revenue in the period in which the payments are due. Costs for providing benefits, which include premiums and direct healthcare services, are recognized as an expense when incurred.

Funding Policy

Benefit provisions are described by Section 110.123, F.S., and along with contributions, can be amended by the Florida Legislature. The state has not advance-funded OPEB costs or the net OPEB obligation. The Self-Insurance Estimating Conference develops official information for determining the budget levels needed for the state's planning and budgeting process. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis. Monthly premiums, through May 2008, for active employees and retirees under the age of 65 for the standard plan were $428 and $968 for single and family contracts, respectively. Retirees over the age of 65 pay premiums for a Medicare supplement. Monthly premiums, through May 2008, for the standard plan were $227 for a single contract, $454 for two Medicare eligible members, and $655 when only one member is Medicare eligible.

Actuarially-Determined Annual OPEB Cost and Net OPEB Obligation as of June 30, 2008 (dollars in thousands):

Annual required contribution (ARC)	$ 154,388
Interest on the net OPEB obligation	.....
Adjustments to the ARC	.....
Annual OPEB Cost	154,388
Employer contribution	(70,337)
Increase/Decrease in net OPEB obligation	84,051
Net OPEB obligation - July 1, 2007	.....
Net OPEB obligation - June 30, 2008	$ 84,051
Percent of annual OPEB cost contributed	45.56%

Funded Status

The funded status of the plan as of June 30, 2008, was as follows (dollars in thousands):

Actuarial valuation date		July 1, 2007
Actuarial accrued liability (AAL)	$	2,404,323
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	$	2,404,323
Actuarial value of assets as a percentage of the AAL		0.00%
Covered payroll	$	4,209,999
UAAL as a percentage of covered payroll		57.11%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, immediately following the notes to the financial statements, presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The entry age actuarial cost method was used for the July 1, 2007, actuarial valuation. This method is designed to fund a member's total plan benefit over the course of his or her career and to produce stable employer contributions in amounts that increase at the same rate as the employer's payroll. Actuarial assumptions included a 3 percent inflation rate, a 4 percent return on invested assets, a 4 percent payroll growth rate; an initial healthcare cost trend rate of 9.6 percent, grading to 5.5 percent in half percent steps for non-Medicare benefits and 9.1 percent grading to 5.5 percent in half percent steps for Medicare benefits. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll, on an open basis, over a 30 year period beginning with July 1, 2007.

NOTE 7 - COMMITMENTS AND OPERATING LEASES

A. Construction Commitments

Road and bridge construction projects, supervised by the Department of Transportation, are included in the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 2008, the Department had available approximately $7.1 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2008, totaled $397 million. Additional disclosures on construction in progress are included in the capital assets note (Note 5). Construction commitments for component units totaled $2 billion.

B. Florida Ports Financing Commission Revenue Bonds

The state has enacted legislation obligating it to remit annually $25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the state's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the state. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which was $506,466,270 for the fiscal year ended June 30, 2008. Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2008, amounted to $300,790,000 including Series 1996 bonds payable of $173,145,000 and Series 1999 bonds payable of $127,645,000.

C. Operating Leases

Operating leases are not recorded on the balance sheets or statements of net assets; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were $173.6 million, $21.7 million, and $38.5 million, respectively, for the year ended June 30, 2008. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2008 (in thousands):

Year Ending June 30	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Component Units
2009	$ 139,285	$ 19,328	$ 48,884
2010	130,311	16,938	32,991
2011	116,657	14,853	28,103
2012	114,511	12,516	19,197
2013	166,875	6,510	13,250
2014-2018	174,325	29,640	43,917
2019-2023	40,392	12,660	36,844
2024-2028	1,640	11,216	31,231
2029-2033	1,656	11,216	26,137
2034-2038	1,679	11,216	15,038
2039-2043	.....	.....	2,156
2044-2048	.....	.....	2,161
2049-2053	.....	.....	1,945
2054-2058	.....	.....	1,046
2059-2063	.....	.....	869
2064-2068	.....	.....	646
Total	$ 887,331	$ 146,093	$ 304,415

NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2008, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	$ 2,068,395	$ 1,854,655	3.250%-6.375%	2037
SBE Capital Outlay Bonds	949,095	753,705	3.000%-5.375%	2028
Lottery Education Bonds	3,496,955	2,573,260	3.000%-5.750%	2027
Public Education Bonds	13,172,987	10,330,150	3.000%-9.125%	2037
Conservation and Recreation Lands Bonds	32,670	10,685	5.250%-5.375%	2012
Save Our Coast Bonds	149,960	34,170	3.250%-5.250%	2012
Preservation 2000 Bonds	1,787,855	819,665	4.000%-6.000%	2013
Florida Forever Bonds	2,016,530	1,672,395	3.200%-5.375%	2028
Water Pollution Control Bonds	139,775	100,225	2.200%-5.550%	2023
State Infrastructure Bank Bonds	123,615	112,505	4.250%-5.000%	2027
Florida Facilities Pool Bonds	487,525	392,790	3.000%-5.750%	2037
Everglades Restoration Bonds	198,490	195,945	1.350%-5.000%	2027
	24,623,852	18,850,150		
Unamortized premiums (discounts) on bonds payable		459,186		
Less amount deferred on refunding		(163,701)		
Total Bonds Payable	$ 24,623,852	$ 19,145,635		
Business-type Activities:				
Toll Facilities Bonds	$ 2,966,335	$ 2,569,520	3.000%-5.250%	2037
Florida Hurricane Catastrophe Fund Bonds	7,650,025	7,650,025	2.491%-5.250%	2012
	10,616,360	10,219,545		
Unamortized premiums (discounts) on bonds payable		90,516		
Less amount deferred on refunding		(44,830)		
Total Bonds Payable	$ 10,616,360	$ 10,265,231		

2. Types of Bonds

Road and Bridge (serial and term) Bonds are secured by a pledge of a portion of the state-assessed motor fuel tax revenues, discretionary sales tax levied by the City of Jacksonville, and by a pledge of the full faith and credit of the state.

State Board of Education (SBE) Capital Outlay Bonds are issued to finance capital outlay projects of school districts and community colleges. The bonds mature serially and are secured by a pledge of a portion of the state-assessed motor vehicle license tax and by a pledge of the full faith and credit of the state.

Lottery Education Bonds are issued to finance all or a portion of the costs of various local school district educational facilities. The bonds mature serially and are secured by a pledge of a portion of the lottery revenues transferred to the Educational Enhancement Trust Fund.

Public Education Bonds are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools, and state universities. The bonds, serial and term, are secured by a pledge of the state's gross receipts tax revenues and by a pledge of the full faith and credit of the state.

Conservation and Recreation Lands Bonds are issued to acquire lands, water areas, and related resources. The bonds mature serially and are primarily secured by a pledge of the documentary stamp tax and a portion of the phosphate severance tax.

Save Our Coast Bonds are used to finance the purchase of environmentally significant coastal property. The bonds mature serially and are secured by a pledge of State Land Acquisition Trust Fund collections (primarily documentary stamp taxes).

Preservation 2000 Bonds are issued to pay the cost of acquiring lands and related resources in furtherance of outdoor recreation and natural resources conservation. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

Florida Forever Bonds are issued to finance the cost of acquisition and improvements of lands, water areas, and related property interests and resources in the State of Florida for the purposes of restoration, conservation, recreation, water resource development, or historical preservation. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

Water Pollution Control Bonds are issued by the Water Pollution Control Financing Corporation (a blended component unit) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds mature serially and are secured by a pledge of the loan payments from local governments.

State Infrastructure Bank Bonds are issued primarily to finance loans made for the purpose of financing qualified transportation projects. The bonds mature serially and are secured by a pledge of repayments on pledged loans and moneys and investments held in reserve accounts.

Florida Facilities Pool Bonds are issued to provide funds for the acquisition and construction of facilities to be leased to state agencies. The bonds, serial and term, are secured by a pledge of the revenues derived from the leasing and operations of these facilities.

Everglades Restoration Bonds are revenue bonds issued to finance or refinance the costs of acquisition and improvement of lands, water areas, and related property interests and resources for the purpose of implementing the Comprehensive Everglades Restoration Plan. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

Toll Facilities Bonds are issued to provide construction funds for roads and bridges. Toll bonds, serial and term, are secured by a pledge of toll facility revenues.

Florida Hurricane Catastrophe Fund Bonds are issued by the Florida Hurricane Catastrophe Fund Finance Corporation to make payments to participating insurers for losses resulting from 2005 covered events (hurricanes). The bonds mature serially and are secured by emergency assessments and reimbursement premiums. Pre-event notes are also issued to provide a source of funds to reimburse participating insurers for losses relating to future covered events and are secured by reimbursement premiums.

3. Pledged Revenues (in thousands):

Bond Type	Revenue[4]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio
Sunshine Skyway Bridge (Toll Facility)	17,025	6,768	10,257	2,465	195	3.86	2008/2009	2,668	60.25%
Florida Turnpike (Toll Facility)	650,743	184,218	466,525	72,665	118,657	2.44	2036/2037	4,098,500	9.50%
Save Our Coast[1]	158,607	.....	158,607	19,795	2,646	7.07	2011/2012	37,374	9.50%
Florida Forever/P2000/Everglades[1]	1,138,600	.....	1,138,600	246,045	135,064	2.99	2027/2028	3,594,468	62.63%
Conservation and Recreation Land[1,2]	81,995	.....	81,995	2,290	692	27.50	2011/2012	12,162	4.36%
Lottery Education[1,3]	1,283,414	.....	1,283,414	119,030	119,451	5.38	2026/2027	3,667,660	Not Available
Alligator Alley (Toll Facility)	21,962	5,547	16,415	1,345	2,105	4.76	2026/2027	65,532	74.74%
State Infrastructure Bank	43,550	.....	43,550	5,915	5,785	3.72	2026/2027	152,621	Not Available
Florida Hurricane Catastrophe	1,886,868	15,639	1,871,229	.....	311,397	6.01	2013/2014	9,189,590	99.17%

[1] Operating Expenses are not listed for the Lottery Program and the Environmental Programs, e.g., Save Our Coast, Florida Forever/Preservation 2000 and Conservation Recreation Land Programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

[2] Phosphate Severance Tax and Documentary Stamp Tax Revenue are combined in calculating revenue. Revenues are reduced by amounts transferred to State Game Trust Fund pursuant to Section 201.15.(5), Florida Statutes.

[3] Source: Department of Lottery, Audited Financial Statements.

[4] Refer to Note 8A.2. for information on the sources of pledged revenues.

4. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2008, are as follows (in thousands):

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	$ 919,105	$ 929,078	$ 1,848,183	$ 3,085,050	$ 342,582	$ 3,427,632
2010	958,945	880,382	1,839,327	388,885	283,944	672,829
2011	988,540	831,646	1,820,186	360,720	266,624	627,344
2012	1,044,050	781,614	1,825,664	378,370	248,414	626,784
2013	1,084,645	727,848	1,812,493	3,897,270	147,108	4,044,378
2014-2018	4,416,520	2,924,796	7,341,316	575,085	450,389	1,025,474
2019-2023	4,451,275	1,831,617	6,282,892	587,310	302,307	889,617
2024-2028	2,826,270	875,211	3,701,481	478,275	172,471	650,746
2029-2033	1,548,675	361,380	1,910,055	314,660	81,864	396,524
2034-2038	612,125	64,404	676,529	153,920	14,986	168,906
Bonds payable and interest	18,850,150	10,207,976	29,058,126	10,219,545	2,310,689	12,530,234
Unamortized premiums (discounts)	459,186	.....	459,186	90,516	.....	90,516
Less amount deferred or refunded	(163,701)	.....	(163,701)	(44,830)	.....	(44,830)
Total bonds payable and interest	$ 19,145,635	$ 10,207,976	$ 29,353,611	$ 10,265,231	$ 2,310,689	$ 12,575,920

Year Ending June 30	Component Units		
	Principal	Interest	Total
2009	$ 217,054	$ 581,501	$ 798,555
2010	255,473	567,744	823,217
2011	258,652	556,169	814,821
2012	292,076	543,012	835,088
2013	344,701	537,698	882,399
2014-2018	1,628,789	1,705,598	3,334,387
2019-2023	3,591,719	1,818,062	5,409,781
2024-2028	2,400,421	1,090,940	3,491,361
2029-2033	927,423	724,030	1,651,453
2034-2038	1,069,624	460,832	1,530,456
2039-2043	1,006,409	184,066	1,190,475
2044-2048	212,531	60,947	273,478
2049-2053	152,749	17,163	169,912
Bonds payable and interest	12,357,621	8,847,762	21,205,383
Unamortized premiums (discounts)	(104,668)	.....	(104,668)
Less amount deferred or refunded	(9,186)	.....	(9,186)
Total bonds payable and interest	$ 12,243,767	$ 8,847,762	$ 21,091,529

5. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2008, the state took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings are used to immediately call the refunded bonds. The proceeds of the advance refundings are deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

Bonds legally defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration to service the refunded bonds are reported as agency funds. The following refundings occurred during the fiscal year.

Advance Refundings

There were no advanced refundings during Fiscal Year 2008.

Current Refundings

Governmental Activities

State of Florida, Department of Environmental Protection Everglades Restoration Revenue Bonds, Series 2008A, in the amount of $98,490,000 were used to refund $94,760,000 of the State of Florida, Department of Environmental Protection Everglades Restoration Revenue Bonds, Series 2006A-6B (Multi-Modal), variable debt obligations outstanding.

Business-type Activities

State of Florida, Department of Transportation, Turnpike Revenue Refunding Bonds, Series 2008A in the amount of $132,650,000 were used to refund $147,130,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 1997A maturing in the years 2008 through 2021. The refunding resulted in debt savings of $13,513,968, an economic gain of $10,541,416, and a deferred loss on refunding of $11,565,170.

6. Prior-year Defeased Bonds

In prior years, the state has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of certain bonds. These defeased bonds are not reported as outstanding debt. Irrevocable trusts established with the State Board of Administration are reported in an agency fund. Debt considered defeased consists of the following (in thousands):

	Principal at 6/30/2008
Governmental Activities:	
Road and Bridge Bonds	$ 11,750
SBE Capital Outlay Bonds	46,820
Public Education Capital Outlay Bonds	505,270
Lottery Education Bonds	242,020
Pollution Control Bonds	2,275
Florida Facilities Pool Bonds	36,430
Total	$ 844,565
Business-type Activities:	
Toll Facilities Bonds	$ 212,025
Component Units:	
University Revenue Certificates	$ 2,289
Higher Education Bonds	46,130
	$ 48,419

7. Arbitrage Regulations

The State of Florida complies with Federal arbitrage regulations.

8. Direct Interest

The state's bonds are issued for the creation or continuing existence of various programs. Interest is reported in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

Governmental Activities	Interest
Education:	
SBE Capital Outlay Bonds	$ 30,641
Lottery Education Bonds	111,740
Public Education Bonds	465,160
Total Education	607,541
Natural Resources and Environment:	
Conservation and Recreation Lands Bonds	692
Everglades Restoration Bonds	6,708
Water Pollution Control Bonds	4,188
Save Our Coast Bonds	2,284
Florida Forever Bonds	67,799
Preservation 2000 Bonds	51,543
Total Natural Resources and Environment	133,214
Transportation:	
Road and Bridge Bonds (Right of Way)	84,006
State Infrastructure Bank Bonds	4,694
Total Transportation	88,700
Total Direct Interest	$ 829,455

9. Governmental Activities – Unrestricted Net Asset Deficit

Governmental activities reflect a negative unrestricted net asset balance of $12 billion at June 30, 2008. This deficit is primarily the result of education-related bonds in which the state is responsible for the debt, but the local school districts own the capital assets. Because the state does not own these capital assets, the bonded debt is not netted on the line item "Invested in capital assets, net of related debt." Instead, this bonded debt is netted with unrestricted net assets. Education-related bonds include SBE Capital Outlay Bonds; PECO Bonds; and Lottery Education Bonds; which have a total ending balance at June 30, 2008, of $13.7 billion. The state has an additional $1.2 billion in bonded debt in which the state does not own the related capital assets, including some Road and Bridge Bonds, Pollution Control Bonds, and Preservation 2000/Florida Forever Bonds. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net assets for governmental activities would be $2.9 billion.

10. Additional Disclosure

In June 2008 Moody's and Standard and Poor's joined Fitch, which had previously stripped MBIA, Ambac, and other bond insurers of their top credit rating. The only issue presented by the deterioration of the bond insurers is the funding of a debt service reserve fund for the Florida Turnpike (Toll Facility) Bonds. No other bond programs have this requirement. The Florida Turnpike has adequate cash available to meet its funding requirements for the debt service reserve fund.

B. Certificates of Participation

The state has issued certificates of participation (original amount of $329,390,000) to finance privately operated detention facilities. The certificates of participation's interest rates range from 2.500% to 5.000% and the last maturity is during the fiscal year ending June 30, 2028. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2008 (in thousands):

Year Ending June 30	Principal	Interest	Total
2009	$ 13,645	$ 11,157	$ 24,802
2010	14,205	10,529	24,734
2011	14,790	9,948	24,738
2012	15,390	9,301	24,691
2013	16,135	8,551	24,686
2014-2018	73,315	30,929	104,244
2019-2023	56,035	16,944	72,979
2024-2028	44,130	3,431	47,561
Total	247,645	100,790	348,435
Unamortized premiums (discounts)	9,394	.....	9,394
(Amount deferred upon refunding)	(157)	.....	(157)
Total certificates of participation payable	$ 256,882	$ 100,790	$ 357,672

Component units (universities) have issued certificates of participation (original amount of $1,242,447,633) primarily to finance academic and student facilities. The certificates of participation's interest rates range from 2.550% to 6.000% and the last maturity is during the fiscal year ending June 30, 2037. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2008 (in thousands):

Year Ending June 30	Principal	Interest	Total
2009	$ 17,086	$ 59,260	$ 76,346
2010	21,375	55,483	76,858
2011	24,304	54,630	78,934
2012	25,380	53,675	79,055
2013	26,372	52,615	78,987
2014-2018	151,795	244,575	396,370
2019-2023	179,711	206,468	386,179
2024-2028	223,326	159,094	382,420
2029-2033	280,104	100,838	380,942
2034-2038	281,369	30,197	311,566
Total	1,230,822	1,016,835	2,247,657
Unamortized premiums (discounts)	8,311	.....	8,311
(Amount deferred upon refunding)	(184)	.....	(184)
Total certificates of participation payable	$ 1,238,949	$ 1,016,835	$ 2,255,784

NOTE 9 - INSTALLMENT PURCHASES AND CAPITAL LEASES

A. Installment Purchases

The state has a number of installment purchase contracts providing for the acquisition of buildings, furniture, and equipment. At June 30, 2008, installment purchase contracts for governmental activities and component units were primarily for furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2008 (in thousands):

Year Ending June 30	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Component Units
2009	$ 20,994	$ 16	$ 5,612
2010	11,005	16	4,262
2011	6,117	.....	2,268
2012	2,010	.....	1,233
2013	987	.....	101
2014-2018	3,885	.....	.....
2019-2023	3,722	.....	.....
2024-2028	1,543	.....	.....
2029-2033	70	.....	.....
Total	50,333	32	13,476
Less: Interest	(4,636)	.....	(665)
Present value of future minimum payments	$ 45,697	$ 32	$ 12,811

B. Capital Leases

The state has a number of capital leases providing for the acquisition of land, buildings, and furniture and equipment. At June 30, 2008, 69 percent of the state's capital leases for governmental activities were for buildings, with the remainder for furniture and equipment. Capital leases for component units consisted of 77 percent for buildings, 20 percent for furniture and equipment, and 3 percent for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2008 (in thousands):

Year Ending June 30	Primary Government: Governmental Activities	Component Units
2009	$ 9,374	$ 67,246
2010	9,259	11,447
2011	9,267	10,537
2012	9,108	8,992
2013	15,837	6,182
2014-2018	27,766	21,185
2019-2023	1,960	15,795
2024-2028	.....	8,486
2029-2033	.....	3,274
Total	82,571	153,145
Less: Interest	(17,105)	(28,453)
Present value of future minimum payments	$ 65,465	$ 124,692

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2008, are as follows (in thousands):

	Balance 7/1/2007	Additions	Deletions	Balance 6/30/2008	Due Within One Year (Current)
Governmental Activities					
Bonds payable:					
Road and Bridge Bonds	$ 1,753,680	$ 155,000	$ 54,025	$ 1,854,655	$ 61,735
SBE Capital Outlay Bonds	767,005	42,445	55,745	753,705	59,190
Lottery Education Bonds	2,042,290	650,000	119,030	2,573,260	134,835
Public Education Bonds	9,483,700	1,166,300	319,850	10,330,150	346,010
Conservation and Recreation Lands Bonds	12,975	.....	2,290	10,685	2,435
Save Our Coast Bonds	53,965	.....	19,795	34,170	13,950
Preservation 2000 Bonds	960,090	.....	140,425	819,665	147,560
Florida Forever Bonds	1,489,510	285,960	103,075	1,672,395	114,265
Water Pollution Control Bonds	108,725	.....	8,500	100,225	8,915
State Infrastructure Bank Bonds	57,145	61,275	5,915	112,505	5,390
Everglades Restoration Bonds	94,760	198,490	97,305	195,945	7,490
Florida Facilities Pool Bonds	407,690	.....	14,900	392,790	17,330
	17,231,535	2,559,470	940,855	18,850,150	919,105
Unamortized bond premiums (discounts)	430,734	106,557	78,105	459,186	.....
Amounts deferred on refunding	(177,125)	.....	(13,424)	(163,701)	.....
Total bonds payable	17,485,144	2,666,027	1,005,536	19,145,635	919,105
Certificates of participation payable	267,193	12,164	22,475	256,882	13,645
Deposits	439,540	637,956	246,938	830,558	371,592
Compensated absences	871,795	222,785	265,325	829,255	218,154
Claims payable	2,327,515	2,400,544	2,411,075	2,316,984	519,486
Installment purchases/capital leases	135,096	27,967	51,901	111,162	26,264
Due to other governments:					
Federal arbitrage liability	1,915	369	443	1,841	.....
Other liabilities	70,609	91,678	49,381	112,906	.....
Total Governmental Activities	**$ 21,598,807**	**$ 6,059,490**	**$ 4,053,074**	**$ 23,605,223**	**$ 2,068,246**

Long-term liabilities for governmental activities are generally liquidated by the applicable governmental funds and/or internal service funds. Specifically, the special revenue funds, capital projects funds, and/or internal service funds in which the certificates of participation payable, installment purchase contracts, and capital leases are recorded will liquidate those obligations. The applicable special revenue funds and internal service funds will reduce deposits when such monies are earned. The governmental and internal services funds that account for employees' salaries and wages will liquidate the compensated absences liabilities. The General Fund and the non-major special revenue fund will generally liquidate claims payable. The applicable special revenue funds and internal service funds, as well as the debt service fund, will liquidate obligations to other governments. The nonmajor special revenue funds will generally liquidate other liabilities.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2008, are as follows (in thousands):

	Balance 7/1/2007	Additions	Deletions	Balance 6/30/2008	Due Within One Year (Current)
Business-type Activities					
Bonds payable:					
Toll Facility Bonds	$ 2,211,275	$ 581,850	$ 223,605	$ 2,569,520	$ 85,620
Florida Hurricane Catastrophe Fund Bonds	4,150,025	3,500,000	.....	7,650,025	2,999,430
Unamortized bond premiums (discounts)	78,475	35,574	23,533	90,516	.....
Amounts deferred on refunding	(46,107)	(11,565)	(12,842)	(44,830)	.....
Total bonds payable	6,393,668	4,105,859	234,296	10,265,231	3,085,050
Accrued prize liability	1,298,995	2,793,785	2,987,458	1,105,322	270,777
Deposits	456,211	13,934	18,620	451,525	51,144
Installment purchases/capital leases	.....	32	.....	32	16
Compensated absences	21,969	11,393	12,037	21,325	4,987
Tuition and housing benefits payable	6,576,053	2,078,292	1,137,093	7,517,252	452,113
Due to other governments:					
Federal arbitrage liability	20	5	.....	25	.....
Other liabilities	.....	1,562	.....	1,562	.....
Total Business-type Activities	**$ 14,746,916**	**$ 9,004,862**	**$ 4,389,504**	**$ 19,362,274**	**$ 3,864,087**
Component Units					
Bonds payable	$ 11,043,433	$ 3,130,893	$ 1,930,559	$ 12,243,767	$ 217,054
Deposits	90,040	104,281	114,944	79,377	77,561
Compensated absences	613,350	76,604	68,013	621,941	70,191
Installment purchases/capital leases	113,049	78,457	54,003	137,503	14,541
Claims payable	117,652	48,728	46,528	119,852	17,887
Certificates of participation payable	604,045	642,653	7,749	1,238,949	17,086
Due to other governments	967	15,988	13,291	3,664	.....
Other liabilities	835,117	187,316	230,125	792,308	284,716
Total Component Units	**$ 13,417,653**	**$ 4,284,920**	**$ 2,465,212**	**$ 15,237,361**	**$ 699,036**

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2008, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or advances from other funds. Interfund balances at June 30, 2008, consist of the following (in thousands):

	Due from Other Funds (in thousands)				
	Governmental Activities				
Due to Other Funds (in thousands)	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	$	$ 4,266	$	$ 12,797	$ 4,763
Environment, Recreation and Conservation	21,125	.....	.....	568	13,712
Public Education	14	.....	.....	312	.....
Health and Family Services	7,534	13	.....	.....	6,730
Transportation	6,259	2,483	.....	1	.....
Nonmajor	48,419	3,044	170	14,266	53,122
Internal Service Funds	2,135	83	.....	1,384	57
Business-type Activities					
Transportation	.....	.....	.....	.....	112,835
Lottery	.....	.....	112,879	.....	.....
State Board of Administration	.....	.....	.....	.....	.....
Nonmajor	5,769	.....	.....	336	.....
Fiduciary Funds					
Private-purpose Trust Funds	25	.....	3,332	.....	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	.....	5	.....
Investment Trust Funds	.....	.....	.....	.....	.....
Agency Funds	87,549	1	4,827	2,284	3,594
Total	**$ 178,829**	**$ 9,890**	**$ 121,208**	**$ 31,953**	**$ 194,813**

(Continued below)

	Due from Other Funds (in thousands)	
	Governmental Activities	
Due to Other Funds (in thousands)	Nonmajor	Internal Service Funds
Governmental Activities		
General Fund	$ 75,985	$ 4,989
Environment, Recreation and Conservation	197	43
Public Education	8,648	.....
Health and Family Services	2,123	6,822
Transportation	20,601	2,102
Nonmajor	19,214	2,685
Internal Service Funds	14	267
Business-type Activities		
Transportation	.....	.....
Lottery	12	2
State Board of Administration	.....	8
Nonmajor	7,445	579
Fiduciary Funds		
Private-purpose Trust Funds	217	.....
Pension and Other Employee Benefits Trust Funds	.....	1,922
Investment Trust Funds	.....	.....
Agency Funds	5	.....
Total	**$ 134,461**	**$ 19,419**

(Continued next page)

	Due from Other Funds (in thousands)			
	Business-type Activities			
Due to Other Funds (in thousands)	Transportation	State Board of Administration	Prepaid College Program	Nonmajor
Governmental Activities				
General Fund	$	$ 6	$	$ 2,197
Environment, Recreation and Conservation	.....	.....	.....	44
Public Education	.....	.....	.....	.....
Health and Family Services	.....	.....	.....	519
Transportation	781	.....	.....	39
Nonmajor	.....	29	.....	187
Internal Service Funds	.....	.....	.....	24
Business-type Activities				
Transportation	.....	.....	.....	.....
Lottery	.....	6	.....	10
State Board of Administration	.....	.....	.....	1
Nonmajor	.....	.....	.....	25
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	2	4
Pension and Other Employee Benefits Trust Funds	.....	2,970	.....	2
Investment Trust Funds	.....	28	.....	.....
Agency Funds	765	68	.....	.....
Total	**$ 1,546**	**$ 3,107**	**$ 2**	**$ 3,052**

(Continued below)

	Due from Other Funds (in thousands)			
	Fiduciary Funds			
Due to Other Funds (in thousands)	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	**Total**
Governmental Activities				
General Fund	$	$ 13	$ 33,782	**$ 138,798**
Environment, Recreation and Conservation	.....	.....	.....	**35,689**
Public Education	163	.....	.....	**9,137**
Health and Family Services	.....	.....	1,628	**25,369**
Transportation	.....	.....	9,963	**42,229**
Nonmajor	.....	.....	.....	**141,136**
Internal Service Funds	.....	.....	22,812	**26,776**
Business-type Activities				
Transportation	.....	.....	1	**112,836**
Lottery	.....	.....	.....	**112,909**
State Board of Administration	.....	.....	.....	**9**
Nonmajor	.....	.....	.....	**14,154**
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	**3,580**
Pension and Other Employee Benefits Trust Funds	.....	4,197	.....	**9,096**
Investment Trust Funds	.....	.....	.....	**28**
Agency Funds	.....	.....	232	**99,325**
Total	**$ 163**	**$ 4,210**	**$ 68,418**	**$ 771,071**

	Advances to Other Funds (in thousands)		
	Governmental Activities		Business-type Activities
Advances from Other Funds (in thousands)	General Fund	Transportation	Transportation
Governmental Activities			
General Fund	$	$ 100	$ 500
Environment, Recreation and Conservation	.....	3,044	.....
Public Education	.....	.....	.....
Nonmajor	625	.....	.....
Internal Service Funds	2,003	800	.....
Business-type Activities			
Transportation	.....	218,904	.....
Fiduciary Funds			
Agency Funds	3	.....	.....
Total	**$ 2,631**	**$ 222,848**	**$ 500**

(Continued below)

	Advances to Other Funds (in thousands)	
	Fiduciary Funds	
Advances from Other Funds (in thousands)	Private-purpose Trust Funds	**Total**
Governmental Activities		
General Fund	$	**$ 600**
Environment, Recreation and Conservation	.....	**3,044**
Public Education	422,552	**422,552**
Nonmajor	.....	**625**
Internal Service Funds	.....	**2,803**
Business-type Activities		
Transportation	.....	**218,904**
Fiduciary Funds		
Agency Funds	.....	**3**
Total	**$ 422,552**	**$ 648,531**

During the course of operations, there are numerous transactions between funds within the State. Interfund transfers during the year are as follows (in thousands):

	Transfers from Other Funds (in thousands)				
	Governmental Activities				
Transfers to Other Funds (in thousands)	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	$	$ 1,006,028	$ 325	$ 951,010	$ 569,423
Environment, Recreation and Conservation	91,874	.....	.....	5,317	500
Public Education	7,488	.....	.....	236	.....
Health and Family Services	30,394	.....	100	.....	39,357
Transportation	62,794	24,458	.....	382	.....
Nonmajor	404,182	33,206	253,947	127,834	1,014,111
Internal Service Funds	7,456	809	.....	5	679
Business-type Activities					
Transportation	.....	.....	.....	.....	17,136
Lottery	328	.....	1,283,414	.....	.....
State Board of Administration	.....	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....	.....
Nonmajor	52,473	.....	.....	5,615	.....
Fiduciary Funds					
Private-purpose Trust Funds	30	.....	1,638	297	.....
Pension and Other Employee Benefits Trust Funds	2,083	.....	.....	.....	.....
Investment Trust Funds	.....	.....	.....	.....	.....
Total	**$ 659,102**	**$ 1,064,501**	**$ 1,539,424**	**$ 1,090,696**	**$ 1,641,206**

(Continued below)

	Transfers from Other Funds (in thousands)	
	Governmental Activities	
Transfers to Other Funds (in thousands)	Nonmajor	Internal Service Funds
Governmental Activities		
General Fund	$ 725,299	$ .....
Environment, Recreation and Conservation	448,139	.....
Public Education	1,163,603	.....
Health and Family Services	453,615	.....
Transportation	514,980	.....
Nonmajor	495,769	7,695
Internal Service Funds	8,325	.....
Business-type Activities		
Transportation	.....	.....
Lottery	175	.....
State Board of Administration	10,000	.....
Prepaid College Program	.....	.....
Nonmajor	31,545	.....
Fiduciary Funds		
Private-purpose Trust Funds	1,305	.....
Pension and Other Employee Benefits Trust Funds	75	19,526
Investment Trust Funds	.....	.....
Total	**$ 3,852,830**	**$ 27,221**

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands) Business-type Activities: Transportation	State Board of Administration	Prepaid College Program	Nonmajor
Governmental Activities				
General Fund	$ 400	$	$	$ 2,853
Environment, Recreation and Conservation	.....	.....	.....	176
Public Education	.....	.....	.....	12
Health and Family Services	.....	.....	.....	1,462
Transportation	13,710	.....	.....	199
Nonmajor	.....	.....	.....	4,308
Internal Service Funds	.....	.....	.....	66
Business-type Activities				
Transportation	.....	.....	.....	.....
Lottery	.....	.....	.....	37
State Board of Administration	.....	.....	.....	7
Prepaid College Program	.....	.....	.....	.....
Nonmajor	.....	.....	.....	80
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	131	7
Pension and Other Employee Benefits Trust Funds	.....	14,274	.....	4
Investment Trust Funds	.....	.....	.....	.....
Total	**$ 14,110**	**$ 14,274**	**$ 131**	**$ 9,211**

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands) Fiduciary Funds: Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	**Total**
Governmental Activities				
General Fund	$	$ 1,100	$	**$ 3,256,438**
Environment, Recreation and Conservation	.....	.....	.....	**546,006**
Public Education	512	.....	.....	**1,171,851**
Health and Family Services	.....	.....	.....	**524,928**
Transportation	.....	.....	.....	**616,523**
Nonmajor	32	.....	.....	**2,341,084**
Internal Service Funds	.....	.....	.....	**17,340**
Business-type Activities				
Transportation	.....	.....	.....	**17,136**
Lottery	.....	.....	.....	**1,283,954**
State Board of Administration	.....	.....	.....	**10,007**
Prepaid College Program	1,364	.....	.....	**1,364**
Nonmajor	.....	.....	.....	**89,713**
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	**3,408**
Pension and Other Employee Benefits Trust Funds	.....	1,187,316	.....	**1,223,278**
Investment Trust Funds	.....	.....	496,743	**496,743**
Total	**$ 1,908**	**$ 1,188,416**	**$ 496,743**	**$ 11,599,773**

NOTE 12 - RISK MANAGEMENT

A. State Risk Management Trust Fund

The State Risk Management Trust Fund provides property insurance coverage for state buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage and loss from the removal of personal property from such properties when endangered by covered perils. The property insurance program self-insures the first $2 million per occurrence for all perils except named windstorm and flood. The property insurance program self-insures the first $2 million per occurrence with an annual aggregate of $40 million for named windstorm and flood. Commercial excess insurance is purchased for losses over the self-insured retention up to $50 million per occurrence for named windstorm, $50 million per occurrence for flood losses, and $200 million per occurrence for fire, lightning, and sinkhole losses.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2007, and June 30, 2008, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2007	$ 1,766	$ 881	$ (1,007)	$ 1,640
June 30, 2008	$ 1,640	$ (1,016)	$ (139)	$ 485

The State Risk Management Trust Fund also provides casualty insurance coverage for the risks of loss related to Federal civil rights and employment actions, workers' compensation, court-awarded attorney fees, automobile liability, and general liability. The state is self-insured for all claims associated with liability risks and workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2008, was $892.3 million. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity reserves discounted using a 4 percent annual percentage rate.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2007, and June 30, 2008, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2007	$ 1,120,009	$ 55,590	$ (98,269)	$1,077,330
June 30, 2008	$ 1,077,330	$ (55,916)	$(129,095)	$ 892,319

The above current year claims and changes in estimate include an adjustment for the amount discounted for workers compensation indemnity reserves. Actual current year claims and changes in reserves for casualty lines of coverage for the fiscal year ended June 30, 2008, decreased by $84.1 million. The amount of claims paid for property claims did not exceed insurance coverage for each of the last three years.

B. Employee and Retiree Health Insurance Funds

Employees and retirees may obtain health care services through participation in the state's group health insurance plan or through membership in a health maintenance organization plan under contract with the state. The state's risk financing activities associated with state group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund, an internal service fund. These funds were

previously in Employee Health, Life, and Disability Plans reported as Pension and Other Employee Benefits Trust Funds. Assets and liabilities related to retiree participation in the State Group Health Insurance Program are reported in Other Agency Funds. It is the practice of the state not to purchase commercial coverage for the risks of losses covered by this Fund.

The Fund's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the state and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2007, and June 30, 2008, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2007	$ 60,115	$ 769,407	$(763,758)	$ 65,764
June 30, 2008	$ 65,764	$ 756,213	$(760,414)	$ 61,563

NOTE 13 – FLORIDA PREPAID COLLEGE PROGRAM

The Florida Prepaid College Program was created in 1987 to provide a medium through which the costs of tuition and dormitory residence may be paid in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board and the State of Florida guarantees the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an enterprise fund. An actuarial study is performed to determine the Program's funding status. Additional information as of June 30, 2008, is as follows:

Actuarial present value of future contract benefits and expenses payable	$	7,517,251,980
Net assets available	$	8,292,540,217
Net assets as a percentage of future contract benefits and expenses obligation		110.3%

NOTE 14 – FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by Section 215.555, Florida Statutes, as a state fund to provide a stable and ongoing source of reimbursement to qualified insurers for a portion of their catastrophic hurricane losses, thereby creating additional insurance capacity to ensure that covered structures (and their contents) damaged or destroyed in a hurricane may be repaired or reconstructed as soon as possible. The Fund is administered by the State Board of Administration (SBA), which contracts with each insurer writing covered policies in the state to reimburse the insurer for a percentage of losses incurred from covered events from reimbursement premiums collected. The contract shall also provide that the obligation of the SBA with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity of the fund up to a limit of $15 billion for that contract year adjusted for growth in exposure for covered policies since 2003, although the annual increase is limited by prior year cash collections. In addition, in 2007 legislation increased the claims-paying capacity to allow insurers the option to purchase additional coverage. The Fund is accounted for as an enterprise fund administered by the SBA. An actuarially determined formula is used to calculate the reimbursement premium collected.

The State of Florida was not hit by any hurricanes during the 2007 season. There were no hurricane losses incurred for the year ended June 30, 2008. In July 2008, the Florida Hurricane Catastrophe Fund Financing Corporation (Corporation) issued post-event Series 2008A Revenue Bonds in the amount of $625 million. These bond proceeds and their investment earnings will enhance the Fund's ability to make payments to participating insurers for losses resulting from the 2005 hurricane season. The funding for these bonds will come from the 1% emergency assessment on the direct written premium for all property and casualty lines of business in Florida including property and casualty business of surplus lines insurers, but not including workers' compensation or medical malpractice premiums. The bonds mature without prior right of redemption on July 1 of the following years and bear interest at rates ranging from 4.125% to 5.000% as follows (in thousands):

2013	$ 66,865	4.125%
2013	233,135	5.000
2014	106,610	4.250
2014	218,390	5.000
	$ 625,000	

In addition, to augment the Fund's claims paying resources for the 2008 hurricane season, in August 2008, the Corporation executed a Revenue Bond Put Option Agreement. This agreement gives the Corporation the right to sell at par up to $4 billion of 30-year fixed-rate bonds upon the occurrence of 2008 hurricane season losses in Florida.

At June 30, 2008, a loss of $19.4 million is included as a component of investment income in the financial statements. The loss realized upon sale represents 2.31% of the total portfolio's June 30, 2008, fair value. As of October 3, 2008, various securities had been sold for a net loss of $217.0 million.

NOTE 15 – CONTINGENCIES

A. Federal Family Education Loans Program

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (FFELP), under which the FDOE guarantees loans made to eligible students and their parents by financial institutions. At June 30, 2008, approximately $4.1 billion of loans were outstanding under this Program. The United States Department of Education participates in the Program as a reinsurer and reimburses the FDOE for defaulted loans at various rates based on the incidence of default. For loans made prior to October 1, 1993, the reimbursement rate for defaulted loans can be 80, 90, or 100 percent. For loans made on or after October 1, 1993, the reimbursement rate for defaulted loans can be 78, 88, or 98 percent. For loans made on or after October 1, 1998, the reimbursement rate for defaulted loans can be 75, 85, and 95 percent. During the 2007-2008 fiscal year, the actual rates were 95, 98, and 100 percent. A potential liability exists for loans defaulted in excess of the federal reimbursement. The specific amount of this potential liability is indeterminable.

B. Federally Assisted Grant Programs

Florida participates in a number of federally assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the state. Any foreseeable disallowances will not have a material adverse effect on the State of Florida's financial position.

C. Peak Oil Superfund Site Remediation

The U.S. Environmental Protection Agency identified the Florida Department of Transportation (FDOT) as a Potentially Responsible Party for past and future response costs at the Peak Oil Superfund Site. The FDOT made payments under a consent decree in 1998, as entered in the case of *United States of America v. Bill Currie Ford, et al.*, Case No. 8:97-cv-01566-RAL, United States District Court, Middle District of Florida, Tampa Division. Implementation of remedial design is in process and the evaluation of the need for remedy in wetlands and deep aquifer is ongoing. Based on the remediation performed to date pursuant to the consent decree, FDOT has determined that its share of the potential future cost of remediation is not expected to exceed $25 million.

NOTE 16 – LITIGATION

Due to its size and broad range of activities, the state is involved in various, though sometimes routine, legal actions. The following are the significant loss contingencies associated with legal proceedings:

A. Kindred Pharmacy Services East, LLC, et al. v. Florida Agency for Health Care Administration

Case No. 04-CA-1291, Second Judicial Circuit, Leon County. Breach of contract and declaratory judgment action was brought by eight pharmacies alleging that the Agency did not properly reimburse providers for prescription drugs provided under the Medicaid program. The estimated exposure of the claim is up to $50 million. Plaintiff filed a Third Amended Complaint on February 5, 2007 and filed a Motion for Partial Summary Judgment on March 7, 2007. The Agency filed a Cross Motion for Summary Judgment on March 21, 2007. On November 7, 2007, the Judge issued the Final Summary Judgment which denied Plaintiffs' motion for partial summary judgment and granted Defendant's cross-motion for summary judgment. The Judge stated that the Agency was authorized by law to reimburse Medicaid prescribed drug service providers using the wholesaler acquisition cost plus 7% for the period of April 30, 2002, through June 30, 2004. The Judge further granted Defendant's motion to dismiss count II of Plaintiffs' third amended complaint. On December 6, 2007, Plaintiffs' appealed to the First District Court of Appeal. The Agency is awaiting an opinion from the Court and a favorable outcome is anticipated for the Agency.

B. Plantation General Hospital, et al. v. Florida Agency for Health Care Administration

Case Nos. 1D06-3877, 1D06-3872, 1D06-3857, and 1D06-3890, Funding for health care services provided to indigent persons is provided through assessments on hospitals' net operating revenues from inpatient and outpatient services. During the 2000 Legislative session, Section 395.701, Florida Statutes, was amended and the assessment rate on net operating revenue from outpatient services was reduced. As a result of that amendment, hospitals claimed entitlement to a refund of payments. Resolution of the refund amount was brought before the Division of Administrative Hearings (DOAH). DOAH interpreted the statute in a manner that resulted in the hospitals receiving a smaller refund than they believed they were entitled. In the Final Order rendered on June 29, 2006, AHCA adopted DOAH's interpretation, and the hospitals initiated an appeal to the First District Court of Appeal. The Court issued an opinion on September 14, 2007, mandating that AHCA adopt the invoice methodology that was argued by Plaintiffs. AHCA has adopted the Court's order and implemented the invoice methodology. The case is closed and the value of reimbursements was approximately $40 million.

C. Collier, et al. v. Dickinson, et al.

Case No. 04-21351-CIV-GRAHAM/GARBER, U.S. District Court, Southern District of Florida, Miami. The Plaintiffs contended that the Federal Driver's Privacy Protection Act (DPPA) overrode state constitutional and statutory law requiring the release of driver information as public record. They seek damages from several state officials involved in managing state driver license information and its release to bulk mailers. The parties and the Department reached a mediated agreement on June 5, 2008, providing that all motor vehicle registrants who are class members (all natural persons who had a valid driver license, identification card or motor vehicle registration during the period June 1, 2000 – September 30, 2004) would receive a $1 credit on the renewal of their motor vehicle registration during the period of July 1, 2009, through June 30, 2010. The total amount of the credit would be approximately $10.4 million. There will also be equitable relief which includes changing the procedures of DHSMV regarding disclosure of personal information and a requirement that DHSMV maintain a website informing the public of their rights under DPPA. In addition, the Division of Risk Management would pay each of the four named Plaintiffs $3,000, Plaintiff's attorney fees in the amount of $2.85 million, and costs of publication totaling approximately $20,000. This settlement was approved by the Governor and Cabinet sitting as the Agency head on August 12, 2008. The settlement is contingent on legislation to be enacted during the 2009 session. If legislation is not enacted, the Court action will proceed.

D. Rine v. Dickinson

Case No. 3:07-CV-156-J-33HTS, U.S. District Court, Middle District, Jacksonville. Imagitas, Inc. is under contract with the Florida Department of Highway Safety and Motor Vehicles to handle registration renewals for tax collectors pursuant to Section 320.02 Florida Statutes. Section 283.58 Florida Statutes, permits an agency to enter into agreements to secure the private publication of public information materials for distribution without charge to the public by authorizing the vendor to

include advertising approved by the agency. Plaintiffs allege Federal Driver's Privacy Protection Act (DPPA) violations for Imagitas' use of personal information to contact motorists. The case against Department officials is associated with the main Imagitas suit since it contains similar DPPA violation allegations pertaining to the registration renewals. The parties have agreed to a settlement involving no payment by the Department or the defendants. This settlement is pending final approval by the court.

E. Rendon, et al. v. Florida Department of Highway Safety and Motor Vehicles, et al.

Case No. 3D02-611, Third District Court of Appeal. The state court case involved refunds for handicapped parking placard fees. The parties have entered into a settlement agreement which was approved by the Circuit Court on June 20, 2008. The pending review before the Florida Supreme Court has been dismissed. The Legislature has appropriated funds for settlement and the parties are currently implementing the terms of the approved settlement. The case is concluded, except for distribution of less than 50 refund checks and payment of $1 million to various handicap support organizations.

F. DirecTV, Inc., v. Florida Department of Revenue and Ogborn v. Florida Department of Revenue, et al.

Case Nos. 05-CA-1037 and 05-CA-1354, Second Judicial Circuit, Leon County. These related cases challenge the statutory distinction made in the application of the Communication Services Tax of Chapter 202, Florida Statutes, to cable and satellite TV providers. DirecTV challenges the statute as a provider, while Ogborn challenges on behalf of a class of subscribers. The Plaintiffs argue that applying a different statutory rate of tax on the sale of these competing services violates the Commerce Clause and the Equal Protection Clause. The amount of tax refund at issue is $40 million annually. A motion to dismiss filed by the Department in Ogborn was granted. The Circuit Court Judge determined that the Plaintiffs were claiming an as-applied constitutional challenge, rather than a facial constitutional challenge and dismissed the case as untimely. The Plaintiffs then appealed to the 1st District Court of Appeal. On July 11, 2008, the 1st District Court of Appeal issued a decision reversing the Final Judgment. The Court held that the Plaintiffs are claiming a facial constitutional challenge and remanded the case to the Circuit Court for further proceedings. The Court has consolidated the two cases and granted a Motion to intervene by the Florida Cable TV Association. Discovery is expected to resume shortly.

G. Pinellas VP, LLC v. Florida Department of Revenue; Pilgrim Hall, LLC v. Florida Department of Revenue; and TPA Investments, LLC f/k/a Condo, LLC v. Florida Department of Revenue

Case Nos. 06-1080, 06-1081, and 06-1082, respectively, Sixth Circuit, Pinellas County, challenge documentary stamp tax on deeds to encumbered real property. In each case, the Plaintiff alleged that no tax was due because the same individual owns 100% of the grantor and the grantee entities, and was "ultimately liable" on the mortgages both before and after the conveyances. Summary judgment was issued against the Department where the Judge concluded that there was merely a non-taxable change in the form of ownership under the Florida Supreme Court's opinion in Crescent Miami Center, LLC v. Department of Revenue, 903 So.2d 913 (Fla. 2005). Final judgments have been entered. Appeals were filed in all three cases. On January 8, 2009, the Second District Court of Appeal held for the Department in the consolidated appeals of Pinellas VP, LLC v. Florida Department of Revenue, Case No. 2D07-6307, and TPA Investments, LLC v. Florida Department of Revenue, Case No. 2D07-6309, that there is liability for documentary stamp tax on a deed between legal entities that have 100% common ownership unless the deeds are directly between a parent and subsidiary as in the Crescent Miami Center case. The Department has not yet received the opinions in the remaining case. The potential loss to the state was originally thought to be in excess of $25 million.

H. Florida Gas Transmission Company v. Florida Department of Transportation

Case No. CACE07001922, Seventeenth Judicial Circuit, Broward County. This is a suit for breach of contract seeking reimbursement of natural gas pipeline relocation costs. The suit was served on February 13, 2007. FDOT has filed an Answer and Affirmative Defenses and discovery is ongoing. Plaintiff seeks damages in excess of $130,000,000. Trial is set for 2009.

I. AMEC Civil LLC v. Florida Department of Transportation

AMEC alleged construction claims involving negligent design, environmental issues, delays, and other matters. This is a pre-suit matter where the claims total $37 million. In a similar suit, case no. 2003-CA-005462-XXXX-MA; Fourth Judicial Circuit,

Duval County, that claimed money damages due to errors and delays in a construction project allegedly caused by the Department, the Jury awarded AMEC $8,500,000 in October 2007. A final judgment is pending and will include an additional award of pre-judgment interest of approximately $1,022,096. The judgment was paid on January 14, 2008. AMEC has appealed the Court's order denying AMEC's taxable costs in the amount of $326,802. FDOT is awaiting AMEC's initial brief. In addition, AMEC served a Summons and Complaint on February 7, 2008, claiming additional money damages arising for the same contract as above. AMEC seeks $37 million in alleged damages. The Department filed a Motion to Strike and Motion to dismiss on res judicata grounds. The motions were heard by the Court on June 30, 2008. The FDOT is awaiting a decision on the motions and believes the suit is defensible.

J. Modern, Inc., and First Omni Service Corporation v. Florida Department of Transportation, et al.

Case No. 6:03-CV-718-ORL-31KRS, January 28, 2008, United States District Court, Middle District of Florida. This was a suit for inverse condemnation by flooding. Final judgment in favor of all defendants was entered on January 2008. Plaintiffs appealed the judgment to the U.S. Court of Appeals which affirmed the lower court on January 21, 2009.

K. Cox et al. v. Florida Department of Agriculture and Consumer Services

Case No. 00-18394, Seventeenth Judicial Circuit, Broward County. A group of Broward County homeowners sought damages for the removal of their trees exposed to citrus canker after January 1, 2000. A class was certified and the certification was affirmed by the Fourth District. Plaintiffs received summary judgment of liability for damages under Section 581.1845, Florida Statutes, and a liability trial for inverse condemnation was concluded in December 2007. Plaintiffs were awarded approximately $4.3 million in damages. Plaintiffs are also seeking interest, costs, and attorneys' fees. The Department has appealed the final judgment.

L. Mendez v. Florida Department of Agriculture and Consumer Services; Ayers v. Florida Department of Agriculture and Consumer Services; In RE: Citrus Canker Litigation; Dellaselva v. Florida Department of Agriculture and Consumer Services

Case No. 02-13717, 05-CA-4120#37, 03-8255 CA 13 and 03-1947, Fifteenth Judicial Circuit, Palm Beach County, Ninth Judicial Circuit, Orange County, Eleventh Judicial Circuit, Miami-Dade County, and Twentieth Judicial Circuit, Lee County, respectively. The attorneys representing the homeowners in the Broward County case have commenced these related but separate class action lawsuits in Palm Beach and Lee Counties. In the Palm Beach County case, the class has prevailed on liability for damages under Section 581.1845, Florida Statutes, and liability on the class' claim for inverse condemnation. No other trials are currently scheduled in these cases. Plaintiffs are expected to claim damages, costs, and attorneys' fees in excess of $25 million.

M. Rick and Dawn Amora v. Florida Department of Children and Family Services

Case No. 2002CAO11369, Fifteenth Judicial Circuit. A lawsuit was brought against the Department by the legal guardians of a minor child to finance the rehabilitative care of the child over the duration of her life and as relief for injuries and damages she sustained as a result of the Department's wrongful or negligent conduct. A jury awarded the Plaintiffs approximately $35 million, of which the Department was assessed 75% or $26.8 million. The 2008 legislative session passed a claims bill (Chapter 2008-258, General Laws of Florida), approved by the Governor on May 6, 2008. The Act provides for payment of $1.2 million during FY 2008-2009 to be paid from General Revenue. The Act further provides that, beginning FY 2008-2009 and for the next 9 fiscal years, the Department shall include in its annual legislative budget request an appropriation for $1.7 million for the relief of Marissa Amora in the Administrative Trust Fund or the General Revenue Fund, for a total award of $18.2 million.

N. Angelfish Swim School, et al v. Browning

This lawsuit is pending in the 11th Judicial Circuit, Miami-Dade County and challenges the constitutionality of section 607.193(2)(b), Florida Statutes (imposing late charge for late corporate filing) and Section 607.0122(13), Florida Statutes (imposing fee for reinstatement of corporation after administrative dissolution). The lawsuit alleges these fees are excessive

fines in violation of the Florida Constitution. Total exposure based upon the certified class is approximately $150 million. The Department expects this amount to be reduced on statute of limitations grounds. Summary judgment has been denied in part and deferred in part. The trial court certified the case as a class action. This ruling was appealed to the Third District Court of Appeal which affirmed the certification order in part and reversed it as to the "adequacy" requirement for proper certification. No. 3D08-1827, January 28, 2009. The case was then remanded back to the trial court for further proceedings. The Florida Department of State is committed to continued aggressive defense of the case.

NOTE 17 – DEFICIT FUND EQUITY

A. Governmental Funds

The *Brain and Spinal Cord Injury Program (BSCIP)* has a net deficit fund balance of approximately $2.8 million. The deficit is a result of a revenue shortfall due to a reduction in fines collected, as well as an increase in the cost to provide direct client services. A comprehensive budget reduction plan has been approved that will reduce purchased client expenditures to critical and essential services only, and reduce other administrative expenses.

The *State School Trust Fund* has a deficit fund balance of approximately $322.1 million. The deficit is primarily the result of establishing an advance (long-term liability) for potential future claims on a portion of the cash advanced by the Unclaimed Property Trust Fund. Due to the long-term nature of the liability, the Department of Education plans to pay claims as they are made rather than funding the full amounts which may be ultimately payable.

B. Proprietary Funds

The *Legal Services Trust Fund* has a net asset deficit of approximately $2.9 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Legal Affairs plans to continue providing legal services and liquidate the liability on a pay-as-you-go basis.

The *Correctional Work Program Trust Fund* has a net asset deficit of approximately $1.1 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Corrections plans to continue operating the program and liquidate the liability on a pay-as-you-go basis.

The *Beachline East Expressway Toll Trust Fund* (formerly known as the *Beeline East Expressway Toll Trust Fund*) has a net asset deficit of approximately $39.5 million. The deficit is a result of committing Beachline toll revenues to pay a portion of the construction costs of SR 520, an adjoining non-tolled road. Expenses incurred to date are greater than toll revenues. The Department of Transportation has agreed to fund certain costs in advance thereby creating a liability for Beachline to repay. Future toll revenues continue to be used to pay additional SR 520 costs and the associated liability.

C. Fiduciary Funds

The *Employee Life and Other Benefits Trust Fund* has a deficit of $647 thousand. The deficit is primarily due to allocation of unfunded actuarially-determined costs for Other Postemployment Benefits (OPEB).

NOTE 18 – SUBSEQUENT EVENTS

A. Bonds and Certificates of Participation

The following bond and certificates of participation for governmental and business-type activities of the primary government were issued subsequent to June 30, 2008:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2006E	$200,000,000	6/1/2009-6/1/2038	4.000%-5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2007D	$200,000,000	6/1/2009-6/1/2038	3.500%-5.000%
State Board of Education, Lottery Revenue Bonds	2008B	$200,000,000	7/1/2009-7/1/2028	3.500%-5.000%
Department of Environmental Protection, Florida Forever Revenue Bonds	2008B	$157,950,000	7/1/2009-7/1/2028	3.500%-5.250%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2008A	$150,000,000	6/1/2009-6/1/2038	5.000%-5.500%
Department of Management Services, Florida Facilities Pool Revenue Bonds	2008A	$36,585,000	9/1/2010-9/1/2038	3.500%-5.750%
Florida Water Pollution Control Financing Corporation, Revenue Bonds	2008A	$250,000,000	1/15/2010-1/15/2029	2.000%-5.100%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2008B	$200,000,000	6/1/2009-6/1/2038	2.750%-5.000%
Department of Management Services, Certificates of Participation	2009A	$130,770,000	7/1/2009-7/1/2029	4.000%-5.250%
Business-type Activities:				
Florida Hurricane Catastrophe Fund Financing Corporation, Revenue Bonds	2008A	$625,000,000	7/1/2013-7/1/2014	4.125%-5.000%

B. Fair Value of Investments

The financial markets experienced significant volatility subsequent to fiscal year-end due to the credit market crisis and concerns about global recession and other market factors. Investment security valuations broadly decreased from June 30, 2008 reported valuations. Decreases were most significant in equity securities held in the Florida Retirement System (FRS) Pension Trust Fund managed by the State Board of Administration (SBA). Subsequent to June 30, 2008 and through December 31, 2008, the SBA estimated a decrease of over 22% in the fair value of investments held in the FRS Pension Trust Fund primarily caused by the market decline, but also due to defaults on corporate securities. Management has made material changes to the SBA's investment policies and the compliance program that will impact a broad array of SBA investment funds. Refer to Note 2 for information on the state's investments.

C. General Fund Transfers

In January, 2009, the Florida Legislature convened a special session to provide appropriations and reductions in appropriations for the 2008-09 fiscal year. In accordance with Senate Bill 2-A, enacted during Special Session A of 2009, $400 million in fund balance reserved for the Budget Stabilization Fund was transferred to fund balance unreserved in the General Fund on February 20, 2009. A previous transfer from the Budget Stabilization Fund in the amount of $672,407,249 was made on September 11, 2008. Senate Bill 2-A also authorized a $700 million transfer to the General Fund from the Lawton Chiles Endowment Fund, a permanent fund, on June 15, 2009.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 5,001,096	$ 5,001,096	$ 5,001,096	$ .....
Reversions	680,468	680,468	680,468	.....
Fund Balances, July 1, 2007, restated	5,681,564	5,681,564	5,681,564	.....
REVENUES				
Fees and charges	838,309	813,909	656,048	(157,861)
Licenses	108,266	105,066	123,851	18,785
Taxes	29,787,087	27,346,987	27,177,920	(169,067)
Miscellaneous	3,607	3,607	3,967	360
Interest	377,866	455,566	428,026	(27,540)
Grants	8,132	8,132	3,701	(4,431)
Refunds	8,013	8,013	541,108	533,095
Transfers and distributions	4,006,051	2,911,751	2,248,404	(663,347)
Other	150,036	150,036	268,628	118,592
Total Revenues	35,287,367	31,803,067	31,451,653	(351,414)
Total Available Resources	40,968,931	37,484,631	37,133,217	(351,414)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,070,129	4,117,253	4,092,791	24,462
Other personal services	63,505	82,971	78,329	4,642
Expenses	483,975	509,558	494,949	14,609
Grants and aids	14,188,203	13,483,261	13,470,991	12,270
Operating capital outlay	18,684	17,047	15,088	1,959
Food products	86,748	89,726	89,703	23
Fixed capital outlay	171,645	171,645	171,645	.....
Lump sum	463,252	1,777	1,777	.....
Special categories	9,546,088	9,227,722	9,154,765	72,957
Financial assistance payments	249,422	242,510	240,131	2,379
Grants/aids to local governments	131,336	131,336	131,336	.....
Data processing services	45,612	45,664	45,341	323
Pensions and benefits	14,889	14,389	12,715	1,674
Claim bills and relief acts	.....	5,250	5,250	.....
Total Operating Expenditures	29,533,488	28,140,109	28,004,811	135,298
Nonoperating expenditures:				
Continuing Appropriations	.....	71,760	71,760	.....
Transfers	5,170,808	3,536,862	3,536,862	.....
Qualified expenditures	17,821	.....	.....	.....
Refunds	659,463	478,116	478,116	.....
Other	4,003,769	2,476,036	2,476,036	.....
Total Nonoperating Expenditures	9,851,861	6,562,774	6,562,774	.....
Total Expenditures	39,385,349	34,702,883	34,567,585	135,298
Fund Balances, June 30, 2008	$ 1,583,582	$ 2,781,748	$ 2,565,632	$ (216,116)

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Environment, Recreation and Conservation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 1,991,945	$ 1,991,945	$ 1,991,945	$ .....
Reversions	485	485	485	.....
Fund Balances, July 1, 2007, restated	1,992,430	1,992,430	1,992,430	.....
REVENUES				
Fees and charges	118,387	134,516	142,613	8,097
Licenses	34,053	45,222	46,163	941
Taxes	207,547	303,677	305,787	2,110
Miscellaneous	4,793	75	563	488
Interest	79,541	98,176	107,440	9,264
Grants	130,000	78,421	164,334	85,913
Refunds	936	325	2,323	1,998
Bond proceeds	500,000	399,529	399,536	7
Transfers and distributions	1,430,556	1,651,717	1,610,776	(40,941)
Other	80,046	15,260	81,340	66,080
Total Revenues	2,585,859	2,726,918	2,860,875	133,957
Total Available Resources	4,578,289	4,719,348	4,853,305	133,957
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	202,802	213,161	209,880	3,281
Other personal services	30,655	30,172	26,526	3,646
Expenses	50,286	49,024	43,865	5,159
Grants and aids	3,173	3,173	3,070	103
Operating capital outlay	3,338	2,694	2,171	523
Fixed capital outlay	911,403	911,403	911,403	.....
Special categories	304,052	304,860	276,763	28,097
Grants/aids to local governments	852,838	852,838	852,838	.....
Data processing services	46	.....	.....	.....
Total Operating Expenditures	2,358,593	2,367,325	2,326,516	40,809
Nonoperating expenditures:				
Transfers	513,081	240,336	240,336	.....
Qualified expenditures	3,388	.....	.....	.....
Refunds	28,533	16,187	16,187	.....
Other	407,264	348,963	348,963	.....
Total Nonoperating Expenditures	952,266	605,486	605,486	.....
Total Expenditures	3,310,859	2,972,811	2,932,002	40,809
Fund Balances, June 30, 2008	$ 1,267,430	$ 1,746,537	$ 1,921,303	$ 174,766

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 1,583,080	$ 1,583,080	$ 1,583,080	$ .....
Reversions	1,787	1,787	1,787	.....
Fund Balances, July 1, 2007, restated	1,584,867	1,584,867	1,584,867	.....
REVENUES				
Fees and charges	1,001,797	45,020	43,271	(1,749)
Licenses	2,498	.....	.....	.....
Taxes	684,440	648,251	648,250	(1)
Miscellaneous	62,741	271	271	.....
Interest	146,266	111,142	106,275	(4,867)
Grants	2,445,799	2,331,859	2,317,459	(14,400)
Refunds	28,346	15,050	15,051	1
Bond proceeds	2,241,965	1,930,885	1,930,882	(3)
Transfers and distributions	2,440,385	2,272,960	2,278,754	5,794
Other	32,014	146,450	230,655	84,205
Total Revenues	9,086,251	7,501,888	7,570,868	68,980
Total Available Resources	10,671,118	9,086,755	9,155,735	68,980
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	38,664	40,508	39,487	1,021
Other personal services	1,847	1,642	657	985
Expenses	16,882	16,438	8,601	7,837
Grants and aids	4,157,319	4,091,540	2,992,004	1,099,536
Operating capital outlay	1,597	1,305	172	1,133
Fixed capital outlay	2,503,201	2,503,201	2,503,201	.....
Special categories	773,199	761,614	737,526	24,088
Financial assistance payments	47,774	48,764	47,156	1,608
Grants/aids to local governments	654,277	654,277	654,277	.....
Payments to U.S. Treasury	1,400	1,275	1,275	.....
Data processing services	5,728	5,511	4,949	562
Total Operating Expenditures	8,201,888	8,126,075	6,989,305	1,136,770
Nonoperating expenditures:				
Transfers	465,051	337,557	337,557	.....
Refunds	13,398	6,603	6,603	.....
Other	105,000	65,106	65,106	.....
Total Nonoperating Expenditures	583,449	409,266	409,266	.....
Total Expenditures	8,785,337	8,535,341	7,398,571	1,136,770
Fund Balances, June 30, 2008	$ 1,885,781	$ 551,414	$ 1,757,164	$ 1,205,750

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 532,886	$ 532,886	$ 532,886	$ .....
Reversions	1,075,069	1,075,069	1,075,069	.....
Fund Balances, July 1, 2007, restated	1,607,955	1,607,955	1,607,955	.....
REVENUES				
Fees and charges	1,105,948	800,031	790,537	(9,494)
Licenses	106,086	25,565	26,574	1,009
Taxes	327,249	421,982	375,738	(46,244)
Miscellaneous	.....	7	7	.....
Interest	8,090	10,681	12,844	2,163
Grants	11,776,096	12,925,131	12,320,641	(604,490)
Refunds	689,706	618,395	742,949	124,554
Transfers and distributions	1,544,652	980,014	1,003,782	23,768
Other	49,961	45,387	44,934	(453)
Total Revenues	15,607,788	15,827,193	15,318,006	(509,187)
Total Available Resources	17,215,743	17,435,148	16,925,961	(509,187)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,296,205	1,292,219	1,236,413	55,806
Other personal services	89,725	98,854	91,249	7,605
Expenses	280,418	279,889	254,940	24,949
Grants and aids	206,886	208,377	191,932	16,445
Operating capital outlay	16,730	18,496	15,263	3,233
Food products	1,478	1,490	1,432	58
Fixed capital outlay	24,047	24,047	24,047	.....
Lump sum	7,500	.....	.....	.....
Special categories	13,929,983	13,731,422	12,992,639	738,783
Financial assistance payments	41,200	48,141	44,963	3,178
Grants/aids to local governments	4,193	4,193	4,193	.....
Data processing services	38,621	44,791	42,718	2,073
Claim bills and relief acts	760	760	760	.....
Total Operating Expenditures	15,937,746	15,752,679	14,900,549	852,130
Nonoperating expenditures:				
Continuing appropriations	.....	5,079	5,079	.....
Transfers	868,869	785,303	785,303	.....
Qualified expenditures	37,871	.....	.....	.....
Refunds	13,229	5,546	5,546	.....
Other	11,278	16,414	16,414	.....
Special expenses	709	.....	.....	.....
Total Nonoperating Expenditures	931,956	812,342	812,342	.....
Total Expenditures	16,869,702	16,565,021	15,712,891	852,130
Fund Balances, June 30, 2008	$ 346,041	$ 870,127	$ 1,213,070	$ 342,943

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 257,634	$ 257,634	$ 257,634	$ .....
Reversions	3,922	3,922	3,922	.....
Fund Balances, July 1, 2007, restated	261,556	261,556	261,556	.....
REVENUES				
Fees and charges	138,441	151,540	138,442	(13,098)
Taxes	2,294,864	2,234,350	2,294,864	60,514
Miscellaneous	335,296	.....	.....	.....
Interest	3,486	2,686	3,985	1,299
Refunds	13,127	3	13,139	13,136
Bond proceeds	131,555	.....	.....	.....
Transfers and distributions	313,420	113,017	100,627	(12,390)
Other	51,106	51,262	46,464	(4,798)
Total Revenues	3,281,295	2,552,858	2,597,521	44,663
Total Available Resources	3,542,851	2,814,414	2,859,077	44,663
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	10,172	4,041	3,318	723
Other personal services	835	51	42	9
Expenses	2,381	1,306	1,188	118
Operating capital outlay	806	15	10	5
Fixed capital outlay	5,116	5,116	5,116	.....
Special categories	115,070	113,714	111,568	2,146
Total Operating Expenditures	134,380	124,243	121,242	3,001
Nonoperating expenditures:				
Transfers	16,363	17,514	17,514	.....
Refunds	61,500	53,841	53,841	.....
Other	2,577,020	2,412,343	2,412,343	.....
Total Nonoperating Expenditures	2,654,883	2,483,698	2,483,698	.....
Total Expenditures	2,789,263	2,607,941	2,604,940	3,001
Fund Balances, June 30, 2008	$ 753,588	$ 206,473	$ 254,137	$ 47,664

The notes to required supplementary information are an integral part of this schedule.

BUDGET TO GAAP RECONCILIATION
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	$ 2,565,632	$ 1,921,303	$ 1,757,164	$ 1,213,070	$ 254,137
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	2,372,545	653,472	611,800	46,935	474,024
Fair value adjustments to investments within the State Treasury	(73,849)	(20,340)	(19,043)	(1,461)	(14,755)
Special investments within the State Treasury	24,425	.....	.....	12,862	.....
Non-State Treasury cash and investments	254,823	3,864	.....	8,934	2,503
Other GAAP basis fund balances not included in budgetary basis fund balances	(13,432)	(2,881)	3	(537,571)	1,376,235
Adjusted budgetary basis fund balances	5,130,144	2,555,418	2,349,924	742,769	2,092,144
Adjustments (basis differences):					
Net receivables (payables) not certified forward	(1,219,685)	343,759	(898,106)	130,621	(558,191)
Inventories, prepaid items and deferred charges	15,619	1,117	.....	64,486	12,706
Encumbrances	104,614	3,268	1,787	16,012	13,927
GAAP basis fund balances	$ 4,030,692	$ 2,903,562	$ 1,453,605	$ 953,888	$ 1,560,586

The notes to required supplementary information are an integral part of this schedule.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

Budget Process

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. By October 15 of each year, the head of each state agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature. Then, at least 30 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Revenue estimates for the General Fund and selected trust funds are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds not projected by the Revenue Estimating Conference (consisting mainly of special revenue funds) are provided by state agencies. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor and the Chief Justice of the Florida Supreme Court during the preparation of annual release (spending) plans. Further adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Governor's recommended budget forms the basis of the appropriations bill. As amended and approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature), this bill becomes the General Appropriations Act. The Governor and the Chief Justice of the Supreme Court may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, Florida Statutes, establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. These appropriations are made primarily for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of 5 percent of the original appropriation or $250,000, whichever is greater or within certain programs and between identical funding sources and specific appropriation categories. Transfers of general revenue appropriations in excess of 5 percent or $250,000, whichever is greater, or for fixed capital outlay, or for transfers of general revenue appropriations not allowed within the departments' program flexibility may be approved by the Legislative Budget Commission. The Governor and the Chief Justice of the Supreme Court may approve transfers of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the transfers are less than $1 million. The Legislative Budget Commission may approve trust fund transfers in excess of $1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be carried forward into the next fiscal year.

The Chief Financial Officer approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries and benefits) and fund within a budget entity. The Governor and the Chief Financial Officer are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Legislative Budget Commission and the Chief Justice of the Supreme Court. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for each fiscal period."

Budgetary Basis of Accounting

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as state funds) are the General Revenue Fund, numerous trust funds, and the Budget Stabilization Fund. Certain moneys, known as local funds, available to agencies for their operations are maintained outside the State Treasury. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the Chief Financial Officer. For example, the State Board of Administration operates from such funds.

The state presents budgetary comparison schedules for the general fund and major special revenue funds as part of the other required supplementary information. In addition, budgetary comparison schedules for non-major special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules.
Budgetary basis revenues are essentially reported on the cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget. The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

The presentation of budgetary comparison information for the major governmental fund for transportation excludes the State Transportation Trust Fund within the Department of Transportation because it accounts for projects of a multi-year nature, and comparison of actual annual expenditures to a multi-year appropriated amount is not meaningful. Appropriations are made in total the first year of a project even though they are released and expended over the period of construction for a project.

Budget to GAAP Reconciliation

The budgetary comparison schedules for the General Fund and the major special revenue funds present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

FLORIDA RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets *(A)*	Actuarial Accrued Liability (AAL) Entry Age *(B)*	Unfunded AAL (UAAL) *(B-A)*	Funded Ratio *(A/B)*	Annualized Covered Payroll [1] *(C)*	UAAL as a Percentage of Covered Payroll *((B-A)/C)*
July 1, 2002	99,405,677	86,469,774	(12,935,903)	114.96%	22,195,184	(58.28%)
July 1, 2003	101,906,724	89,251,331	(12,655,393)	114.18%	22,270,807	(56.83%)
July 1, 2004	106,707,426	95,185,433	(11,521,993)	112.10%	23,115,581	(49.85%)
July 1, 2005	111,539,878	103,925,498	(7,614,380)	107.33%	24,185,983	(31.48%)
July 1, 2006	117,159,615	110,977,831	(6,181,784)	105.57%	25,327,922	(24.41%)
July 1, 2007	125,584,704	118,870,513	(6,714,191)	105.65%	26,385,768	(25.45%)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
2002	1,825,485	97%
2003	1,844,203	98%
2004	2,044,540	92%
2005	2,141,862	102%
2006	2,193,928	96%
2007	2,455,255	111%

[1] Includes Deferred Retirement Option Program (DROP) Payroll.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM SCHEDULE OF FUNDING PROGRESS
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets *(A)*	Actuarial Accrued Liability (AAL) Entry Age *(B)*	Unfunded AAL (UAAL) *(B-A)*	Funded Ratio *(A/B)*	Annualized Covered Payroll *(C)*	UAAL as a Percentage of Covered Payroll *((B-A)/C)*
July 1, 2006	$ 192,808	$ 4,667,058	$ 4,474,250	4.13%	$ 27,712,320	16.15%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2006	N/A [1]	N/A
2007	$ 363,175	90%

[1] First valuation completed July 1, 2006, which determined ARC for FY 06-07.

OTHER POSTEMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS*
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets *(A)*	Actuarial Accrued Liability (AAL) Entry Age *(B)*	Unfunded AAL (UAAL) *(B-A)*	Funded Ratio *(A/B)*	Annualized Covered Payroll *(C)*	UAAL as a Percentage of Covered Payroll *((B-A)/C)*
July 1, 2007	$	$ 3,081,834	$ 3,081,834	0.00%	$ 6,542,945	47.10%

SCHEDULE OF EMPLOYER CONTRIBUTIONS*
(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2008	$ 200,973	43.70%

* This information relates to the cost-sharing plan as a whole, of which the State of Florida is one participating employer. The State of Florida's participation in both the actuarial accrued liability and the annual required contribution is approximately 78 percent.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the state has adopted an alternative process to recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,066 centerline miles of roads and 6,578 bridges that the State is responsible for maintaining.

In order to utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Condition and Maintenance Programs

Resurfacing Program: Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability, and weather conditions. Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation, and minor reconstruction.

The Florida Department of Transportation (FDOT) conducts an annual Pavement Condition Survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences. It directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path rutting refers to depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales were set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment. In low-speed urban areas, the ride rating must drop to five or less before a pavement segment is considered deficient due to ride.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System remains non-deficient.

Bridge Repair/Replacement Program: The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program's primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, this program addresses bridges that require structural repair but which are more cost effective to replace.

The FDOT conducts bridge condition surveys using the National Bridge Inspection (NBI) Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components such as deck, superstructure, and substructure are assigned a condition rating. The condition rating ranges from 0 to 9. A rating of 8 to 9 is very good to excellent which indicates that no repairs are necessary. A rating of 5 to 7 is fair to good which indicates that minor repairs are required. A rating below 5 identifies bridges needing major repairs or replacement. A rating of 4 or less indicates a condition of poor to failing and requires urgency in making repairs. A rating of 2 requires closure of the bridge and a rating of 1 is used for a bridge that is closed, but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action. In general, bridges that have a rating below 5 need major repairs or replacement. However, in isolated cases, bridges with a rating of 5 or greater can judgmentally be determined to need major repairs.

The FDOT standard is to ensure that 90% of all Department maintained bridges do not need major repairs or replacement.

Routine Maintenance Program: The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the highway system. Routine maintenance includes many activities, such as:

highway repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound.

The quality and effectiveness of the routine maintenance program is monitored by quarterly surveys, using the Maintenance Rating Program (MRP), which result in an annual assessment. The MRP has been used since 1985 to evaluate routine maintenance of the transportation system in five broad categories, or elements. The five rating elements are roadway, roadside, vegetation/aesthetics, traffic services, and drainage. The MRP provides a maintenance rating of 1 to 100 for each category and overall.

The FDOT standard is to achieve and maintain an overall maintenance rating of 80.

Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

2008	2007	2006
84%	84%	82%

Percentage of bridges meeting FDOT standards

2008	2007	2006
94%	94%	93%

Maintenance Rating

2008	2007	2006
86	83	83

Comparison of Needed-to-Actual Maintenance/Preservation (in millions)

Resurfacing Program

	2008	2007	2006	2005	2004
Needed	$718.0	$898.1	$670.3	$604.1	$562.2
Actual	584.5	851.1	786.7	575.3	504.2

Bridge Repair/Replacement Program

	2008	2007	2006	2005	2004
Needed	$250.3	$273.4	$102.7	$346.6	$320.0
Actual	250.3	121.7	88.4	348.5	312.9

Routine Maintenance Program

	2008	2007	2006	2005	2004
Needed	$492.6	$463.7	$442.5	$427.0	$405.2
Actual	507.1	479.2	456.2	435.6	416.5

The FDOT determines its program needs based on a five-year plan. The needed amounts provided above are for estimated expenses and commitments relating to projects within the plan at the time of the budget request. The nature of a long-term plan is that it is continually changing. Projects are added, deleted, adjusted, or postponed. The differences between the needed and actual amounts above reflect these changes. Specifically for the Resurfacing Program, approximately $140 million in resurfacing projects were postponed to future years.

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FINANCIAL SECTION:

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS
Individual fund descriptions and financial statements begin on page 149.

CAPITAL PROJECTS FUNDS
Individual fund descriptions and financial statements begin on page 179.

DEBT SERVICE FUND
This fund, administered by the State Board of Administration, a blended component unit, is used to account for resources earmarked to pay principal, interest, and service charges on general long-term debt of the State.

PERMANENT FUNDS
Individual fund descriptions and financial statements begin on page 183.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/08
ASSETS					
Current assets					
Cash and cash equivalents	$ 117,217	$	$ 449	$ 3,186	$ 120,852
Pooled investments with State Treasury	1,541,875	83,574	3	8,691	1,634,143
Investments	417,561	.....	25,201	718,005	1,160,767
Receivables, net	453,552	99	72	83,302	537,025
Due from other funds	58,411	76,050	.....	.....	134,461
Inventories	4,547	.....	.....	.....	4,547
Other	1,740	.....	.....	.....	1,740
Total current assets	2,594,903	159,723	25,725	813,184	3,593,535
Noncurrent assets					
Restricted pooled investments with State Treasury	.....	4,467	.....	.....	4,467
Long-term investments	7,122	.....	60,810	1,736,975	1,804,907
Other loans and notes receivable, net	1,014,105	.....	.....	.....	1,014,105
Other	.....	80	.....	.....	80
Total noncurrent assets	1,021,227	4,547	60,810	1,736,975	2,823,559
Total assets	$ 3,616,130	$ 164,270	$ 86,535	$ 2,550,159	$ 6,417,094
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities	$ 232,101	$ 1,369	$ 2,313	$ 99,897	$ 335,680
Due to other funds	136,580	4,497	.....	59	141,136
Due to component units/primary	926	.....	.....	.....	926
Compensated absences	1,441	.....	.....	.....	1,441
Claims payable	15,157	.....	.....	.....	15,157
Deposits	6,084	.....	.....	.....	6,084
Deferred revenues	68,003	.....	.....	.....	68,003
Obligations under security lending agreements	317,604	13,018	1	308,528	639,151
Obligations under reverse repurchase agreements	86,850	5,530	.....	671	93,051
Total current liabilities	864,746	24,414	2,314	409,155	1,300,629
Noncurrent liabilities					
Advances from other funds	625	.....	.....	.....	625
Deposits	3,851	.....	.....	.....	3,851
Deferred revenues	20,007	.....	.....	.....	20,007
Total noncurrent liabilities	24,483	.....	.....	.....	24,483
Total liabilities	889,229	24,414	2,314	409,155	1,325,112
Fund balances					
Reserved for encumbrances	45,642	584	.....	.....	46,226
Reserved for inventories	4,547	.....	.....	.....	4,547
Reserved for long-term receivables	1,010,031	.....	.....	.....	1,010,031
Reserved for capital outlay	60,428	121,459	.....	.....	181,887
Reserved for debt service	.....	.....	84,221	.....	84,221
Reserved for permanent trust	.....	.....	.....	1,722,247	1,722,247
Other reserved	24,189	80	.....	6,511	30,780
Unreserved, reported in:					
Special revenue funds	1,582,064	.....	.....	.....	1,582,064
Capital projects funds	.....	17,733	.....	.....	17,733
Permanent fund	.....	.....	.....	412,246	412,246
Total fund balances	2,726,901	139,856	84,221	2,141,004	5,091,982
Total liabilities and fund balances	$ 3,616,130	$ 164,270	$ 86,535	$ 2,550,159	$ 6,417,094

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/08
REVENUES					
Taxes	$ 271,540	$	$	$	$ 271,540
Licenses and permits	1,075,566	.....	.....	647	1,076,213
Fees and charges	859,784	1,133	80,381	.....	941,298
Grants and donations	1,828,537	.....	.....	.....	1,828,537
Investment earnings	103,990	1,244	13,656	(140,782)	(21,892)
Fines, forfeits, settlements and judgments	544,921	.....	.....	1,262	546,183
Other revenue	16,603	.....	.....	.....	16,603
Total revenues	4,700,941	2,377	94,037	(138,873)	4,658,482
EXPENDITURES					
Current:					
General government	2,409,720	19,984	68,365	14,825	2,512,894
Education	180,088	1,965	.....	92	182,145
Human services	431,558	22,532	.....	.....	454,090
Criminal justice and corrections	542,450	34,544	.....	.....	576,994
Natural resources and environment	890,156	87	.....	.....	890,243
Transportation	.....	25	.....	.....	25
State courts	24,463	.....	.....	.....	24,463
Capital outlay	37,480	217,092	.....	.....	254,572
Debt service:					
Principal retirement	17,832	2,550	831,195	.....	851,577
Interest and fiscal charges	1,028	11,500	889,092	.....	901,620
Total expenditures	4,534,775	310,279	1,788,652	14,917	6,648,623
Excess (deficiency) of revenues over expenditures	166,166	(307,902)	(1,694,615)	(153,790)	(1,990,141)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	.....	154,429	24,999	.....	179,428
Proceeds of refunding bonds	.....	.....	94,760	.....	94,760
Operating transfers in	1,673,480	454,042	1,725,308	.....	3,852,830
Operating transfers out	(1,967,691)	(282,769)	(44,361)	(46,263)	(2,341,084)
Payments to refunded bond agent	.....	.....	(94,760)	.....	(94,760)
Total other financing sources (uses)	(294,211)	325,702	1,705,946	(46,263)	1,691,174
Net change in fund balances	(128,045)	17,800	11,331	(200,053)	(298,967)
Fund balances - beginning	2,852,550	122,056	72,890	2,341,057	5,388,553
Adjustments to increase (decrease) beginning fund balances	2,396	.....	.....	.....	2,396
Fund balances - beginning, as restated	2,854,946	122,056	72,890	2,341,057	5,390,949
Fund balances - ending	$ 2,726,901	$ 139,856	$ 84,221	$ 2,141,004	$ 5,091,982

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NONMAJOR SPECIAL REVENUE FUNDS

EMPLOYMENT SERVICES
This fund includes internal reporting funds used for employee-service related programs of an administrative nature (non risk-related), such as workers' compensation, employment security, and labor market statistics.

GOVERNMENT ADMINISTRATION
This fund includes internal reporting special revenue funds primarily administered by the Department of State, Department of Management Services, and Department of Financial Services.

BUSINESS AND COMMUNITY DEVELOPMENT
This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Community Affairs.

REGULATION AND LICENSING
This fund includes internal reporting special revenue funds primarily administered by the Department of Business and Professional Regulation, Department of Highway Safety and Motor Vehicles, and Department of Financial Services.

TOBACCO SETTLEMENT
This fund includes internal reporting special revenue funds established to account for the settlement of *State of Florida, et al., v. American Tobacco Company*, et al., Case No. 95-1466 AH, filed in the Fifteenth Judicial Circuit, in and for Palm Beach County Florida.

PUBLIC SAFETY
This fund includes internal reporting special revenue funds primarily administered by the Department of Law Enforcement, Department of Highway Safety and Motor Vehicles, Department of Legal Affairs, and Department of Military Affairs.

CORRECTIONS
This fund includes internal reporting special revenue funds administered by the Department of Corrections.

CONSUMER PROTECTION AND SAFETY
This fund includes internal reporting special revenue funds primarily administered by the Department of Community Affairs, Department of Legal Affairs, and Department of Financial Services.

AGRICULTURE
This fund includes internal reporting special revenue funds administered by the Department of Agriculture and Consumer Services.

JUVENILE JUSTICE
This fund includes internal reporting special revenue funds administered by the Department of Juvenile Justice.

JUDICIAL SERVICES
This fund includes internal reporting special revenue funds primarily administered by the Justice Administrative Commission and the State Courts System.

MILITARY AND VETERANS' AFFAIRS
This fund includes internal reporting special revenue funds administered by the Department of Military Affairs and Department of Veterans' Affairs.

BLENDED COMPONENT UNITS

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
Pursuant to Section 28.35, Florida Statutes (F.S.), this entity was created to establish a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

CITRUS COMMISSION
As authorized in Chapter 601, F.S., this entity was established to primarily promote the general welfare of the Florida citrus industry.

STATE BOARD OF ADMINISTRATION
This entity includes the following internal reporting special revenue funds administered by the State Board of Administration: Tobacco Clearing Trust Fund and Gas Tax Clearing Accounts.

SCHOOL FOR THE DEAF AND THE BLIND
As authorized in Section 1002.36, F.S., this entity is a State-supported residential school for hearing-impaired and visually impaired students in preschool through 12th grade.

WIRELESS EMERGENCY TELEPHONE SYSTEM
As authorized in Section 365.172, F.S., this entity was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies.

WORKFORCE FLORIDA INC
This not-for-profit entity was created pursuant to Chapter 445, F.S., as the principal workforce policy organization for the State and the regional workforce boards.

FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION
Pursuant to Section 403.1837, F.S., this entity was created to finance the costs of water pollution control projects and activities described in Section 403.1835, F.S.

INLAND PROTECTION FINANCING CORPORATION
Pursuant to Section 376.3075, F.S., this entity was created to finance the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.319, F.S., and the payment, purchase and settlement of reimbursement obligations of the Department of Environmental Protection pursuant to Section 376.3071(12), F.S.

INVESTMENT FRAUD RESTORATION CORPORATION
This entity was created to finance the remedial measures instituted by the Legislature with respect to the victims of GIC Government Securities, Inc., and the payment of approved claims.

SURPLUS LINES
Pursuant to Section 626.921, F.S., this entity was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

CORRECTIONS FOUNDATION INC
This entity was organized to serve as a catalyst to identify and address critical issues that impact public safety by building public/private partnerships and collaborations to acquire resources necessary to create a safer environment as authorized by Section 944.802, F.S.

SCRIPPS FLORIDA FUNDING CORPORATION
Pursuant to Section 288.955, F.S., this entity was created to facilitate the establishment and operation of a biomedical research institution for the purposes of enhancing education and research and promoting economic development and diversity.

SPACE FLORIDA
Pursuant to Chapter 2006-60, Laws of Florida, this entity was created to be the single point of contact for aerospace-related activities within the State.

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,530	$	$ 20	$ 296
Pooled investments with State Treasury	497,084	134,454	58,983	252,682
Investments	2,197	.....	150,120	.....
Receivables, net	94,990	1,112	135,514	39,133
Due from other funds	6,453	182	4,945	8,013
Inventories	.....	.....	.....	256
Other	.....	.....	.....	136
Total current assets	602,254	135,748	349,582	300,516
Noncurrent assets				
Long-term investments	.....	.....	100	.....
Other loans and notes receivable, net	30,199	.....	8,132	.....
Total noncurrent assets	30,199	.....	8,232	.....
Total assets	$ 632,453	$ 135,748	$ 357,814	$ 300,516
LIABILITIES AND FUND BALANCES				
Current liabilities				
Accounts payable and accrued liabilities	$ 46,945	$ 10,088	$ 24,241	$ 22,660
Due to other funds	24,819	562	33,649	38,860
Due to component units/primary	.....	.....	.....	71
Compensated absences	207	148	21	307
Claims payable	15,157	.....	.....	.....
Deposits	384	110	5,537	.....
Deferred revenues	.....	.....	51,262	12,623
Obligations under security lending agreements	84,601	19,864	3,493	34,136
Obligations under reverse repurchase agreements	35,935	8,438	1,484	14,500
Total current liabilities	208,048	39,210	119,687	123,157
Noncurrent liabilities				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	3,851	.....
Deferred revenues	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	3,851	.....
Total liabilities	208,048	39,210	123,538	123,157
Fund balances				
Reserved for encumbrances	4,247	1,203	7,773	181
Reserved for inventories	.....	.....	.....	256
Reserved for long-term receivables	29,976	.....	4,281	.....
Reserved for capital outlay	.....	8,002	36,810	.....
Other reserved	.....	.....	.....	24,163
Unreserved	390,182	87,333	185,412	152,759
Total fund balances	424,405	96,538	234,276	177,359
Total liabilities and fund balances	$ 632,453	$ 135,748	$ 357,814	$ 300,516

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
$	$ 50	$	$ 39	$ 210	$ 33
85,228	105,850	16,019	50,126	91,164	26,908
.....	.....	.....	.....	.....	.....
205	16,889	491	15,041	5,576	28,610
.....	5,067	920	478	13,141	.....
2,141	.....	.....	.....	1,323	1
.....	1,367	.....	.....	.....	.....
87,574	129,223	17,430	65,684	111,414	55,552
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
$ 87,574	$ 129,223	$ 17,430	$ 65,684	$ 111,414	$ 55,552
$ 13,365	$ 30,131	$ 1,047	$ 1,826	$ 5,849	$ 6,362
2,886	9,059	305	8,200	14,020	704
450	11	.....	.....	285	.....
.....	214	7	11	75	.....
.....	.....	.....	.....	.....	.....
.....	5	.....	.....	.....	.....
.....	2,060	.....	1,942	.....	.....
10,150	3,800	.....	3,304	13,854	1,637
4,311	1,614	.....	1,403	5,885	695
31,162	46,894	1,359	16,686	39,968	9,398
.....	625	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	2,326	.....	5,556	.....	.....
.....	2,951	.....	5,556	.....	.....
31,162	49,845	1,359	22,242	39,968	9,398
.....	7,204	.....	15,896	8,639	.....
2,141	.....	.....	.....	1,323	1
.....	.....	.....	.....	.....	.....
1,762	512	573	.....	6,498	6,271
.....	.....	.....	.....	.....	.....
52,509	71,662	15,498	27,546	54,986	39,882
56,412	79,378	16,071	43,442	71,446	46,154
$ 87,574	$ 129,223	$ 17,430	$ 65,684	$ 111,414	$ 55,552

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
ASSETS				
Current assets				
Cash and cash equivalents	$ 15	$ 1,473	$ 687	$ 1,973
Pooled investments with State Treasury	39,278	28,986	.....	33,848
Investments	.....	.....	.....	.....
Receivables, net	578	4,667	.....	2,592
Due from other funds	870	950	.....	.....
Inventories	.....	193	.....	628
Other	.....	.....	.....	51
Total current assets	40,741	36,269	687	39,092
Noncurrent assets				
Long-term investments	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....
Total noncurrent assets	.....	.....	.....	.....
Total assets	$ 40,741	$ 36,269	$ 687	$ 39,092
LIABILITIES AND FUND BALANCES				
Current liabilities				
Accounts payable and accrued liabilities	$ 1,320	$ 1,475	$ 146	$ 6,687
Due to other funds	484	1,316	.....	828
Due to component units/primary	.....	.....	.....	109
Compensated absences	78	362	.....	.....
Claims payable	.....	.....	.....	.....
Deposits	48	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Obligations under security lending agreements	.....	1,627	.....	6,022
Obligations under reverse repurchase agreements	.....	691	.....	2,558
Total current liabilities	1,930	5,471	146	16,204
Noncurrent liabilities				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....
Total liabilities	1,930	5,471	146	16,204
Fund balances				
Reserved for encumbrances	144	296	.....	.....
Reserved for inventories	.....	193	.....	628
Reserved for long-term receivables	.....	.....	.....	.....
Reserved for capital outlay	.....	.....	.....	.....
Other reserved	.....	.....	.....	.....
Unreserved	38,667	30,309	541	22,260
Total fund balances	38,811	30,798	541	22,888
Total liabilities and fund balances	$ 40,741	$ 36,269	$ 687	$ 39,092

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
$ 284	$ 94	$	$ 12,936	$ 1,261	$ .....
.....	452	70,488	.....	50,325	.....
29,523	11,105	.....	.....	75	1
2,221	33	14,897	103	70,708	.....
17,281	111	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	51	.....	.....
49,309	11,795	85,385	13,090	122,369	1
.....	.....	.....	.....	.....	.....
247,500	.....	.....	.....	728,274	.....
247,500	.....	.....	.....	728,274	.....
$ 296,809	$ 11,795	$ 85,385	$ 13,090	$ 850,643	$ 1
$ 17,283	$ 412	$ 28,878	$ 607	$ 4	$ .....
3	.....	73	.....	812	.....
.....	.....	.....	.....	.....	.....
.....	2	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	12,814	.....	9,166	.....
.....	.....	5,443	.....	3,893	.....
17,286	414	47,208	607	13,875	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	12,125	.....	.....
.....	.....	.....	12,125	.....	.....
17,286	414	47,208	12,732	13,875	.....
.....	1	58	.....	.....	.....
.....	.....	.....	.....	.....	.....
247,500	.....	.....	.....	728,274	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
32,023	11,380	38,119	358	108,494	1
279,523	11,381	38,177	358	836,768	1
$ 296,809	$ 11,795	$ 85,385	$ 13,090	$ 850,643	$ 1

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008
(in thousands)

	Blended Component Units				
	Investment Fraud Restoration Corp	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Space Florida
ASSETS					
Current assets					
Cash and cash equivalents	$	$ 16,696	$ 448	$ 77,188	$ 1,984
Pooled investments with State Treasury	.....	.....	.....	.....	.....
Investments	.....	2,187	.....	222,353	.....
Receivables, net	.....	125	19	2,526	17,522
Due from other funds	.....	.....	.....	.....	.....
Inventories	.....	.....	5	.....	.....
Other	.....	12	.....	13	110
Total current assets	.....	19,020	472	302,080	19,616
Noncurrent assets					
Long-term investments	.....	7,022	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....	.....
Total noncurrent assets	.....	7,022	.....	.....	.....
Total assets	$	$ 26,042	$ 472	$ 302,080	$ 19,616
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities	$	$ 140	$ 81	$ 9,455	$ 3,099
Due to other funds	.....	.....	.....	.....	.....
Due to component units/primary	.....	.....	.....	.....	.....
Compensated absences	.....	.....	.....	.....	9
Claims payable	.....	.....	.....	.....	.....
Deposits	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	116
Obligations under security lending agreements	.....	.....	.....	113,136	.....
Obligations under reverse repurchase agreements	.....	.....	.....	.....	.....
Total current liabilities	.....	140	81	122,591	3,224
Noncurrent liabilities					
Advances from other funds	.....	.....	.....	.....	.....
Deposits	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....	.....
Total liabilities	.....	140	81	122,591	3,224
Fund balances					
Reserved for encumbrances	.....	.....	.....	.....	.....
Reserved for inventories	.....	.....	5	.....	.....
Reserved for long-term receivables	.....	.....	.....	.....	.....
Reserved for capital outlay	.....	.....	.....	.....	.....
Other reserved	.....	.....	26	.....	.....
Unreserved	.....	25,902	360	179,489	16,392
Total fund balances	.....	25,902	391	179,489	16,392
Total liabilities and fund balances	$	$ 26,042	$ 472	$ 302,080	$ 19,616

Totals 6/30/08
$ 117,217
1,541,875
417,561
453,552
58,411
4,547
1,740
2,594,903
7,122
1,014,105
1,021,227
$ 3,616,130
$ 232,101
136,580
926
1,441
15,157
6,084
68,003
317,604
86,850
864,746
625
3,851
20,007
24,483
889,229
45,642
4,547
1,010,031
60,428
24,189
1,582,064
2,726,901
$ 3,616,130

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	$	$	$	$ 218,381
Licenses and permits	.....	.....	.....	1,003,999
Fees and charges	199,399	42,603	6,213	78,585
Grants and donations	672,532	11,257	715,115	33
Investment earnings	17,740	5,599	2,019	8,284
Fines, forfeits, settlements and judgments	27,049	.....	.....	15,578
Other revenue	6,282	1	3,664	872
Total revenues	923,002	59,460	727,011	1,325,732
EXPENDITURES				
Current:				
General government	1,305,660	151,943	44,347	319,066
Education	175,794	.....	.....	.....
Human services	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....
Natural resources and environment	.....	.....	561,317	.....
State courts	.....	.....	.....	.....
Capital outlay	1,950	1,907	736	4,024
Debt service:				
Principal retirement	28	.....	.....	14,040
Interest and fiscal charges	1	.....	.....	837
Total expenditures	1,483,433	153,850	606,400	337,967
Excess (deficiency) of revenues over expenditures	(560,431)	(94,390)	120,611	987,765
OTHER FINANCING SOURCES (USES)				
Operating transfers in	727,978	85,715	53,103	157,739
Operating transfers out	(139,541)	(15,764)	(214,509)	(1,174,344)
Total other financing sources (uses)	588,437	69,951	(161,406)	(1,016,605)
Net change in fund balances	28,006	(24,439)	(40,795)	(28,840)
Fund balances - beginning	396,399	120,977	246,808	206,199
Adjustments to increase (decrease) beginning fund balances	.....	.....	28,263	.....
Fund balances - beginning, as restated	396,399	120,977	275,071	206,199
Fund balances - ending	$ 424,405	$ 96,538	$ 234,276	$ 177,359

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
$	$	$	$	$	$ .....
.....	52,225	.....	28	19,006	.....
.....	76,913	5,051	7,184	85,967	154,134
.....	69,330	23,477	97,340	116,539	14,505
4,385	996	508	811	2,387	(5)
413,704	55,687	2	18,946	4,878	2,616
.....	1,278	.....	147	2,581	432
418,089	256,429	29,038	124,456	231,358	171,682
87	34,571	.....	3,313	.....	.....
.....	.....	.....	.....	.....	.....
387,590	.....	.....	.....	.....	.....
.....	195,186	19,402	24,754	.....	244,083
.....	.....	.....	54,724	274,115	.....
.....	.....	.....	.....	.....	.....
350	6,239	5,528	531	10,762	2,721
.....	3,764	.....	.....	.....	.....
.....	183	.....	.....	7	.....
388,027	239,943	24,930	83,322	284,884	246,804
30,062	16,486	4,108	41,134	(53,526)	(75,122)
45,983	48,951	13,783	157,544	69,258	57,488
(106,207)	(69,477)	(26,321)	(188,722)	(9,254)	(5,041)
(60,224)	(20,526)	(12,538)	(31,178)	60,004	52,447
(30,162)	(4,040)	(8,430)	9,956	6,478	(22,675)
86,574	83,418	24,501	52,022	72,299	68,829
.....	.....	.....	(18,536)	(7,331)	.....
86,574	83,418	24,501	33,486	64,968	68,829
$ 56,412	$ 79,378	$ 16,071	$ 43,442	$ 71,446	$ 46,154

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
REVENUES				
Taxes	$	$	$	$ 53,159
Licenses and permits	308	.....	.....	.....
Fees and charges	29,940	37,570	1,362	36
Grants and donations	9,916	62,365	.....	6,158
Investment earnings	26	266	.....	450
Fines, forfeits, settlements and judgments	6,460	1	.....	.....
Other revenue	490	505	.....	144
Total revenues	47,140	100,707	1,362	59,947
EXPENDITURES				
Current:				
General government	.....	66,298	975	49,438
Education	.....	.....	.....	.....
Human services	.....	43,968	.....	.....
Criminal justice and corrections	58,303	.....	.....	.....
Natural resources and environment	.....	.....	.....	.....
State courts	24,463	.....	.....	.....
Capital outlay	1,878	762	.....	47
Debt service:				
Principal retirement	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....
Total expenditures	84,644	111,028	975	49,485
Excess (deficiency) of revenues over expenditures	(37,504)	(10,321)	387	10,462
OTHER FINANCING SOURCES (USES)				
Operating transfers in	31,725	18,787	.....	7
Operating transfers out	(1,867)	(603)	.....	(1,895)
Total other financing sources (uses)	29,858	18,184	.....	(1,888)
Net change in fund balances	(7,646)	7,863	387	8,574
Fund balances - beginning	46,457	22,935	154	14,314
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....
Fund balances - beginning, as restated	46,457	22,935	154	14,314
Fund balances - ending	$ 38,811	$ 30,798	$ 541	$ 22,888

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
$	$	$	$	$	$ .....
.....	.....	.....	.....	.....	.....
.....	.....	128,110	.....	.....	.....
.....	1,873	.....	8,417	.....	.....
15,965	362	4,411	.....	19,555	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
15,965	2,235	132,521	8,417	19,555	.....
203,591	.....	158,551	8,103	3	.....
.....	4,294	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	45	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
203,591	4,339	158,551	8,103	3	.....
(187,626)	(2,104)	(26,030)	314	19,552	.....
203,323	2,081	.....	.....	15	.....
(264)	(3)	(59)	.....	(13,820)	.....
203,059	2,078	(59)	.....	(13,805)	.....
15,433	(26)	(26,089)	314	5,747	.....
264,090	11,407	64,266	44	831,021	1
.....	.....	.....	.....	.....	.....
264,090	11,407	64,266	44	831,021	1
$ 279,523	$ 11,381	$ 38,177	$ 358	$ 836,768	$ 1

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Blended Component Units				
	Investment Fraud Restoration Corp	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Space Florida
REVENUES					
Taxes	$	$	$	$	$ .....
Licenses and permits	.....	.....	.....	.....	.....
Fees and charges	.....	6,250	467	.....	.....
Grants and donations	.....	.....	215	25	19,440
Investment earnings	1	1,269	6	18,955	.....
Fines, forfeits, settlements and judgments	.....	.....	.....	.....	.....
Other revenue	.....	207	.....	.....	.....
Total revenues	1	7,726	688	18,980	19,440
EXPENDITURES					
Current:					
General government	28	4,435	.....	47,100	12,211
Education	.....	.....	.....	.....	.....
Human services	.....	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	722	.....	.....
Natural resources and environment	.....	.....	.....	.....	.....
State courts	.....	.....	.....	.....	.....
Capital outlay	.....	.....	.....	.....	.....
Debt service:					
Principal retirement	.....	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....	.....
Total expenditures	28	4,435	722	47,100	12,211
Excess (deficiency) of revenues over expenditures	(27)	3,291	(34)	(28,120)	7,229
OTHER FINANCING SOURCES (USES)					
Operating transfers in	.....	.....	.....	.....	.....
Operating transfers out	.....	.....	.....	.....	.....
Total other financing sources (uses)	.....	.....	.....	.....	.....
Net change in fund balances	(27)	3,291	(34)	(28,120)	7,229
Fund balances - beginning	27	22,611	425	207,609	9,163
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	.....
Fund balances - beginning, as restated	27	22,611	425	207,609	9,163
Fund balances - ending	$	$ 25,902	$ 391	$ 179,489	$ 16,392

Totals 6/30/08
$ 271,540
1,075,566
859,784
1,828,537
103,990
544,921
16,603
4,700,941
2,409,720
180,088
431,558
542,450
890,156
24,463
37,480
17,832
1,028
4,534,775
166,166
1,673,480
(1,967,691)
(294,211)
(128,045)
2,852,550
2,396
2,854,946
$ 2,726,901

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BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Employment Services		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 294,483	$ 294,483	$ .....
Reversions	59,454	59,454	.....
Fund Balances, July 1, 2007, restated	353,937	353,937	.....
REVENUES			
Fees and charges	293,023	224,338	(68,685)
Licenses	1,055	1,048	(7)
Miscellaneous	110	110	.....
Interest	813	17,613	16,800
Grants	745,394	657,699	(87,695)
Refunds	5,968	19,348	13,380
Transfers and distributions	752,769	731,402	(21,367)
Other	14,896	15,546	650
Total Revenues	1,814,028	1,667,104	(146,924)
Total Available Resources	2,167,965	2,021,041	(146,924)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	140,402	126,954	13,448
Other personal services	13,979	7,382	6,597
Expenses	39,643	28,111	11,532
Grants and aids	5,522	3,888	1,634
Operating capital outlay	2,133	1,381	752
Food products	150	93	57
Fixed capital outlay	11	11	.....
Special categories	1,310,009	1,264,908	45,101
Data processing services	8,822	8,000	822
Total Operating Expenditures	1,520,671	1,440,728	79,943
Nonoperating expenditures:			
Transfers	159,104	159,104	.....
Refunds	2,249	2,249	.....
Other	179,630	179,630	.....
Total Nonoperating Expenditures	340,983	340,983	.....
Total Expenditures	1,861,654	1,781,711	79,943
Fund Balances, June 30, 2008	$ 306,311	$ 239,330	$ (66,981)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 120,477	$ 120,477	$ .....
Reversions	1,099	1,099	.....
Fund Balances, July 1, 2007, restated	121,576	121,576	.....
REVENUES			
Fees and charges	101,289	73,112	(28,177)
Interest	4,950	4,923	(27)
Grants	10,838	10,785	(53)
Refunds	6	175	169
Transfers and distributions	31,357	63,251	31,894
Other	.....	1	1
Total Revenues	148,440	152,247	3,807
Total Available Resources	270,016	273,823	3,807
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	35,223	34,297	926
Other personal services	3,736	3,136	600
Expenses	8,633	7,947	686
Grants and aids	2,557	2,547	10
Operating capital outlay	420	253	167
Fixed capital outlay	1,392	1,392	.....
Special categories	125,158	110,411	14,747
Grants/aids to local governments	350	350	.....
Data processing services	1,929	1,697	232
Total Operating Expenditures	179,398	162,030	17,368
Nonoperating expenditures:			
Transfers	15,850	15,850	.....
Refunds	163	163	.....
Other	612	612	.....
Total Nonoperating Expenditures	16,625	16,625	.....
Total Expenditures	196,023	178,655	17,368
Fund Balances, June 30, 2008	$ 73,993	$ 95,168	$ 21,175

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 49,651	$ 49,651	$ .....
Reversions	290,762	290,762	.....
Fund Balances, July 1, 2007, restated	340,413	340,413	.....
REVENUES			
Fees and charges	8,950	5,407	(3,543)
Interest	3,004	2,091	(913)
Grants	1,271,244	891,383	(379,861)
Refunds	929	3,241	2,312
Transfers and distributions	83,843	63,287	(20,556)
Other	3,981	4,436	455
Total Revenues	1,371,951	969,845	(402,106)
Total Available Resources	1,712,364	1,310,258	(402,106)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	9,300	8,327	973
Other personal services	5,320	4,693	627
Expenses	3,274	2,255	1,019
Grants and aids	2,490	2,083	407
Operating capital outlay	519	422	97
Special categories	1,092,847	985,915	106,932
Grants/aids to local governments	149,303	149,303	.....
Total Operating Expenditures	1,263,053	1,152,998	110,055
Nonoperating expenditures:			
Transfers	109,356	109,356	.....
Refunds	1,455	1,455	.....
Other	654	654	.....
Total Nonoperating Expenditures	111,465	111,465	.....
Total Expenditures	1,374,518	1,264,463	110,055
Fund Balances, June 30, 2008	$ 337,846	$ 45,795	$ (292,051)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 188,946	$ 188,946	$ .....
Reversions	1,517	1,517	.....
Fund Balances, July 1, 2007, restated	190,463	190,463	.....
REVENUES			
Fees and charges	73,335	77,657	4,322
Licenses	1,081,459	1,036,653	(44,806)
Taxes	214,714	218,720	4,006
Miscellaneous	271	290	19
Interest	5,819	8,172	2,353
Grants	.....	33	33
Refunds	79	395	316
Transfers and distributions	191,716	179,632	(12,084)
Other	12,126	15,653	3,527
Total Revenues	1,579,519	1,537,205	(42,314)
Total Available Resources	1,769,982	1,727,668	(42,314)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	114,564	109,008	5,556
Other personal services	9,356	8,145	1,211
Expenses	23,020	21,012	2,008
Operating capital outlay	2,058	1,859	199
Special categories	59,437	48,140	11,297
Total Operating Expenditures	208,435	188,164	20,271
Nonoperating expenditures:			
Continuing Appropriations	97,318	97,318	.....
Transfers	1,160,853	1,160,853	.....
Refunds	12,147	12,147	.....
Other	72,520	72,520	.....
Total Nonoperating Expenditures	1,342,838	1,342,838	.....
Total Expenditures	1,551,273	1,531,002	20,271
Fund Balances, June 30, 2008	$ 218,709	$ 196,666	$ (22,043)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 77,858	$ 77,858	$ .....
Reversions	6,461	6,461	.....
Fund Balances, July 1, 2007, restated	84,319	84,319	.....
REVENUES			
Interest	4,011	3,961	(50)
Refunds	2	116	114
Transfers and distributions	540,719	490,981	(49,738)
Other	413,704	444,423	30,719
Total Revenues	958,436	939,481	(18,955)
Total Available Resources	1,042,755	1,023,800	(18,955)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	177	163	14
Expenses	1	.....	1
Grants and aids	17,050	17,050	.....
Fixed capital outlay	629	629	.....
Special categories	462,386	454,422	7,964
Grants/aids to local governments	2,490	2,490	.....
Total Operating Expenditures	482,733	474,754	7,979
Nonoperating expenditures:			
Transfers	493,883	493,883	.....
Other	640	640	.....
Total Nonoperating Expenditures	494,523	494,523	.....
Total Expenditures	977,256	969,277	7,979
Fund Balances, June 30, 2008	$ 65,499	$ 54,523	$ (10,976)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 88,625	$ 88,625	$ .....
Reversions	1,683	1,683	.....
Fund Balances, July 1, 2007, restated	90,308	90,308	.....
REVENUES			
Fees and charges	76,070	72,140	(3,930)
Licenses	53,960	49,753	(4,207)
Miscellaneous	29	31	2
Interest	706	944	238
Grants	83,891	58,678	(25,213)
Refunds	111	1,199	1,088
Transfers and distributions	45,033	59,326	14,293
Other	60,760	60,473	(287)
Total Revenues	320,560	302,544	(18,016)
Total Available Resources	410,868	392,852	(18,016)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	52,513	47,503	5,010
Other personal services	4,838	3,244	1,594
Expenses	27,673	23,059	4,614
Grants and aids	28,535	15,237	13,298
Operating capital outlay	8,223	5,067	3,156
Fixed capital outlay	66	66	.....
Special categories	196,143	139,013	57,130
Data processing services	135	14	121
Total Operating Expenditures	318,126	233,203	84,923
Nonoperating expenditures:			
Transfers	48,316	48,316	.....
Refunds	6,724	6,724	.....
Other	35,114	35,114	.....
Total Nonoperating Expenditures	90,154	90,154	.....
Total Expenditures	408,280	323,357	84,923
Fund Balances, June 30, 2008	$ 2,588	$ 69,495	$ 66,907

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 23,509	$ 23,509	$ .....
Reversions	238	238	.....
Fund Balances, July 1, 2007, restated	23,747	23,747	.....
REVENUES			
Fees and charges	5,370	5,375	5
Grants	22,624	23,481	857
Refunds	.....	6	6
Transfers and distributions	29,169	29,296	127
Other	91	586	495
Total Revenues	57,254	58,744	1,490
Total Available Resources	81,001	82,491	1,490
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	11,316	5,984	5,332
Other personal services	1,022	674	348
Expenses	8,212	5,341	2,871
Operating capital outlay	2,207	730	1,477
Food products	615	326	289
Fixed capital outlay	4,736	4,736	.....
Special categories	34,201	32,054	2,147
Total Operating Expenditures	62,309	49,845	12,464
Nonoperating expenditures:			
Transfers	14,749	14,749	.....
Refunds	85	85	.....
Other	2,959	2,959	.....
Special expenses	48	48	.....
Total Nonoperating Expenditures	17,841	17,841	.....
Total Expenditures	80,150	67,686	12,464
Fund Balances, June 30, 2008	$ 851	$ 14,805	$ 13,954

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 20,890	$ 20,890	$ .....
Reversions	77,392	77,392	.....
Fund Balances, July 1, 2007, restated	98,282	98,282	.....
REVENUES			
Fees and charges	5,525	5,829	304
Licenses	.....	28	28
Interest	106	784	678
Grants	376,698	152,022	(224,676)
Refunds	3,349	3,710	361
Transfers and distributions	158,368	160,639	2,271
Other	10,617	19,552	8,935
Total Revenues	554,663	342,564	(212,099)
Total Available Resources	652,945	440,846	(212,099)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	23,153	21,241	1,912
Other personal services	599	184	415
Expenses	3,129	2,590	539
Operating capital outlay	431	191	240
Special categories	258,874	110,168	148,706
Grants/aids to local governments	84	84	.....
Data processing services	42	.....	42
Total Operating Expenditures	286,312	134,458	151,854
Nonoperating expenditures:			
Transfers	257,934	257,934	.....
Refunds	56	56	.....
Other	3,463	3,463	.....
Total Nonoperating Expenditures	261,453	261,453	.....
Total Expenditures	547,765	395,911	151,854
Fund Balances, June 30, 2008	$ 105,180	$ 44,935	$ (60,245)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Agriculture		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 23,162	$ 23,162	$ .....
Reversions	7,721	7,721	.....
Fund Balances, July 1, 2007, restated	30,883	30,883	.....
REVENUES			
Fees and charges	69,280	69,668	388
Licenses	18,657	18,760	103
Taxes	350	368	18
Miscellaneous	5,100	5,011	(89)
Interest	2,789	2,793	4
Grants	48,451	49,209	758
Refunds	2,048	2,103	55
Transfers and distributions	137,704	135,205	(2,499)
Other	4,837	4,866	29
Total Revenues	289,216	287,983	(1,233)
Total Available Resources	320,099	318,866	(1,233)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	83,310	77,044	6,266
Other personal services	6,439	4,618	1,821
Expenses	33,979	28,242	5,737
Grants and aids	5,197	4,924	273
Operating capital outlay	3,910	2,824	1,086
Fixed capital outlay	16,993	16,993	.....
Special categories	77,797	70,039	7,758
Total Operating Expenditures	227,625	204,684	22,941
Nonoperating expenditures:			
Payments to U.S. Treasury	8,302	8,302	.....
Transfers	37,643	37,643	.....
Refunds	1,530	1,530	.....
Other	8,809	8,809	.....
Total Nonoperating Expenditures	56,284	56,284	.....
Total Expenditures	283,909	260,968	22,941
Fund Balances, June 30, 2008	$ 36,190	$ 57,898	$ 21,708

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 13,712	$ 13,712	$ .....
Reversions	1,972	1,972	.....
Fund Balances, July 1, 2007, restated	15,684	15,684	.....
REVENUES			
Fees and charges	101,245	103,527	2,282
Interest	.....	338	338
Grants	12,092	9,017	(3,075)
Refunds	.....	426	426
Transfers and distributions	59,554	60,542	988
Other	2,616	2,629	13
Total Revenues	175,507	176,479	972
Total Available Resources	191,191	192,163	972
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	93,405	90,782	2,623
Other personal services	3,748	3,135	613
Expenses	10,939	9,335	1,604
Grants and aids	802	420	382
Operating capital outlay	307	252	55
Food products	196	190	6
Fixed capital outlay	1,598	1,598	.....
Special categories	74,970	67,911	7,059
Total Operating Expenditures	185,965	173,623	12,342
Nonoperating expenditures:			
Refunds	255	255	.....
Other	824	824	.....
Total Nonoperating Expenditures	1,079	1,079	.....
Total Expenditures	187,044	174,702	12,342
Fund Balances, June 30, 2008	$ 4,147	$ 17,461	$ 13,314

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 44,732	$ 44,732	$ .....
Reversions	1,522	1,522	.....
Fund Balances, July 1, 2007, restated	46,254	46,254	.....
REVENUES			
Fees and charges	26,963	28,395	1,432
Licenses	300	308	8
Interest	.....	18	18
Grants	10,431	9,941	(490)
Refunds	799	791	(8)
Transfers and distributions	34,713	36,315	1,602
Other	6,509	6,471	(38)
Total Revenues	79,715	82,239	2,524
Total Available Resources	125,969	128,493	2,524
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	83,863	65,553	18,310
Other personal services	5,716	3,065	2,651
Expenses	3,661	1,732	1,929
Operating capital outlay	84	58	26
Special categories	23,328	13,110	10,218
Data processing services	596	434	162
Total Operating Expenditures	117,248	83,952	33,296
Nonoperating expenditures:			
Transfers	3,194	3,194	.....
Refunds	1,959	1,959	.....
Other	1,625	1,625	.....
Total Nonoperating Expenditures	6,778	6,778	.....
Total Expenditures	124,026	90,730	33,296
Fund Balances, June 30, 2008	$ 1,943	$ 37,763	$ 35,820

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 17,868	$ 17,868	$ .....
Reversions	2,146	2,146	.....
Fund Balances, July 1, 2007, restated	20,014	20,014	.....
REVENUES			
Fees and charges	17,104	16,576	(528)
Miscellaneous	2	43	41
Interest	208	273	65
Grants	62,130	61,945	(185)
Refunds	19,493	17,376	(2,117)
Transfers and distributions	46,551	42,265	(4,286)
Other	54	74	20
Total Revenues	145,542	138,552	(6,990)
Total Available Resources	165,556	158,566	(6,990)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	28,450	27,846	604
Other personal services	1,042	800	242
Expenses	16,621	16,530	91
Operating capital outlay	594	537	57
Food products	3,613	3,603	10
Fixed capital outlay	17,975	17,975	.....
Special categories	37,249	37,149	100
Total Operating Expenditures	105,544	104,440	1,104
Nonoperating expenditures:			
Transfers	28,798	28,798	.....
Refunds	123	123	.....
Other	135	135	.....
Total Nonoperating Expenditures	29,056	29,056	.....
Total Expenditures	134,600	133,496	1,104
Fund Balances, June 30, 2008	$ 30,956	$ 25,070	$ (5,886)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Citrus Commission		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 9,286	$ 9,286	$ .....
Reversions	1,947	1,947	.....
Fund Balances, July 1, 2007, restated	11,233	11,233	.....
REVENUES			
Fees and charges	.....	7	7
Taxes	53,074	53,158	84
Miscellaneous	43	34	(9)
Interest	400	509	109
Grants	6,809	6,448	(361)
Refunds	124	147	23
Other	.....	30	30
Total Revenues	60,450	60,333	(117)
Total Available Resources	71,683	71,566	(117)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	6,509	4,466	2,043
Other personal services	173	74	99
Expenses	3,695	716	2,979
Operating capital outlay	396	47	349
Special categories	56,602	45,947	10,655
Data processing services	8	2	6
Total Operating Expenditures	67,383	51,252	16,131
Nonoperating expenditures:			
Refunds	9	9	.....
Other	1,559	1,559	.....
Total Nonoperating Expenditures	1,568	1,568	.....
Total Expenditures	68,951	52,820	16,131
Fund Balances, June 30, 2008	$ 2,732	$ 18,746	$ 16,014

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 462	$ 462	$ .....
Fund Balances, July 1, 2007, restated	462	462	.....
REVENUES			
Grants	1,421	1,448	27
Transfers and distributions	1,905	1,768	(137)
Total Revenues	3,326	3,216	(110)
Total Available Resources	3,788	3,678	(110)
EXPENDITURES			
Operating expenditures:			
Special categories	2,846	2,846	.....
Total Operating Expenditures	2,846	2,846	.....
Nonoperating expenditures:			
Continuing appropriations	147	147	.....
Transfers	195	195	.....
Other	38	38	.....
Total Nonoperating Expenditures	380	380	.....
Total Expenditures	3,226	3,226	.....
Fund Balances, June 30, 2008	$ 562	$ 452	$ (110)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2007	$ 64,854	$ 64,854	$ .....
Reversions	127	127	.....
Fund Balances, July 1, 2007, restated	64,981	64,981	.....
REVENUES			
Interest	4,190	4,135	(55)
Refunds	.....	33	33
Other	113,400	113,374	(26)
Total Revenues	117,590	117,542	(48)
Total Available Resources	182,571	182,523	(48)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	219	132	87
Expenses	688	383	305
Grants and aids	166,550	157,862	8,688
Special categories	344	287	57
Data processing services	9	6	3
Total Operating Expenditures	167,810	158,670	9,140
Nonoperating expenditures:			
Transfers	57	57	.....
Total Nonoperating Expenditures	57	57	.....
Total Expenditures	167,867	158,727	9,140
Fund Balances, June 30, 2008	$ 14,704	$ 23,796	$ 9,092

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CAPITAL PROJECTS FUNDS

GENERAL GOVERNMENT
This fund includes various internal reporting capital projects funds administered by various agencies to account for resources used for the acquisition or construction of major capital facilities other than those financed by other funds.

RIGHT-OF-WAY AND BRIDGE CONSTRUCTION
This fund includes the internal reporting capital projects funds administered by the Department of Transportation for right-of-way acquisition and bridge construction.

OTHER
This fund includes various internal reporting capital projects funds administered by other agencies.

SCHOOL FOR THE DEAF AND THE BLIND
This capital projects fund is administered by the School for the Deaf and the Blind.

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2008
(in thousands)

	General Government	Right-of-Way and Bridge Construction	Other	School for the Deaf and the Blind	Totals 6/30/08
ASSETS					
Current assets					
Pooled investments with State Treasury	$ 1,070	$ 67,371	$ 9,761	$ 5,372	$ 83,574
Receivables, net	.....	97	2	.....	99
Due from other funds	67,526	.....	.....	8,524	76,050
Total current assets	68,596	67,468	9,763	13,896	159,723
Noncurrent assets					
Restricted pooled investments with State Treasury	.....	4,467	.....	.....	4,467
Other	.....	80	.....	.....	80
Total noncurrent assets	.....	4,547	.....	.....	4,547
Total assets	$ 68,596	$ 72,015	$ 9,763	$ 13,896	$ 164,270
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities	$ 52	$ 1,061	$	$ 256	$ 1,369
Due to other funds	17	4,480	.....	.....	4,497
Obligations under security lending agreements	.....	12,891	127	.....	13,018
Obligations under reverse repurchase agreements	.....	5,476	54	.....	5,530
Total current liabilities	69	23,908	181	256	24,414
Total liabilities	69	23,908	181	256	24,414
Fund balances					
Reserved for encumbrances	.....	.....	584	.....	584
Reserved for capital outlay	58,817	48,621	382	13,639	121,459
Other reserved	.....	80	.....	.....	80
Unreserved	9,710	(594)	8,616	1	17,733
Total fund balances	68,527	48,107	9,582	13,640	139,856
Total liabilities and fund balances	$ 68,596	$ 72,015	$ 9,763	$ 13,896	$ 164,270

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	General Government	Right-of-Way and Bridge Construction	Other	School for the Deaf and the Blind	Totals 6/30/08
REVENUES					
Fees and charges	$	$	$ 1,133	$	$ 1,133
Investment earnings	.....	1,055	189	.....	1,244
Total revenues	.....	1,055	1,322	.....	2,377
EXPENDITURES					
Current:					
General government	17,174	.....	2,810	.....	19,984
Education	.....	.....	.....	1,965	1,965
Human services	22,119	.....	413	.....	22,532
Criminal justice and corrections	34,544	.....	.....	.....	34,544
Natural resources and environment	87	.....	.....	.....	87
Transportation	.....	25	.....	.....	25
Capital outlay	109,114	99,208	.....	8,770	217,092
Debt service:					
Principal retirement	2,550	.....	.....	.....	2,550
Interest and fiscal charges	11,500	.....	.....	.....	11,500
Total expenditures	197,088	99,233	3,223	10,735	310,279
Excess (deficiency) of revenues over expenditures	(197,088)	(98,178)	(1,901)	(10,735)	(307,902)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	.....	154,429	.....	.....	154,429
Operating transfers in	224,448	210,000	50	19,544	454,042
Operating transfers out	(5,799)	(276,964)	(6)	.....	(282,769)
Total other financing sources (uses)	218,649	87,465	44	19,544	325,702
Net change in fund balances	21,561	(10,713)	(1,857)	8,809	17,800
Fund balances - beginning	46,966	58,820	11,439	4,831	122,056
Fund balances - ending	$ 68,527	$ 48,107	$ 9,582	$ 13,640	$ 139,856

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PERMANENT FUNDS

PRIVATE GRANTS

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, used to support fish and wildlife conservation programs of the State, in accordance with Section 372.105, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

LAWTON CHILES ENDOWMENT FUND

This fund is administered by the State Board of Administration, a blended component unit of the State, in accordance with Section 215.5601, Florida Statutes. Its purpose is to provide a perpetual source of enhanced funding for State children's health programs, child welfare programs, children's community-based health and human services initiatives, elder programs, and biomedical research activities related to tobacco use.

COMBINING BALANCE SHEET
PERMANENT FUNDS
JUNE 30, 2008
(in thousands)

	Private Grants	Lawton Chiles Endowment Fund	Totals 6/30/08
ASSETS			
Current assets			
Cash and cash equivalents	$ 153	$ 3,033	$ 3,186
Pooled investments with State Treasury	8,691	.....	8,691
Investments	2,206	715,799	718,005
Receivables, net	35	83,267	83,302
Total current assets	11,085	802,099	813,184
Noncurrent assets			
Long-term investments	.....	1,736,975	1,736,975
Total noncurrent assets	.....	1,736,975	1,736,975
Total assets	$ 11,085	$ 2,539,074	$ 2,550,159
LIABILITIES AND FUND BALANCES			
Current liabilities			
Accounts payable and accrued liabilities	$	$ 99,897	$ 99,897
Due to other funds	33	26	59
Obligations under security lending agreements	1,581	306,947	308,528
Obligations under reverse repurchase agreements	671	.....	671
Total liabilities	2,285	406,870	409,155
Fund balances			
Reserved for permanent trust	.....	1,722,247	1,722,247
Other reserved	6,511	.....	6,511
Unreserved	2,289	409,957	412,246
Total fund balances	8,800	2,132,204	2,141,004
Total liabilities and fund balances	$ 11,085	$ 2,539,074	$ 2,550,159

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Private Grants	Lawton Chiles Endowment Fund	Totals 6/30/08
REVENUES			
Licenses and permits	$ 647	$	$ 647
Investment earnings	(286)	(140,496)	(140,782)
Fines, forfeits, settlements and judgments	.....	1,262	1,262
Total revenues	361	(139,234)	(138,873)
EXPENDITURES			
Current:			
General government	.....	14,825	14,825
Education	92	.....	92
Total expenditures	92	14,825	14,917
Excess (deficiency) of revenues over expenditures	269	(154,059)	(153,790)
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(294)	(45,969)	(46,263)
Total other financing sources (uses)	(294)	(45,969)	(46,263)
Net change in fund balances	(25)	(200,028)	(200,053)
Fund balances - beginning	8,825	2,332,232	2,341,057
Fund balances - ending	$ 8,800	$ 2,132,204	$ 2,141,004

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NONMAJOR ENTERPRISE FUNDS

UNEMPLOYMENT COMPENSATION
This fund accounts for the receipt of monies for and payment of unemployment compensation benefits.

OTHER
This category includes various internal reporting enterprise funds administered by various agencies.

FLORIDA ENGINEERS MANAGEMENT CORPORATION
This blended component unit was created for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in Section 471.038, F.S.

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2008
(in thousands)

	Unemployment Compensation	Other	FL Engineers Management Corp	Totals 6/30/08
ASSETS				
Current assets				
Cash and cash equivalents	$ 987	$ 1,780	$ 305	$ 3,072
Pooled investments with State Treasury	2,070,093	333,131	.....	2,403,224
Receivables, net	398,733	13,257	.....	411,990
Due from other funds	1,870	1,182	.....	3,052
Due from component units/primary	918	13	.....	931
Inventories	.....	6	.....	6
Other	.....	.....	45	45
Total current assets	2,472,601	349,369	350	2,822,320
Noncurrent assets				
Capital assets				
Buildings, equipment, and other depreciable assets	.....	16,175	569	16,744
Accumulated depreciation	.....	(9,333)	(471)	(9,804)
Total noncurrent assets	.....	6,842	98	6,940
Total assets	2,472,601	356,211	448	2,829,260
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	63,590	7,193	126	70,909
Due to other funds	6,180	7,974	.....	14,154
Due to component units/primary	.....	10	236	246
Compensated absences	.....	3,312	.....	3,312
Installment purchases/capital leases	.....	16	.....	16
Deposits	28,985	19,097	.....	48,082
Obligations under security lending agreements	.....	45,443	.....	45,443
Obligations under reverse repurchase agreements	.....	19,302	.....	19,302
Total current liabilities	98,755	102,347	362	201,464
Noncurrent liabilities				
Deposits	399,533	.....	.....	399,533
Installment purchases/capital leases	.....	16	.....	16
Compensated absences	.....	10,547	.....	10,547
Other noncurrent liabilities	.....	1,310	.....	1,310
Total noncurrent liabilities	399,533	11,873	.....	411,406
Total liabilities	498,288	114,220	362	612,870
NET ASSETS				
Invested in capital assets, net of related debt	.....	6,842	99	6,941
Restricted for unemployment compensation	1,974,312	.....	.....	1,974,312
Unrestricted	1	235,149	(13)	235,137
Total net assets	$ 1,974,313	$ 241,991	$ 86	$ 2,216,390

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Unemployment Compensation	Other	FL Engineers Management Corp	Totals 6/30/08
OPERATING REVENUES				
Sales - nonstate	$	$ 55,392	$	$ 55,392
Fees	947,274	218,379	2,000	1,167,653
Sales - state	.....	431	.....	431
Rents - state	.....	75	.....	75
Fines, forfeits, settlements and judgments	.....	16,038	.....	16,038
Other revenue	.....	14	.....	14
Total operating revenues	947,274	290,329	2,000	1,239,603
OPERATING EXPENSES				
Benefit payments	1,441,692	.....	.....	1,441,692
Contractual services	.....	44,919	1	44,920
Personal services	.....	130,779	1,450	132,229
Depreciation	.....	1,330	19	1,349
Materials and supplies	.....	6,528	.....	6,528
Repairs and maintenance	.....	689	.....	689
Basic services	.....	24,057	470	24,527
Interest and fiscal charges	.....	526	.....	526
Total operating expenses	1,441,692	208,828	1,940	1,652,460
Operating income (loss)	(494,418)	81,501	60	(412,857)
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	28,735	29	.....	28,764
Investment earnings	171,134	9,994	.....	181,128
Interest and fiscal charges	.....	(220)	.....	(220)
Property disposition gain (loss)	.....	61	.....	61
Grant expense and client benefits	.....	(862)	.....	(862)
Other	.....	(829)	.....	(829)
Total nonoperating revenues (expenses)	199,869	8,173	.....	208,042
Income (loss) before transfers and contributions	(294,549)	89,674	60	(204,815)
Operating transfers in	4,482	4,729	.....	9,211
Operating transfers out	(22,109)	(67,604)	.....	(89,713)
Capital contributions	.....	118	.....	118
Change in net assets	(312,176)	26,917	60	(285,199)
Total net assets - beginning	2,286,489	215,074	26	2,501,589
Total net assets - ending	$ 1,974,313	$ 241,991	$ 86	$ 2,216,390

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Unemployment Compensation	Other	FL Engineers Management Corporation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 845,831	$ 293,126	$ 2,192
Cash paid to vendors	.....	(78,199)	(751)
Cash paid to employees	.....	(129,136)	(1,196)
Cash paid for insurance claims	.....	(102)	.....
Unemployment benefits	(1,420,800)	(272)	.....
Net cash provided (used) by operating activities	(574,969)	85,417	245
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(15,938)	(65,940)	.....
Advances, grants or loans (to) from or repayment from others	.....	(862)	.....
Cash received from noncapital grants or donations	20,988	87	.....
Net cash provided (used) by noncapital financing activities	5,050	(66,715)	.....
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment of principal on installment purchase/capital lease	.....	(9)	.....
Purchase or construction of capital assets	.....	(1,504)	(71)
Net cash provided (used) by capital and related financing activities	.....	(1,513)	(71)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	.....	2,325	.....
Investment earnings	121,707	9,771	.....
Net cash provided (used) by investing activities	121,707	12,096	.....
Net increase (decrease) in cash and cash equivalents	(448,212)	29,285	174
Cash and cash equivalents - beginning	2,519,292	305,626	131
Cash and cash equivalents - ending	$ 2,071,080	$ 334,911	$ 305

	Totals 6/30/08
$	1,141,149
	(78,950)
	(130,332)
	(102)
	(1,421,072)
	(489,307)
	(81,878)
	(862)
	21,075
	(61,665)
	(9)
	(1,575)
	(1,584)
	2,325
	131,478
	133,803
	(418,753)
	2,825,049
$	2,406,296

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Unemployment Compensation	Other	FL Engineers Management Corporation
Operating income (loss)	$ (494,418)	$ 81,501	$ 60
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	.....	1,330	19
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(114,871)	(3,259)	.....
(Increase) decrease in due from other funds	.....	5,322	.....
Increase (decrease) in allowance for uncollectibles	5,856	(12)	.....
(Increase) decrease in inventories	.....	.....	(15)
Increase (decrease) in accounts payable	28,464	(621)	(7)
Increase (decrease) in compensated absences	.....	(1,322)	.....
Increase (decrease) in due to other funds	.....	(129)	188
Increase (decrease) in other non-current liability	.....	1,310	.....
Increase (decrease) in deferred revenue	.....	1,297	.....
Net cash provided (used) by operating activities	$ (574,969)	$ 85,417	$ 245

	Totals 6/30/08
$	(412,857)
	1,349
	(118,130)
	5,322
	5,844
	(15)
	27,836
	(1,322)
	59
	1,310
	1,297
$	(489,307)

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INTERNAL SERVICE FUNDS

EMPLOYEE HEALTH AND DISABILITY
These funds are administered by the Department of Management Services and are used primarily to account for health and disability plans for employees of the state.

DATA CENTERS
These funds are used to account for services provided by data processing centers operated by various agencies.

COMMUNICATIONS AND FACILITIES
These funds are administered by the Department of Management Services primarily to account for services provided to other state agencies such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the Suncom (state communication) Network.

OTHER
These funds are administered by various agencies primarily to account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/08
ASSETS					
Current assets					
Cash and cash equivalents	$ 3,101	$	$ 15,184	$	$ 18,285
Pooled investments with State Treasury	278,530	15,314	209,134	4,209	507,187
Investments	.....	.....	40,913	.....	40,913
Receivables, net	13,298	732	8,116	1,007	23,153
Due from other funds	1,895	5,575	9,050	2,899	19,419
Due from component units/primary	.....	.....	35	16	51
Inventories	.....	.....	148	6	154
Total current assets	296,824	21,621	282,580	8,137	609,162
Noncurrent assets					
Capital assets					
Land and other nondepreciable assets	.....	.....	360	.....	360
Buildings, equipment, and other depreciable assets	186	40,217	923,407	18,280	982,090
Accumulated depreciation	(168)	(30,640)	(282,202)	(10,641)	(323,651)
Construction work in progress	.....	.....	14,285	.....	14,285
Total noncurrent assets	18	9,577	655,850	7,639	673,084
Total assets	296,842	31,198	938,430	15,776	1,282,246
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	48,669	6,517	28,243	1,200	84,629
Due to other funds	22,824	112	1,642	2,198	26,776
Compensated absences	.....	826	727	1,196	2,749
Installment purchases/capital leases	.....	505	440	.....	945
Bonds payable	.....	.....	17,330	.....	17,330
Deposits	132,870	.....	4,975	292	138,137
Obligations under security lending agreements	44,537	786	37,100	139	82,562
Obligations under reverse repurchase agreements	18,918	334	15,759	59	35,070
Certificates of participation payable	.....	.....	13,645	.....	13,645
Total current liabilities	267,818	9,080	119,861	5,084	401,843
Noncurrent liabilities					
Advances from other funds	.....	1,478	525	800	2,803
Due to other governments	.....	.....	369	.....	369
Bonds payable	.....	.....	381,480	.....	381,480
Certificates of participation payable	.....	.....	243,237	.....	243,237
Installment purchases/capital leases	.....	846	3,877	.....	4,723
Compensated absences	218	2,328	2,427	6,487	11,460
Other noncurrent liabilities	842	221	263	559	1,885
Total noncurrent liabilities	1,060	4,873	632,178	7,846	645,957
Total liabilities	268,878	13,953	752,039	12,930	1,047,800
NET ASSETS					
Invested in capital assets, net of related debt	.....	9,235	112,650	7,639	129,524
Unrestricted	27,964	8,010	73,741	(4,793)	104,922
Total net assets	$ 27,964	$ 17,245	$ 186,391	$ 2,846	$ 234,446

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/08
OPERATING REVENUES					
Sales - nonstate	$	$ 201	$ 36,899	$ 463	$ 37,563
Sales - state	1,441,316	98,919	114,636	62,677	1,717,548
Rents and royalties - nonstate	.....	.....	298	.....	298
Rents - state	.....	.....	107,192	.....	107,192
Fines, forfeits, settlements and judgments	.....	.....	.....	441	441
Other revenue	19,209	.....	.....	.....	19,209
Total operating revenues	1,460,525	99,120	259,025	63,581	1,882,251
OPERATING EXPENSES					
Contractual services	720,470	39,960	155,702	6,894	923,026
Insurance claims expense	760,895	.....	.....	.....	760,895
Personal services	2,421	25,766	28,213	47,654	104,054
Depreciation	4	4,904	15,269	1,085	21,262
Materials and supplies	144	16,049	638	2,663	19,494
Repairs and maintenance	.....	2,775	15,683	1,073	19,531
Basic services	178	6,842	5,186	3,555	15,761
Interest and fiscal charges	.....	2	.....	1	3
Total operating expenses	1,484,112	96,298	220,691	62,925	1,864,026
Operating income (loss)	(23,587)	2,822	38,334	656	18,225
NONOPERATING REVENUES/(EXPENSES)					
Investment earnings	9,916	132	9,382	221	19,651
Interest and fiscal charges	(209)	(47)	(33,803)	(4)	(34,063)
Property disposition gain (loss)	.....	72	(26,454)	(189)	(26,571)
Other	.....	(21)	.....	.....	(21)
Total nonoperating revenues (expenses)	9,707	136	(50,875)	28	(41,004)
Income (loss) before transfers and contributions	(13,880)	2,958	(12,541)	684	(22,779)
Operating transfers in	19,526	.....	6,195	1,500	27,221
Operating transfers out	(526)	(781)	(12,822)	(3,211)	(17,340)
Capital contributions	1	199	29	5,397	5,626
Change in net assets	5,121	2,376	(19,139)	4,370	(7,272)
Total net assets - beginning	.....	14,869	205,530	(1,524)	218,875
Adjustments to increase (decrease) beginning net assets	22,843	.....	.....	.....	22,843
Total net assets - beginning, as restated	22,843	14,869	205,530	(1,524)	241,718
Total net assets - ending	$ 27,964	$ 17,245	$ 186,391	$ 2,846	$ 234,446

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 1,489,402	$ 99,230	$ 256,264
Cash paid to vendors	(721,639)	(64,415)	(179,883)
Cash paid to employees	(1,652)	(26,574)	(22,175)
Cash paid for insurance claims	(761,731)	.....	.....
Unemployment benefits	.....	.....	.....
Net cash provided (used) by operating activities	4,380	8,241	54,206
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	19,003	(781)	(8,184)
Advances from or repayment from other funds	.....	.....	.....
Advances, grants or loans (to) from or repayment from others	.....	.....	.....
Net cash provided (used) by noncapital financing activities	19,003	(781)	(8,184)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale of capital assets	.....	.....	.....
Cash received from the sale of bonds	.....	.....	26,045
Payment of bond principal	.....	(604)	(29,130)
Payment of principal on installment purchase/capital lease	.....	(15)	(287)
Payment of interest on bonds/installment purchase/capital lease	.....	(43)	(44,017)
Purchase or construction of capital assets	.....	(3,156)	(839)
Net cash provided (used) by capital and related financing activities	.....	(3,818)	(48,228)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	63,450	173	1,273
Investment earnings	7,854	123	10,624
Net cash provided (used) by investing activities	71,304	296	11,897
Net increase (decrease) in cash and cash equivalents	94,687	3,938	9,691
Cash and cash equivalents - beginning	.....	11,376	214,627
Adjustments to increase beginning cash and cash equivalents	186,944	.....	.....
Total cash and cash equivalents - beginning	186,944	11,376	214,627
Cash and cash equivalents - ending	$ 281,631	$ 15,314	$ 224,318

Other	Totals 6/30/08
$ 64,039	$ 1,908,935
(14,701)	(980,638)
(48,132)	(98,533)
.....	(761,731)
(20)	(20)
1,186	68,013
(1,312)	8,726
(7)	(7)
(1)	(1)
(1,320)	8,718
(30)	(30)
.....	26,045
.....	(29,734)
.....	(302)
.....	(44,060)
(1,107)	(5,102)
(1,137)	(53,183)
(746)	64,150
222	18,823
(524)	82,973
(1,795)	106,521
6,004	232,007
.....	186,944
6,004	418,951
$ 4,209	$ 525,472

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Employee Health and Disability	Data Centers	Communications and Facilities
Operating income (loss)	$ (23,587)	$ 2,822	$ 38,334
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	4	4,904	15,269
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(3,972)	(112)	(1,920)
(Increase) decrease in due from other funds	2,472	226	260
(Increase) decrease in inventories	.....	.....	(28)
Increase (decrease) in accounts payable	328	398	521
Increase (decrease) in compensated absences	(33)	(326)	(21)
Increase (decrease) in due to other funds	(2,046)	108	(126)
Increase (decrease) in other non-current liability	842	221	263
Increase (decrease) in deferred revenues	30,372	.....	1,654
Net cash provided (used) by operating activities	# $ 4,380	$ 8,241	$ 54,206
Noncash investing, capital, and financing activities			
Borrowing under capital lease or installment purchase	$	$ 6	$ .....

Other	Totals 6/30/08
$ 656	$ 18,225
1,085	21,262
1,590	(4,414)
(1,369)	1,589
84	56
(2,499)	(1,252)
130	(250)
1,101	(963)
559	1,885
(151)	31,875
$ 1,186	$ 68,013

$	$ 6

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PRIVATE-PURPOSE TRUST FUNDS

TRUST ESCROW ADMINISTRATION
These funds administered by the Department of Financial Services are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

UNCLAIMED PROPERTY
This fund includes the internal reporting funds administered by the Department of Financial Services that are used to account for unclaimed property pursuant to Chapter 717, Florida Statutes.

STUDENT LOAN GUARANTY RESERVE
This fund administered by the Department of Education is used to account for federally guaranteed loans to Florida citizens to pay for higher education.

OTHER
This category includes other internal reporting funds administered by various agencies that are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

COLLEGE SAVINGS PLAN
This fund, administered by the State Board of Administration, is used to account for contributions from participants of the College Savings Plan as authorized by Chapter 1009.981, Florida Statutes. Participant contributions are collected and invested in accordance with the Plan provisions and participant direction.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2008
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	$ 18,271	$ 754	$	$ .....
Pooled investments with State Treasury	642,047	6,889	20,185	669
Total cash and cash equivalents	660,318	7,643	20,185	669
Investments				
Certificates of deposit	.....	.....	.....	.....
U.S. government & federally guaranteed obligations	.....	.....	.....	.....
Federal agencies	.....	.....	.....	.....
Repurchase agreements	.....	.....	.....	.....
Bonds and notes	1,502	.....	.....	.....
International bonds and notes	.....	.....	.....	.....
Mutual fund investments	.....	7,995	.....	.....
Money market and short-term investments	4,708	.....	.....	.....
Domestic equity	.....	4,504	.....	.....
International equity	.....	.....	.....	.....
Other investments	23	.....	.....	.....
Total investments	6,233	12,499	.....	.....
Receivables				
Accounts receivable	21,842	.....	1,482	.....
Interest receivable	1,404	7	59	.....
Dividends receivable	.....	.....	.....	.....
Pending investment sales	.....	.....	.....	.....
Due from state funds	.....	.....	163	.....
Due from other governments	.....	.....	26,235	.....
Total receivables	23,246	7	27,939	.....
Security lending collateral	.....	.....	.....	.....
Advances to other funds	.....	422,552	.....	.....
Loans receivable	883,067	.....	.....	.....
Capital assets	7	762	25	331
Accumulated depreciation	.....	(351)	(25)	.....
Other assets	224	.....	.....	.....
Total assets	1,573,095	443,112	48,124	1,000
LIABILITIES				
Accounts payable	540	12,763	2	.....
Pending investment purchases	.....	.....	.....	.....
Broker rebate fees	.....	.....	.....	.....
Due to other funds	218	28	3,332	.....
Due to other governments	.....	.....	7,441	.....
Obligations under security lending agreements	110,014	611	3,412	.....
Obligations under reverse repurchase agreements	46,730	260	1,449	.....
Deposits payable	.....	.....	.....	.....
Compensated absences	.....	359	.....	.....
Other liabilities	.....	278	.....	.....
Total liabilities	157,502	14,299	15,636	.....
NET ASSETS				
Held in trust for individuals, organizations, and other governments	$ 1,415,593	$ 428,813	$ 32,488	$ 1,000

College Savings Plan	Totals 6/30/08
$ 6,126	$ 25,151
.....	669,790
6,126	694,941
2	2
14,909	14,909
24,776	24,776
31	31
18,724	20,226
999	999
.....	7,995
16,718	21,426
87,333	91,837
741	741
.....	23
164,233	182,965
.....	23,324
530	2,000
107	107
151	151
.....	163
.....	26,235
788	51,980
28,634	28,634
.....	422,552
.....	883,067
6	1,131
(6)	(382)
.....	224
199,781	2,265,112
506	13,811
183	183
53	53
2	3,580
.....	7,441
31,266	145,303
.....	48,439
14,202	14,202
4	363
.....	278
46,216	233,653
$ 153,565	$ 2,031,459

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
Contributions and other deposits				
Fees	$	$	$ 4,839	$ .....
Grants and contributions	.....	.....	210,110	.....
Fines, forfeits, settlements and judgments	.....	283	2	.....
Unclaimed property remittances	.....	313,097	.....	.....
Transfers in from state funds	32	.....	512	.....
Total contributions and other deposits	32	313,380	215,463	.....
Investment income				
Interest income	26,835	138	1,576	.....
Dividends	.....	.....	.....	.....
Other investment income	294	.....	.....	.....
Net increase (decrease) in fair market value	.....	.....	.....	.....
Total investment income	27,129	138	1,576	.....
Investment activity expense	(619)	(416)	.....	.....
Net income (loss) from investing activity	26,510	(278)	1,576	.....
Security lending activity				
Security lending income	.....	.....	.....	.....
Security lending expense	.....	.....	.....	.....
Net income from security lending	.....	.....	.....	.....
Total net investment income (loss)	26,510	(278)	1,576	.....
Other additions	3	81	6,959	.....
Total additions	26,545	313,183	223,998	.....
DEDUCTIONS				
Insurance claims expense	200	.....	.....	.....
Interest expense	636	5	30	.....
Student loan default payments	.....	.....	213,938	.....
Payments to unclaimed property claimants	.....	67,190	.....	.....
Distribution to State School Fund	.....	197,000	.....	.....
Administrative expense	.....	3,750	.....	.....
Property disposition gain (loss)	.....	4	.....	.....
Transfers out to state funds	.....	1,639	1,638	.....
Other deductions	16,846	530	8,953	.....
Total deductions	17,682	270,118	224,559	.....
Depositor activity				
Deposits	102,484	.....	.....	36
Withdrawals	(39,630)	.....	.....	.....
Excess (deficiency) of deposits over withdrawals	62,854	.....	.....	36
Change in net assets	71,717	43,065	(561)	36
Net assets - beginning	1,343,876	385,748	33,049	964
Adjustments to increase (decrease) beginning net assets	.....	.....	.....	.....
Net assets - beginning, as restated	1,343,876	385,748	33,049	964
Net assets - ending	$ 1,415,593	$ 428,813	$ 32,488	$ 1,000

College Savings Plan	Totals 6/30/08
$ 1,512	$ 6,351
31,818	241,928
.....	285
.....	313,097
1,364	1,908
34,694	563,569
3,124	31,673
1,838	1,838
.....	294
(12,090)	(12,090)
(7,128)	21,715
(302)	(1,337)
(7,430)	20,378
1,008	1,008
(899)	(899)
109	109
(7,321)	20,487
20	7,063
27,393	591,119
.....	200
.....	671
.....	213,938
.....	67,190
.....	197,000
3,945	7,695
.....	4
131	3,408
7,716	34,045
11,792	524,151
.....	102,520
.....	(39,630)
.....	62,890
15,601	129,858
136,239	1,899,876
1,725	1,725
137,964	1,901,601
$ 153,565	$ 2,031,459

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PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

DEFINED BENEFIT PENSION PLAN
This category includes those internal reporting funds primarily administered by the Department of Management Services, Division of Retirement, to account for operations of the Florida Retirement System's defined benefit pension plan.

DEFINED CONTRIBUTION PENSION PLAN
This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, and State Board of Administration to account for operations of the Florida Retirement System's defined contribution pension plan.

OTHER DEFINED CONTRIBUTION PLANS
This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, to account for operations of the state's other defined contribution plans.

DEFERRED COMPENSATION PLAN
This category includes those internal reporting funds administered by the Department of Financial Services to account for operations of government employee's deferred compensation plan.

LIFE AND OTHER BENEFITS
This category includes those internal reporting funds primarily administered by the Department of Management Services to account for state employee's life and other plans.

RETIREE HEALTH INSURANCE SUBSIDY
This category includes internal reporting funds administered by the Department of Management Services, Division of Retirement, to hold and invest the contributions paid by employers on behalf of their employees who are members of a state-administered retirement plan, and to pay benefits to which such employees or their beneficiaries may become entitled.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2008
(in thousands)

	Florida Retirement System			
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan
ASSETS				
Cash and cash equivalents	$ 346,559	$ 2,500	$	$ 134,373
Pooled investments with State Treasury	68,013	4,779	3,615	6,794
Total cash and cash equivalents	414,572	7,279	3,615	141,167
Investments				
Certificates of deposit	211,534	.....	.....	.....
U.S. government & federally guaranteed obligations	3,336,801	.....	.....	.....
Federal agencies	12,128,212	.....	.....	.....
Commercial paper	4,136,380	.....	.....	.....
Repurchase agreements	1,114,117	.....	.....	.....
Bonds and notes	23,587,604	.....	.....	.....
International bonds and notes	3,396,332	.....	.....	.....
Real estate contracts	8,884,301	.....	.....	.....
Mutual fund investments	6,601,737	3,753,052	.....	1,210,710
Money market and short-term investments	181	613,655	.....	772,537
Domestic equity	42,845,092	.....	.....	5,640
Limited partnerships	4,236,079	.....	.....	.....
Equity group trust	3,067	.....	.....	.....
International equity	19,503,071	.....	.....	1,260
Deferred compensation annuities	.....	.....	.....	51,887
Total investments	129,984,508	4,366,707	.....	2,042,034
Receivables				
Accounts receivable	497	326	6,591	43
State contributions receivable	43,823	7,942	1	.....
Nonstate contributions receivable	235,821	30,325	.....	.....
Interest receivable	376,498	9	8	5
Dividends receivable	126,156	2,426	.....	.....
Pending investment sales	4,336,045	.....	.....	.....
Forward contracts	642,138	.....	.....	.....
Due from state funds	3,925	13	.....	.....
Total receivables	5,764,903	41,041	6,600	48
Security lending collateral	15,558,805	.....	.....	.....
Capital assets	1,840	.....	.....	.....
Accumulated depreciation	(1,029)	.....	.....	.....
Total assets	151,723,599	4,415,027	10,215	2,183,249
LIABILITIES				
Accounts payable	99,669	999	6,493	.....
DROP	2,451,605	.....	.....	.....
Pending investment purchases	6,771,278	.....	.....	.....
Short sell obligations	1,248,558	.....	.....	.....
Forward contracts payable	643,471	.....	.....	.....
Broker rebate fees	23,331	.....	.....	.....
Due to other funds	1,581	5,614	.....	.....
Obligations under security lending agreements	15,951,605	.....	657	692
Obligations under reverse repurchase agreements	16	.....	279	294
Claims payable	.....	.....	.....	.....
Deposits payable	.....	.....	.....	.....
Compensated absences	980	.....	30	.....
Other liabilities	108	.....	1	.....
Total liabilities	27,192,202	6,613	7,460	986
NET ASSETS				
Held in trust for pension benefits and other purposes	$ 124,531,397	$ 4,408,414	$ 2,755	$ 2,182,263

Life and Other Benefits	Retiree Health Insurance Subsidy	Totals 6/30/08
$	$ 1,530	$ 484,962
23,154	183	106,538
23,154	1,713	591,500
.....	75,614	287,148
.....	.....	3,336,801
.....	5,012	12,133,224
.....	9,993	4,146,373
.....	10,982	1,125,099
.....	129,308	23,716,912
.....	9,923	3,406,255
.....	.....	8,884,301
.....	3	11,565,502
.....	.....	1,386,373
.....	.....	42,850,732
.....	.....	4,236,079
.....	.....	3,067
.....	.....	19,504,331
.....	.....	51,887
.....	240,835	136,634,084
.....	.....	7,457
.....	5,076	56,842
.....	26,715	292,861
35	541	377,096
.....	.....	128,582
.....	.....	4,336,045
.....	.....	642,138
.....	272	4,210
35	32,604	5,845,231
.....	.....	15,558,805
.....	.....	1,840
.....	.....	(1,029)
23,189	275,152	158,630,431
101	4	107,266
.....	.....	2,451,605
.....	.....	6,771,278
.....	.....	1,248,558
.....	.....	643,471
.....	.....	23,331
1,892	9	9,096
3,473	.....	15,956,427
1,475	.....	2,064
4,598	.....	4,598
11,577	.....	11,577
80	.....	1,090
640	.....	749
23,836	13	27,231,110
$ (647)	$ 275,139	$ 131,399,321

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

	Florida Retirement System			
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan
ADDITIONS				
Contributions and other deposits				
Pension fund contributions - state	$ 560,756	$ 111,495	$ 139,922	$ .....
Pension fund contributions - nonstate	2,297,282	347,115	1,161	.....
Employer/employee contributions	87	.....	.....	.....
Purchase of time by employees	22,871	.....	67,391	.....
Fees	.....	.....	.....	657
Flexible benefit contributions	.....	.....	.....	237,918
Fines, forfeits, settlements and judgments	.....	16	.....	.....
Transfers in from state funds	20,629	1,166,687	.....	.....
Total contributions and other deposits	2,901,625	1,625,313	208,474	238,575
Investment income				
Interest income	2,507,034	147	166	84
Dividends	1,631,072	49,731	.....	.....
Other investment income	.....	117	.....	.....
Net increase (decrease) in fair market value	(10,344,417)	(255,592)	.....	(112,873)
Total investment income (loss)	(6,206,311)	(205,597)	166	(112,789)
Investment activity expense	(258,761)	(1,335)	(4)	.....
Net income (loss) from investing activity	(6,465,072)	(206,932)	162	(112,789)
Security lending activity				
Security lending income	912,729	.....	.....	.....
Security lending expense	(786,259)	.....	.....	.....
Net income from security lending	126,470	.....	.....	.....
Total net investment income (loss)	(6,338,602)	(206,932)	162	(112,789)
Other additions	13,692	.....	.....	7
Total additions	(3,423,285)	1,418,381	208,636	125,793
DEDUCTIONS				
Benefit payments	5,226,493	687,355	.....	178,812
Supplemental insurance payments	.....	.....	.....	.....
Flexible reimbursement payments	.....	.....	.....	.....
Life insurance premium payments	.....	.....	.....	.....
Remittances to annuity companies	.....	.....	208,107	.....
Interest expense	.....	.....	.....	2
Administrative expense	32,104	6,602	146	38
Property disposition gain (loss)	17	.....	.....	.....
Transfers out to state funds	1,167,956	34,903	1	798
Other deductions	496	.....	5	.....
Total deductions	6,427,066	728,860	208,259	179,650
Change in net assets	(9,850,351)	689,521	377	(53,857)
Net assets - beginning	134,381,748	3,718,893	2,378	2,236,120
Adjustments to increase (decrease) beginning net assets	.....	.....	.....	.....
Net assets - beginning, as restated	134,381,748	3,718,893	2,378	2,236,120
Net assets - ending	$ 124,531,397	$ 4,408,414	$ 2,755	$ 2,182,263

Life and Other Benefits	Retiree Health Insurance Subsidy	Totals 6/30/08
$	$ 66,856	$ 879,029
.....	267,963	2,913,521
135,216	.....	135,303
.....	.....	90,262
.....	.....	657
.....	.....	237,918
.....	.....	16
1,100	.....	1,188,416
136,316	334,819	5,445,122
1,353	9,647	2,518,431
.....	.....	1,680,803
.....	.....	117
.....	(1,885)	(10,714,767)
1,353	7,762	(6,515,416)
(34)	(23)	(260,157)
1,319	7,739	(6,775,573)
.....	.....	912,729
.....	.....	(786,259)
.....	.....	126,470
1,319	7,739	(6,649,103)
.....	.....	13,699
137,635	342,558	(1,190,282)
.....	305,682	6,398,342
57,377	.....	57,377
21,774	.....	21,774
38,993	.....	38,993
.....	.....	208,107
.....	.....	2
1,148	90	40,128
.....	.....	17
19,620	.....	1,223,278
.....	.....	501
138,912	305,772	7,988,519
(1,277)	36,786	(9,178,801)
23,473	238,353	140,600,965
(22,843)	.....	(22,843)
630	238,353	140,578,122
$ (647)	$ 275,139	$ 131,399,321

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INVESTMENT TRUST FUNDS

INVESTMENT POOL A
This fund, administered by the State Board of Administration, is used to account for the external portion of the Local Government Surplus Funds Trust Fund (an investment pool) reported by the state.

INVESTMENT POOL B
As authorized in Section 218.417, F.S., this fund, administered by the State Board of Administration, is used to account for the external portion of the Fund B Surplus Funds Trust Fund (an investment pool) reported by the state.

OTHER INVESTMENT TRUST FUNDS
This fund, administered by the State Board of Administration, is used to account for the external portion of the Commingled Asset Management Program Fixed Income Investment Pool.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2008
(in thousands)

	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Total Investment Trust Funds
ASSETS				
Cash and cash equivalents	$ 255	$	$	$ 255
Total cash and cash equivalents	255	.....	.....	255
Investments				
Certificates of deposit	.....	.....	61	61
U.S. government & federally guaranteed obligations	.....	.....	758	758
Federal agencies	.....	.....	2,753	2,753
Commercial paper	253,759	.....	.....	253,759
Repurchase agreements	1,756,792	.....	1,001	1,757,793
Bonds and notes	3,261,341	452,892	2,075	3,716,308
International bonds and notes	.....	.....	396	396
Money market and short-term investments	238,715	26,448	.....	265,163
Total investments	5,510,607	479,340	7,044	5,996,991
Receivables				
Interest receivable	5,267	70	54	5,391
Pending investment sales	.....	.....	53	53
Futures trade equity	.....	.....	1	1
Total receivables	5,267	70	108	5,445
Security lending collateral	.....	.....	717	717
Other assets	2	.....	.....	2
Total assets	5,516,131	479,410	7,869	6,003,410
LIABILITIES				
Accounts payable	451	21	.....	472
Pending investment purchases	.....	.....	771	771
Broker rebate fees	.....	.....	2	2
Due to other funds	28	.....	.....	28
Due to other governments	254	.....	.....	254
Obligations under security lending agreements	.....	.....	718	718
Total liabilities	733	21	1,491	2,245
NET ASSETS				
Held in trust for pool participants	$ 5,515,398	$ 479,389	$ 6,378	$ 6,001,165

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2008
(in thousands)

	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Total Investment Trust Funds
ADDITIONS				
Contributions and other deposits				
Fees	$ 6,222	$	$	$ 6,222
Transfers in from state funds	.....	496,743	.....	496,743
Total contributions and other deposits	6,222	496,743	.....	502,965
Investment income				
Interest income	680,643	152	5,304	686,099
Net increase (decrease) in fair market value	(149,806)	(17,501)	1,348	(165,959)
Total investment income (loss)	530,837	(17,349)	6,652	520,140
Investment activity expense	(4,717)	(5)	(19)	(4,741)
Net income (loss) from investing activity	526,120	(17,354)	6,633	515,399
Security lending activity				
Security lending income	6,153	.....	41	6,194
Security lending expense	(5,938)	.....	(38)	(5,976)
Net income from security lending	215	.....	3	218
Total net investment income (loss)	526,335	(17,354)	6,636	515,617
Total additions	532,557	479,389	6,636	1,018,582
DEDUCTIONS				
Transfers out to state funds	496,743	.....	.....	496,743
Total deductions	496,743	.....	.....	496,743
Depositor activity				
Deposits	17,266,086	.....	322,286	17,588,372
Withdrawals	(37,260,836)	.....	(785,626)	(38,046,462)
Excess (deficiency) of deposits over withdrawals	(19,994,750)	.....	(463,340)	(20,458,090)
Change in net assets	(19,958,936)	479,389	(456,704)	(19,936,251)
Net assets - beginning	25,474,334	.....	463,082	25,937,416
Net assets, ending	$ 5,515,398	$ 479,389	$ 6,378	$ 6,001,165

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AGENCY FUNDS

TREASURY INVESTMENT ADMINISTRATION
This agency fund accounts for cash and investments of the State's component units being held at the State Treasury. Because of differences in fiscal year end between the State and some component units, amounts reported in this fund are different from those reported in those component units' separately issued financial statements.

TAX DISTRIBUTION AND ADMINISTRATION
These agency funds administered by the Department of Revenue are primarily used to account for taxes collected by the Department that are held for other municipalities, local governments, or outside entities.

OTHER
These agency funds administered by various agencies are used to account for resources held in trust for entities outside of the State government and for the asset and liability balance related to retiree health care.

SCHOOL FOR THE DEAF AND THE BLIND
These agency funds administered by the School for the Deaf and the Blind are used to account for resources held for students.

STATE BOARD OF ADMINISTRATION
These agency funds administered by the State Board of Administration are primarily used to account for investments of Component Units and escrowed bond funds.

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COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2008
(in thousands)

	Treasury Investment Administration	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/08
ASSETS						
Cash and cash equivalents	$	$ 3,005	$ 48,896	$ 52	$ 166	$ 52,119
Pooled investments with State Treasury	4,584,781	671,597	227,632	.....	.....	5,484,010
Total cash and cash equivalents	4,584,781	674,602	276,528	52	166	5,536,129
Investments						
Certificates of deposit	.....	.....	.....	.....	525	525
U.S. government & federally guaranteed obligations	.....	.....	.....	.....	1,297,118	1,297,118
Federal agencies	.....	.....	.....	.....	66,943	66,943
Commercial paper	.....	.....	.....	.....	71,241	71,241
Repurchase agreements	.....	.....	.....	.....	501,774	501,774
Bonds and notes	.....	.....	.....	.....	1,072,985	1,072,985
International bonds and notes	.....	.....	.....	.....	2,533	2,533
Money market and short-term investments	.....	.....	.....	.....	75,358	75,358
Domestic equity	.....	.....	.....	.....	38,249	38,249
Other investments	.....	.....	160	.....	.....	160
Total investments	.....	.....	160	.....	3,126,726	3,126,886
Receivables						
Accounts receivable	.....	398,996	15,893	.....	.....	414,889
Nonstate contributions receivable	.....	.....	7	.....	.....	7
Interest receivable	1,143	.....	897	.....	18,244	20,284
Dividends receivable	.....	.....	.....	.....	44	44
Pending investment sales	.....	.....	.....	.....	844	844
Futures trade equity	.....	.....	.....	.....	4	4
Due from state funds	.....	44,410	23,777	.....	231	68,418
Total receivables	1,143	443,406	40,574	.....	19,367	504,490
Security lending collateral	.....	.....	.....	.....	4,845	4,845
Total assets	$ 4,585,924	$ 1,118,008	$ 317,262	$ 52	$ 3,151,104	$ 9,172,350
LIABILITIES						
Accounts payable	$ 526,443	$ 87,473	$ 38,085	$ 52	$ 42	$ 652,095
Pending investment purchases	.....	.....	.....	.....	5,593	5,593
Forward contracts payable	.....	448,227	2	.....	.....	448,229
Broker rebate fees	.....	.....	.....	.....	13	13
Due to other funds	289	97,987	984	.....	68	99,328
Due to other governments	.....	484,321	35,334	.....	7,680	527,335
Due to component units	2,900,085	.....	54,412	.....	1,784,386	4,738,883
Obligations under security lending agreements	813,545	.....	32,351	.....	4,849	850,745
Obligations under reverse repurchase agreements	345,562	.....	13,742	.....	.....	359,304
Claims payable	.....	.....	14,865	.....	.....	14,865
Deposits payable	.....	.....	127,487	.....	1,348,473	1,475,960
Total liabilities	$ 4,585,924	$ 1,118,008	$ 317,262	$ 52	$ 3,151,104	$ 9,172,350

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

Treasury Investment Administration	Balance 6/30/07	Additions	Deductions	Balance 6/30/08
ASSETS				
Pooled investments with State Treasury	$ 4,129,782	$ 497,991	$ 42,992	$ 4,584,781
Interest receivable	1,143	.....	.....	1,143
Total assets	$ 4,130,925	$ 497,991	$ 42,992	$ 4,585,924
LIABILITIES				
Accounts payable	$ 203,236	$ 323,207	$	$ 526,443
Due to other funds	289	.....	.....	289
Due to component units	2,840,536	59,549	.....	2,900,085
Obligations under security lending agreements	683,598	149,178	19,231	813,545
Obligations under reverse repurchase agreements	403,266	.....	57,704	345,562
Total liabilities	$ 4,130,925	$ 531,934	$ 76,935	$ 4,585,924
Tax Distribution and Administration				
ASSETS				
Cash and cash equivalents	$ 5,020	$ 3,005	$ 5,020	$ 3,005
Pooled investments with State Treasury	678,471	9,504,672	9,511,546	671,597
Accounts receivable	363,421	398,996	363,421	398,996
Due from state funds	48,138	71,491	75,219	44,410
Total assets	$ 1,095,050	$ 9,978,164	$ 9,955,206	$ 1,118,008
LIABILITIES				
Accounts payable	$ 435,023	$ 87,473	$ 435,023	$ 87,473
Forward contracts payable	39,412	448,227	39,412	448,227
Due to other funds	108,776	125,377	136,166	97,987
Due to other governments	510,707	484,321	510,707	484,321
Due to component units	1,131	.....	1,131	.....
Deposits payable	1	.....	1	.....
Total liabilities	$ 1,095,050	$ 1,145,398	$ 1,122,440	$ 1,118,008
Other				
ASSETS				
Cash and cash equivalents	$ 33,034	$ 235,184	$ 219,322	$ 48,896
Pooled investments with State Treasury	257,139	266,025	295,532	227,632
Investments	160	.....	.....	160
Accounts receivable	13,585	13,450	11,142	15,893
Nonstate contributions receivable	7	.....	.....	7
Interest receivable	841	2,996	2,940	897
Due from state funds	25,687	150	2,060	23,777
Total assets	$ 330,453	$ 517,805	$ 530,996	$ 317,262
LIABILITIES				
Accounts payable	$ 46,252	$ 291,266	$ 299,432	$ 38,086
Forward contracts payable	3	.....	1	2
Due to other funds	751	895	663	983
Due to other governments	16,519	35,976	17,161	35,334
Due to component units	89,337	54,412	89,337	54,412
Obligations under security lending agreements	40,930	2,279	10,858	32,351
Obligations under reverse repurchase agreements	24,147	5	10,410	13,742
Claims Payable	19,149	.....	4,284	14,865
Deposits payable	93,365	37,162	3,040	127,487
Total liabilities	$ 330,453	$ 421,995	$ 435,186	$ 317,262
School for the Deaf and the Blind				
ASSETS				
Cash and cash equivalents	$ 62	$ 97	$ 107	$ 52
Total assets	$ 62	$ 97	$ 107	$ 52
LIABILITIES				
Accounts payable	$ 62	$	$ 10	$ 52
Total liabilities	$ 62	$	$ 10	$ 52

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

State Board of Administration	Balance 6/30/07	Additions	Deductions	Balance 6/30/08
ASSETS				
Cash and cash equivalents	$ 513	$ 89,926,195	$ 89,926,542	$ 166
Investments	7,884,816	81,936,835	86,694,926	3,126,725
Interest receivable	46,906	18,286	46,948	18,244
Dividends receivable	42	2	.....	44
Pending investment sales	432	844	432	844
Futures trade equity	16	4	16	4
Due from state funds	236	232	236	232
Security lending collateral	25,230	.....	20,385	4,845
Total assets	$ 7,958,191	$ 171,882,398	$ 176,689,485	$ 3,151,104
LIABILITIES				
Accounts payable	$ 309	$ 42	$ 309	$ 42
Pending investment purchases	5,150	5,593	5,150	5,593
Broker rebate fees	96	13	96	13
Due to other funds	71	68	71	68
Due to other governments	5,846	42,730	40,896	7,680
Due to component units	5,552,992	4,662,780	8,431,386	1,784,386
Obligations under security lending agreements	25,223	4,849	25,223	4,849
Deposits payable	2,368,504	358,525	1,378,556	1,348,473
Total liabilities	$ 7,958,191	$ 5,074,600	$ 9,881,687	$ 3,151,104
Totals - All Agency Funds				
ASSETS				
Cash and cash equivalents	$ 38,629	$ 90,164,481	$ 90,150,991	$ 52,119
Pooled investments with State Treasury	5,065,392	10,268,688	9,850,070	5,484,010
Investments	7,884,976	81,936,835	86,694,926	3,126,885
Accounts receivable	377,006	412,446	374,563	414,889
Nonstate contributions receivable	7	.....	.....	7
Interest receivable	48,890	21,282	49,888	20,284
Dividends receivable	42	2	.....	44
Pending investment sales	432	844	432	844
Futures trade equity	16	4	16	4
Due from state funds	74,061	71,873	77,515	68,419
Security lending collateral	25,230	.....	20,385	4,845
Total assets	$ 13,514,681	$ 182,876,455	$ 187,218,786	$ 9,172,350
LIABILITIES				
Accounts payable	$ 684,882	$ 701,988	$ 734,774	$ 652,096
Pending investment purchases	5,150	5,593	5,150	5,593
Forward contracts payable	39,415	448,227	39,413	448,229
Broker rebate fees	96	13	96	13
Due to other funds	109,887	126,340	136,900	99,327
Due to other governments	533,072	563,027	568,764	527,335
Due to component units	8,483,996	4,776,741	8,521,854	4,738,883
Obligations under security lending agreements	749,751	156,306	55,312	850,745
Obligations under reverse repurchase agreements	427,413	5	68,114	359,304
Claims Payable	19,149	.....	4,284	14,865
Deposits payable	2,461,870	395,687	1,381,597	1,475,960
Total liabilities	$ 13,514,681	$ 7,173,927	$ 11,516,258	$ 9,172,350

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NONMAJOR COMPONENT UNITS

WATER MANAGEMENT DISTRICTS
These districts were created in accordance with Section 373.069, Florida Statutes, to provide for the management and conservation of water and related land resources. Refer to Note 1 for additional information.

OTHER STATE UNIVERSITIES
This category includes 10 state universities. Refer to Note 1 for additional information.

COMMUNITY COLLEGES
This category includes 28 community colleges. Refer to Note 1 for additional information.

OTHER NONMAJOR COMPONENT UNITS
Other nonmajor component units include various foundations and not-for-profit organizations. Refer to Note 1 for additional information.

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COMBINING STATEMENT OF NET ASSETS
NONMAJOR COMPONENT UNITS
JUNE 30, 2008
(in thousands)

	Water Management Districts	Other State Universities	Community Colleges	Other Nonmajor Component Units	Totals 6/30/08
ASSETS					
Current assets					
Cash and cash equivalents	$ 455,581	$ 472,876	$ 369,179	$ 93,298	$ 1,390,934
Pooled investments with State Treasury	.....	1,026,478	102,895	42,178	1,171,551
Other investments	1,172,234	758,698	873,802	734,960	3,539,694
Receivables, net	57,628	395,454	578,404	139,716	1,171,202
Due from component units/primary	81,365	978,651	163,964	2,633	1,226,613
Inventories	4,131	7,775	10,235	9,706	31,847
Restricted cash and cash equivalents	.....	148,372	146,487	17,690	312,549
Restricted pooled investments with State Treasury	.....	121,809	128,702	.....	250,511
Restricted investments	167,212	1,799,873	368,703	.....	2,335,788
Other loans and notes receivable, net	.....	56,035	16,562	1,337	73,934
Other assets	8,202	182,383	40,123	2,962	233,670
Capital assets, net	5,560,745	6,140,704	2,983,392	613,019	15,297,860
Total assets	7,507,098	12,089,108	5,782,448	1,657,499	27,036,153
LIABILITIES					
Accounts payable and accrued liabilities	230,350	416,219	151,202	674,878	1,472,649
Due to component units/primary	618	164,605	8,603	3,074	176,900
Deferred revenues	79,779	413,055	36,640	22,969	552,443
Long-term liabilities					
Due within one year	74,268	123,068	119,573	99,904	416,813
Due in more than one year	726,104	2,335,507	335,874	9,926	3,407,411
Total liabilities	1,111,119	3,452,454	651,892	810,751	6,026,216
NET ASSETS					
Invested in capital assets, net of debt	5,275,518	4,549,585	2,844,956	591,342	13,261,401
Restricted for:					
Nonexpendable permanent endowment	7,539	1,446,620	524,537	3,168	1,981,864
Debt service	33,109	19,761	.....	.....	52,870
Other	601,935	1,741,460	1,416,396	82,672	3,842,463
Unrestricted	477,878	879,228	344,667	169,566	1,871,339
Total net assets	$ 6,395,979	$ 8,636,654	$ 5,130,556	$ 846,748	$ 21,009,937

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(in thousands)

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	$ 956,783	$ 24,811	$ 214,678	$ 427,013
Other State Universities	5,005,074	1,423,967	1,344,840	684,003
Community Colleges	2,690,736	659,714	718,146	602,296
Other Nonmajor Component Units	689,260	159,858	400,979	27,976
Total component units	$ 9,341,853	$ 2,268,350	$ 2,678,643	$ 1,741,288

General revenues
Property taxes
Investment earnings
Gain (loss) on sale of capital assets
Payments from the State of Florida
Miscellaneous
Contributions to permanent funds
Total general revenues and contributions
Change in net assets
Net assets - beginning
Net assets - ending

Net (Expense) Revenue and Changes in Net Assets				
Water Management Districts	Other State Universities	Community Colleges	Other Nonmajor Component Units	Totals 6/30/08
$ (290,281)	$	$	$	$ (290,281)
.....	(1,552,264)	.....	.....	(1,552,264)
.....	.....	(710,580)	.....	(710,580)
.....	.....	.....	(100,447)	(100,447)
(290,281)	(1,552,264)	(710,580)	(100,447)	(2,653,572)
953,163	$	.....	.....	953,163
39,130	68,144	51,927	(18,075)	141,126
24,425	(7,411)	.....	(9,312)	7,702
.....	1,827,453	1,164,070	.....	2,991,523
74,235	391,108	35,684	61,569	562,596
.....	58,230	13,960	.....	72,190
1,090,953	2,337,524	1,265,641	34,182	4,728,300
800,672	785,260	555,061	(66,265)	2,074,728
5,595,307	7,851,394	4,575,495	913,013	18,935,209
$ 6,395,979	$ 8,636,654	$ 5,130,556	$ 846,748	$ 21,009,937

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STATISTICAL SECTION

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STATISTICAL SECTION

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This section of the State of Florida's CAFR provides additional detailed information for use in assessing the financial condition of the government.

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Revenue Capacity – These schedules present information on the state's most significant revenue sources and can assist with evaluating the government's ability to produce its own-source revenues.

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Demographic and Economic Information – These schedules include demographic and economic information to communicate the state's socioeconomic environment. These schedules can assist with evaluating financial statement information in context with this historical data as well as among governments.

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Operating Information – These schedules include operating data to assist with understanding how information in the state's financial reports relates to services provided or activities performed by the state.

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Net Assets by Component
For the Last Seven Fiscal Years
(in thousands)
(Accrual Basis of Accounting)

SCHEDULE A-1

	Fiscal Year			
	2002	2003	2004	2005
Governmental Activities				
Invested in capital assets, net of related debt	$ 38,329,290	$ 40,382,471	$ 41,779,939	$ 43,469,131
Restricted				
Environment, Recreation and Conservation	2,426,345	2,234,858	2,058,225	2,251,215
Public Education [1], [2]	246,260	1,098,987	1,019,230	1,037,249
Health and Family Services	537,474	701,820	642,614	682,991
Transportation	897,742	975,640	804,510	1,017,620
Tax Collection and Administration [1]	187,855	200,005	208,388	220,221
Employment Services [1]	214,204	288,006	350,380	405,403
Nonmajor governmental funds	864,616	655,501	321,728	339,061
Debt Service	445,994	79,921	75,732	82,955
Funds held for permanent endowment				
Expendable	.....	.....	.....	.....
Nonexpendable	1,295,901	1,528,134	1,739,038	1,873,866
Unrestricted	(10,289,643)	(10,107,344)	(7,990,134)	(6,051,178)
Total governmental activities net assets	$ 35,156,038	$ 38,037,999	$ 41,009,650	$ 45,328,534
Percent change from prior year	N/A	8.20%	7.81%	10.53%
Business-type Activities				
Invested in capital assets, net of related debt	$ 3,061,253	$ 3,145,435	$ 2,890,246	$ 3,331,056
Restricted				
Transportation	.....	.....	.....	.....
Lottery	232,248	350,440	201,371	204,037
Prepaid College Program [3]	.....	.....	.....	.....
Hurricane Catastrophe Fund	4,362,126	4,942,992	5,476,178	2,387,054
Unemployment compensation	1,556,012	1,382,235	1,372,721	1,698,824
Other	.....	121,088	252,193	395,216
Unrestricted	177,772	228,259	591,731	310,405
Total business-type activities net assets	$ 9,389,411	$ 10,170,449	$ 10,784,440	$ 8,326,592
Percent change from prior year	N/A	8.32%	6.04%	-22.79%
Total Primary Government				
Invested in capital assets, net of related debt	$ 41,390,543	$ 43,527,906	$ 44,670,185	$ 46,800,187
Restricted				
Environment, Recreation and Conservation	2,426,345	2,234,858	2,058,225	2,251,215
Public Education [1], [2]	246,260	1,098,987	1,019,230	1,037,249
Health and Family Services	537,474	701,820	642,614	682,991
Transportation [3]	897,742	975,640	804,510	1,017,620
Tax Collection and Administration [1]	187,855	200,005	208,388	220,221
Employment Services [1]	214,204	288,006	350,380	405,403
Nonmajor governmental funds [1]	770,274	653,567	321,728	339,061
Debt Service	445,994	79,921	75,732	82,955
Lottery	232,248	350,440	201,371	204,037
Prepaid College Program [4]	.....	.....	.....	.....
Hurricane Catastrophe Fund [5]	4,362,126	4,942,992	5,476,178	2,387,054
Unemployment Compensation	1,556,012	1,382,235	1,372,721	1,698,824
Other [3]	94,342	123,022	252,193	395,216
Funds held for permanent endowment				
Expendable	.....	.....	.....	.....
Nonexpendable	1,295,901	1,528,134	1,739,038	1,873,866
Unrestricted	(10,111,871)	(9,879,085)	(7,398,403)	(5,740,773)
Total primary government net assets	$ 44,545,449	$ 48,208,448	$ 51,794,090	$ 53,655,126
Percent change from prior year	N/A	8.22%	7.44%	3.59%

Notes: Reporting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. See Schedule A-2 for changes on net assets from year to year.

[1] Tax Collection and Administration, Public Education, and Employment Services were reclassified as nonmajor as of July 1, 2005.
[2] Public Education was reclassified as major as of July 1, 2007. Refer to Note 1I to the financial statements for additional information.
[3] Restricted Net Assets that were currently classeified as "Other" are now being reported as "Transportation."
[4] Florida Prepaid College Program was reclassified as major business-type fund as of July 1, 2005.
[5] Please refer to the MD&A for additional information on fiscal year 2008.

SCHEDULE A-1

Fiscal Year		
2006	2007	2008
$ 46,546,117	$ 49,603,845	$ 51,937,584
2,974,802	2,861,436	2,910,269
.....	.....	1,438,845
800,337	843,301	760,644
1,624,834	1,680,338	1,564,767
.....	.....	.....
.....	.....	.....
2,056,047	2,664,650	1,852,966
75,671	72,890	84,221
.....	44,830	409,958
2,023,738	2,287,402	1,312,289
(5,844,743)	(7,552,727)	(11,996,949)
$ 50,256,803	$ 52,505,965	$ 50,274,594
10.87%	4.48%	-4.25%
$ 3,829,792	$ 4,164,740	$ 4,360,753
.....	.....	154,853
98,472	90,869	158,532
583,816	842,793	727,678
.....	.....	856,986
2,185,249	2,286,489	1,974,312
211,257	198,010	.....
(1,103,433)	393,589	622,176
$ 5,805,153	$ 7,976,490	$ 8,855,290
-30.28%	37.40%	11.02%
$ 50,375,909	$ 53,768,585	$ 56,298,337
2,974,802	2,861,436	2,910,269
.....	.....	1,438,845
800,337	843,301	760,644
1,624,834	1,680,338	1,719,620
.....	.....	.....
.....	.....	.....
2,056,047	2,664,650	1,852,966
75,671	72,890	84,221
98,472	90,869	158,532
583,816	842,793	727,678
.....	.....	856,986
2,185,249	2,286,489	1,974,312
211,257	198,010	.....
.....	44,830	409,958
2,023,738	2,287,402	1,312,289
(6,948,176)	(7,159,138)	(11,374,773)
$ 56,061,956	$ 60,482,455	$ 59,129,884
4.49%	7.89%	-2.24%

Changes in Net Assets
For the Last Seven Fiscal Years
(in thousands)
(Accrual Basis of Accounting)

SCHEDULE A-2

	Fiscal Year			
	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government	$ 6,499,588	$ 6,273,119	$ 6,637,809	$ 6,902,109
Education	14,488,469	15,120,426	16,413,985	17,439,674
Human services	14,973,427	16,638,643	18,119,304	19,865,453
Criminal justice and corrections	3,065,808	3,103,379	3,285,460	3,466,376
Natural resources and environment	1,737,772	1,945,496	2,038,909	3,298,381
Transportation	2,070,684	2,397,921	2,632,638	3,147,739
State courts	279,821	278,589	273,091	367,941
Indirect interest on long-term debt	.....	1,832	17,526	20,028
Total governmental activities expenses	43,115,569	45,759,405	49,418,722	54,507,701
Business-type activities:				
Transportation	261,540	286,254	316,629	321,595
Lottery	1,595,011	2,000,291	2,170,062	2,528,646
Unemployment Compensation	1,485,594	1,485,479	1,330,824	981,954
State Board of Administration	40,876	32,924	35,844	3,811,900
Prepaid College Program	.....	.....	.....	.....
Nonmajor enterprise funds	158,478	156,979	159,046	176,683
Total business-type activities expenses	3,541,499	3,961,927	4,012,405	7,820,778
Total primary government expenses	$ 46,657,068	$ 49,721,332	$ 53,431,127	$ 62,328,479
Program Revenues				
Governmental activities:				
Charges for services				
General government	$ 2,608,450	$ 2,515,133	$ 2,913,634	$ 3,469,736
Education	160,123	292,036	266,020	209,149
Human services	566,067	692,270	822,255	885,836
Criminal justice and corrections	227,347	176,606	210,415	192,988
Natural resources and environment	301,137	330,364	275,774	288,837
Transportation	544,175	263,274	246,640	174,836
State courts	13,790	8,775	10,226	13,517
Operating grants and contributions	12,159,433	13,538,407	15,874,370	17,492,835
Capital grants and contributions	1,326,135	1,699,464	1,522,849	1,998,133
Total governmental activities program revenues	17,906,657	19,516,329	22,142,183	24,725,867
Business-type activities:				
Charges for services				
Transportation	476,999	539,808	578,631	665,097
Lottery	2,568,469	3,154,034	3,073,191	3,635,052
Unemployment Compensation	739,855	823,410	1,059,811	1,253,872
State Board of Administration	633,436	632,563	580,514	787,759
Prepaid College Program	.....	.....	.....	.....
Nonmajor enterprise funds	321,304	330,922	276,832	264,304
Operating grants and contributions	184,354	394,770	258,398	49,151
Capital grants and contributions	256	911	9,259	432
Total business-type activities program revenues	4,924,673	5,876,418	5,836,636	6,655,667
Total primary government program revenues	$ 22,831,330	$ 25,392,747	$ 27,978,819	$ 31,381,534
Net (Expense) Revenue [1]				
Governmental activities	$ (25,208,912)	$ (26,243,076)	$ (27,276,539)	$ (29,781,834)
Business-type activities	1,383,174	1,914,491	1,824,231	(1,165,111)
Total primary government net (expense)	$ (23,825,738)	$ (24,328,585)	$ (25,452,308)	$ (30,946,945)

Fiscal Year		
2006	2007	2008
$ 7,410,799	$ 8,410,918	$ 7,492,475
18,210,639	19,739,622	20,459,549
19,765,378	20,634,220	21,715,055
3,811,677	3,992,990	4,296,298
4,284,896	2,767,852	2,749,924
3,308,209	3,545,752	4,098,203
414,044	436,825	464,190
7,062	11,731	12,314
57,212,704	59,539,910	61,288,008
329,966	403,982	446,489
2,874,533	3,029,103	2,987,265
.....	.....	.....
4,758,156	241,568	1,044,927
459,404	855,997	1,302,094
994,182	1,146,532	1,654,422
9,416,241	5,677,182	7,435,197
$ 66,628,945	$ 65,217,092	$ 68,723,205
$ 3,485,512	$ 3,765,988	$ 3,167,668
211,352	250,023	291,975
954,495	1,302,926	1,020,441
267,248	307,550	340,143
346,037	368,511	451,363
651,776	371,726	514,737
17,187	18,512	19,479
18,057,457	17,105,209	17,500,769
1,374,611	2,163,715	2,144,946
25,365,675	25,654,160	25,451,521
698,409	766,190	738,450
3,993,788	4,286,152	4,338,303
.....	.....	.....
891,506	1,476,660	1,188,703
502,579	1,114,978	1,619,334
1,552,136	1,324,114	1,413,825
45,214	39,258	29,476
307	2,287	3,589
7,683,939	9,009,639	9,331,680
$ 33,049,614	$ 34,663,799	$ 34,783,201
$ (31,847,029)	$ (33,885,750)	$ (35,836,487)
(1,732,302)	3,332,457	1,896,483
$ (33,579,331)	$ (30,553,293)	$ (33,940,004)

Continues

Changes in Net Assets
For the Last Seven Fiscal Years
(in thousands)
(Accrual Basis of Accounting)

SCHEDULE A-2
(Continued)

General Revenues and Other Changes in Net Assets	Fiscal Year			
	2002	2003	2004	2005
Governmental activities:				
Taxes				
Sales and use tax	$ 15,601,244	$ 15,561,382	$ 17,128,515	$ 19,056,249
Fuel taxes	2,100,946	2,199,375	2,316,572	2,414,012
Corporate income tax	1,210,346	1,228,130	1,441,338	1,785,213
Documentary stamp tax	1,590,981	2,005,168	2,613,194	3,376,210
Intangible personal property tax	737,776	820,212	860,046	998,904
Communication service tax	779,167	1,230,132	1,250,208	1,343,835
Beverage and tobacco taxes	990,271	1,001,636	1,041,042	1,088,542
Insurance premium tax	504,422	624,369	711,145	764,559
Gross receipts utilities tax	526,586	424,146	462,172	496,725
Other taxes	1,396,833	1,281,391	1,088,378	1,010,806
Investment earnings (loss)	418,916	720,280	(66,838)	300,620
Gain (loss) on sale of capital assets	.....	.....	.....	.....
Miscellaneous	113,620	.....	11	.....
Transfers	1,070,190	1,257,679	1,216,769	1,249,753
Total governmental activities	27,041,298	28,353,900	30,062,552	33,885,428
Business-type activities:				
Investment earnings	20,078	19,197	13,181	28,872
Gain (loss) on sale of capital assets	950	.....	(17,063)	(17,018)
Emergency assessments	.....	.....	.....	.....
Miscellaneous	3,081	171	(2,544)	(1,272)
Transfers	(1,070,190)	(1,257,679)	(1,216,769)	(1,249,753)
Total business-type activities	(1,046,081)	(1,238,311)	(1,223,195)	(1,239,171)
Total primary government	$ 25,995,217	$ 27,115,589	$ 28,839,357	$ 32,646,257
Change in Net Assets				
Governmental activities	$ 1,832,386	$ 2,110,824	$ 2,786,013	$ 4,103,594
Business-type activities [2]	337,093	676,180	601,036	(2,404,282)
Total primary government [3]	$ 2,169,479	$ 2,787,004	$ 3,387,049	$ 1,699,312

[1] Net (expense) is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants and its reliance upon funding from general revenues.

[2] In 2005 and 2006, the business-type activities expenses increased primarily as a result of an increase in hurricane reinsurance claims.

[3] See Schedule A-1 for ending net asset balances for reported years.

SCHEDULE A-2

(Continued)

Fiscal Year		
2006	2007	2008
$ 20,729,364	$ 20,684,191	$ 19,716,442
2,591,946	2,575,303	2,548,254
2,363,056	2,450,357	2,253,781
4,051,479	3,022,536	1,924,526
1,104,008	757,163	428,804
1,433,092	1,484,954	1,546,853
1,102,408	1,112,580	1,043,526
879,079	995,340	940,534
585,520	615,280	670,442
477,156	518,536	657,981
174,039	812,617	578,770
(75,501)	(250,925)	(107,535)
.....	.....	.....
1,321,420	1,356,980	1,377,500
36,737,066	36,134,912	33,579,878
15,877	10,640	11,270
(10,341)	(10,006)	(6,425)
.....	195,226	356,697
(808)	.....	.....
(1,321,420)	(1,356,980)	(1,377,500)
(1,316,692)	(1,161,120)	(1,015,958)
$ 35,420,374	$ 34,973,792	$ 32,563,920
$ 4,890,035	$ 2,249,162	$ (2,256,609)
(3,048,994)	2,171,337	880,525
$ 1,841,041	$ 4,420,499	$ (1,376,084)

SCHEDULE A-3

Fund Balances
Governmental Funds
Last Seven Fiscal Years
(in thousands)
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Reserved for:				
Encumbrances	$ 44,038	$ 75,511	$ 43,172	$ 78,253
Inventories	17,922	20,159	26,024	16,091
Advances	681	2,722	16,748	12,719
Long-term receivables	.....	18,389	37,895	78,494
Capital outlay	.....	170,645	62,855	93,857
Budget Stabilization Fund	940,890	958,890	966,390	995,805
Working Capital Fund	304,652	416,146	1,473,221	316,562
Other	26,588	2,546	1,437	2,067
Unreserved	2,001,519	1,964,500	2,426,497	5,257,271
Total general fund [2]	3,336,290	3,629,508	5,054,239	6,851,119
Percent change from prior year	N/A	8.79%	39.25%	35.55%
Other Governmental Funds:				
Reserved for:				
Encumbrances	171,350	66,499	54,250	719,895
Inventories	40,394	42,556	52,426	52,309
Advances	241,504	154,178	153,602	173,247
Long-term receivables	1,578,536	1,730,875	1,680,902	1,461,031
Capital outlay	888,134	2,507,156	2,178,477	1,839,728
Debt service	445,994	79,921	75,732	82,955
Permanent trust	1,292,801	1,521,518	1,739,038	1,873,866
Working Capital Fund	.....	.....	.....	107,171
Other	101,271	104,639	91,242	.....
Unreserved, reported in:				
Special revenue funds	2,479,412	2,750,357	3,173,987	3,705,392
Capital projects funds	50,713	6,963	21,741	41,250
Permanent funds	4	3,099	2,640	1,982
Total other governmental funds	7,290,113	8,967,761	9,224,037	10,058,826
Total Governmental Funds [1]	$ 10,626,403	$ 12,597,269	$ 14,278,276	$ 16,909,945
Percent change from prior year	N/A	18.55%	13.34%	18.43%

[1] See Schedule A-4 for changes in fund balances from year to year.

[2] The decrease in fund balance from fiscal year 2007 to 2008 for the General Fund is attributable to a decrease in revenues. Refer to the Economic Factors and Fund Analysis sections of the MD&A for additional information.

SCHEDULE A-3

Fiscal Year		
2006	2007	2008
$ 51,988	$ 106,922	$ 104,614
19,040	25,272	14,628
2,712	2,628	2,631
65,974	61,373	50,686
243,947	207,807	177,049
1,092,081	1,248,490	1,353,690
.....	.....	.....
2,031	2,597	2,806
6,572,190	5,574,678	2,324,588
8,049,963	7,229,767	4,030,692
17.50%	-10.19%	-44.25%
1,214,792	135,249	81,220
57,319	64,374	75,957
187,722	211,340	222,848
1,586,949	2,047,689	2,341,669
2,294,027	3,503,486	3,568,444
75,671	72,890	84,221
2,023,738	2,332,232	1,722,247
.....	.....	.....
158,088	155,275	113,439
4,093,227	3,631,599	3,323,598
28,779	45,703	17,733
2,649	3,005	412,246
11,722,961	12,202,842	11,963,622
$ 19,772,924	$ 19,432,609	$ 15,994,314
16.93%	-1.72%	-17.69%

Changes in Fund Balances
Governmental Funds
Last Seven Fiscal Years
(Modified Accrual Basis of Accounting)

SCHEDULE A-4

	Fiscal Year			
	2002	2003	2004	2005
Revenues				
Taxes	$ 25,430,688	$ 26,383,810	$ 28,912,610	$ 32,334,920
Licenses and permits	1,119,032	1,150,823	1,165,928	1,263,525
Fees and charges	1,916,809	1,938,438	2,351,133	2,488,530
Grants and donations	13,456,767	15,246,839	17,254,145	19,270,292
Investment earnings	495,127	1,052,603	210,791	729,118
Fines, forfeits, settlements and judgments	978,728	721,984	594,967	630,682
Other revenue	2,461	2,435	214,840	317,190
Total revenues	43,399,612	46,496,932	50,704,414	57,034,257
Expenditures				
Current:				
General government	5,726,035	5,967,332	6,610,855	6,891,380
Education	14,462,838	14,556,332	15,828,609	16,844,368
Human services	14,957,079	16,616,067	18,083,861	19,810,089
Criminal justice and corrections	2,946,024	2,977,748	3,172,357	3,384,667
Natural resources and environment	1,574,462	1,764,731	1,747,445	3,030,371
Transportation	1,167,957	2,280,017	2,520,378	3,021,534
State courts	277,232	274,951	269,972	360,374
Capital outlay	3,327,986	2,515,501	2,109,937	2,148,634
Gain/(loss) on disposal of general fixed assets	.....	.....	.....	.....
Debt service:				
Principal retirement	557,533	612,272	674,697	795,954
Interest and fiscal charges	736,514	768,136	838,163	825,872
Total expenditures	45,733,660	48,333,087	51,856,274	57,113,243
Excess (deficiency) of revenues over expenditures	(2,334,048)	(1,836,155)	(1,151,860)	(78,986)
Other Financing Sources (Uses)				
Proceeds of bond issues	1,414,747	1,635,797	1,333,158	1,231,340
Proceeds of refunding bonds	971,060	1,865,860	166,383	2,470,805
Operating transfers in	11,552,102	13,668,486	12,931,311	13,472,264
Operating transfers out	(10,390,438)	(12,319,538)	(11,552,231)	(12,107,675)
Proceeds of financing agreements	1,913	19,043	57,383	44,819
Payments to refunded bond agent	(971,060)	(1,865,860)	(166,383)	(2,470,805)
Total other financing sources (uses)	2,578,324	3,003,788	2,769,621	2,640,748
Net change in fund balances	$ 244,276	$ 1,167,633	$ 1,617,761	$ 2,561,762
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.0%	3.0%	3.0%

SCHEDULE A-4

Fiscal Year		
2006	2007	2008
$ 35,317,243	$ 34,216,240	$ 31,544,362
1,318,920	1,349,929	1,300,154
3,141,434	3,366,361	3,517,982
19,567,321	19,204,113	19,610,900
455,205	1,418,723	772,331
804,869	830,178	818,804
17,881	73,878	44,062
60,622,873	60,459,422	57,608,595
7,428,922	8,351,906	7,684,863
17,643,897	19,168,847	19,842,205
19,755,015	20,586,256	21,768,923
3,673,967	3,912,691	4,173,403
4,030,076	2,733,006	2,721,304
3,188,602	3,456,266	3,971,868
412,793	435,531	457,883
2,639,161	3,005,688	2,636,135
.....	768	.....
736,331	810,726	860,289
835,993	842,558	903,637
60,344,757	63,304,243	65,020,510
278,116	(2,844,821)	(7,411,915)
1,152,268	1,110,197	2,571,311
426,107	401,977	94,760
10,901,916	9,982,178	9,847,759
(9,559,920)	(8,606,547)	(8,456,830)
23,751	18,678	8,984
(426,107)	(401,977)	(94,760)
2,518,015	2,504,506	3,971,224
$ 2,796,131	$ (340,315)	$ (3,440,691)
2.7%	2.7%	2.8%

Revenue Base/Rate
Taxable Sales by Industry
Last Ten Calendar Years
(in thousands)

SCHEDULE B-1

	Calendar Year				
	1998	1999	2000	2001	2002
Agriculture	$ 734,896	$ 679,383	$ 723,723	$ 628,505	$ 1,523,823
Mining	467,248	462,446	453,275	467,097	475,976
Construction	3,602,982	4,029,836	4,250,093	4,143,642	4,339,103
Manufacturing	7,803,800	8,187,878	9,392,811	8,437,418	9,973,528
Transportation	14,315,728	14,874,760	16,781,408	14,730,089	7,297,988
Communications	.....	.....	.....	750,000	12,080,297
Wholesale	9,527,504	10,666,116	10,682,707	10,608,768	8,946,443
Retail trade [1]	126,713,518	140,181,237	147,909,435	152,163,684	155,667,230
Finance and insurance [1]	14,658,873	15,922,843	17,625,485	18,198,371	19,188,005
Services	32,132,414	37,204,697	38,750,858	37,507,089	37,431,731
Government	234,823	232,525	323,263	221,225	195,930
Other	2,213,153	2,170,824	2,170,054	2,036,553	1,202,541
Total	$ 212,404,939	$ 234,612,545	$ 249,063,112	$ 249,892,441	$ 258,322,595
State direct sales tax rate	6.0%	6.0%	6.0%	6.0%	6.0%

Notes: The sales tax rate on non-residential electricity is 7.0%. The sales tax rate on communication services (non-residential phone and all cable) has been 6.8% since October 1, 2001. The sales tax rate on amusement machines is 4.0%. As of July 1, 2005, the sales tax requirement for farm equipment changed from a 2.5% tax rate to become exempt from sales tax.

Taxable sales information is available for reporting on a calendar-year basis only.

[1] The economic impact of the housing market decline can be seen in the decrease in tax revenues from calendar-year 2005-2006. Refer to the Economic Factors section of the MD&A for additional information.

Source: Florida Department of Revenue

SCHEDULE B-1

Calendar Year				
2003	2004	2005	2006	2007
$ 2,113,243	$ 2,227,668	$ 2,242,702	$ 2,076,127	$ 1,652,121
487,506	570,630	751,037	849,709	663,193
3,896,742	4,186,503	4,881,040	5,220,010	3,990,215
13,314,291	14,619,140	17,726,833	18,880,215	16,277,337
7,585,459	8,735,773	9,548,276	10,823,084	10,852,559
12,202,644	13,163,094	14,253,972	15,042,938	15,677,020
12,559,558	17,282,512	22,480,523	25,890,934	21,307,898
171,423,008	178,084,155	198,092,426	192,829,255	182,161,612
20,805,219	21,102,170	23,697,839	18,872,894	20,875,323
36,410,849	39,880,491	44,364,971	45,374,785	46,330,585
264,591	147,522	102,172	211,732	274,053
622,774	787,651	946,250	1,025,625	1,708,341
$ 281,685,884	$ 300,787,309	$ 339,088,041	$ 337,097,308	$ 321,770,258
6.0%	6.0%	6.0%	6.0%	6.0%

Principal Sales Tax Payers By Industry
Calendar Years 2007 and 1998
(dollars are in thousands)

SCHEDULE B-2

Industry	Calendar Year 2007			Calendar Year 1998		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	8,549	$ 115,278	0.50%	3,198	$ 18,926	0.14%
Mining	894	44,287	0.19%	1,012	29,282	0.21%
Construction	7,723	281,579	1.22%	13,270	228,969	1.65%
Manufacturing	30,282	1,105,355	4.81%	25,223	496,305	3.58%
Transportation, communications, electric, gas, and sanitation	10,295	1,851,361	8.05%	8,701	1,001,435	7.21%
Wholesale	44,380	1,430,201	6.22%	40,089	606,932	4.37%
Retail trade	252,097	12,664,556	55.09%	304,968	8,138,064	58.63%
Finance and insurance	148,460	1,889,558	8.22%	124,597	941,135	6.78%
Services	102,125	3,234,761	14.07%	117,179	2,072,143	14.93%
Government	235	259,015	1.13%	266	173,941	1.25%
Other	4,252	114,445	0.50%	5,565	174,297	1.26%
Total	609,292	$ 22,990,397	100.00%	644,068	$ 13,881,429	100.00%

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available for reporting. The categories presented are intended to provide alternative information regarding the sources of the state's revenue. In addition, some of the categories from the revenue base/rate schedule have been combined in preparing this schedule.

Taxable sales information is available for reporting on a calendar-year basis only.

Source: Florida Department of Revenue

Ratios of Outstanding Debt by Type
Last Seven Fiscal Years
(dollars in millions, except per capita)

SCHEDULE C-1

	Governmental Activities					Business-type Activities			
Fiscal Year	Full Faith and Credit	Pledged Revenue	Installment Purchases and Capital Leases	Certificates of Participation	Total Governmental	Pledged Revenue	Total Primary Government	Debt as a Percentage of Tax-supported Revenues [1]	Debt Per Capita [2]
2002	$ 9,921	$ 4,688	$ 125	$ 101	$ 14,835	$ 1,799	$ 16,634	71.39%	$ 991.90
2003	10,586	5,286	132	96	16,100	1,716	17,816	73.70%	$ 1,036.88
2004	11,170	5,301	182	91	16,744	2,159	18,903	72.41%	$ 1,072.94
2005	12,035	5,245	174	85	17,539	2,071	19,610	66.37%	$ 1,087.84
2006	11,476	5,379	144	279	17,278	3,358	20,636	62.56%	$ 1,118.63
2007	12,004	5,227	135	267	17,633	6,361	23,994	74.28%	$ 1,281.87
2008	12,939	5,912	111	256	19,218	10,220	29,438	98.97%	$ 1,563.33

Notes: Details regarding the state's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

(1) Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

(2) Population data used in calculation of this ratio can be found in Schedule D-1.

Ratios of Net General Bonded Debt Outstanding
Last Seven Fiscal Years
(dollars in millions, except per capita)

SCHEDULE C-2

	General Bonded Debt Outstanding							
Fiscal Year	Full Faith and Credit	Installment Purchases and Capital Leases	Certificates of Participation	Total	Restricted Resources	Net General Bonded Debt Outstanding	Debt as a Percentage of Tax-supported Revenue [1]	Per Capita [2]
2002	$ 9,921	$ 125	$ 101	$10,147	$ 321	$ 9,826	42.17%	$ 585.93
2003	10,586	132	96	10,814	343	10,471	43.32%	$ 609.41
2004	11,170	182	91	11,443	362	11,081	42.45%	$ 628.96
2005	12,035	174	85	12,294	384	11,910	40.31%	$ 660.69
2006	11,476	144	279	11,899	409	11,490	34.84%	$ 622.85
2007	12,004	135	267	12,406	434	11,972	37.06%	$ 639.60
2008	12,939	111	256	13,306	448	12,858	43.23%	682.84

Notes: Details regarding the State's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

(1) Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

(2) Population data used in calculation of this ratio can be found in Schedule D-1.

Legal Debt Margin
Last Ten Fiscal Years
(dollars in millions)

SCHEDULE C-3

Legal debt margin calculated for fiscal year 2008

Tax-supported revenues [1]	$29,743
Debt limit [2]	1,785
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	1,898
Legal debt margin	$ (113)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit [2]	$ 1,263	$ 1,339	$ 1,373	$ 1,398	$ 1,450	$ 1,566	$ 1,773	$ 1,979	$ 1,938	$ 1,785
Total debt applicable to limit	1,072	1,166	1,303	1,357	1,460	1,552	1,596	1,681	1,772	1,898
Legal debt margin	$ 191	$ 173	$ 70	$ 41	$ (10)	$ 14	$ 177	$ 298	$ 166	$ (113)
Total net debt applicable to the limit as a percentage of debt limit.	84.88%	87.08%	94.90%	97.07%	100.69%	99.11%	90.02%	84.94%	91.43%	106.33%

[1] For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2008, the total outstanding balance of tax-supported debt was approximately $20,328,700,000.

[2] The state debt fiscal responsibility policy, Section 215.98, Florida Statutes, establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the present policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. The 6% ratio has been used to determine the debt limit in this schedule.

[3] Although in Fiscal Year 2008, tax-supported debt service exceeds 6% of tax-supported revenues, the ratio of tax-supported deb sevice remained below 7% of tax-supported revenues

Source: Florida State Board of Administration, Division of Bond Finance

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

SCHEDULE C-4

Year Ended 6/30	Revenue [4]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage Ratio
Sunshine Skyway Bridge						
1999	14,040	4,163	9,877	1,580	1,546	3.16
2000	14,926	3,491	11,435	1,675	1,450	3.66
2001	15,380	3,140	12,240	1,780	1,348	3.91
2002	15,933	4,482	11,451	1,595	627	5.15
2003	16,251	3,869	12,382	2,015	624	4.69
2004	17,230	5,123	12,107	2,100	544	4.58
2005	17,053	5,033	12,020	2,180	462	4.55
2006	17,798	4,721	13,077	2,270	380	4.93
2007	17,758	7,027	10,731	2,365	290	4.04
2008	17,025	6,768	10,257	2,465	195	3.86
Florida Turnpike						
1999	291,987	87,203	204,784	17,675	84,869	2.00
2000	320,623	99,850	220,773	28,735	87,859	1.89
2001	384,214	115,778	268,436	38,415	92,602	2.05
2002	421,897	121,021	300,876	49,955	92,655	2.11
2003	462,001	130,984	331,017	52,330	86,137	2.39
2004	534,755	153,485	381,270	58,615	106,783	2.31
2005	598,762	157,570	441,192	70,910	103,940	2.52
2006	647,959	155,357	492,602	60,135	98,536	3.10
2007	681,615	175,386	506,229	65,610	102,844	3.01
2008	650,743	184,218	466,525	72,665	118,657	2.44
Save Our Coast [1]						
1999	96,200	.....	96,200	14,945	10,192	3.83
2000	99,300	.....	99,300	15,440	9,776	3.94
2001	106,500	.....	106,500	16,235	9,036	4.21
2002	127,600	.....	127,600	17,095	8,255	5.03
2003	162,400	.....	162,400	19,025	6,623	6.33
2004	213,600	.....	213,600	18,735	6,099	8.60
2005	273,000	.....	273,000	19,595	5,370	10.94
2006	329,300	.....	329,300	20,490	4,680	13.08
2007	246,100	.....	246,100	21,720	3,655	9.70
2008	158,607	.....	158,607	19,795	2,646	7.07
Florida Forever/Preservation 2000/Everglades [1, 3]						
1999	690,300	.....	690,300	98,410	116,409	3.21
2000	712,600	.....	712,600	119,560	127,484	2.88
2001	764,900	.....	764,900	142,275	133,102	2.78
2002	915,900	.....	915,900	159,185	129,697	3.17
2003	1,165,800	.....	1,165,800	169,255	135,310	3.83
2004	1,533,100	.....	1,533,100	186,045	148,929	4.58
2005	1,960,100	.....	1,960,100	194,640	140,275	5.85
2006	2,363,800	.....	2,363,800	213,378	135,020	6.78
2007	1,776,500	.....	1,776,500	230,120	137,480	4.83
2008	1,138,600	.....	1,138,600	246,045	135,064	2.99

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

SCHEDULE C-4

Year Ended 6/30	Revenue [4]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage Ratio
Conservation and Recreation Land [1,2]						
1999	73,292	.....	73,292	1,415	1,455	25.54
2000	75,076	.....	75,076	1,485	1,391	26.10
2001	80,292	.....	80,292	1,570	1,324	27.74
2002	64,448	.....	64,448	1,655	1,252	22.17
2003	80,235	.....	80,235	1,740	1,174	27.53
2004	102,098	.....	102,098	1,825	1,092	35.00
2005	127,975	.....	127,975	1,940	1,003	43.48
2006	152,502	.....	152,502	2,060	906	51.42
2007	136,705	.....	136,705	2,170	803	45.98
2008	81,995	.....	81,995	2,290	692	27.50
Lottery Education [1]						
1999	807,227	.....	807,227	18,925	20,842	20.30
2000	908,353	.....	908,353	25,885	30,484	16.11
2001	907,157	.....	907,157	40,275	59,466	9.10
2002	926,488	.....	926,488	52,840	74,691	7.26
2003	1,035,178	.....	1,035,178	63,140	92,920	6.63
2004	1,051,658	.....	1,051,658	77,975	100,797	5.88
2005	1,103,633	.....	1,103,633	84,255	102,638	5.91
2006	1,224,651	.....	1,224,651	95,430	106,922	6.05
2007	1,263,272	.....	1,263,272	103,920	105,579	6.03
2008	1,283,414	.....	1,283,414	119,030	119,451	5.38
Alligator Alley						
1999	10,319	3,361	6,958	815	2,852	1.90
2000	11,364	3,486	7,878	860	2,808	2.15
2001	12,060	5,068	6,992	905	2,760	1.91
2002	12,468	4,663	7,805	955	2,711	2.13
2003	13,023	5,147	7,876	1,010	2,658	2.15
2004	14,118	5,297	8,821	1,070	2,597	2.41
2005	14,437	5,114	9,323	1,135	2,533	2.54
2006	18,968	6,016	12,952	1,205	2,462	3.53
2007	23,538	6,673	16,865	1,335	1,854	5.29
2008	21,962	5,547	16,415	1,345	2,105	4.76
State Infrastructure Bank [3]						
2007	39,602	.....	39,602	5,195	3,000	4.83
2008	43,550	.....	43,550	5,915	5,785	3.72
Florida Hurricane Catastrophe Fund Finance Corporation [3]						
2007	1,580,008	15,108	1,564,900	.....	113,300	13.81
2008	1,886,868	15,639	1,871,229	.....	311,397	6.01

Notes: Prior year data has been restated to match the corresponding Official Statement, when necessary

(1) Operating Expenses are not listed for the Lottery Program and the Environmental Programs, e.g. Save Our Coast, Florida Forever/Preservation 2000/Everglades and Conservation and Recreation Land Programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the cas of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

(2) Phosphate Severance Tax and Documentary Stamp Tax Revenue are combined in calculating revenue source. Beginning in 2002, revenues are reduced by amounts transferred to State Game Trust Fund pursuant to Section 201.15(5), Florida Statutes.

(3) Everglades Restoration Bonds, State Infrastructure Bank Bonds, and Florida Hurricane Catastrophe Fund Finance Corporation Bonds were issued in 2006 with debt service information beginning in fiscal year 2007.

(4) Refer to Note 8 A.2. for information on the sources of pledged revenues.

Source: Florida State Board of Administration, Division of Bond Finance

Demographic and Economic Statistics
For the Last Ten Calendar Years

SCHEDULE D-1

	Population				Personal Income (in millions)	
Year	Florida	Percent Change from Prior Year	U.S.	Percent Change from Prior Year	Florida	U.S.
1999	15,680,103	2.40%	279,040,168	1.15%	$ 423,834	$ 7,796,137
2000	16,072,926	2.51%	282,194,308	1.13%	457,539	8,422,074
2001	16,414,604	2.13%	285,112,030	1.03%	478,637	8,716,992
2002	16,769,878	2.16%	287,888,021	0.97%	495,489	8,872,871
2003	17,182,275	2.46%	290,447,644	0.89%	514,378	9,150,320
2004	17,617,951	2.54%	293,191,511	0.94%	565,681	9,711,363
2005	18,026,473	2.32%	295,895,897	0.92%	614,408	10,252,849
2006	18,447,584	2.34%	298,754,819	0.97%	668,513	10,977,312
2007	18,717,990	1.47%	301,621,157	0.96%	699,314	11,631,571
2008	18,830,275	0.60%	304,465,584	0.94%	725,195	12,157,117

(1) Unemployment rates are annualized (average of monthly rates).

(2) School enrollment is by state fiscal year and other data is by calendar year.

Note: Data from 1999-2007 was derived from the US Department of Commerce, Bureau of Economic Analysis, and the US Department of Labor Bureau of Labor Statistics. Data for 2008 was derived from the July 2008 Florida Economic Estimating Conference, Florida Demographic Estimating Conference, and National Economic Estimating Conference.

Sources: Florida Legislature, Florida Department of Education

State of Florida
Population by Age

Age Group	2000 Census	Percent	2010 Projection	Percent	2020 Projection	Percent
0 - 14	3,034,656	18.99	3,477,852	18.01	3,914,048	17.41
15 - 24	1,942,430	12.15	2,484,479	12.87	2,630,713	11.70
25 - 44	4,569,515	28.59	4,815,048	24.94	5,409,085	24.06
45 - 64	3,628,573	22.70	5,160,743	26.73	5,799,250	25.80
65 and Over	2,807,650	17.57	3,369,944	17.45	4,724,790	21.02
Total	15,982,824	100.00	19,308,066	100.00	22,477,886	100.00

Source: Forecast from February 2008 Demographic Estimating Conference. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

SCHEDULE D-1

Per Capita Personal Income		Unemployment Rate [1]		Median Age	Public School Enrollment [2]
Florida	U.S.	Florida	U.S.	Florida	Florida
$ 27,030	$ 27,939	4.0%	4.2%	38.4	2,331,958
28,466	29,845	3.8%	4.0%	38.7	2,376,128
29,159	30,574	4.7%	4.7%	38.9	2,434,403
29,546	30,821	5.7%	5.8%	39.4	2,500,161
29,937	31,504	5.3%	6.0%	39.4	2,539,932
32,108	33,123	4.7%	5.5%	39.6	2,596,524
34,084	34,650	3.9%	5.1%	39.7	2,634,223
36,239	36,744	3.4%	4.6%	39.9	2,668,337
37,361	38,564	4.0%	4.6%	39.9	2,662,701
38,512	39,929	5.3%	5.3%	40.1	2,652,684

Industry Sector Employment
For Calendar Years 2007 and 2001
(in thousands)

SCHEDULE D-2

Industry	2007 Employment	2007 Percentage of Total Employment [2]	2001 [1] Employment	2001 [1] Percentage of Total Employment [2]
Retail trade	1,009	12.13%	933	12.50%
Administrative and waste services	797	9.58%	678	9.08%
Health care and social assistance	874	10.50%	750	10.05%
Local government	782	9.40%	690	9.24%
Accommodation and food services	748	8.99%	648	8.68%
Construction	598	7.19%	470	6.30%
Professional and technical services	454	5.46%	367	4.92%
Manufacturing	389	4.67%	443	5.93%
Finance and insurance	369	4.43%	322	4.31%
Wholesale trade	357	4.29%	316	4.23%
Total	6,377	76.64%	5,617	75.24%

Note: Privacy requirements prevent the state from obtaining and reporting specific information about the largest employers in the state's jurisdiction. Reporting by industry reveals the degree of concentration in the state's total employment base.

(1) In 2001, the industrial coding structure changed from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). As a result, comparability of data prior to 2001 is not reasonable. This schedule presents calendar years 2007 and 2001. Both periods utilize the North American Industry Classification System, which provides comparability.

(2) "Employment" is being calculated based on average total employment by industry for each calendar year. Ratios of "Total" employment are based on the following:

	2007	2001
Total non-agricultural employment (in thousands)	8,041	7,160
Total agricultural employment (in thousands)	280	305
Total employment	8,321	7,465

Sources: Florida Agency for Workforce Innovation, University of Florida

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Full-time Equivalent (FTE) State Employees by Function
Last Ten Fiscal Years

SCHEDULE E-1

Function	Fiscal Year 1999	2000	2001	2002	2003	2004	2005 [3]
Financial administration	13,092	13,392	13,585	13,175	15,385	15,453	15,498
Streets and highways	9,783	9,744	9,022	8,467	7,606	7,356	7,173
Public welfare	23,594	24,153	23,922	22,463	21,647	19,369	17,194
Police protection	4,350	4,207	4,225	4,226	4,328	5,270	5,314
Natural resources	7,806	8,322	8,391	8,418	8,489	7,711	7,691
Health	13,081	14,255	14,473	14,566	15,014	15,197	15,583
Housing [1]	.....	.....	.....	.....	.....	29	27
Community development	392	372	335	337	295	291	277
Criminal justice and corrections	38,904	38,452	38,168	36,430	37,471	37,710	38,870
Utility and transportation	372	382	370	370	369	346	317
Employee security [2]	.....	.....	1,398	1,539	1,445	1,307	1,345
Education	889	1,817	2,165	2,205	2,386	2,367	2,386
State courts	2,675	2,767	2,921	1,792	1,953	2,735	3,869
Other	2,135	2,173	2,117	2,042	1,980	2,024	2,007
Total	117,073	120,036	121,092	116,030	118,368	117,165	117,551

Note: FTE's are calculated based on a 40 hour work week. A numerical designator is based on 100% for a full-time employee (i.e. 1.00 point or FTE). All others are pro-rated accordingly.

[1] New function added in fiscal year 2004 for reporting purposes.
[2] Agency formed and FTE determination required in fiscal year 2001.
[3] The FTE counts for fiscal years 2005 and 2006 have been restated.

Sources: Florida Legislature, Florida State Courts System, Florida State Board of Administration, Florida Justice Administration Commission, Florida Department of Management Services

SCHEDULE E-1

Fiscal Year		
2006 [3]	2007	2008
15,416	15,551	15,409
7,074	7,030	7,156
12,673	12,458	12,507
5,342	5,355	5,248
7,698	7,791	7,761
15,959	16,434	16,388
28	29	28
292	303	284
39,555	40,756	40,558
315	296	323
1,315	1,272	1,243
2,461	2,481	2,499
4,137	4,457	4,401
2,154	2,140	2,059
114,419	116,353	115,864

Operating Indicators by Function
Last Ten Fiscal Years

SCHEDULE E-2

	Fiscal Year				
	1999	2000	2001	2002	2003
General government					
Department of Revenue					
Total administered taxes (*in millions*)	22,681	23,863	25,066	26,369	27,811
Department of Management Services [1]					
Number of retired members covered	171,152	181,026	188,770	198,303	208,680
Education					
Universities					
University enrollments	223,922	232,794	240,753	251,984	262,354
Degrees awarded	46,742	47,825	48,956	52,306	54,863
Human services					
Department of Health [2]					
Number of live births	196,963	204,030	205,800	205,580	212,243
Number of deaths	162,122	162,839	167,181	167,702	168,459
Department of Children and Families					
Food stamp recipients	947,104	902,084	881,808	983,511	1,042,418
Food stamp households	430,860	419,744	422,251	466,894	505,452
Criminal justice and corrections					
Department of Corrections					
Inmate admissions	23,762	25,743	25,731	26,049	28,882
Community supervision admissions	98,871	96,887	96,223	97,284	99,123
Facility population	68,599	71,233	72,007	73,553	77,316
Natural resources and environment					
Department of Environmental Protection					
State park visitations	14,686,150	16,760,822	18,075,329	17,722,275	18,240,624
Department of Fish and Wildlife Conservation					
Fishing and hunting licenses holders	1,381,845	1,357,447	1,284,197	1,272,549	1,221,884
Transportation					
Department of Transportation					
Vehicles registered	13,451,793	13,869,980	15,506,616	15,798,757	17,249,305
Titles issued	4,685,258	5,152,272	5,122,220	5,244,493	5,127,520
Traffic crashes [2]	243,409	246,541	256,169	250,470	243,294
Daily vehicle miles traveled (*in thousands*)	245,757	254,114	258,528	267,229	273,744
State courts					
State Courts System					
Number of cases filed/added:					
Circuit criminal defendants	192,816	184,229	182,581	179,757	182,893
County criminal	508,037	502,476	513,101	499,339	489,437
County civil	337,239	359,628	407,142	444,703	459,959
Traffic	477,603	447,561	446,039	454,696	487,413
Family court	331,542	344,507	362,185	371,961	369,652
Circuit civil	160,901	162,446	171,775	186,218	184,858
Probate	91,034	94,054	95,020	96,712	101,736

Note: Items denoted as unavailable have not been calculated for reporting as of the date of this CAFR.

[1] The Florida Retirement System includes retirees from six major employers.
(The State of Florida, State University System, Counties, School Boards, Community Colleges, and Cities & Special Districts)

[2] Information for this agency and/or item is only reported by calendar year. Information reported in each column represents calendar year ended December 31.

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors, Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections, Florida Department of Environmental Protection, U.S. Fish & Wildlife Service, Florida Department of Transportation, Florida State Courts

SCHEDULE E-2

Fiscal Year				
2004	2005	2006	2007	2008
30,756	34,742	38,736	37,477	34,152
224,813	236,974	250,496	263,198	Unavailable
271,337	277,583	287,375	294,016	301,135
58,554	59,771	61,215	64,778	68,423
218,045	226,219	237,166	239,120	Unavailable
168,364	170,300	169,365	167,708	Unavailable
1,238,517	1,286,530	1,248,359	1,266,308	1,523,273
602,323	629,685	623,270	650,277	783,282
31,896	32,204	35,098	37,864	41,054
100,557	99,616	103,387	107,203	107,861
81,974	84,901	88,576	92,844	98,192
19,106,966	17,296,273	18,174,879	19,516,852	20,737,052
1,471,395	1,538,965	1,588,227	1,605,617	Unavailable
17,948,464	18,762,439	21,773,396	22,126,592	22,125,361
6,477,928	6,829,690	7,181,742	6,668,861	5,920,326
252,902	268,605	256,200	256,206	Unavailable
280,754	292,398	300,010	303,603	305,253
193,870	199,009	219,157	230,417	235,451
489,422	485,864	509,525	523,274	515,552
473,660	425,012	479,514	541,823	615,290
523,072	510,513	571,858	604,054	618,506
378,429	365,990	365,468	356,485	350,477
178,970	162,116	164,245	226,288	418,579
108,183	109,505	111,583	105,486	102,532

Capital Assets by Function
Last Ten Fiscal Years

SCHEDULE E-3

	Fiscal Year				
	1999	2000	2001	2002	2003
General government					
Department of Management Services:					
Buildings	77	82	211	90	90
Education					
Universities and colleges: [1]					
Assignable square feet (in thousands)	31,899	33,750	35,847	37,186	39,666
Human services					
Department of Health					
Buildings [3]	35	38	39	42	42
Vehicles	126	112	122	129	136
Department of Children and Families					
Buildings	548	548	551	491	507
Criminal justice and corrections					
Department of Corrections					
Correctional institutions	60	57	57	56	56
Work camps, forestry camps	35	37	36	36	36
Work release centers	30	29	26	24	24
Other facilities	5	5	6	5	7
Natural resources and environment					
Division of Recreation and Parks					
Number of state parks	151	151	153	155	156
Acres of state parks	523,910	513,425	555,814	570,576	593,459
Department of Environmental Protection					
Acres of land owned [2]	3,152,857	3,341,600	3,559,115	3,836,193	4,035,686
Fish and Wildlife Commission					
Vehicles	838	836	1,371	1,494	1,637
Transportation					
Department of Transportation					
Highway lane miles	39,416	39,730	40,042	40,451	40,696
Vehicles	6,116	6,116	5,942	5,868	5,679
Buildings	1,563	1,575	1,607	1,662	1,624
State courts					
State Courts System					
Machinery and equipment	Unavailable	Unavailable	Unavailable	Unavailable	4,646

Note: Items noted as Unavailable have not been determined as of the publication date.

[1] Universities and colleges are presented in the CAFR as discretely presented component units of the state.

[2] Acreage information includes a cumulative total of acres acquired through programs such as Preservation 2000, Florida Forever, Environmentally Endangered Lands, Conservation and Recreation Lands, Land Acquisition Trust Fund, Save Our Coast Trust Fund, Farm Bill and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.

[3] The building count for this agency has been revised to reflect only those structures that allow occupancy.

Sources: Florida Department of Management Services, Florida Department of Education, Florida Department of Health, Florida Department of Corrections, Florida Division of Recreation and Parks, Florida Department of Transportation, Florida Department of Financial Services, Division of Risk Management, Florida State Courts System, Florida Fish & Wildlife Conservation

SCHEDULE E-3

Fiscal Year				
2004	2005	2006	2007	2008
90	90	85	85	85
40,114	40,495	41,779	45,460	49,990
45	48	49	49	53
179	212	209	235	319
514	515	227	211	211
58	59	59	60	60
35	37	40	41	42
23	26	30	30	32
7	6	6	6	5
157	158	159	159	161
603,953	730,573	723,852	724,629	698,648
4,143,860	4,257,103	4,316,161	4,429,484	4,500,719
1,591	1,562	1,514	1,519	1,549
40,970	41,295	41,613	42,022	42,181
4,872	5,709	5,841	5,445	5,313
1,619	1,584	1,578	1,622	1,691
4,496	4,800	7,825	8,608	9,335

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ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

Florida Department of Financial Services

REPORT NO. 2009-144
MARCH 2009

STATE OF FLORIDA

COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS

In Accordance With OMB Circular A-133

For the Fiscal Year Ended
June 30, 2008

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

Inquiries regarding financial statement-related findings should be addressed directly to Kathryn Walker, CPA, Audit Manager, by e-mail at kathrynwalker@aud.state.fl.us or by telephone at (850) 487-9085. Inquiries regarding Federal awards findings for State universities or colleges should be addressed directly to James R. Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us, or by telephone at (850) 922-2263. Please address all other inquiries regarding this report to Brenda K. Pelham, CPA, Audit Manager, by e-mail at brendapelham@aud.state.fl.us or by telephone at (850) 487-9060.

This report and other audit reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

STATE OF FLORIDA
COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING AND FEDERAL AWARDS

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EXECUTIVE SUMMARY

Summary of Report on Financial Statements

The State of Florida's basic financial statements, as of and for the fiscal year ended June 30, 2008, were fairly presented in all material respects, in accordance with accounting principles generally accepted in the United States. Our report is included in the Florida Comprehensive Annual Financial Report for fiscal year ended June 30, 2008, issued by the Chief Financial Officer.

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

Internal Control Over Financial Reporting

We noted the following matters involving the internal control over financial reporting and its operation that we consider to be significant deficiencies:

- **For one or more financial statement accounts, the Departments of Revenue and Management Services and the Agency for Health Care Administration did not accurately report or classify assets, net assets, revenues, expenses, or liabilities in accordance with generally accepted accounting principles. (Finding Nos. FS 08-001, FS 08-002, FS 08-003, and FS 08-004)**

We believe that none of the significant deficiencies described above is a material weakness.

We noted additional matters that were reported to management but that we did not consider to be significant deficiencies or material weaknesses.

- **The Department of Financial Services used a standard form to obtain from State entities the information needed to compile amounts disclosed in Note 2 regarding deposits and related custodial credit risk. These forms did not require the entities to certify compliance with Chapter 280, Florida Statutes, which governs the collateralization of State deposits. (Finding No. FS 08-005)**
- **The Department of Financial Services did not have effective IT general controls in place to ensure the integrity and reliability of data relating to Special Disability Trust Fund claims. (Finding No. FS 08-006)**
- **The Department of Management Services used a long-term investment rate assumption in determining the actuarial accrued liability for the Health Insurance Subsidy Pension plan that was not commensurate with the nature and mix of current and expected plan investments. The actuarial accrued liability is reported as required supplementary information to the basic financial statements. (Finding No. FS 08-007)**

Compliance

The results of our audit of the State's basic financial statements disclosed no instances of noncompliance that are required to be reported by *Government Auditing Standards*.

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

During the 2007-08 fiscal year, State agencies, universities, and community colleges administered over 540 Federal awards programs or program clusters. Expenditures for the 39 major programs totaled $21.5 billion, or approximately 88 percent of the total expenditures of $24.5 billion, as reported on the Supplementary Schedule of Expenditures of Federal Awards.

Compliance

We were unable to express and did not express an opinion on the Division of Emergency Management's compliance with requirements applicable to the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. Because of internal control deficiencies noted in the Florida Public Assistance System,

the lack of sufficient documentation supporting the allowability of payments to subgrantees, and the failure to timely complete final inspections on completed projects, it was not practicable in the circumstances for us to obtain audit evidence sufficient to the expression of an opinion. (Finding Nos. FA 08-080, FA 08-081, and FA 08-086)

The State of Florida complied, in all material respects, with the compliance requirements applicable to each of its other major Federal awards programs, except as described in the following instances, which resulted in opinion qualifications:

- **The Department of Education set aside moneys for Immigrant Children and Youth under the English Language Acquisition Grants Program, but did not make such moneys available to subgrantees during the 2007-08 fiscal year. (Finding No. FA 08-026)**
- **The Department of Children and Family Services did not document, in a significant number of instances, the eligibility of clients to receive benefits under the Medicaid Cluster and the performance of required data exchanges. Additionally, data exchange processes were not timely performed. (Finding No. FA 08-058)**
- **The Division of Emergency Management reimbursed subgrantees without adequate documentation under the Homeland Security Cluster and the Hazard Mitigation Grant Program. (Finding Nos. FA 08-068, FA 08-087 and FA 08-088)**

The results of our audit also disclosed other instances of noncompliance pertaining to various programs administered by various State agencies, universities, and community colleges. Some of the instances of noncompliance resulted in questioned costs subject to disallowance by the grantor agency. The compliance requirements involved primarily those pertaining to Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility; and Matching, Level of Effort, and Earmarking. Other instances of noncompliance pertained to various compliance requirements including, but not limited to, Subrecipient Monitoring and Special Tests and Provisions. Instances of noncompliance are described in the Schedule of Findings and Questioned Costs.

Internal Control Over Compliance

We noted numerous matters at various State agencies, universities, and community colleges involving internal control over compliance and its operation that we consider to be significant deficiencies. Significant deficiencies are described in the Schedule of Findings and Questioned Costs and pertained to various compliance requirements including, but not limited to, Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Subrecipient Monitoring, and Special Tests and Provisions. The following significant deficiencies were considered material weaknesses:

- **The Department of Community Affairs did not have appropriate controls in place regarding user access and system documentation for systems used to process payments and administer the Community Development Block Grant Program (Finding No. FA 08-002) and the Low-Income Home Energy Assistance Program (Finding No. FA 08-046).**
- **The Department of Revenue did not ensure adequate oversight and monitoring of State Disbursement Unit collection and disbursement of child support payments and the reporting thereof. Additionally, the Department of Revenue did not always request the necessary information from the responsible parents to determine whether health insurance was reasonably available or take enforcement action to secure medical support for Child Support Enforcement Program clients. (Finding Nos. FA 08-039 and FA 08-042)**
- **The Division of Emergency Management did not have appropriate general and application controls in place for the Florida Public Assistance System used in administering the Disaster Grants - Public Assistance (Presidentially Declared Disasters) Program. (Finding No. FA 08-080)**
- **The Division of Emergency Management did not maintain adequate documentation to demonstrate whether payments to subgrantees for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program were for allowable costs incurred during the authorized project period. (Finding No. FA 08-081)**

- The Division of Emergency Management had not implemented procedures to provide for the timely completion of final inspections of large projects for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. (Finding No. FA 08-086)
- The Division of Emergency Management did not have appropriate controls in place regarding user access and system documentation for the system used to administer the Hazard Mitigation Grant Program. (Finding No. FA 08-089)
- The instances described in the previous paragraphs on compliance for the English Language Acquisition Grants Program (Finding No. FA 08-026); Medicaid Cluster (Finding No. FA 08-058); Homeland Security Cluster (Finding No. FA 08-068); and Hazard Mitigation Grant Program (Finding Nos. FA 08-087 and FA 08-088) also involved material weaknesses in internal control.

Schedule of Expenditures of Federal Awards

The State's Supplementary Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the State's basic financial statements. The State's SEFA does not include the State's blended component units, Workforce Florida, Inc., and Scripps Florida Funding Corporation; discretely presented component units of the State's universities and community colleges; or discretely presented component units other than the State's universities and community colleges. Information on the schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Scope

As a condition of receiving Federal funds, the U.S. Office of Management and Budget (OMB) requires, as described in OMB Circular A-133, an audit of the State's financial statements and major Federal awards programs. Pursuant to Section 11.45, Florida Statutes, we conducted an audit of the basic financial statements of the State of Florida as of and for the fiscal year ended June 30, 2008. We also subjected supplementary information contained in the State's Comprehensive Annual Financial Report and the State's Schedule of Expenditures of Federal Awards to auditing procedures applied in our audit of the basic financial statements. Additionally, we audited the State's compliance with governing requirements for the Federal awards programs or program clusters that we identified as major programs for the fiscal year ended June 30, 2008.

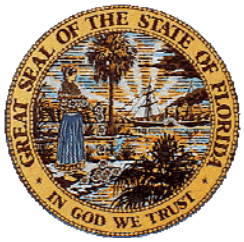
Objectives

The objectives of our audit were:

- The expression of opinions concerning whether the State's basic financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.
- The expression of an opinion concerning whether the State's Schedule of Expenditures of Federal Awards is presented fairly, in all material respects, in relation to the State's basic financial statements taken as a whole.
- To obtain an understanding of the internal control over compliance for each major Federal program, assess the control risk, and perform tests of controls, unless the controls were deemed to be ineffective.
- The expression of opinions concerning whether the State complied, in all material respects, with laws, regulations, and the provisions of contracts or grant agreements pertaining to major Federal awards that may have a direct and material effect applicable to each of the major Federal programs.

Methodology

We conducted our audit in accordance with auditing standards generally accepted in the United States; applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and related guidance provided by OMB Circular A-133.



AUDITOR GENERAL
STATE OF FLORIDA

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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111 West Madison Street
Tallahassee, Florida 32399-1450

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the fiscal year ended June 30, 2008, which collectively comprise the State of Florida's basic financial statements and have issued our report thereon dated February 26, 2009. Our report was modified to include a reference to other auditors, the State's reclassification of certain employee health and disability funds and the Prepaid College Foundation, issues with respect to the measurement of required supplementary information relating to the Retiree Health Insurance Subsidy Program's actuarial accrued liability and unfunded actuarial accrued liability, and the State's implementation of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and No. 50, *Pension Disclosures*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Prepaid College Program Fund, Florida Turnpike Fund, Hurricane Catastrophe Fund, College Savings Plan, certain discretely presented component units, and the Legislature, as described in our report on the State of Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in finding Nos. FS 08-001 through FS 08-004 in the **FINANCIAL STATEMENTS FINDINGS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** to be significant deficiencies in internal control over financial reporting.

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

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

Compliance and Other Matters

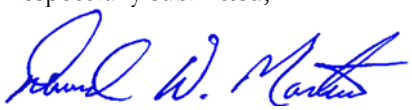
As part of obtaining reasonable assurance about whether the State of Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements, noncompliance with which could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

We also noted additional matters involving the State's internal control over financial reporting, that we reported to management and that are described in findings Nos. FS 08-005 through FS 08-007 in the **FINANCIAL STATEMENTS FINDINGS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

State agency responses to each of the findings identified in our audit are included in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. We did not audit these responses and, accordingly, we express no opinion on them.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, the Executive Office of the Governor, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
February 26, 2009

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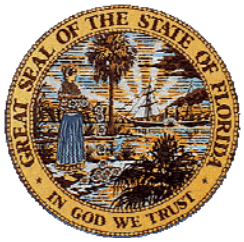

DAVID W. MARTIN, CPA
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

Compliance

We have audited the compliance of the State of Florida with the types of compliance requirements described in the United States Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. The State of Florida'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 management of the State of Florida. Our responsibility is to express an opinion on the State of Florida's compliance based on our audit.

The State of Florida's basic financial statements include the operations of component units that received Federal awards during the fiscal year ended June 30, 2008, that are not included in the State's supplementary Schedule of Expenditures of Federal Awards. Our audit of Federal awards, as described below, did not include the operations of the blended component units, Workforce Florida, Inc., and Scripps Florida Funding Corporation, or discretely presented component units of the State agencies, universities, and community colleges. As applicable, Federal awards administered by these component units are the subjects of audits completed by other auditors. Our audit, as described below, also did not include the operations of the Legislature.

Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the State of Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Except as discussed in the following paragraph, we believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State's compliance with those requirements.

As indicated in finding Nos. FA 08-080, FA 08-081, and FA 08-086 in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS,** because of internal control deficiencies noted in the Florida Public Assistance System, the lack of sufficient documentation supporting the allowability of payments to subgrantees, and the failure to timely complete final inspections on completed projects, it was not practicable in the circumstances for us to obtain audit evidence sufficient to the expression of an opinion on the compliance of the State of Florida with the requirements applicable to the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. Consequently, we are unable to express, and we do not express, an opinion thereon. Our audit did disclose specific instances of noncompliance, as described in finding Nos. FA 08-082 and FA 08-083.

As described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**, the State of Florida did not comply with requirements applicable to the Federal Programs listed below. Compliance with such requirements is necessary, in our opinion, for the State of Florida to comply with the requirements applicable to the respective Program.

Finding No. FA 08-	Major Program	Types of Compliance Requirements Not Complied With
026	English Language Acquisition Grants (CFDA No. 84.365)	Matching, Level of Effort, and Earmarking
058	Medicaid Cluster (CFDA Nos. 93.775, 93.776, 93.777, and 93.778)	Eligibility
068	Homeland Security Cluster (CFDA Nos. 97.004 and 97.067)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
087, 088	Hazard Mitigation Grant (CFDA No. 97.039)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

In our opinion, except for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program, on which we are unable to express, and do not express, an opinion, and except for the noncompliance described in the preceding paragraph, the State of Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying Schedule of Findings and Questioned Costs as finding Nos. FA 08-:

001	003 and 004	013 and 014	018
022	024 and 025	027	033
037	041 through 044	047	051
055 and 056	059 and 060	062 through 065	067
069	071 and 072	075	077
085	090	092 through 104	106 through 112

Internal Control Over Compliance

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

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Florida's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies 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 consider the deficiencies in internal control over compliance described in the following finding Nos. of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** to be significant deficiencies:

001 through 019	020	022 through 026	028 through 032
035 and 036	039	041 through 043	045 through 052
055 and 056	058 through 061	064	066 through 069
071 through 081	083	086 through 091	099
106 through 112			

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 in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**, we consider the following items to be material weaknesses.

Finding No. FA 08-	Major Program	Compliance Requirement
002	Community Development Block Grants/State's Program (CFDA No. 14.228)	Allowable Costs/Cost Principles
026	English Language Acquisition Grants (CFDA No. 84.365)	Matching, Level of Effort, and Earmarking
039, 042	Child Support Enforcement (CFDA No. 93.563)	Reporting and Special Tests and Provisions
046	Low-Income Home Energy Assistance (CFDA No. 93.568)	Allowable Costs/Cost Principles; Matching, Level of Effort, and Earmarking; and Reporting
058	Medicaid Cluster (CFDA Nos. 93.775, 93.776, 93.777, and 93.778)	Eligibility
068	Homeland Security Cluster (CFDA Nos. 97.004 and 97.067)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

080, 081, & 086	Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036)	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, and Earmarking; Subrecipient Monitoring; and Special Tests and Provisions
087, 088, & 089	Hazard Mitigation Grant (CFDA No. 97.039)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

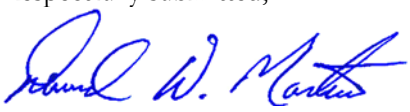
Schedule of Expenditures of Federal Awards

We have audited the basic 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 Florida as of and for the year ended June 30, 2008, and have issued our Independent Auditor's Report thereon dated February 26, 2009. Our Independent Auditor's Report was modified to include a reference to other auditors, the State's reclassification of certain employee health and disability funds and the Prepaid College Foundation, issues with respect to the measurement of required supplementary information relating to the Retiree Health Insurance Subsidy Program's actuarial accrued liability and unfunded actuarial accrued liability, and the State's implementation of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions;* No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues;* and No. 50, *Pension Disclosures.* Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Florida's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The State agencies, universities, and community colleges' responses to the findings identified in our audit are described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. We did not audit these responses and, accordingly, we express no opinion on them.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, the Executive Office of the Governor, applicable management, and Workforce Florida, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
Auditor General
February 26, 2009

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
Unqualified on all opinion units

Internal control over financial reporting:

Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	Yes

Type of report the auditor issued on compliance for major programs:
Unqualified for all major programs, except for the **Disaster Grants - Public Assistance (Presidentially Declared Disasters) (97.036)** for which we disclaimed an opinion and the following programs which were qualified:

English Language Acquisition Grants (84.365)
Medicaid Cluster (93.775, 93.776, 93.777, and 93.778)
Homeland Security Cluster (97.004 and 97.067)
Hazard Mitigation Grant (97.039)

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	Yes
Dollar threshold used to distinguish between Type A and Type B programs:	$36,758,465.51
Auditee qualified as low-risk auditee?	No

LISTING OF MAJOR PROGRAMS
FISCAL YEAR ENDED JUNE 30, 2008

Name of Federal Program or Cluster (1)	CFDA Number(s)	Total Expenditures
Plant and Animal Disease, Pest Control, and Animal Care	10.025	$ 13,000,840
Food Stamp Cluster	10.551 & 10.561	1,741,412,161
Child and Adult Care Food Program	10.558	135,994,134
Community Development Block Grants/State's Program	14.228	96,364,281
Employment Service Cluster	17.207, 17.801, & 17.804	46,788,096
Unemployment Insurance	17.225	1,557,085,569
Workforce Investment Act Cluster	17.258, 17.259, & 17.260	93,726,883
Highway Planning and Construction Cluster	20.205	2,065,565,263
Adult Education – State Grant Program	84.002	41,716,236
Title I Grants to Local Educational Agencies	84.010	628,921,279
Special Education Cluster	84.027 & 84.173	608,828,667
Career and Technical Education – Basic Grants to States	84.048	72,055,773
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126	166,456,177
Special Education – Grants for Infants and Families	84.181	20,276,283
Twenty-First Century Community Learning Centers	84.287	42,670,701
Reading First State Grants	84.357	52,698,438
English Language Acquisition Grants	84.365	52,676,654
Improving Teacher Quality State Grants	84.367	132,801,845
Aging Cluster	93.044, 93.045, & 93.053	78,383,366
Public Health Emergency Preparedness	93.069	33,360,870
Immunization Grants	93.268	162,436,614
Promoting Safe and Stable Families	93.556	18,264,392
Temporary Assistance to Needy Families	93.558	475,183,524
Child Support Enforcement	93.563	219,122,674
Refugee and Entrant Assistance – State Administered Programs	93.566	81,532,400
Low-Income Home Energy Assistance	93.568	32,460,968
CCDF (Child Care Development Fund) Cluster	93.575 & 93.596	383,796,717
Foster Care – Title IV-E	93.658	161,844,407
Adoption Assistance	93.659	69,878,000
Social Services Block Grant	93.667	185,710,783
State Children's Insurance Program	93.767	312,246,228
Medicaid Cluster	93.775, 93.776, 93.777, & 93.778	8,633,119,776
National Bioterrorism Hospital Preparedness Program	93.889	20,586,807
HIV Care Formula Grants	93.917	120,652,005
Homeland Security Cluster	97.004 & 97.067	58,768,607
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	526,491,069
Hazard Mitigation Grant	97.039	76,054,927
Student Financial Assistance Cluster (Includinding CFDA No. 84.032 Lenders)	(2)	1,781,667,363
Research and Development Cluster	(2)	509,891,438
Total		**$ 21,510,492,215**

Notes: (1) The Schedule of Expenditures of Federal Awards identifies the programs included within the respective clusters.
(2) The Schedule of Expenditures of Federal Awards identifies the various CFDA numbers included within the respective clusters.

FINANCIAL STATEMENTS FINDINGS

Our audit of the State of Florida's basic financial statements for the fiscal year ended June 30, 2008, disclosed certain matters that we communicated in the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. These findings are included in this section of the report as finding Nos. FS 08-001 through FS 08-004 and are categorized as significant deficiencies 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.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. 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.

Our audit also disclosed three additional matters, included in this section of the report as findings Nos. FS 08-005 through FS 08-007, involving the State's internal control over financial reporting that we have categorized as additional matters.

SIGNIFICANT DEFICIENCY

NET RECEIVABLES

Finding Number	**FS 08-001**
Opinion Unit	General Fund
Financial Statements Account Title	Net Receivables
SW Fund Number	100000
State Agency	**Florida Department of Revenue (FDOR)**
OLO-GF-SF-FID	00-10-1-00001
GL Code(s)	152, 611
Adjustment Amount	$121,544,497.45

Finding

FDOR procedures did not ensure that taxes receivable and tax revenue were correctly recorded.

Criteria

In accordance with generally accepted accounting principles, derived tax revenues (i.e., sales tax, corporate tax, etc.) are recognizable when the underlying exchange occurs, subject to availability criterion. Chief Financial Officer procedures provide that taxes collected on behalf of the State or were payable to the State on or before June 30, and were received by July 31 are to be recorded as taxes receivable, net of estimated refunds.

Condition

FDOR calculated tax revenue and net taxes receivable based upon amounts collected during July 2008. However, our tests disclosed errors in the calculation that resulted in the understatement of tax revenue and net taxes receivable as of and for the fiscal year ended June 30, 2008.

Cause

FDOR controls were not sufficient to detect errors made in the calculation of taxes receivable and tax revenue. Although the calculation was largely based on June 2008 taxes collected in July 2008, some collections were not included and other collections were included twice. FDOR close-out procedures did not provide for supervisory review of the calculations prior to their being recorded.

Effect

Prior to adjustment, tax revenue and net receivables were understated by $121,544,497.45.

Recommendation

We recommend that FDOR establish review procedures to ensure that tax revenue and net taxes receivable are appropriately recorded.

State Agency Response and Corrective Action Plan

We have confirmed that the sales tax receivable was understated. We have updated our review procedures to include a 2nd level of review that incorporates a variance analysis between fiscal years of the recorded statewide financial statement payable and receivable transactions. In order to allow for the maximum amount of time to prepare and review these transactions, we have asked our Administrative Services Program to request the last possible year end closing date from the Department of Financial Services.

Estimated Corrective Action Date	February 19, 2009
Agency Contact and Telephone Number	Dave Ansley (850) 413-8551

SIGNIFICANT DEFICIENCY

CLAIMS LIABILITIES AND ACCOUNTS RECEIVABLE

Finding Number	**FS 08-002**
Opinion Unit	Governmental Activities; Governmental: Health and Family Services
Financial Statements Account Title	Long-term liabilities; Expenses; Receivable, net; and Deferred revenues
SW Fund Number	Various
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
OLO-GF-SF-FID	Various
GL Code(s)	314, 711, 164, and 389
Adjustment Amount	$310,181,847; $176,276,344

Finding

In the Governmental Activities financial statements, the FAHCA, Bureau of Finance and Accounting (Bureau), did not record an estimate of incurred but not reported (IBNR) Medicaid claims liabilities and its corresponding expenses. Additionally, the Bureau did not record a receivable and deferred revenue in its governmental fund financial statements to represent its claim on Federal financial resources related to the IBNR amounts.

Criteria

Unmatured long-term indebtedness, including IBNR Medicaid claims liabilities, should be reported as long-term liabilities in the government-wide financial statements. The State of Florida's policy is to report such claims at the discounted present value of estimated future cash payments. In addition, a receivable and deferred revenue should be recorded in the appropriate governmental fund to represent the State's claim on Federal resources that will be used to finance the Federal portion of expenses related to the IBNR amounts.

Condition

The Bureau had not recorded a long-term liability and the related expenses for IBNR Medicaid claims as of and for the fiscal year ending June 30, 2008. Additionally, the Bureau had not recorded receivables and deferred revenues equal to the amounts due from Federal resources.

Cause

The Bureau did not have fiscal year close-out procedures to estimate and record long-term indebtedness relating to IBNR Medicaid claims, including the corresponding expenses, nor did it have procedures to recognize and record receivables and deferred revenues representing the Federal resources due related to the IBNR amounts.

Effect

Prior to audit adjustments, claims liabilities and expenses reported in the government-wide financial statements were understated by approximately $310 million. Accounts receivable and deferred revenues in the governmental fund financial statements were understated by approximately $176 million, and accounts receivable and revenues in the government-wide financial statements were understated by approximately $176 million.

Recommendation

We recommend that the Bureau establish procedures to 1) estimate and record the long-term indebtedness relating to IBNR Medicaid claims liabilities, including the corresponding expenses; and 2) record the appropriate receivables and deferred revenues in recognition of its claim on Federal resources related to the IBNR claims.

State Agency Response and Corrective Action Plan

We will establish a procedure to estimate and record the long-term indebtedness relating to IBNR Medicaid claims and to record the receivable and deferred revenue relative to the Federal resources.

Estimated Corrective Action Date

July/August 2009

Agency Contact and Telephone Number	Paula Shirley (850) 922-8452

SIGNIFICANT DEFICIENCY

NET RECEIVABLES

Finding Number	**FS 08-003**
Opinion Unit	Governmental Fund: Health and Family Services
Financial Statements Account Title	Accounts Receivable Uncollectible Allowance
SW Fund Number	202400
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
OLO-GF-SF-FID	680000-20-2-339094
GL Code(s)	159 and 711
Adjustment Amount	$17,250,573

Finding

The FAHCA, Bureau of Finance and Accounting (Bureau), did not record an uncollectible allowance related to accounts receivable for drug rebates.

Criteria

Generally accepted accounting principles require that, for governmental funds, all receivables should be reported net of estimated uncollectible amounts.

Condition

The Bureau had year-end procedures to record the uncollectible allowances for receivables. However, for receivables related to drug rebates for the fiscal year ending June 30, 2008, an uncollectible allowance was not recorded.

In accordance with generally accepted accounting principles, governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available to finance current expenditures. Receivables that are determined to be uncollectible would not be available to finance current expenditures and, therefore, uncollectible allowances should be recorded to reduce receivables and related revenues. At FAHCA, drug rebates are recorded throughout the fiscal year as refund revenues and, at fiscal year end, these rebates are reclassified to reduce expenditures.

Cause

The Bureau did not have sufficient supervisory review procedures to ensure that the fiscal year close-out entries relating to net receivables were properly recorded.

Effect

Prior to audit adjustment, net receivables were overstated and expenditures reported in the Governmental Fund financial statements were understated by approximately $17 million.

Recommendation

We recommend that the Bureau ensure that fiscal year-end procedures are performed to appropriately record all accounts receivable uncollectible allowances.

State Agency Response and Corrective Action Plan

Management will more closely review the accounts receivable uncollectible allowances during the financial statement preparations.

Estimated Corrective Action Date

July/August 2009

Agency Contact and Telephone Number

Paula Shirley
(850) 922-8452

SIGNIFICANT DEFICIENCY

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

Finding Number	**FS 08-004**
Opinion Unit	Aggregate Remaining Fund Information
Financial Statements Account Title(s)	Net Assets: Invested in capital assets, net of related debt and Unrestricted Net Assets
SW Fund Number	609999 (Internal Service Funds)
State Agency	**Florida Department of Management Services (FDMS)**
OLO-GF-SF-FID	720000
GL Code(s)	536 and 539
Adjustment Amount	$93,113,323; $32,422,501
Prior Year Finding	Report No. 2008-141, Finding No. FS 07-008

Finding

As previously reported, FDMS did not properly classify net assets in accordance with generally accepted accounting principles (GAAP).

Criteria

Codification of Governmental Accounting and Financial Reporting Standards Section 1800.133 provides that a calculation is required to determine the component of net assets consisting of Invested in capital assets, net of related debt. The capital asset accounts, net of accumulated depreciation, should be reduced by outstanding debt obligations, i.e., bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. Additionally, if there are significant unspent debt proceeds at year-end, the portion attributable to the capital asset accounts should be included in the account Invested in capital assets, net of related debt, since its use is restricted.

Condition

For one fund, FDMS did not properly consider the existence of significant unspent related debt proceeds when calculating Invested in capital assets, net of related debt. As a result, the account Invested in capital assets, net of related debt, was understated, and the Unrestricted account was overstated by $93,113,323.

For another fund, FDMS incorrectly calculated and adjusted net assets, resulting in an overstatement of Invested in capital assets, net of related debt, and an understatement of Unrestricted net assets in the amount of $32,422,501.

The net effect of the above adjustments resulted in an understatement of Invested in capital assets, net of related debt, and an overstatement of Unrestricted net assets of $60,690,821.

Cause

The application of FDMS procedures did not reduce the debt attributable to unspent proceeds, contrary to GAAP requirements.

Effect

The overstatement of the Unrestricted account may indicate that funds were available for spending when they were not.

Recommendation

We again recommend that FDMS ensure that the calculation of Invested in capital assets, net of related debt, includes the impact of significant unspent related debt proceeds.

State Agency Response and Corrective Action Plan

We agree with the Auditor General's Office that the Net Assets Invested in Capital Assets, Net of Related Debt (536XX general ledger code) was misstated. However the classification error does not misstate the total fund equity. Policies and procedures have been developed to ensure that the funds are correctly reported in next years financial statements.

Estimated Corrective Action Date

Classification of the funds will be processed in the year-end closeout of the financial statements. Year-end closeout will be accomplished by August 31, 2009.

Agency Contact and Telephone Number

Mitchell Clark
(850) 487-9888

ADDITIONAL MATTERS

CUSTODIAL CREDIT RISK

Finding Number	**FS 08-005**
Opinion Unit	Various
Financial Statements Account Title	Cash and Cash Equivalents
SW Fund Number	Various
State Agency	**Florida Department of Financial Services (FDFS)**
OLO-GF-SF-FID	Various
GL Code(s)	112, 113, 222, and 223

Finding

Controls were not sufficient to reasonably ensure the accuracy and completeness of note disclosures relating to the custodial credit risk associated with deposits of cash and cash equivalents.

Criteria

GASB Codification of Governmental Accounting and Financial Reporting Standards Section C20.107 requires certain disclosures regarding custodial credit risk.

The Florida Security for Public Deposits Act (Chapter 280, Florida Statutes) describes procedures for ensuring the protection of public deposits. Section 280.05, Florida Statutes, outlines the powers and duties of FDFS relative to the Qualified Public Depository (QPD) Program. Section 280.05(16)(c), Florida Statutes, addresses the processing of QPD and public depositor annual reports. Section 280.17, Florida Statutes, outlines several requirements that must be met by public depositors participating in the QPD Program, including, but not limited to, the submission of an annual report to FDFS regarding the status of public deposits. In accordance with the Statutes, if a public depositor does not comply with Section 280.17, Florida Statutes, for each public deposit account, the protection from loss provided by the QPD Program is not effective.

Condition

In addition to administering the QPD Program, FDFS was also responsible for preparing and publishing the State's Comprehensive Annual Financial Report, including the applicable note disclosures. In doing so, FDFS used a standard form to obtain from State entities the information needed to compile amounts disclosed in Note 2 regarding deposits and the related custodial credit risk. Our audit tests disclosed that for some deposits reported as collateralized in Note 2, Public Depositor annual reports had not been received by FDFS.

Cause

We noted that the forms used to support the note disclosure did not require entities to certify compliance with Chapter 280, Florida Statutes, and confirm the submission of the annual reports.

Effect

Disclosures related to deposits in Note 2 of the financial statements may understate the custodial credit risk of State deposits. Additionally, the absence of QPD Program protection could lead to the loss of public deposits in the event of a depository failure.

Recommendation

We recommend that FDFS coordinate efforts with the State entities to ensure that financial statement disclosures regarding custodial credit risk are accurate and complete and that annual reports are filed in compliance with Chapter 280, Florida Statutes.

State Agency Response and Corrective Action Plan

Concur. We will revise the forms used to support the note disclosure for deposits to require entities to certify compliance with Chapter 280, Florida Statutes, and to confirm that they are in possession of the required Public Deposit Identification and Acknowledgement (J1-1295) and have filed the required Public Depositor Annual Report (J1-1009).

Estimated Corrective Action Date	June 30, 2009
Agency Contact and Telephone Number	Paul Reynolds, Financial Administrator Statewide Financial Reporting Section (850) 413-5687 Robert E. Clift, Inspector General (850) 413-4960

ADDITIONAL MATTERS

SPECIAL DISABILITY TRUST FUND

Finding Number	**FS 08-006**
Opinion Unit	Non-Major Governmental Funds
SW Fund Number	209999 and 900000
State Agency	**Florida Department of Financial Services (FDFS)**
OLO-GF-SF-FID	43-20-2-798001 and 43-90-9-400001
GL Codes	315, 498, and 711
Finding	The FDFS did not have effective IT general controls in place to ensure the integrity and reliability of data relating to Special Disability Trust Fund (SDTF) claims.
Criteria	FDFS is charged with the oversight responsibility for the Special Disability Trust Fund Database (SDTFD). As such, FDFS was responsible for the implementation and operation of effective controls. Rule 60DD-2, Florida Information Resource Security Policies and Standards, Florida Administrative Code, sets forth policies for the State's information resource security program.
Condition	SDTFD information is used by FDFS to manage Special Disability Trust Fund claims and accumulate information used to report Trust Fund accounts and balances. Trust Fund expenditures for claims for the 2007-08 fiscal year totaled $92,704,894. Our review of the IT general controls in place over SDTF claims during the 2007-08 fiscal year disclosed weaknesses related to the separation of IT functions, physical access, systems development and maintenance, and access control. Specific details of these matters are not disclosed in this report to avoid the possibility of compromising SDTFD claims payment information. However, the appropriate FDFS personnel have been notified of these issues.
Cause	In some instances, SDTFD preventative and detective control procedures were not appropriately designed and in operation.
Effect	Without adequate preventative and detective controls in place, the risk is increased that SDTF claim expenditures and associated liabilities may be subject to misstatement.
Recommendation	We recommend FDFS strengthen the applicable IT general controls.
State Agency Response and Corrective Action Plan	The Divisions of Workers' Compensation and Information Systems of the Department of Financial Services concur in the existence and seriousness of the conditions identified by the Auditor General's staff in their review of the Special Disability Trust Fund Database. The divisions were aware of many of the conditions noted and were already proceeding with changes to independently address many of them. The respective divisions have begun a specific collaborative effort to address each of the conditions. Those conditions that are apt to be resolved by immediate action have already been addressed. Conditions that require the development of solutions have been identified, and progress has begun in the implementation of corrective measures. Specific details of the Department's corrective plan are not divulged here to protect the database from possible compromise. In each condition identified by the Auditor General's staff, the IT general controls are being strengthened, consistent with applicable law and standards.
Estimated Corrective Action Date	September 1, 2009

Agency Contact and Telephone Number	Eric Lloyd, Manager, Special Disability Trust Fund (850) 413-1689 Sharon Jackson, Info Tech Business Consultant Manager-SES Division of Information Systems (850) 413-1886 Robert E. Clift, Inspector General (850) 413-4960

ADDITIONAL MATTERS

REQUIRED SUPPLEMENTARY INFORMATION

PENSION

Finding Number	**FS 08-007**
SW Fund Number	737204
State Agency	**Florida Department of Management Services (FDMS)**
Prior Year Finding	Report No. 2008-141, Finding No. FS 07-012

Finding

As previously reported, the investment return assumption (discount rate) of 7.75 percent (long-term rate) used by FDMS in determining the actuarial accrued liability for the Health Insurance Subsidy (HIS) plan, was not commensurate with the nature and mix of current and expected plan investments. Plan investments were invested to yield short-term rates. The use of a short-term, rather than long-term, rate may have resulted in the calculation of a significantly larger estimated actuarial accrued liability.

Criteria

Codification of Governmental Accounting and Financial Reporting Standards, Section Pe5, *Pension Plans - Defined Benefit* establishes reporting requirements for pension plans. This section provides that the investment return assumption (discount rate) should be based on an estimated long-term investment yield for the plan, with consideration given to the nature and mix of current and expected plan investments and the basis used to determine the actuarial value of assets.

Condition

The HIS provides cash payments to retirees as provided by Section 112.363, Florida Statutes. In general, an eligible retiree is entitled to a benefit of $5 per month per year of service, with a minimum benefit of $30 and a maximum benefit of $150 per month.

In applying GASB pension requirements, FDMS elected to use an investment return assumption (discount rate) of 7.75 percent. This long-term rate was used based on the assumption that the plan would become prefunded. However, as the State has not yet established a program to prefund these benefits, a discount rate commensurate with a short-term investment yield may have been more appropriate. Plan assets were being held in short-term investments until benefit payments were disbursed. Net assets reported as of June 30, 2006, and 2007, amounted to $192.4 and $238.3 million, respectively. The net investment returns earned on these funds for the period ending June 30, 2006, was 4.17 percent.

Cause

In selecting the discount rate used to estimate the actuarial accrued liability, the FDMS assumed that the plan would become prefunded.

Effect

The selection of a discount rate has a significant effect on the calculation of the actuarial accrued liability that is reported as required supplementary information. The actuarial accrued liability reported for HIS benefits using a 7.75 percent discount rate was $4.474 billion as of July 1, 2006. The use of a discount rate in the 4 to 5 percent range would have produced a liability that may have been significantly larger.

Recommendation

The Department has completed the July 1, 2008, HIS valuation, the results of which will be reported as required supplementary information in the FY 2008-09 Comprehensive Annual Financial Report. However, the Department again elected to use an investment return assumption (discount rate) of 7.75 percent. We again recommend that FDMS utilize a discount rate consistent with the nature and mix of current and expected plan investments.

State Agency Response and Corrective Action Plan	As a publicly funded pension plan, the Legislature must decide about the funding of the Retiree Health Insurance Subsidy (HIS) Program. The Department of Management Services does not make these decisions. Principals of the Florida Retirement System (FRS) Assumption Conference were contacted following the Auditor General's finding on this same subject last year. The FRS Assumption Conference was requested to meet concerning setting pension assumptions for the HIS Program. Also, follow-up correspondence was sent to the principals requesting guidance on the HIS funding assumptions. At this time, the Department has not received a response to our request. Based on the 2008 HIS funding model, the HIS Trust Fund continues to project a reserve of 10 or more months for the next five fiscal years. This model uses the current level of funding, the average of the actual return over the previous five years, and membership growth trends over the last four years. On average, the monthly contributions received by the HIS Trust Fund continue to exceed the monthly HIS benefit payments. Valuations are performed biennially with the most recent valuation being as of June 30, 2008. The FRS Pension Plan assumptions were used since it is the only statewide pension program and the HIS recipients are FRS retirees and surviving beneficiaries.
Estimated Corrective Action Date	Corrective action cannot be taken until the Legislature sets the assumptions for the HIS Program. At that time a valuation will be performed based on the legislatively established assumptions.
Agency Contact and Telephone Number	Garry Green (850) 414-6349

FEDERAL FINDINGS AND QUESTIONED COSTS

Our audit findings with regard to compliance and internal controls over compliance with the requirements of major Federal awards programs are disclosed on the following pages. Where applicable and determinable, we have disclosed actual questioned costs where known or likely questioned costs exceeded $10,000. To identify the nature and significance of each finding, we have identified each finding with one or more of the following designations:

- ***Significant Deficiency***. 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. 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 on a timely basis noncompliance with a type of compliance requirement of a Federal program. A significant deficiency is considered in relation to a type of compliance requirement or applicable audit objective identified in the OMB Circular A-133 Compliance Supplement.
- ***Material Weakness***. 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. A material weakness is considered in relation to a type of compliance requirement or applicable audit objective identified in the OMB Circular A-133 Compliance Supplement.
- ***Noncompliance***. A finding presenting noncompliance with provisions of laws, regulations, contracts, or grants caused by error or fraud, the effects of which are material in relation to a type of compliance requirement or applicable audit objective identified in the OMB Circular A-133 Compliance Supplement.
- ***Material Noncompliance***. A finding presenting noncompliance with provisions of laws, regulations, contracts, or grants caused by error or fraud, the effects of which are material in relation to a major Federal program taken as a whole.
- ***Disclaimer of Opinion.*** A finding describing the circumstances that prevented the auditor from obtaining sufficient audit evidence to express an opinion on compliance.
- ***Opinion Qualification***. A finding presenting a condition that affects the auditor's ability to give an unqualified opinion on compliance. This would include findings of (a) noncompliance with provisions of laws, regulations, contracts, or grants, the effects of which are material to the respective major Federal award program; or (b) inadequate records that resulted in restrictions being placed on the scope of the audit.
- ***Questioned Costs***. Costs that are questioned by the auditor because of an audit finding that reported: (a) a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; (b) costs, at the time of the audit, which were not supported by adequate documentation; or, (c) costs incurred that appeared unreasonable and did not reflect the actions a prudent person would take in the circumstances.
- ***Other***. Matters of significance that, in the auditor's opinion, should be reported but do not clearly fit in any of the above-noted designations.

We have presented our findings, generally, by Federal grantor agency and in the order of the Catalog of Federal Domestic Assistance Number (CFDA No.) assigned to each applicable Federal award program. Findings that pertain to multiple programs are generally presented as the first finding within the Federal grantor agency section. In some instances, a finding may pertain to programs provided by more than one Federal grantor agency. In such instances, the finding is presented within the section for the Federal grantor agency that provided the most funding for the applicable State agency. Findings for the Student Financial Assistance Cluster and the Research and Development Programs Cluster are presented within separately marked sections of the report. These findings can be identified by referring to the **INDEX OF FEDERAL FINDINGS BY FEDERAL AGENCY AND COMPLIANCE REQUIREMENT**.

U.S. DEPARTMENT OF AGRICULTURE

Finding Number	**FA 08-001**
CFDA Number	10.025
Program Title	**Plant and Animal Disease, Pest Control, and Animal Care (PADPCAC)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Agriculture and Consumer Services (FDACS)**
Federal Grant/Contract Number and Grant Year	Various (See Condition)
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $725,841.19
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-001

Finding

FDACS did not have procedures in place to obtain certifications required by OMB Circular A-87 for all salaried employees working on components of PADPCAC.

Criteria

OMB Circular A-87, Attachment B, Section 8.h.(3), *Support of Salaries and Wages*

Condition

Our audit of the PADPCAC Program included the Citrus Health Response Program component (CHRP) and non-CHRP program components. PADPCAC expenditures totaled $12,920,363.42 for the 2007-08 fiscal year. While FDACS had revised its procedures to obtain certifications for employees working on CHRP activities, procedures were not implemented to obtain certifications for employees working solely on non-CHRP activities of the PADPCAC Program. Salary and benefit payments for non-CHRP employees totaled $725,841.19. The questioned costs related to the following Federal grant numbers:

07-8312-0389CA	$195,133.91	07-9612-0217CA	$34,560.00
08-8312-0389CA	$165,844.86	07-9612-0844CA	$12,087.00
07-8312-0542CA	$25,453.05	07-9612-0702CA	$4,796.00
07-8312-0262CA	$121,453.68	07-9612-0767CA	$151,000.00
07-9612-0326CA	$15,512.69		

Cause

FDACS management indicated that they did not understand that certification statements were required biannually for components other than CHRP.

Effect

Absent the periodic certifications required by OMB Circular A-87, FDACS had not fully substantiated the salary costs charged to PADPCAC.

Recommendation

We recommend that FDACS ensure that certifications are obtained from all employees working solely on the PADPCAC Program.

State Agency Response and Corrective Action Plan

In response to the referenced audit finding, the FDACS, Division of Plant Industry has taken or will take the following actions:

- Notified all supervisors and managers assigned any employee resource funded from any Federal award program of the requirements and time frames in which to certify that employee work hours were in service to the respective program.
- Collected certifications from all supervisors of any Career Service or Selected Exempt Service employee resource funded from any Federal award program retroactive to the period of January 1-June 30, 2008.
- Amend the certification statement going forward for employees in the Career Service and Selected Exempt Service to include an employee signature.

Estimated Corrective Action Date	January 2009
Agency Contact and Telephone Number	Kelly Shipman (352) 372-3505, Ext. 181

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding Number	**FA 08-002**
CFDA Number	14.228
Program Title	**Community Development Block Grants/State's Program (CDBG)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Material Weakness and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-006

Finding

Information system control deficiencies noted in the prior report continued to exist during the 2007-08 fiscal year.

Criteria

24 CFR 570.490, *Recordkeeping requirements*

Florida Department of Management Services Rule 60DD-2.004 *Logical and Data Access Controls,* Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.

Florida Department of Management Services Rule 60DD-2.005 *Data and System Integrity*, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.

AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.

PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.

Condition

FDCA used the Process Automation and Paperless Electronic Routing System (FloridaPAPERS), a computerized document management system to electronically store, transmit, and approve Request for Funds (RFFs) for the CDBG Program. During the 2007-08 fiscal year, FDCA processed over $94 million in payments to subgrantees using FloridaPAPERS. FDCA procedures required subgrantees to transmit the RFFs to CDBG staff for authorization and subsequent approval by the CDBG Community Program Manager, prior to being sent to Finance and Accounting for payment. Within FloridaPAPERS, a predetermined workflow specified the approval sequence for a particular RFF. This workflow was originally established by the CDBG Program and implemented by FDCA's Information Services security staff. However, as noted in the prior report, the CDBG Operations Manager and Financial Specialist had the capability to modify the sequence to send the RFF directly to Finance and Accounting for payment, eliminating required approvals.

In addition to FloridaPAPERS, FDCA also used the Grants Records Information Tracking System (GRITS) to support the CDBG Program. According to FDCA personnel, GRITS was used constantly by all staff members to meet a large number of tracking, reporting, and informational needs. GRITS was used to track CDBG grants and related activities, including subgrantee payments and

monitoring. We noted that FDCA had not taken corrective action to modify its procedures in regard to the deficiencies disclosed in the prior audit in regard to GRITS. In the prior audit, we noted that:

- Changes to GRITS programming code were made directly to the application by a contractor based on e-mail and verbal instructions from the CDBG Operations Manager. The changes were not subject to testing prior to being uploaded into the GRITS production environment.
- Additional aspects of FDCA security controls in the areas of user access needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDCA security. Appropriate FDCA personnel have been notified of the issues.

Cause

FDCA originally created FloridaPAPERS for the Florida Disaster Grants Program and modified the system for use by several programs including CDBG. Because the system was originally created with the intent to provide flexibility in order to expedite disaster payments, controls over the approval process were limited.

GRITS was not modified since FDCA was working on the Enterprise System (a grants management system for all programs within FDCA). FDCA personnel also indicated that administrative funds were limited and funding was not available to upgrade GRITS.

Effect

Improper payments could be made through FloridaPAPERS without detection by appropriate CDBG management. Additionally, absent appropriate system documentation, change management, and security controls, the integrity of the data contained within GRITS could be compromised. Without system documentation, including documentation and testing of system changes, users may not be aware of the functions contained within GRITS or the purpose of system fields.

Recommendation

We again recommend FDCA consider whether FloridaPAPERS should be modified to prevent changes to the approval process. Additionally, FDCA should ensure that GRITS security controls are enhanced, and that changes, if any, are appropriately approved, documented, and tested prior to being placed in operation.

State Agency Response and Corrective Action Plan

FloridaPAPERS was designed to automate processes which require the movement of documents. Similar to a manual work-flow process, FloridaPAPERS currently allows any user to alter a preset work-flow to accomplish their needs. The system was deliberately designed to mimic a manual process with the caveat that all movement would be fully documented within the system and no document can be deleted. All previous versions are retained. Similar to a manual process, it is the responsibility of the employee to follow policies and procedures regarding the execution of a work-flow process.

No enhancements are being made to GRITS as CDBG is in the process of migrating to a new grants management system that will replace GRITS.

Estimated Corrective Action Date

Completed

Agency Contact and Telephone Number

Steve Grantham
(850) 922-1475

Gail Stafford
(850) 922-1885

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding Number	**FA 08-003**
CFDA Number	14.228
Program Title	**Community Development Block Grants/State's Program (CDBG)**
Compliance Requirement	Reporting
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-007

Finding

FDCA did not prepare and submit the annually required Section 3 report.

Criteria

24 CFR 135.3(a) *Section 3 covered assistance*; 24 CFR 135.90 *Section 3 Reporting*; 24 CFR 570.487(d) *Other applicable laws and required program requirements*

Condition

For each grant over $200,000 that involves housing rehabilitation, housing construction, or other public construction, FDCA has been required since June 2001 to submit an annual Section 3 Summary Report, *Economic Opportunities for Low- and Very Low-Income Persons*. The Section 3 Summary Report requires information on employment and training and contracts awarded, such as dollar amounts of award, number of new hires that are Section 3 residents, and total number of Section 3 businesses receiving contracts. FDCA did not submit any Section 3 Summary Reports that were due on September 30, 2007, although it received Federal funds totaling $58,123,348 for ten applicable Federal grants during the State's 2006-07 fiscal year.

FDCA management indicated that procedures had been implemented during the 2007-08 fiscal year requiring all CDBG subgrantees to provide FDCA with a report on Section 3 activities no later than July 31 annually, which will allow FDCA staff to prepare the Section 3 Summary Report for submission with its annual performance report to the USDHUD due annually on September 30, effective with the report due September 30, 2008.

Cause

Corrective actions planned and communicated by FDCA in response to audit report No. 2008-141, finding No. FA 07-007, had not been fully implemented by June 30, 2008.

Effect

Absent Section 3 Summary reporting, USDHUD lacks information necessary to assess the success or progress in meeting Section 3 requirements.

Recommendation

We recommend that FDCA fully implement procedures to ensure that the Section 3 Summary Reports for September 30, 2008, are properly prepared and timely submitted to USDHUD.

State Agency Response and Corrective Action Plan

The current Section 3 Summary Report has been completed and submitted as required. However, the first opportunity to submit a correct report was September 30, 2008, which fell outside the timeline for this review.

Estimated Corrective Action Date

September 30, 2008

Agency Contact and Telephone Number

Gail Stafford
(850) 922-1885

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding Number **FA 08-004**
CFDA Number 14.228
Program Title **Community Development Block Grants/State's Program (CDBG)**
Compliance Requirement Reporting
State Agency **Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year B-05-DC-12-0001 2005
Finding Type Noncompliance and Significant Deficiency

Finding FDCA did not accurately report data on the annual CDBG Performance and Evaluation Report.

Criteria 24 CFR 91.520, *Performance reports*

Condition Our review of FDCA's annual CDBG Performance and Evaluation Report prepared in September 2007 for Grant No. B-05-DC-12-0001, for the period July 2006, through June 2007, disclosed errors in the amounts reported as shown below.

Line Item	Amount per Report	Amount per FDCA Records	Difference
Part I, Financial Summary and National Objectives			
Amount Obligated to Recipients	$26,580,986.00	$31,294,449.24	$(4,713,463.24)
Amount Drawn Down	696,838.49	8,390,492.25	(7,693,653.76)
Benefit LMI Persons	23,881,331.00	28,576,330.24	(4,694,999.24)
Part II, Section B – Current Status of FFY 2005 Funds and Contracts			
Neighborhood Revitalization	$12,145,637.00	$12,034,100.24	$ 111,536.76
Economic Development	5,038,986.00	8,363,986.00	(3,325,000.00)
Total Obligated to Recipient	26,580,986.00	31,294,449.24	(4,713,463.24)
Unobligated	5,073,560.00	360,096.76	4,713,463.24

Cause According to FDCA staff, FDCA used the prior year report as a template and some amounts had not been updated to reflect the current year activity. While FDCA staff indicated that amounts on the report are checked to spreadsheets prepared within the CDBG program office and Finance and Accounting, the errors were not detected.

Effect The failure to provide reports that are accurate and properly supported may limit the ability of the USDHUD to properly account for Federal funds and administer the CDBG program.

Recommendation We recommend that FDCA ensure that amounts reported on the annual CDBG Performance and Evaluation Report are accurate.

State Agency Response and Corrective Action Plan This was a clerical error and was not caught by the Department reviewers. The current procedure for reviewing the PER is that after the Financial Specialist enters the data in the spreadsheets and narrative, it is reviewed by the Planning Manager and another individual (the Administrative Assistant or the Program's Budget Manager, whichever is available). Due to extremely large number of entries of dollar amounts, it is difficult to catch each one. The program recognizes the need for improved proofing procedures and has already implemented such measures.

Estimated Corrective Action Date	June 12, 2008
Agency Contact and Telephone Number	Gail Stafford (850) 922-1885

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding Number	**FA 08-005**
CFDA Number	14.228
Program Title	**Community Development Block Grants/State's Program (CDBG)**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-008
Finding	FDCA again did not prepare an annual monitoring plan or quarterly schedules, which should include the subgrantees to be monitored and the projected date of the monitoring visits.
Criteria	OMB Circular A-133, §___.400(d), *Pass-through entity responsibilities*; State of Florida Consolidated Plan – Federal Fiscal Years 2005-2010, Appendix 4, *Monitoring of the Small Cities CDBG Program*; FDCA 2005 Disaster Recovery Initiative Action Plan and Amendment; FDCA Monitoring Procedure *State Monitoring Plan*
Condition	FDCA personnel are responsible for monitoring subgrantee compliance with governing Federal regulations, State rules, and contract terms. During the 2007-08 fiscal year, FDCA provided CDBG pass-through funds totaling $94,202,558.49 to subgrantees. FDCA's monitoring procedures require CDBG staff to prepare an annual monitoring plan and a more detailed monitoring schedule at the beginning of each quarter, to perform monitoring visits, and to track monitoring visits and findings. As similarly noted in audit report No. 2008-141, finding No. FA 07-008, FDCA personnel did not prepare an annual monitoring plan or quarterly schedules. FDCA grant managers prepared 90-day Spending Plans that included descriptions of estimated travel, but did not always include subgrantees to be monitored, monitoring areas to be addressed, and dates of monitoring visits.
Cause	FDCA did not follow its established monitoring procedures.
Effect	Absent adherence to FDCA's established monitoring procedures, FDCA and USDHUD lack assurance that subgrantees are properly monitored to reasonably ensure their compliance with governing Federal and State rules, regulations, and contract terms.
Recommendation	We again recommend that FDCA follow its established procedures for subgrantee monitoring.
State Agency Response and Corrective Action Plan	Monitoring must be individualized for each contract and is planned based on the subgrantee's performance during the grant period, the amount of funds being expended based on their Request for Funds, the progress of construction, and the information submitted in the subgrantee's quarterly report. As of August 1, 2008, the annual monitoring plan has been implemented and CDBG is following its established procedures for subgrantee monitoring.
Estimated Corrective Action Date	August 1, 2008
Agency Contact and Telephone Number	Gail Stafford (850) 922-1885

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-006**
CFDA Number	17.207, 17.801, 17.804 17.258, 17.259, 17.260
Program Title	**Employment Service (ES) Cluster, WIA (Workforce Investment Act) Cluster**
Compliance Requirement	Reporting
State Agency	**Florida Agency for Workforce Innovation (FAWI)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency

Finding

FAWI had not established a process to ascertain the appropriateness of security controls for the vendor-owned Employ Florida Marketplace (EFM) System.

Criteria

29 USC 49i, *Record keeping and accountability*

29 USC 2871(f), *Fiscal and management accountability information systems*

FAWI *Information Systems Security Program*, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy adopted by reference the Federal Information Security Management Act (FISMA) of 2002, Federal Information Processing Standards (FIPS), and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.5 Security testing, Surveillance and Monitoring – IT security should be reaccredited in a timely manner to ensure that the approved information security baseline is maintained.

National Institute of Standards and Technology *Guide for the Security Certification and Accreditation of Federal Information Systems,* Special Publication 800-37.

Condition

FAWI is responsible for administering the Federal workforce programs, and Section 445.004(2), Florida Statutes, designates Workforce Florida, Inc. (WFI), as the principal workforce policy organization for the State. As a collaborative effort between FAWI and WFI to provide employment services to the general public, WFI entered into a contract with a third-party vendor for the acquisition of a Web-based job listing services system, i.e., EFM. EFM maintains data, such as those relating to labor exchange services provided to customers, and is used to create the performance reports submitted to the USDOL for the ES Cluster and WIA Cluster programs. The ES Cluster performance reports aid Congress, among other entities, in assessing the value of employment services for customers within an integrated workforce investment system. USDOL uses the WIA Cluster performance reports to disseminate state-by-state comparisons of the information and to determine states' eligibility for incentive grants or to impose sanctions based on performance failures.

Protocols in FAWI's security policy establish various security controls. For example, each major FAWI information system is to have a completed security certification and accreditation (i.e., security authorization process). Our audit disclosed that FAWI did not apply these protocols to the EFM System.

We noted that provisions in the contract between WFI and the vendor allowed FAWI to conduct or arrange for monitoring of the vendor, but FAWI had not conducted monitoring of the vendor's EFM System security controls. FAWI management indicated that information technology controls for EFM are not within

	FAWI's purview. FAWI management also indicated that data element validation and program monitoring are tools that have enabled FAWI to effectively monitor the vendor for data integrity and accuracy with regard to the EFM System. Although data element validation provides some assurance of data integrity, i.e., data is within an acceptable range, and program monitoring provides assurance of compliance with Federal regulations, these efforts do not provide assurance of the effectiveness of the vendor's security controls.
Cause	FAWI management indicated that the vendor does not conduct official business with FAWI and the contract for the EFM System is between WFI and the vendor; therefore, the FAWI security policy does not apply to the vendor. However, FAWI staff use EFM data to create the performance reports for the ES Cluster and WIA Cluster Programs, and as stated in the contract between WFI and the vendor, FAWI is allowed to monitor or arrange for monitoring of the vendor's activities.
Effect	Without an established process to ascertain the appropriateness of the vendor's security controls, FAWI lacks assurance that EFM system security controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting the security requirements for the EFM system.
Recommendation	We recommend that FAWI establish a process, through monitoring or independent attestation, for ascertaining that the EFM security controls are appropriately designed and effective.
State Agency Response and Corrective Action Plan	FAWI will establish a monitoring process for ascertaining that the security controls for the EFM system are appropriately designed and effective.
Estimated Corrective Action Date	April 30, 2009
Agency Contact and Telephone Number	Kevin Neal (850) 245-7145

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-007**
CFDA Number	17.225
Program Title	**Unemployment Insurance (UI)**
Compliance Requirement	Eligibility
State Agency	**Florida Agency for Workforce Innovation (FAWI)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-009

Finding

The Unemployment Compensation (UC) System is used by FAWI to determine eligibility and calculate benefit amounts for individuals seeking unemployment compensation.

In Information Technology audit report No. 2009-070, dated December 2008, a follow-up to audit report No. 2008-037, we reported steps FAWI had taken to correct previously reported deficiencies in finding Nos. 6 through 8. We also reported that although FAWI had corrected or partially corrected certain deficiencies noted in finding Nos. 1 through 5, some deficiencies continued to exist, regarding implementation of FAWI security control procedures for the UC System and regarding certain cross-match application processes. Details of the findings and recommendations, as well as, FAWI management's response are included in that report.

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-008**
CFDA Number	17.225
Program Title	**Unemployment Insurance (UI)**
Compliance Requirement	Eligibility
State Agency	**Florida Agency for Workforce Innovation (FAWI)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Significant Deficiency

Finding

FAWI had not completed a review of all Unemployment Compensation (UC) positions to identify those which require access to confidential UC information, designate these positions as positions of special trust, and complete security background investigations on employees in these positions.

Criteria

Section 443.1715(1), Florida Statutes, *Disclosure of information; confidentiality – Records and Reports,* specifies UC information that is confidential.

Section 110.1127(1), Florida Statutes, *Employee security checks,* requires each employing agency to designate employee positions that, because of the special trust or responsibility or sensitive location of those positions, requires that persons occupying the positions to undergo a security background check, including, as a condition of employment, fingerprinting.

Section 435.04, Florida Statutes, *Level 2 screening standards,* requires all employees in positions designated by law as positions of trust or responsibility to undergo level 2 security background investigations that include fingerprinting, statewide criminal and juvenile records checks through the Florida Department of Law Enforcement, and federal criminal records checks through the Federal Bureau of Investigation (FBI), and may include local criminal records checks through local law enforcement agencies.

FAWI Policy No. 1.08, *Positions of Special Trust,* adopted on June 26, 2007, and amended on May 23, 2008, requires FAWI Division Directors to review job duties of all positions in their Division and determine if any position falls under the definition of positions of special trust, then submit a list of these positions, position numbers, and a brief description of each job's duties to FAWI's Director or designee for review and approval. Once approved, employees in the positions designated as positions of special trust are to undergo level 2 security background investigations as a condition of employment.

Condition

FAWI administers the UC program with approximately 460 employment positions, many of which require access to confidential information to perform job duties. On October 9, 2007, FAWI designated 77 Information Technology positions as positions of special trust and, subsequently, conducted level 2 security background investigations. However, as of June 30, 2008, FAWI management had not completed a review of all UC program positions to identify other positions that required a level 2 security background investigation.

Cause

FAWI management did not fully implement FAWI Policy No. 1.08 and indicated the policy's definition of positions of special trust that require level 2 security background investigations may be readdressed.

Effect

Employees with inappropriate backgrounds could be employed in a position that allows access to confidential UC information.

Recommendation

We recommend that FAWI ensure that all UC employment positions are timely reviewed for applicability of requiring level 2 security background investigations and that the investigations are conducted.

State Agency Response and Corrective Action Plan	The Agency agrees and is continuing its efforts to identify all UC employment positions that require level 2 security background investigations and to complete the investigations. The Agency's policy on designation of positions of special trust had to be revised to prevent overly broad applications. This delayed implementation of the policy in the UC program area.
Estimated Corrective Action Date	March 31, 2009
Agency Contact and Telephone Number	Tom Clendenning (850) 245-7499

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-009**
CFDA Number	17.225
Program Title	**Unemployment Insurance (UI)**
Compliance Requirement	Eligibility and Reporting
State Agency	**Florida Agency for Workforce Innovation (FAWI)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Significant Deficiency

Finding

To ensure confidentially and integrity of the UI system, enhancements were needed in FAWI's security policy regarding security control settings.

Criteria

Section 443.1715(1), Florida Statutes, *Disclosure of information; confidentiality,* specifies what UC information is confidential.

FAWI *Information Systems Security Program*, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy includes by reference Federal Information Processing Standards (FIPS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series, which provide standards applicable to Federal information systems.

Condition

To assist in the administration of the UI program, FAWI operates the UI System, comprised of several interacting systems, e.g., the Unemployment Compensation (UC) Claims and Benefit Subsystem, the Benefit Overpayment Screening System (BOSS), and the Electronic Imaging System (EIS). Each of these systems can be accessed through FAWI's network. As the UI system contains confidential information, it is imperative that strict security controls be implemented and enforced. We found that FAWI security controls in the area of security control settings needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FAWI security. Appropriate FAWI personnel have been notified of the issues.

Cause

FAWI management indicated that there were no specific guidelines in place to address the identified issues with the security control settings.

Effect

When appropriate security controls have not been established or implemented, excessive or uncontrolled access can lead to unauthorized or unintentional disclosure, modification, or destruction of confidential information and resulting violations of Federal and State laws.

Recommendation

We recommend that FAWI enhance its security policy for all systems that contain confidential information, including the UI system, to require appropriate security control settings. We also recommend that FAWI consider the level of protection required of the data stored in all systems that contain confidential information and establish appropriate security control settings.

State Agency Response and Corrective Action Plan

FAWI agrees with the recommendation contained in the confidential finding received from the Auditor General and is in the process of implementing corrective action.

Estimated Corrective Action Date

March 1, 2009

Agency Contact and Telephone Number

Scott Stewart
(850) 245-7305

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-010**
CFDA Number	17.225
Program Title	**Unemployment Insurance (UI)**
Compliance Requirement	Procurement and Suspension and Debarment
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	UI157920755 2007 and UI-16740-08-55-A-12 2008
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-011

Finding

Although FDOR implemented some corrective action during the 2007-08 fiscal year, FDOR did not follow established procedures to demonstrate that a determination was made that contractors were not suspended or debarred prior to entering into covered transactions with the contractors.

Criteria

ET Handbook No. 336, *Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines;* 29 CFR 97.35, *Subawards to debarred and suspended parties;* 29 CFR 98.300, *What must I do before I enter into a covered transaction with another person at the next lower tier?*; FDOR *Purchasing and Contract Management Manual*

Condition

FDOR administered Unemployment Tax (UT) collection services for the UI Program pursuant to an interagency agreement with the Florida Agency for Workforce Innovation. On February 1, 2007, FDOR staff updated the FDOR *Purchasing and Contract Management Manual* requiring, prior to expending Federal funds over the amount of $25,000, the requestor of the procurement to verify that vendors are not debarred. In our test of UT disbursements by FDOR, we noted that for two of four tested covered transactions exceeding $25,000, FDOR had not verified that the contractor was not suspended or debarred from receiving Federal funds. Contracts for the two covered transactions were executed on July 18, 2007, and September 10, 2007, and contract amounts totaled $292,115.40, with $206,915.83 attributable to UT costs. On the date of our review, none of the parties to the two covered transactions were listed on the General Services Administration *List of Parties Excluded From Federal Procurement and Nonprocurement Programs (EPLS)*.

Cause

FDOR management indicated that on September 4, 2007, the Contract Routing Sheet was updated to include a check box for use in indicating whether Federal funds are to be used, and if so, a printout from the EPLS is required to be attached to the Contract Routing Sheet. On December 12, 2008, the requestor (also the contract manager) for one contract indicated that she was unaware that the contract would be partially funded with Federal funds, as well as of the requirement for reviewing and documenting that the vendor was not included on the EPLS when a contract involved Federal funds. The requestor for the other contract is no longer employed with FDOR. Also, FDOR procurement staff indicated that they were unaware that these contracts involved Federal funds.

Effect

Federal funds may be subject to misuse absent proper verification that the contractor was not suspended or debarred from receiving Federal funds.

Recommendation

We recommend that FDOR continue its efforts to ensure the effective implementation of the updated *Purchasing and Contract Management Manual* and instruct staff on how to identify contracts involving Federal funds.

State Agency Response and Corrective Action Plan	The Department concurs with the finding; however, we would like to point out that both contracts identified by the auditors were processed prior to our implementation of an additional internal control to reduce the risk of this type of error from occurring. On September 4, 2007, the Department updated its Contract Routing Sheet to add a check box inquiring whether Federal funds are used. If so, a printout from the Excluded Parties List System is required to be attached to the routing sheet. Nonetheless, we will continue our efforts to educate procurement and program staff about the new process. For example, the Department will be holding contract manager training on April 3rd-5th, 2009, and again on April 16th-18th, 2009. All DOR contract managers are required to attend. This training has a module on the specific requirements for contracting when Federal funds are involved. Included in that module are the EPLS duties and responsibilities.
Estimated Corrective Action Date	Completed
Agency Contact and Telephone Number	James R. Evers (850) 488-5163

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-011**
CFDA Number	17.225
Program Title	**Unemployment Insurance (UI)**
Compliance Requirement	Special Tests and Provisions – Employer Experience Rating
State Agency	**Florida Agency for Workforce Innovation (FAWI)** **Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-013

Finding

Although FAWI and FDOR implemented some corrective actions, deficiencies continued to exist in the 2008 UI tax rate calculation process.

Criteria

Section 443.131(3), Florida Statutes, *Contributions. – Variation of contributions rates based on benefit experience*, describes factors used in determining employers' tax rates, including benefit payments made to claimants and charged to employers.

Section 443.151, Florida Statutes, *Procedure concerning claims*, describes procedures for initial determinations and redeterminations of claims for unemployment compensation benefits, as well as recoveries of benefits which individuals are not entitled.

Condition

Our audit of the 2008 UI tax rate calculation process performed by FAWI and FDOR disclosed the following matters that may contribute to the calculation of incorrect UI tax rates for individual employers:

- Prior to calculating the 2008 UI tax rates, FAWI did not perform reconciliations between detail and summary benefit and wage data within the Tax Registration Accounting Information Network (TRAIN) subsystem. TRAIN, a subsystem of the Unemployment Compensation (UC) system, was utilized to calculate the 2008 UI tax rate, and through March 9, 2008, was utilized to record wage data for use in processing claims for UI program benefits and to calculate and record collections of employer taxes.
- UC System programming continued to incorrectly allow the employers' shares of benefit payments to be undercharged to the employers' accounts when overpayments were established and subsequently recovered through offsets against current benefits.
- FAWI could not demonstrate that noncharge benefit amounts used in the calculation of the 2008 UI tax rate were properly adjusted for all overpayment redeterminations, (i.e., redeterminations of previously established overpayments that were subsequently increased, decreased, or canceled).

Cause

FAWI and FDOR had not completed necessary system programming changes prior to the 2008 UI tax rate calculation. Effective March 10, 2008, the Unemployment Tax program was fully converted to the System for Unified Taxation (SUNTAX) system operated by FDOR. AWI indicated that the accuracy and completeness of the data used in the calculation of the 2009 UI tax rate will be addressed by the unemployment tax application in SUNTAX.

Effect

Absent reconciliation of summary data to the detail data, FAWI could not demonstrate that the data used in the annual UI tax rate calculations was accurate and complete. Also, employer UI tax rates were not established in compliance with applicable statutory provisions, preventing the proper cost allocation of UI benefits to appropriate employers and resulting in misstated employer UI tax rates.

Recommendation

We continue to recommend that FAWI and FDOR ensure that timely and complete reconciliations are performed between the detail and summary benefit and wage data and that necessary system programming is made prior to the calculation of the annual UI tax rate. We also continue to recommend that FAWI enhance and document the process used for overpayment redeterminations.

Florida Agency for Workforce Innovation

State Agency Response and Corrective Action Plan

Because of the level of effort required by our IT resources to successfully convert the unemployment tax (UT) program from the FAWI legacy mainframe to FDOR's SUNTAX system, programming relating to the reconciliations of the summary benefit charge and wage data in the Agency's system were not undertaken for the 2008 tax rates. However, following the successful conversion of tax data to SUNTAX, FDOR has computed rates for 2009 to meet the requirements outlined in prior audit findings. The effect of benefit overpayment redeterminations is a function of FAWI Claims and Benefits system. FDOR utilizes the benefit charging data that is passed to it from FAWI. FDOR is not responsible for documenting the process used for overpayment redeterminations. FAWI has created reports that identify the universe of benefit overpayments that include redeterminations and cancellations to ensure that all charge adjustments can be properly executed. However, three years of report data to mirror the rate calculation data will not be available for two years. The Agency intends to continue to work on programming efforts to automate benefit overpayment noncharges; however, other business requirements have prevented completion of this work.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Tom Clendenning
(850) 245-7499

Florida Department of Revenue

State Agency Response and Corrective Action Plan

With the migration of unemployment tax into Suntax (System for Unified Taxation), both agencies were required to revisit and document the UI tax rate calculation process. Prior to the go-live date of March 10, 2008, a simulation of the 2008 rate run was performed and compared against the actual results from TRAIN. Among other testing, 50 randomly selected accounts were interrogated and the detailed records that were used in determining the tax rate in the SUNTAX system were closely reviewed. Test results were shared with FDOR and FAWI subject matter experts and were determined to be accurate and consistent with Florida law. The 2009 rate run was successfully performed in the SUNTAX environment in December 2008. This should correct previous deficiencies noted.

Estimated Corrective Action Date

Completed March 2008

Agency Contact and Telephone Number

James R. Evers
(850) 488-5163

U.S. DEPARTMENT OF LABOR

Finding Number	**FA 08-012**
CFDA Number	17.225
Program Title	**Unemployment Insurance (UI)**
Compliance Requirement	Special Tests and Provisions – Employer Experience Rating
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Significant Deficiency

Finding

FDOR did not follow established procedures and remove in a timely manner terminated employees' access privileges to FDOR systems.

Criteria

Florida Department of Management Services Rule 60DD-2.004 *Logical and Data Access Controls,* Florida Administrative Code, stipulates user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.

FDOR SUNTAX Security Policy and Procedures, *Supervisor Security Responsibilities*

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.4 User Account Management – User account management procedures should address requesting, establishing, suspending, modifying and closing user accounts and related user privileges.

Condition

The System for Unified Taxation (SUNTAX) is used by FDOR for tax processing and the Imaging Management System (IMS) is used by FDOR as a front-end system to initiate the process of tax collection and tax return processing. Effective March 10, 2008, the Unemployment Tax (UT) program, administered by FDOR pursuant to an interagency agreement with FAWI, was fully converted to SUNTAX. FDOR procedures require supervisors of terminated employees to complete a *Removal of Security Access for Terminated Employees* form and the SUNTAX Security Administrator to remove the employee's access privileges to SUNTAX on the effective date of termination. This form was also used to remove employees' access privileges from other systems, such as, IMS.

Our test of the access removal actions taken for four terminated employees, disclosed that FDOR did not remove in a timely manner terminated employees' access privileges to SUNTAX and IMS. Specifically,

- SUNTAX access privileges for three of the four terminated employees remained in place from 38 to 216 days after termination.
- IMS access privileges for one of the three terminated employees remained in place 130 days after termination.

A similar finding was noted in our Information Technology (IT) audit of SUNTAX, audit report No. 2008-097, dated February 2008.

Cause

Supervisors of the terminated employees did not complete the *Removal of Security Access* form, in accordance with FDOR procedures, and timely notify the Security Administrator to remove the employees' access privileges to SUNTAX and IMS.

Effect

Absent effective security controls, UT data may not be adequately safeguarded and any unauthorized access to or manipulation of sensitive and confidential information may not be timely detected.

Recommendation	We recommend that FDOR follow established procedures to ensure that access privileges of terminated employees are removed in a timely manner for all FDOR systems.
State Agency Response and Corrective Action Plan	The Department acknowledges that security access is an important issue. The Department of Revenue is taking action to ensure that access privileges of terminated employees are removed timely. By the end of February 2009, a policy and procedure document will be deployed to all supervisors to remind them of their responsibility in the employee separation process. These policies and procedures will also include information for supervisors regarding how to timely and accurately notify the appropriate areas for access removal from DOR systems. Additionally, a new intranet website for all of Revenue's human resource related information has been created, and an entire page devoted to the employee separation process, including supervisor and employee resources, will be completed by the end of February 2009. Finally, Revenue has two forms presently used by supervisors for completion when someone separates from the agency and no longer needs security access. The Department's Administrative Services Program and the Information Services Program are working together to update these forms to provide a better connection between the documents. The Department's Administrative Services Program will continue to work with the Information Services Program (ISP), as well as other key agency stakeholders, to address the overall employee separation process and incorporate technology solutions to the process.
Estimated Corrective Action Date	February 2009
Agency Contact and Telephone Number	Traci Jones (850) 922-4131

U.S. DEPARTMENT OF TRANSPORTATION

Finding Number	**FA 08-013**
CFDA Number	20.205
Program Title	**Highway Planning and Construction**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Transportation (FDOT)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Noncompliance and Significant Deficiency

Finding

FDOT did not have a written agreement with the Federal Highway Administration (FHWA) with regard to the indirect costs billed during the 2007-08 fiscal year. Additionally, FDOT had not established written policies and procedures in regard to development and submission of its Indirect Cost Allocation Plan (ICAP) and documentation of the negotiation of approved indirect cost rates and the resulting written agreement.

Criteria

OMB Circular A-87, Attachment E, Paragraph C – *Allocation of Indirect Costs and Determination of Indirect Cost Rates*; Paragraph D – *Submission and Documentation of Proposals*; Paragraph E – *Negotiation and Approval of Rates*

Condition

During the 2007-08 fiscal year, FDOT charged indirect costs, which were incurred during the 2005-06 and 2006-07 fiscal years, totaling approximately $198.7 million to the Highway Planning and Construction Program. FDOT had not entered into a written agreement with FHWA with regard to the indirect cost rates charged.

FDOT submitted an ICAP for the 2008-09 fiscal year to FHWA on July 3, 2008, and submitted a revised ICAP on November 21, 2008. Based on the revised ICAP, approximately $319 million of indirect costs were allocated to 21 direct cost bases with direct costs totaling approximately $6.1 billion. We reviewed both of the ICAPs and supporting schedules. Based on our inquiries, we noted that FDOT had not established written policies and procedures for developing and submitting the ICAP, other than defining the direct cost bases by specifying the program plan subcategories and fund groups for each direct cost base. Also, as described in the following paragraph, our audit of the ICAPs disclosed instances in which FDOT did not comply with Federal requirements with regard to the direct cost bases.

A direct cost base is used to distribute indirect costs to individual Federal awards. Direct costs, which were directly attributable to a specific project, were allocated to 21 direct cost bases using FDOT's expenditure forecast of the adopted work program. FDOT used forecasted expenditures for the direct cost bases as recommended by FHWA to minimize over or under recovery of indirect costs. Also, FDOT was required to subtract certain forecasted expenditures, such as capital expenditures and any other extraordinary or distorting expenditures from the total direct cost base. We noted that:

- On the ICAP submitted in July 2008, FDOT had not excluded forecasted capital expenditures totaling $11,965,000 from the direct cost bases. Subsequent to our inquiry, FDOT revised its methodology to exclude fixed capital outlay and transfers from the direct cost bases for the future development of indirect cost rates and made the appropriate revisions to the ICAP submitted in November 2008.
- FDOT did not submit to FHWA the required subsidiary worksheet to support the calculation of each direct cost base amount or other relevant data, such as exclusions. Although FDOT did prepare subsidiary worksheets, they were not reconciled to the appropriate financial data, such as the adopted work program or cash forecast reports. Additionally, FDOT did not have any written procedures or internal controls in place to ensure that the direct cost bases

were properly prepared, reviewed, and reconciled to the appropriate financial data.

Cause

FDOT was not aware that a formal written agreement was required. FDOT supported the charges with a letter, dated December 5, 1995, from FHWA in which FHWA indicated that so long as there were no changes in the methodology used to calculate the rates, FHWA only needed to be informed of the new rate. In a report to FDOT dated July 24, 2008, FHWA indicated that there had been a common misunderstanding that annual submittal of a complete ICAP package was not required. The report also made reference to a FHWA memorandum, dated September 24, 1998, which stated that states may claim indirect costs in accordance with OMB Circular A-87. However, OMB Circular A-87 provides that the agency must first prepare a cost allocation plan which is to be approved by the assigned Federal cognizant agency (or FHWA).

FDOT did not establish procedures to properly identify and exclude all disallowable costs from the direct cost bases, or properly prepare and submit the required subsidiary work sheet or other relevant data to support the direct cost base amounts.

Effect

Absent the required written indirect cost rate agreements, FDOT could not document FHWA approval of the rates billed in the 2007-08 fiscal year. Additionally, absent written policies and procedures for developing and submitting the ICAP and documenting its negotiation of indirect cost rates with the FHWA, FDOT may have an increased risk of errors that could impact indirect cost rates.

Recommendation

We recommend that FDOT establish written policies and procedures for developing and submitting the ICAP and documenting its negotiation of indirect cost rates with the FHWA. In establishing such procedures, FDOT should ensure that all capital expenditures and other distorting expenditures are excluded from direct cost bases and that required supporting schedules and documentation are prepared and submitted with the ICAP for FHWA consideration.

State Agency Response and Corrective Action Plan

We concur. We are currently making improvements to our Indirect Cost Allocation Plan process and working closely with FHWA on finalizing a formal written agreement. As part of the improvement process, we will be establishing written procedures for development, review, and approval of FDOT's indirect cost plan. As noted in your finding, FDOT has already taken steps to remove capital expenditures and other distorting items from our direct cost bases. Subsequent to your review, we have submitted additional supporting schedules and reconciliations to FHWA for inclusion in our indirect cost plan. We will ensure that this practice is included in our written procedure and continued for future indirect cost plans.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Jason Adank
(850) 414-4279

U.S. DEPARTMENT OF TRANSPORTATION

Finding Number	**FA 08-014**
CFDA Number	20.205
Program Title	**Highway Planning and Construction**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Transportation (FDOT)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-016

Finding

Internal control deficiencies disclosed in the prior audit regarding obtaining and reviewing subrecipient audit reports continued to exist during the 2007-08 fiscal year in one FDOT District.

Criteria

OMB Circular A-133, §_.200 *Audit requirements*, §_.320(a) *Report submission*, §_.400 *Responsibilities*, and §_.505 *Audit reporting*; and FDOT Procedure Topic No. 450-010-001-g, Federal and Florida Single Audit Procedure

Condition

FDOT's Office of Inspector General (OIG) established procedures include the use of the Single Audit Automated System (System) to document the receipt and review of subrecipient audit reports. The procedures require program managers to complete a Checklist electronically to document their review of the audit reports. As similarly disclosed in prior audits, FDOT program managers did not always follow established procedures for obtaining and reviewing subrecipient audit reports. Our review of the 20 subrecipient projects for 7 FDOT Districts for which audit reports were due to FDOT no later than June 30, 2007, and for which FDOT staff were to complete a Checklist during the 2007-08 fiscal year, disclosed the following:

- Two projects, located in FDOT District 4, with 2 audit reports for which a Checklist had not been completed as of November 20, 2008. Based on our review of Checklists for other projects for the same subrecipients, the audit reports were received in June 2007 and March 2008.
- Three projects, located in FDOT District 4, with 3 audit reports for which Checklists had not been timely completed. The time between the date the reports were received and the date the Checklists were completed in the System ranged from 190 to 445 calendar days.

Cause

The program managers did not follow the required procedures to timely complete the Checklists. FDOT staff indicated that there was a total revamping of the System in District 4 to correct the deficiencies noted by the OIG in a compliance review dated March 2008.

Effect

Failure to use the System as intended diminishes FDOT's ability to monitor the timely submission and review of audit reports, as well as, to ensure the accountability of Federal assistance.

Recommendation

We recommend that FDOT continue its efforts to ensure that Checklists are timely completed.

State Agency Response and Corrective Action Plan

We concur. All FDOT Districts have made substantial improvements in obtaining and reviewing subrecipient audit reports. We will continue our progress with the districts and ensure that checklists from FDOT District 4 are timely completed in the automated system.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Carlos Mistry
(850) 410-5832

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U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-015**
CFDA Number	Various
Program Title	**Various**
Compliance Requirement	Allowable Costs/Cost Principles, Matching, Level of Effort, and Earmarking, Reporting, Subrecipient Monitoring
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency

Finding

FDOE management had not implemented certain systems development and access security controls for the Financial Management Information System (FMIS).

Criteria

34 CFR 80.20, *Standards for Financial Management Systems*

Florida Department of Management Services Rule 60DD-2.004 *Logical and Data Access Controls,* Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, a user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.

Florida Department of Management Services Rule 60DD-2.005 *Data and System Integrity*, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.

AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.

PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.

Condition

FDOE staff used two IT applications within FMIS to record funding allocations to subgrantees (D502) and to monitor expenditures reported by subgrantees (D503). FDOE also used information from FMIS for financial reporting and to demonstrate compliance with earmarking requirements. Additionally, subgrantees used FMIS to request funds for Federal programs, including the following major Federal programs:

84.002 – Adult Education – State Grant Program
84.010 – Title I Grants to Local Educational Agencies (LEAs)
84.027 – Special Education – Grants to States
84.048 – Career and Technical Education – Basic Grants to States
84.173 – Special Education – Preschool Grants
84.287 – Twenty-First Century Community Learning Centers
84.357 – Reading First State Grants
84.365 – English Language Acquisition Grants
84.367 – Improving Teacher Quality State Grants

As described below, we noted deficiencies in FDOE procedures related to the authorization of program changes, security access, and documenting IT

processes:

- Changes to FMIS programming code were initiated verbally or through e-mails and were not subject to independent testing prior to being placed in production.
- Aspects of FDOE access security controls needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDOE security. Appropriate FDOE personnel have been notified of the issues.
- FDOE did not have written policies and procedures for the systems development and maintenance process and the use of firewalls.

Cause

FDOE staff indicated that these two applications, D502 and D503, are old and changes to these systems have been very minimal. During the 2007-08 fiscal year, there were only two program changes for D503 and none for D502.

Effect

Absent appropriate system development procedures and access security the integrity of the FMIS data is lessened. Additionally, without written policies and procedures FMIS programmers and users may not have sufficient awareness to ensure effective system operations and security.

Recommendation

We recommend that FDOE ensure that the authorization of system changes is adequately documented, that system changes are independently tested prior to being placed into the production environment, and that employee access is appropriately controlled. FDOE should also establish written policies and procedures related to systems development and maintenance and improving access security controls.

State Agency Response and Corrective Action Plan

As noted in the "Cause," these two system applications are outdated and work on replacing them has been underway for several years. More than one and a half years ago, FDOE presented the system replacement plan to USED staff during their visit to Tallahassee. The Financial Management Information System (FMIS) will be completely replaced by the Cash Advance and Reporting of Disbursements System (CARDS) on July 1, 2009. D502, a component of FMIS, was replaced on July 1, 2008 while the last component, D503, will be phased out by the end of Fiscal Year 2008-2009. Rather than addressing the minor issues with the systems being phased out as noted above, it was determined that efforts and resources should be focused on the replacement systems. All systems development and access security controls have been established and are being incorporated into the documentation of CARDS.

Estimated Corrective Action Date

Ongoing with all work to be completed by July 1, 2009.

Agency Contact and Telephone Number

Martha K. Asbury, Director
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(850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-016**
CFDA Number	Various
Program Title	**Various**
Compliance Requirement	Cash Management
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency

Finding

FDOE procedures were not adequate to reasonably ensure the documentation of access authorization approval for individuals with access capability to FDOE's On-Line Cash Advance (D-502) Application and the elimination of such access capability when no longer needed.

Criteria

34 CFR 74.17, *Certifications and representations*; 34 CFR 80.42(a)(1), *Retention and access requirements for records*; FDOE Project Application and Amendment Procedures for Federal and State Programs (Green Book) *Section C – Fiscal and Program Accountability*

Condition

FDOE procedures provide for the advancement of cash for specified projects to subgrantees as needed to pay current obligations. Accordingly, during the 2007-08 fiscal year, FDOE advanced cash to subgrantees through its D-502 Application for projects funded through various Federal programs including the following major Federal programs:

84.002 – Adult Education – State Grant Program
84.010 – Title I Grants to Local Educational Agencies (LEAs)
84.027 – Special Education – Grants to States
84.048 – Career and Technical Education – Basic Grants to States
84.173 – Special Education – Preschool Grants
84.287 – Twenty-First Century Community Learning Centers
84.357 – Reading First State Grants
84.365 – English Language Acquisition Grants
84.367 – Improving Teacher Quality State Grants

FDOE did not have written procedures regarding the authorization of persons who could request cash advances. However, based on our inquiries and review of FDOE records, we noted that FDOE required each subgrantee to complete and submit a Federal Cash Advance Electronic Request (Input Application) that provided the names of users who, on behalf of the subgrantee, would be authorized and held accountable for accessing the D-502 Application. FDOE staff were to approve the Input Application, assign a user number and password for the authorized user to gain access to the D-502 Application, and file a copy of the Input Application. FDOE staff indicated that FDOE mailed letters in March 2007 to the subgrantees' finance officers requesting confirmation of the authorized users. FDOE was to maintain a file of the responses from the subgrantees.

We examined FDOE records pertaining to three cash advances totaling $91,935,913, made to 38 subgrantees through the D-502 Application. Our audit procedures included reviewing FDOE records to determine whether there was evidence to support that the persons requesting funds were authorized. We noted that for 25 of the 38 subgrantees, FDOE did not maintain either the Input Application or a confirmation letter to support that the users were authorized to request cash through the D-502 Application.

Cause

FDOE management indicated that some subgrantees responded via email and telephone calls and this communication was not maintained on file and is now inaccessible.

Effect	Absent a complete and current listing of authorized users for applicable electronic information systems, FDOE may advance funds based on the requests of unauthorized users.
Recommendation	FDOE should establish written procedures to ensure that the authorization of all persons with access capabilities to applicable information technology applications is documented on a current basis and that access capabilities of persons who no longer need access are promptly removed.
State Agency Response and Corrective Action Plan	On July 1, 2008, the On-Line Cash Advance (D-502) Application was replaced with a web based application, Cash Advance and Reporting of Disbursements System (CARDS). Work on this application has been underway for several years. Given these circumstances, it was determined that efforts and resources should be focused on the replacement system rather than the system being phased out. Information to maintain current users with D-502 was neither necessary or required since this application is no longer in production. Authorization and access procedures have been established for CARDS. These procedures are being enhanced and fully documented.
Estimated Corrective Action Date	CARDS was completed and implemented on July 1, 2008. Enhanced authorization and access controls and associated documentation will be complete by July 1, 2009.
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-017**
CFDA Number	84.002 and 84.048
Program Title	**Adult Education – State Grant Program** **Career and Technical Education – Basic Grants to States (Perkins IV)**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	V002A070009 2007 and V048A070009A 2007
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-019

Finding

The significant deficiency disclosed in the prior audit regarding FDOE's untimely on-site monitoring of subgrantees continued to exist during the 2007-08 fiscal year.

Criteria

34 CFR 80.40(a), *Monitoring and reporting program performance*; OMB Circular A-133, §__.400 (d), *Pass-through entity responsibilities*

FDOE Adult Education/Perkins Compliance Monitoring Review Fiscal Year 2006-07 Self-Review Instructions provide that approximately 20 percent of all the funded grant recipients (grantees) will be selected for compliance monitoring each year, with all grantees being monitored at least once during each five year cycle. Compliance monitoring includes on-site visits.

Condition

In audit report No. 2008-141, finding No. FA 07-019, we disclosed that FDOE had not adhered to its monitoring schedule that was established to ensure that all subgrantees would be monitored at least once during each five year cycle. We reported that FDOE completed on-site monitoring in only 4 of the 15 counties that were scheduled for compliance monitoring reviews during the 2006-07 fiscal year.

Our current review disclosed that FDOE had not conducted any on-site monitoring activities during the 2007-08 fiscal year. Additionally, for the Career and Technical Education Program, FDOE had not required the subgrantees to complete any self-assessments. FDOE management indicated that actions had been taken to hire a Director of Quality Assurance and to prepare policies and procedures, but that corrective actions had not been fully implemented.

Cause

Corrective actions planned and communicated by FDOE in response to the prior audit had not been fully implemented during the 2007-08 fiscal year.

Effect

FDOE and USED had limited assurance that the subgrantees had administered the grant supported activities in accordance with Federal and State requirements.

Recommendation

We recommend that FDOE finalize its implementation efforts and ensure that on-site monitoring and self assessments are performed in a timely manner.

State Agency Response and Corrective Action Plan

Due to a major organizational change in the Fall of 2006, Workforce Education (previously included as a subdivision of the Division of Community Colleges) became a separate Division and in March 2007, a Chancellor was appointed to head the Division. Additionally, other personnel shifts within the newly created Division led to the curtailment of on-site compliance visits. Other compliance monitoring activities continued such as in-depth grant application reviews, desk top reviews, review of single audit findings, and the provision of technical assistance and training. Program managers continue to communicate with individual agencies regarding the progress of the implementation of grant awards. Additional actions have been taken by the Bureau of Grants Administration and Compliance, Division of Workforce Education.

The need for a multi-dimensional and comprehensive system necessitated the hiring of a compliance specialist with more in-depth compliance knowledge and

experience. A Director of Compliance/Quality Assurance was hired on August 22, 2007. The Director provides leadership and supervision in the development, design and implementation of a Quality Assurance system to address compliance and monitoring within the Division of Workforce Education.

A risk-based system was developed. The system is contained in the Monitoring Policies, Procedures, and Protocols developed for each program, Adult Education and Family Literacy and Career and Technical Education. Some of the agencies that are demonstrating the lowest performance on core measures/indicators and at higher risk based on a risk matrix will be visited on-site to monitor compliance with applicable federal law and regulations, state statutes and rules. Additional monitoring strategies were developed and may also be implemented including such activities as the completion of a self assessment, the development of system improvement plans or corrective action plans. The assigned monitoring strategy for other agencies will be based on the results of a data review of performance and other designated risk factors. On-site visits began in September 2008. As of the date of this response, monitoring teams have completed six (6) of eleven (11) scheduled on-site visits. Both Adult Education and Family Literacy and Career and Technical Education programs are monitored. Monitoring takes place from September through May.

Regarding the self assessment referenced in the finding, it should be noted that there are two types of "self-assessments" included in the overall compliance and monitoring system - one is part of the subrecipient application process and the other is part of the monitoring process. Self-assessment was not required in the application process for Career and Technical Education programs; however, based upon the discussions and recommendation of the auditor, it will be included in the 2009-10 subrecipient application process. In order to distinguish this activity from the self assessment that is an element of the monitoring process, it will be included as a "self evaluation" in the application process.

The self assessment contained in the 2008-09 Quality Assurance Policies, Procedures, and Protocols (monitoring) is a different tool and may be used as a monitoring strategy for selected subrecipients. It is not intended to be required of each subrecipient.

Estimated Corrective Action Date

July 15, 2008 – Quality Assurance Policies, Procedures, and Protocols were published

September 15, 2008 – Implementation of on-site monitoring visits

May 2009 - The "self evaluation" will be included in the 2009-10 application process for Career and Technical Education

Agency Contact and Telephone Number

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U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-018**
CFDA Number	84.048
Program Title	**Career and Technical Education – Basic Grants to States (Perkins IV)**
Compliance Requirement	Matching, Level of Effort, and Earmarking
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	V048A070009 2007
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-027

Finding

As of June 30, 2008, FDOE had not fully resolved the issues initially disclosed in audit report No. 2005-158, finding No. FA 04-031, regarding its ability to demonstrate compliance with the matching and level of effort requirements for State administration.

Criteria

34 CFR 80.40(b)(1)(4), *Annual Performance Report*; 34 CFR 80.41 *Financial Status Report (FSR)*; 34 CFR 403.181, *Cost sharing requirements*; 34 CFR 403.182, *Maintenance of fiscal effort requirement*

Condition

In prior audits, we disclosed control deficiencies regarding documentation of FDOE's efforts to meet the matching and maintenance of effort requirements. In its Summary Schedule of Prior Audit Findings as of June 30, 2008, FDOE management stated that, on May 27, 2008, FDOE received a Program Determination Letter (PDL) from USED relative to finding No. FA 04-031. FDOE successfully appealed the monetary determination of $209,046.50 in this PDL but was to submit to USED appropriate corrective action plans for the remainder of the determination. The remaining pending corrective actions pertained to FDOE's internal controls and procedures for properly documenting its salary and other costs that it allocates to meeting the matching and level of effort requirements for the Program. More specifically, USED required FDOE to:

- Adopt new written policies and procedures for calculating and documenting its non-Federal costs for State administration of grants under Perkins IV, to show FDOE's compliance with sections 112(b) and 323(a) of Perkins IV (Public Law No. 109-270). USED required that the new policies and procedures generate a revised level of effort worksheet that fully demonstrates compliance and that is reconciled to supporting records and underlying processes.
- Adopt written policies and procedures related to positions considered to be "dedicated functions", and seek USED's approval before implementing.
- Amend its Personnel Activity Reporting (PAR) System, and seek USED's approval before implementing such amendments, to reflect FDOE's current cost objectives and organizational structure and to require PAR forms for supervisors and clerical staff.
- Amend its level of effort procedures, and seek USED's approval before implementing such amendments, in part, to indicate that FDOE will not include any State leadership costs in its non-Federal matching and level of effort calculations unless an employee's salary costs or a non-payroll cost is supported as being allocable to both State leadership and State administration in the same manner as required for costs charged directly to Federal grants.

Because the required corrective actions pertained to procedures and records to be used for demonstrating compliance with the matching and level of effort requirements for State administration, and no such conforming procedures and records were in place for the fiscal year ended June 30, 2008, it was not practical in the circumstances for us to test compliance with the Matching, Level of Effort, and Earmarking Compliance Requirement in regard to State administration

	expenditures.
Cause	As noted in the Summary Schedule of Prior Audit Findings, FDOE did not agree with the findings disclosed in the prior audit reports and had delayed corrective actions pending a USED determination.
Effect	Procedural changes and records necessary to fully demonstrate compliance with matching and level of effort requirements had not been implemented as of June 30, 2008.
Recommendation	Once FDOE and USED resolve the issue as to the required corrective actions, we recommend that FDOE implement the approved correction action.
State Agency Response and Corrective Action Plan	On May 27, 2008, FDOE received a Program Determination Letter (PDL) from the USED, Office of Vocational and Adult Education, regarding the original finding FA 04-031. It should be noted that the original finding addresses expenditures dating back to 2001-02. FDOE responded to this PDL on August 7 and again on October 27, 2008. Subsequently, a telephone conference call was held on January 15, 2009, with representatives of the USED to clarify portions of the required corrective actions. At that time, it was agreed that the various offices of USED and FDOE would re-enter the Cooperative Audit Resolution Initiative (CAROI) process to address the original finding as well as the related findings in subsequent audit reports. Upon completion of the CAROI process, FDOE will implement any agreed upon corrective actions that have not already been implemented over the past several years.
Estimated Corrective Action Date	Upon completion of CAROI process - to be jointly determined by USED and FDOE.
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-019**
CFDA Number	84.010
Program Title	**Title I Grants to Local Educational Entities**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	S010A070009A 2007
Finding Type	Significant Deficiency

Finding

FDOE did not complete a follow-up review of documentation that evidenced the implementation of the corrective actions taken by its subgrantees regarding areas of noncompliance disclosed in monitoring reports.

Criteria

34 CFR 80.40(a), *Monitoring and reporting program performance*; OMB Circular A-133 §_.400(d), *Pass-through entity responsibilities*

FDOE Internal Operating Procedures Monitoring of Local Educational Agency (LEA) Program (2007-2008 Technical Assistance Paper) provides in part that upon finalization of a monitoring review, the subgrantee must develop and provide a System Improvement Plan to FDOE acknowledging that findings of partial compliance or noncompliance are correct and agreeing to correct the findings. The System Improvement Plans are to serve as a comprehensive plan of action, outlining the key components of the necessary system improvements that will ensure compliance with Federal requirements. Evidence that each System Improvement Plan from the previous year has been implemented must be forwarded to FDOE.

Condition

During the 2007-08 fiscal year, seven LEAs submitted a System Improvement Plan to address findings noted in the 2006-07 monitoring reports. However, with the exception of one LEA, FDOE staff had not obtained and reviewed documentation evidencing the implementation of the System Improvement Plans.

Cause

Personnel changes within FDOE contributed to staff's inconsistent level of adherence to established procedures.

Effect

FDOE was unable to demonstrate that the subgrantees had taken corrective actions that ensured full adherence to the Program requirements.

Recommendation

FDOE management should ensure that its procedures are followed.

State Agency Response and Corrective Action Plan

FDOE has developed and implemented a system to track the receipt and approval of System Improvement Plans. Once LEAs submit documentation, FDOE staff approve the action taken and documentation provided as evidence that the LEA is in compliance with federal requirements. The tracking system has been placed on a shared drive, so that all program staff can track progress.

A template was also developed as a second means of assuring that follow-up occurs. In October 2008, LEAs were required to list all System Improvement Plans and the actions taken, and to provide supporting documentation. FDOE reviewed and approved the information provided. The template will be sent to LEAs quarterly, for an update on the progress of activities, and documentation.

FDOE is also conducting follow-up monitoring activities in February 2009, for two LEAs found to have significant compliance deficiencies, to review activities and supporting documentation to ensure that these districts come into compliance.

For the 2008-09 FDOE monitoring cycle, completion of the System Improvement Plans was built in to the online monitoring system. For the 2009-10 monitoring cycle, LEAs will actually upload the documentation into the system for FDOE review and approval. This improved system is currently in production.

Estimated Corrective Action Date	All processes, with the exception of the 2009-10 online monitoring system that requires LEAs to upload documentation, have been completed. The 2009-10 system will be operational in September 2009. All evidence that 2008-09 System Improvement Plans were implemented is due to be submitted to FDOE with the 2009-10 Self-Evaluation Certifications in September 2009.
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-020**
CFDA Number	84.126
Program Title	**Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Education (FDOE)** **Division of Vocational Rehabilitation (DVR)** **Division of Blind Services (DBS)**
Federal Grant/Contract Number and Grant Year	H126A070086 2007, H126A070087 2007, H126A080086 2008, and H126A080087 2008
Finding Type	Significant Deficiency Questioned Costs – $2,327.03 (H126A070086, $508.85; H126A070087, $304.00; H126A080086, $719.18; and H126A080087, $795.00)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-030

Finding

FDOE did not always authorize expenditures for client services in a timely manner and in one instance authorized excess travel expenditures.

Criteria

34 CFR 361.50(e), *Written policies governing the provision of services for individuals with disabilities. Authorization of Services*

Section 112.061(7) Florida Statutes, *Transportation*

Condition

According to DVR written procedures related to the nature and scope of vocational rehabilitation services, the authorization for such services is generally required to be documented prior to or at the same time they are provided or purchased, except in certain situations. Similarly, DBS written procedures state that services must be authorized prior to service provision.

During the 2007-08 fiscal year, FDOE expended $79,065,787 for DVR client services and $12,724,726 for DBS client services. We examined 30 client services expenditures totaling $6,365.99 ($4,928.19 for 21 DVR-related expenditures and $1,437.80 for 9 DBS-related expenditures). Our review disclosed that invoices for 12 of these expenditures (9 for DVR and 3 for DBS) totaling $1,852.68 were authorized or approved by the supervisor 1 to 56 days after the services were provided or completed. For one additional invoice for services to a DVR client, totaling $443.20, there was no date of authorization on file.

We also examined 5 general expenditures totaling $605.86 and noted one instance in which a DVR traveler claimed and received payment for excessive mileage. Subsequent to audit inquiry, FDOE staff requested and received a refund for the overpayment of $31.15. Total expenditures during the 2007-08 fiscal year for mileage reimbursements was $415,125.

Cause

Established procedures with regard to the authorization of client services and the payment of transportation expenses were not followed by personnel.

Effect

Unauthorized services may be provided, absent approval and authorization prior to or at the time of service delivery.

Recommendation

We recommend that FDOE ensure adherence to prescribed procedures regarding the authorization and approval of client services. In addition, we recommend that FDOE more closely monitor the accuracy of claims for reimbursement of transportation costs.

State Agency Response and Corrective Action Plan

The Division continues to address adherence to prescribed procedures for client services authorizations at Supervisor Meetings, New Counselor Training, through communication with area directors and counselor performance reviews. Area Directors will be required to review monthly Financial Exceptions reports and address patterns of error. The activities are ongoing.

	Instructions regarding the adherence to prescribed travel procedures were re-sent to the field offices, with particular emphasis on map mileage claims.
Estimated Corrective Action Date	Ongoing, regarding client services authorizations. Instruction regarding the reimbursement of map mileage for travel was re-sent to area field offices on February 9, 2009.
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-021**
CFDA Number	84.126
Program Title	**Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)**
Compliance Requirement	Eligibility
State Agency	**Florida Department of Education (FDOE)** **Division of Vocational Rehabilitation (DVR)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Other
Finding	As a result of a fire, DVR does not have complete case files.
Criteria	34 CFR 361.41(b), *Processing referrals and applications*; 34 CFR 361.45(d)(3), *Development of the individualized plan for employment* In order to receive vocational rehabilitation services, individuals are to submit an application and for the application to be considered, the individual or the individual's representative, as appropriate, must have completed and signed the agency application. Additionally, an individualized plan for employment (IPE) is to be developed and implemented for each individual determined to be eligible for vocational rehabilitation services. The IPE is to be agreed to and signed by the eligible individual or the individual's representative, as appropriate, and approved and signed by a qualified vocational rehabilitation counselor employed by the FDOE.
Condition	During our examination of DVR case records, it was brought to our attention that case files had been destroyed in a fire that occurred on December 21, 2007. FDOE staff estimated that 330 active case files and 1,800 closed case files were destroyed in the fire. Although DVR could provide eligibility-related information from the Rehabilitation Information Management System (RIMS), this information does not include the individual's signed application, the authorization for release of information, and the IPE containing the signature of the eligible individual or the individual's representative, as appropriate, and approval and signature of a qualified vocational rehabilitation counselor.
Cause	Vocational Rehabilitation case records were destroyed by a fire on December 21, 2007, which was ruled by the State Fire Marshall to have been accidental.
Effect	To the extent that case files were destroyed by fire, Vocational Rehabilitation records do not contain a complete application, authorization of the release of medical information, or an executed IPE.
Recommendation	We recommend that FDOE consult with USED as to what actions should be taken, if any, to replace the destroyed records.
State Agency Response and Corrective Action Plan	FDOE has consulted with USED as to what actions should be taken when case files are destroyed by a fire. As a result of the fire the case files do not contain the individual's signed application, the authorization for release of information, and the IPE containing the signature of the eligible individual or the individual's representative, as appropriate, and approval and signature of a qualified vocational rehabilitation counselor. FDOE is waiting for the USED response.
Estimated Corrective Action Date	Upon receipt of response from USED
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-022**
CFDA Number	84.126
Program Title	**Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)**
Compliance Requirement	Reporting
State Agency	**Florida Department of Education (FDOE)** **Division of Blind Services (DBS)** **Division of Vocational Rehabilitation (DVR)**
Federal Grant/Contract Number and Grant Year	H126A070086 2007 and H126A070087 2007
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-034

Finding

FDOE did not accurately report data listed on the Annual VR Program/Cost Report (RSA-2).

Criteria

Rehabilitation Services Administration Policy Directive RSA-PD-06-08, *RSA 2 – Annual Vocational Rehabilitation Program/Cost Report*; 34 CFR 361.40, *Reports*

Condition

As the State agency responsible for administering the VR Program in Florida, FDOE is required to submit the RSA-2 report to USED on an annual basis. Data submitted on the RSA-2 report includes financial and program information and is used by USED to administer and manage the Program. The RSA-2 report is to include all expenditures made from obligations incurred during the specified period from all Federal, State, and other rehabilitation funds, including Section 110 Federal funds and program income that were carried over from the previous fiscal year. The RSA-2 report consists of five schedules:

- Schedule I – Total Expenditures
- Schedule II – Number of Individuals Served and Expenditures by Service Category
- Schedule III – Person Years
- Schedule IV – Expenditures from Title VI-B Funds and Other Rehabilitation Funds
- Schedule V – Carryover Funds

The 2007 RSA-2 reports prepared by DBS and DVR included data obtained from the Federal Financial Status (SF-269) Report, Florida Accounting Information Resource Subsystem (FLAIR), and either the Accessible Web-based Activity and Reporting Environment (AWARE) system for DBS or the Rehabilitation Information Management System (RIMS) for DVR. AWARE and RIMS are case management systems used by DBS and DVR, respectively, to manage client services. Our examination of the 2007 RSA-2 reports completed by DBS and DVR disclosed several misstatements and incorrect calculations. Specifically, our examination disclosed that:

- For the DBS RSA-2 report, Schedule III, FDOE incorrectly reported the number of Person Years. As defined in the RSA Policy Directive, Person Years means the actual time that vocational rehabilitation jobs were filled during the period covered by this report. For example, if a job is filled throughout a fiscal year, it counts as one person-year; two jobs each filled half a year would count as one person-year. In calculating the Person Years, DBS counted the positions filled at a point in time that occurred after the reporting period. Consequently, the reported Person Years totaling 264 was overstated by 18 Person Years. We also noted that FDOE reported zero as the Fiscal Year Program Income carried over to the next fiscal year in Schedule V, when it should have reported $414,556.

- For the DVR RSA-2 report, Schedule I, FDOE misstated expenditure amounts for Administration and Services Provided by State VR Agency Personnel. FDOE overstated expenditures for Administration by $3,938,690 and understated expenditures for Services Provided by State VR Agency

Personnel by $3,938,690. On Schedule II, for "All Other," the Number of Individuals Served (10,670), FDOE did not include the number of individuals receiving services within a group setting (for example, conference participants provided with interpreter services). Additionally, as similarly noted above in regard to the DBS report, based on DVR's stated methodology, the DVR report may have incorrectly reported Person Years in Schedule III as totaling 932. Person Years on Schedule III consists of four categories with a total. It was not practicable, at this time, to attempt to recalculate the correct Number of Individuals Served or Person Years for the DVR RSA-2.

Cause

FDOE did not compare and verify that the Fiscal Year Program Income carried over to the next fiscal year reported on the DBS RSA-2 agreed with that reported on the DBS SF-269 and FLAIR.

FDOE did not have written policies and procedures to ensure that all calculations were performed correctly and amounts reported on the DVR RSA 2 were accurate.

With respect to the DVR report, FDOE utilized RIMS to obtain the Number of Individuals reported as served under "ALL Other", on Schedule II, although RIMS is not used to account for individuals being served in group settings.

With respect to both the DBS and DVR reports, FDOE did not determine the amount of time during the reporting period that positions were filled.

Effect

The failure to provide accurate reports may limit the ability of USED to properly administer the Program.

Recommendation

We recommend that the FDOE ensure that amounts to be reported are reconciled with the accounting records, the Federal Financial Status Reports, and the applicable case management system. We also recommend that FDOE develop written policies and procedures to facilitate the preparation of the DVR RSA-2.

We also recommend that FDOE revise its methodology to ensure that the Number of Individuals served under "All Other", on Schedule II, include individuals being served in group settings and that Number of Person Years is based on the amount of time during the reporting period that the positions were filled.

State Agency Response and Corrective Action Plan

FDOE has enhanced its written procedures in the collecting and reporting of the RSA-2 to ensure that information is accurate and timely. Additionally, FDOE has changed its methodology on the collection of data for Schedule II (Number of Individuals) to ensure that information is reported on actual time by filled positions. Amounts to be reported are reconciled with the accounting records, the Federal Financial Status Reports, and the applicable case management system.

Estimated Corrective Action Date

Completed December 31, 2008.

Agency Contact and Telephone Number

Martha K. Asbury, Director
Administrative Services
(850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-023**
CFDA Number	84.126
Program Title	**Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)**
Compliance Requirement	Reporting
State Agency	**Florida Department of Education (FDOE)** **Division of Blind Services (DBS)**
Federal Grant/Contract Number and Grant Year	H126A060087 2006
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-033
Finding	Our review of the final DBS Financial Status Report (SF-269) disclosed that amounts were incorrectly reported.
Criteria	USED Technical Assistance Circular
Condition	USED required the submission of the SF-269 report to monitor the financial status of the Program and to assess compliance with the Program's fiscal requirements. We noted that the DBS final SF-269 report for the Federal grant period October 1, 2005, through September 30, 2007, had originally been filed on July 26, 2007, and then revised on August 8, 2008. In response to audit inquiry, FDOE staff indicated that the original report contained errors and was resubmitted. Our examination of the August 8, 2008, report disclosed errors in the reporting of program income and indirect expense. FDOE reported $213,822, $1,631,542, and $1,284,023 as the amounts for undisbursed program income, total indirect expenses, and the Federal share of indirect expenses, respectively. However, these amounts were overstated by $213,822 (undisbursed program income), $543,590 (total indirect expenses), and $427,803 (Federal share of indirect expenses). Subsequent to audit inquiry, FDOE staff resubmitted a revised report on October 23, 2008, to correctly report the undisbursed program income and indirect expense amounts.
Cause	The errors in the report were due to incorrect formulas in the spreadsheet that FDOE used to collect the data and prepare the SF-269 report.
Effect	The usefulness of the Federal report is diminished when inaccurate information is reported.
Recommendation	We recommend that FDOE correct the formulas in its spreadsheet and ensure that SF-269 reports are accurate.
State Agency Response and Corrective Action Plan	As noted in the "Condition," the errors were immediately corrected and a revised report submitted to the USED. As evidenced by the submissions of the SF-269 for the 2007 and 2008 federal awards, FDOE has enhanced its procedures to ensure that the collection and reporting of fiscal data is accurate and timely.
Estimated Corrective Action Date	Completed October 31, 2008.
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-024**
CFDA Number	84.181 and 93.558
Program Title	**Special Education - Grants for Infants and Families** **Temporary Assistance for Needy Families**
Compliance Requirement	Allowable Costs/Cost Principles and Subrecipient Monitoring
State Agency and State Educational Entity	**Florida Department of Health (FDOH)** **University of Florida (UF)**
Federal Grant/Contract Number and Grant Year	H181A050099 2005, H181A060099 2006, and H181A070099 2007
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $2,767,534 (CFDA No. 84.181, $1,880,927 and CFDA No. 93.558, $886,607)

Finding

Contrary to State law, FDOH made payments to a health science center affiliate (component unit) of UF that was not a party to the contract under which the payments were made.

Criteria

OMB Circular A-87(C.1.c), which states that costs must "be authorized or not prohibited under State or local laws or regulation;" and Florida Statute 287.058(2), which states "The written agreement shall be signed by the agency head and the contractor."

OMB Circular A-133, §__.400(d), *Pass-Through Entity Responsibilities*

A party as subrecipient under contract to administer Federal programs has a responsibility to monitor the activities of entities receiving and expending such funds on its behalf, as necessary, to ensure that performance goals are achieved and Federal program funds are used for authorized purposes in accordance with Federal, State, and other applicable laws and regulations, and the provisions of contracts or grant agreements.

UF Directives and Procedures 5.1 and 5.3, *Contracts and Grants Accounting, Introduction and Contract Information (5.1), Activation of Gift, Grant, or Contract (5.3);* UF Office of Research Handbook, *Contracts, Grants, and Cooperative Agreements*

Condition

FDOH entered into a contract not to exceed $8,745,651 with the UF Board of Trustees for the Early Steps Program, for the period July 1, 2005, through June 30, 2008. However, contrary to the contract terms, FDOH disbursed grant funds to UF Jacksonville Physicians, Inc. (UFJP), a component unit (CU) of UF, instead of paying UF. Consequently, the grant funds were not processed through UF's general accounting function.

Our examination of this contract at UF (contract no. COQJZ) disclosed that a UF employee entered into the contract with FDOH, on behalf of the institution, without the institution's Division of Sponsored Research and Contracts and Grants Accounting Services' knowledge, contrary to institution policy. Contract services were provided by the Shands College of Medicine, Department of Pediatrics in Jacksonville. UFJP, served as fiscal agent. During the 2007-08 fiscal year Federal expenditures by UFJP, pertaining to the Early Steps Program totaled $2,767,534.

Although the contract was administered by UFJP, no formal agreements were executed by UF with the CU. UF was, therefore, unaware that Federal funds were being expended and the expenditures of those Federal funds were not subjected to UF's internal control processes and general oversight. The risk of other inappropriate contracting exists and errors and omissions may occur without detection.

Cause

The contract was not processed by the appropriate UF contracting authority which resulted in an incorrect payment address that directed payments to UF's CU instead of UF's DSR and Contracts and Grants Accounting Services.

Effect

FDOH did not monitor the contract and since established UF controls were bypassed, the contract was not subject to monitoring by UF. Also, expenditures at UFJP were not subject to audit as required by OMB Circular A-133. In addition, UF's Schedule of Expenditures of Federal Awards (SEFA) data form was understated by $2,767,534.

Failure to subject Federal contracts to oversight and controls increases the risk of questioned costs, for which FDOH and UF, as the contracting parties, may be liable. Without adequate review of invoices and supporting documentation through monitoring and audit activities, there is reduced assurance that amounts paid from Federal program funds were used for allowable activities and that applicable costs were necessary, reasonable, and documented in compliance with Federal regulations and State grant requirements.

Recommendation

FDOH should implement adequate procedures to ensure that payments for all Federal contracts go directly to the party stated in the contract. Also, FDOH should enter into a subaward agreement with the CU if it is necessary for the funds to go directly to the CU.

UF should follow established directives and procedures to ensure that Federal contracts for which UF has responsibility are executed by the appropriate contracting authority and subjected to the institution's oversight and controls.

Florida Department of Health

State Agency Response and Corrective Action Plan

Concur. The payments were made erroneously to an affiliate of the University of Florida.

FDOH will implement the following measures to further strengthen the payment process of contracts:

1. Amend CMS contract to ensure that payments are made and sent to the contractual entity name as specified in the contract.

2. Require contractual providers to submit a W-9 form to ensure that the name of the legal entity and FEID number agrees.

3. Enhance existing procedures within the Contract Disbursements section to ensure agreement between the remittance address and Contractual Entity Name.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Gary Mahoney
(850) 245-4149

University of Florida

UF Response and Corrective Action Plan

The University will notify all UF contracting authorities of the established directives and procedures.

Estimated Corrective Action Date

February 1, 2009

UF Contact and Telephone Number

Dr. Tom Walsh, Director
Division of Sponsored Research
(352) 392-3516

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-025**
CFDA Number	84.357
Program Title	**Reading First State Grants**
Compliance Requirement	Allowable Costs/Cost Principles
State Educational Entity	**University of Central Florida (UCF)**
Administering State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	481-2137A-7CP01 July 31, 2006 – September 30, 2007 481-2138A-8C001 July 27, 2007 – October 31, 2008
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $21,646.05 ($4,825.09 grant No. 481-2137A-7CP01 and $16,820.96 grant No. 481-2138A-8C001)

Finding

The institution's time-and-effort reports were not adequate to meet Federal reporting requirements.

Criteria

OMB Circular A-21, Sections C., *Basic Considerations* and J. 10.c.(2), *Compensation for Personal Services*

Federal regulations require that when an institution uses time cards or other forms of after-the-fact payroll documents as original documentation for payroll and payroll changes, such documents shall qualify as an acceptable method for payroll distribution if they meet the requirements in subsections J.10.c.(2)(a) through(e) which includes that reports will reflect an after-the-fact reporting. Additionally, Federal regulations require that the after-the-fact time-and-effort reports accurately reflect the actual time spent by the individual on each grant.

Condition

Payroll timesheets were utilized by the institution as after-the-fact time-and-effort reports for employees that were compensated on an hourly basis. For 5 of 12 employees tested we noted the following:

- For two of the employees tested that reported time-and-effort using timesheets, the time certified by the employees did not support the time spent and amount charged by the employees on the grants ($4,748.46 on grant No. 481-2137A-7CP01 and $16,598 on grant No. 481-2138A-8C001). Based on the Personnel Action Forms, both of the employees split their time 50 percent to the Federal grant and 50 percent to a State funded grant. The timesheets, however, showed 100 percent of the time worked pertained to the State grant although grant personnel indicated that the two employees split their time 50 percent to each grant.
- Another employee received a salary increase; however, the total amount of the increase was charged to the Federal grant instead of being split between the Federal and State grant resulting in an overcharge of $76.63 to grant No. 481-2137A-7CP01.
- For two hourly employees, timesheets for one pay period each, were signed by the employees, and approved by their supervisors, prior to the end of the pay period for which the certifications applied. The amount of time certified prior to the days being worked for the two employees totaled 18.25 hours, at a cost of $222.96 (grant No. 481-2138A-8C001).

Cause

Employees did not always follow the institution's procedures requiring separate timesheets for multiple projects or activities to comply with Federal regulations for after-the-fact time-and-effort reporting. Additionally, timekeeping procedures for hourly employees allowed for the reporting of estimated hours to be worked prior to the end of the pay period without adequate supervisory follow-up to ensure that hours reported agreed to actual hours worked.

Effect

The information on the time-and-effort reports may not be valid due to the early certification of time for hourly personnel. Consequently, salary expenditures may be inappropriately charged to grants and go undetected. Time-and-effort reports that do not accurately reflect the employee's actual time spent on the grant do not support the salary charges incurred by the grant and result in questioned costs.

Recommendation

The institution should enhance its procedures to ensure that separate timesheets are completed for each grant and cost center to which employees provide time-and-effort. The $76.63 overcharge to grant No. 481-2137A-7CP01 should be corrected and procedures should be implemented for monitoring accurate charges to Federal grants. Also, the institution should enhance their timesheet processing procedures to include after-the-fact supervisory certification of any estimated hours by hourly employees.

UCF Response and Corrective Action Plan

The university agrees the timesheets from two employees did not indicate the time spent on multiple activities. We agree the one pay period salary increase ($76.63) for one employee was incorrectly prorated to the Federal grant. We also affirm two employees certified a total of 18.25 hours ($222.96) prior to the end of the pay period.

Corrective Action Plan - Split-Line Employees:

The university will retrieve actual timesheet and payroll data for the two employees and require the supervisor to re-certify their split-line assignments. The university will reconcile the re-certified timesheets with the payroll assignments.

The university will develop and implement a supplemental time sheet for sponsored activity that accepts hours worked on multiple assignments. The university will develop an enhanced timesheet monitoring program to ensure split-lined employees are properly certifying their assignments.

Corrective Action Plan - Incorrect Salary Increase Assignment:

The University will transfer the $76.63 salary increase assignment overcharge off of Grant No. 481-2137A-7CP01.

Corrective Action Plan - Timesheet Certification Prior to the End Date:

The university will retrieve actual timesheet and payroll data for the two employees and require their supervisor to re-certify the 18.25 hours as required. The university will provide supplemental after-the-fact timesheet training to employees and departmental personnel identified in the audit. For clarity, the university will design and implement a monthly timesheet report for employee/supervisor after-the-fact certification in addition to the bi-weekly timesheet. The university will develop an enhanced timesheet monitoring program to ensure timesheet completion reflects after-the-fact certification.

Estimated Corrective Action Date

The university will perform re-certification for the four employees on or before January 30, 2009. Supplemental training will be completed by January 30, 2009. The university will implement the monthly timesheet report for after-the-fact certification and enhanced timesheet monitoring program by March 30, 2009. The university will implement the supplemental timesheet for split-line assignments on or before August 1, 2009.

UCF Contact and Telephone Number

Dr. Thomas O'Neal, Associate Vice President for Research
Office of Research and Commercialization
(407) 882-1120

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-026**
CFDA Number	84.365
Program Title	**English Language Acquisition Grants**
Compliance Requirement	Matching, Level of Effort, and Earmarking
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	T365A070009 2007
Finding Type	Opinion Qualification, Material Noncompliance, Material Weakness, and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-040

Finding

Subsequent to our prior audit, FDOE initiated changes to its allocation methodology to set aside moneys for the Immigrant Children and Youth Program for the 2007-08 fiscal year; however, these moneys were not available to the subgrantees during the 2007-08 fiscal year.

Criteria

20 USC 6824(d) - *Within-State allocations - Required reservations*; USED Correspondence from the *Office of English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students, dated July 14, 2005* - The funds distributed under Section 3114(d)(1), the Title III Immigrant Children and Youth Program, must be awarded to subgrantees that have experienced a significant increase in the percentage or number of immigrant children and youth within the last two years. States are required to reserve up to 15 percent of their Title III grants for this purpose. At a minimum, States must reserve under Section 3114(d), an amount of money that is large enough to make at least one grant of sufficient scope and size to meet the purposes of this part of the statute. Funds distributed under the Title III Immigrant Children and Youth Program should also be tracked separately from the regular State formula funds awarded under Section 3114(a).

Condition

For the 2007-08 fiscal year, USED awarded FDOE $40,669,322 for the English Language Acquisition Grants Program. Of this amount, FDOE set aside $5,795,378 for the Immigrant Children and Youth Program. In March 2008, FDOE developed the district allocation methodology, and in May 2008, FDOE sent the Immigrant Requests for Application via e-mail to qualifying subgrantees. In June 2008, FDOE revised the district allocation schedule after correcting for misreported data. In June and July 2008, the subgrantees submitted their grant applications to FDOE and by August 29, 2008, all applications received by FDOE had been approved.

Cause

Although FDOE was revising its procedures to ensure that funds received under Section 3114(d)(1) of the Title III Children and Youth Program were awarded to the applicable subgrantees, the implementation of the procedures was not completed by June 30, 2008.

Effect

Immigrant children and youth may not have received the enhanced instructional opportunities during the 2007-08 fiscal year that would otherwise have been available had the Immigrant funds been distributed.

Recommendation

We recommend that FDOE ensure that funds for services to immigrant children and youth are provided to subgrantees in a timely manner.

State Agency Response and Corrective Action Plan

Pursuant to the prior audit finding (FA 07-040), the USED attached conditions to the July 1, 2008, Title III, English Language Acquisition Grant, awarded to Florida. The condition related to this audit finding stated, "By August 1, 2008, evidence that Florida made immigrant children and youth subgrant(s) in school year 2007-2008, and a written explanation for Florida's failure to make subgrants required under section 3114(d) in prior years. FDOE submitted the required evidence and explanation and on December 18, 2008, the USED Office of English

Language Acquisition released FDOE from the conditions, stating in part, "Based on the information provided by your State, the Department is pleased to remove the conditions on your State's 2008 Title III grant award." Steps that FDOE has taken in regard to the prior and current audit findings include but are not limited to:

- Establishment of an online application process and associated tracking system to streamline the grants administration process
- Use of a new process for identification of immigrant children and youth
- Development of a detailed written methodology for clear delineation of the process for allocation of funds
- Identification of a staff member to oversee the immigrant subgrants and cross-training of all program staff to ensure that there are no interruptions in the grant administration process
- Actions intended to reduce the time between submission of applications and final project award notifications
- Additional technical assistance to school district staff relative to the grant application process

Estimated Corrective Action Date

All actions identified above have been completed. Several, such as efforts to streamline the grants administrative process and increased technical assistance, are ongoing.

Agency Contact and Telephone Number

Martha K. Asbury, Director
Administrative Services
(850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-027**
CFDA Number	84.365
Program Title	**English Language Acquisition Grants**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	T365A070009 2007
Finding Type	Noncompliance
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-041
Finding	Although progress had been made, FDOE had not fully implemented an effective and efficient monitoring system during the 2007-08 fiscal year.
Criteria	34 CFR 80.40(a), *Monitoring and reporting program performance*; OMB Circular A-133, §__.400(d), *Pass-through entity responsibilities*
Condition	Our current review revealed that as part of its monitoring process, FDOE had not completed sufficient monitoring procedures to ensure adequate oversight of the subgrantees administering the Program. On May 12, 2008, FDOE required subgrantees to submit self-monitoring working papers for the 2007-08 school year to its Bureau of Academic Achievement through Language Acquisition by June 16, 2008. However, as of June 30, 2008, only 29 of the 47 sets of self-monitoring working papers had been received by FDOE, and FDOE staff reviews and district notifications had not been completed.
Cause	FDOE's implementation actions were not completed during the 2007-08 fiscal year and have carried over to the 2008-09 fiscal year.
Effect	FDOE and USED have limited assurance that the subrecipients have administered the Federal program in accordance with Federal and State requirements.
Recommendation	We recommend that FDOE continue its efforts to implement effective monitoring procedures.
State Agency Response and Corrective Action Plan	The FDOE put forth a concerted effort to collect all sets of self-monitoring work papers, by follow-up emails, letters and phone calls to the district entitlement directors. By the beginning of August, 2008 every district had submitted their documents. The FDOE has reorganized staff and has in place a more effective tracking plan. The responsible Bureau is working in conjunction with other federal program offices to maintain a systematic approach to monitoring.
Estimated Corrective Action Date	Completed August 1, 2008
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-028**
CFDA Number	84.367
Program Title	**Improving Teacher Quality State Grants**
Compliance Requirement	Cash Management
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	S367A060009 2006 and S367B060010A 2006
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-018
Finding	As noted in the prior year audit, FDOE did not have procedures in place to ensure that amounts were accurately reported in the Cash Management Improvement Agreement (CMIA) Annual Report to the Florida Department of Financial Services (FDFS).
Criteria	The Cash Management Improvement Act of 1990; 31 CFR Part 205 §_.26, *Preparing Annual Reports,* and §_.27, *Calculation of interest costs*
Condition	FDOE is required to annually report to FDFS drawdown data related to the receipt of Federal funds for Direct Program Costs, Direct Administrative Costs, Payroll Costs, and Indirect Costs Components. Such information is to be utilized in calculating the State's CMIA interest liability. FDOE submitted the report on October 31, 2007, for the 2006-2007 fiscal year. Our review of the report disclosed that for CFDA No. 84.367 – Improving Teacher Quality State Grants the reported costs totaled $135,940,464.30. However, we noted the occurrence of several mathematical errors that resulted in an understatement of the amount reported by a total of $1,350,389.45. Specifically, the calculations for various amounts required the inclusion of consolidated administration pool values (agency grant numbers 1185A, 1186A, and 1187A) which were inadvertently not included in the totals. FDOE indicated in the Summary Schedule of Prior Audit Findings that the prior audit finding related to having adequate procedures to ensure the accuracy of the CMIA Annual Report was fully corrected; however, as described above, we continued to note instances where errors occurred and were not detected through FDOE procedures.
Cause	The level of review performed was not adequate to detect the mistakes.
Effect	Although the error amount was not material to the Program, absent adequate procedures that ensure the accuracy of the data reported to DFS, errors may occur in the State's interest liability calculation.
Recommendation	FDOE management should enhance controls over its reporting procedures to provide for an adequate review prior to submitting the report.
State Agency Response and Corrective Action Plan	As noted in the "Effect," the finding amount was immaterial and did not cause DFS to miscalculate the State's interest liability, DOE has enhanced its review procedures to ensure that all appropriate expenditures are reported accurately and timely on the CMIA.
Estimated Corrective Action Date	Completed November 30, 2008
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-029**
CFDA Number	84.367
Program Title	**Improving Teacher Quality State Grants**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Education (FDOE)**
Federal Grant/Contract Number and Grant Year	S367A070009A 2007 and S367B070010A 2007
Finding Type	Significant Deficiency

Finding

FDOE did not complete a review of corrective actions taken by its subgrantees to address the deficiencies noted in monitoring reports.

Criteria

34 CFR 80.40(a), *Monitoring and reporting program performance*; OMB Circular A-133, §__.400 (d), *Pass-through entity responsibilities*

FDOE Internal Operating Procedures Monitoring of Local Educational Agency (LEA) Program (2007-2008 Technical Assistance Paper) provides in part that upon finalization of a monitoring review, the subgrantee must develop and provide a System Improvement Plan to FDOE acknowledging that findings of partial or noncompliance are correct and agreeing to correct these findings. The System Improvement Plans should serve as a comprehensive plan of action, outlining the key components of the necessary system improvements that will ensure compliance with Federal requirements. Evidence that each System Improvement Plan from the previous year has been implemented must be forwarded to FDOE.

Condition

We examined FDOE records and determined that two monitoring reports disclosed findings for which corrective actions were required to be taken by the subgrantee no later than March 2007, and May 2008, respectively. Further, FDOE was required to perform follow-up no later than June 30, 2008. We inquired of FDOE as to the documentation to support the corrective actions taken by the subgrantee, as well as, the follow-up made by FDOE regarding the audit findings. FDOE management indicated that they did not receive any follow-up documentation from either of the subgrantees.

Cause

FDOE management indicated that the employee responsible for performing follow-up had left FDOE and management had not realized the follow-up was not completed for the 2006-07 reports.

Effect

FDOE had not demonstrated that corrective actions were taken to ensure adherence to Program requirements.

Recommendation

FDOE management should ensure that its procedures are followed.

State Agency Response and Corrective Action Plan

FDOE has developed and implemented a system to track the receipt and approval of System Improvement Plans. Once LEAs submit documentation, FDOE staff approve the action taken, and documentation provided as evidence that the LEA is in compliance with federal requirements. The tracking system has been placed on a shared drive, so that all program staff can track progress.

A template was also developed as a second means of assuring that follow-up occurs. In October 2008, LEAs were required to list all System Improvement Plans, the actions taken, and to provide supporting documentation. FDOE reviewed and approved the information provided. The template will be sent to LEAs quarterly, for an update on the progress of activities, and documentation.

FDOE is also conducting follow-up monitoring activities in February 2009, for two LEAs found to have significant compliance deficiencies, to review activities and supporting documentation to ensure that these districts come into compliance.

For the 2008-09 FDOE monitoring cycle, completion of the System Improvement Plans was built in to the online monitoring system. For the 2009-10 monitoring

	cycle, LEAs will actually upload the documentation into the system for FDOE review and approval. This improved system is currently in production.
Estimated Corrective Action Date	All processes, with the exception of the 2009-10 online monitoring system that requires LEAs to upload documentation, have been completed. The 2009-10 system will be operational in September 2009. All evidence that 2008-09 System Improvement Plans were implemented are due to be submitted to FDOE with the 2009-10 Self-Evaluation Certifications in September 2009.
Agency Contact and Telephone Number	Martha K. Asbury, Director Administrative Services (850) 245-0420

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-030**
CFDA Number	Various (See Condition)
Program Title	**Various (See Condition)**
Compliance Requirement	Other
State Agency	**Florida Department of Health (FDOH)**
Finding Type	Significant Deficiency

Finding

FDOH procedures for preparing the Schedule of Expenditures of Federal Awards (SEFA) data form were not sufficient to ensure amounts reported were accurate.

Criteria

OMB A-133 §____.310(b), *Schedule of Expenditures of Federal Awards* requires that a SEFA be prepared for the same period of time covered by the financial statements.

OMB Circular A-133 §____.205(a), *Determining federal awards expended* provides that Federal Awards are expended when the activity related to the award occurs.

To reasonably ensure the accuracy and completeness of the State's SEFA, the Florida Department of Financial Services (FDFS) prepared SEFA Instructions which required State agencies to prepare a SEFA data form and certify its accuracy. FDFS accumulated the information reported on the agencies' SEFA data forms to prepare the State's SEFA.

Condition

FDOH initially reported on its SEFA data form total expenditures of $1,195,406,351 and subgrants to non-State entities totaling $271,896,172. Our examination of the amounts reported on the FDOH SEFA data form for the State's major Federal programs disclosed the following misstatements:

- FDOH did not adjust for prior year accrual transactions paid in the current year when determining total expenditures to report. These errors resulted in an $8,988,972.43 overstatement of total expenditures reported on the SEFA data form for the major Federal programs.
- FDOH did not exclude contracts with vendors, State universities, and community colleges when identifying subrecipients for which expenditures subgranted to non-State entities should be reported. As a result, FDOH overstated amounts subgranted to non-State entities for the major Federal programs by $39,829,716.

The misstatements noted above are related to the following major Federal programs:

10.558 – Child and Adult Care Food Program
84.181 – Special Education – Grants for Infants and Families
93.069 – Public Health Emergency Preparedness
93.268 – Immunization Grants
93.566 – Refugee and Entrant Assistance – State Administered Programs
93.767 – State Children's Insurance Program
93.889 – National Bioterrorism Hospital Preparedness Program
93.917 – HIV Care Formula Grants
97.067 – Homeland Security Grant Program

We noted an additional misstatement in regard to the National Bioterrorism Hospital Preparedness Program (CFDA No. 93.889). FDOH recorded in the State's accounting records and reported on the SEFA data form accounts payable totaling $17.8 million for the Program, but subsequently paid only $16.6 million of the payables ($1.2 million difference). We examined $8 million of the $16.6 million in payments and noted that $2.5 million were for goods and services received after June 30, 2008. In total, FDOH overstated Program expenditures initially

reported by $3.7 million.

In response to our inquiries, FDOH prepared and submitted to FDFS a revised SEFA data form, which reduced SEFA expenditures reported by a total of $13,893,193 for all programs and expenditures subgranted to non-State entities by a total of $39,829,719.

Cause

In determining amounts to report on the SEFA data form, FDOH personnel used financial and contract-related reports that were not complete and accurate.

FDOH did not follow established procedures and recorded accrual transactions for the National Bioterrorism Hospital Preparedness Program (CFDA No. 93.889) based on contract balances as of June 30, 2008, instead of using a methodology that identified or reasonably estimated fiscal year-end accruals.

Effect

Inaccurately reporting expenditures on the SEFA could affect decisions made by grantors, oversight officials, and others.

Recommendation

We recommend FDOH ensure its procedures for determining amounts to report on the SEFA data form include use of complete and accurate financial and contract information.

Additionally, FDOH should ensure that the methodology used to determine accounts payable accrual amounts at fiscal year-end provides a reasonable estimate of actual amounts due for goods and services received prior to July 1.

State Agency Response and Corrective Action Plan

Concur. FDOH is making every effort to enhance and improve the automation process used to generate data for the SEFA report.

1. Review procedures to determine amount reported on SEFA is accurate and complete.

2. Re-evaluate the automation process and its methodology to prevent future reoccurrence.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Gary Mahoney
(850) 245-4149

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-031**
CFDA Number	Various
Program Title	**Various**
Compliance Requirement	Other
State Agency	**Florida Department of Community Affairs (FDCA)**
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FS 07-010

Finding

FDCA's procedures for reconciling the Schedule of Expenditures of Federal Awards (SEFA) data form to financial statement records were not adequate to ensure that differences were appropriately identified and resolved.

Criteria

OMB Circular A-133 §___.310(b), *Schedule of Expenditures of Federal Awards*, requires that a SEFA be prepared for the same period of time covered by the financial statements. To reasonably ensure the accuracy and completeness of the SEFA, agencies preparing a SEFA data form should reconcile the SEFA information to their financial statements or the State accounting system (FLAIR) underlying the financial statements.

Florida Department of Financial Services (FDFS) Schedule of Federal Awards Agency Instructions require reconciliations to be performed between the amounts reported on the SEFA data form and related amounts reported for financial statement purposes and made available on request. In order to assist agencies with the reconciliation, FDFS provided a reconciling template.

Condition

FDCA reported $819,966,515.62 of Federal expenditures on the SEFA data form submitted to FDFS. Our examination of FDCA's reconciliation of the SEFA data form to the financial statements disclosed that the reconciliation was not accurate and documentation was not available to support certain items included in the reconciliation. Specifically,

- The amount used in the reconciliation as the SEFA expenditures, $819,468,173.02, did not agree with the amount reported on the SEFA data form. The difference totaled $498,342.60.
- FDCA's reconciliation identified net reconciling differences of $144,660,308.06. While the reconciliation identified individual differences included in the net differences, FDCA did not document its consideration of the impact of the differences on the amounts presented on the SEFA.
- FDCA did not maintain documentation linking the amounts shown by the reconciliation as having been taken from the financial statement records to the FDCA's financial statement records. Subsequent to our audit inquiry, FDCA management provided us with copies of financial statement records; however, the linkage between the reconciliation and the amounts shown by the financial statement records remained unclear.

FDCA's SEFA data form included activity pertaining to the following major Federal programs:

14.228 – Community Development Block Grants/State's Program
93.568 – Low-Income Home Energy Assistance Program
97.004 and 97.067 – Homeland Security Cluster
97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039 – Hazard Mitigation Grant

Cause

FDCA used the reconciliation template provided by FDFS without modifying it for the specific needs of FDCA.

Effect	Federal Grantor Agencies and others that utilize SEFA data lack assurance that the data is accurate and complete.
Recommendation	We recommend that FDCA modify template documents to accommodate the operations of FDCA. Additionally, FDCA should ensure that the amount shown by the reconciliation for the SEFA expenditures agrees with the amount reported on the SEFA data form. Further, FDCA should provide explanations for reconciling differences to clearly demonstrate whether the SEFA expenditures are complete and accurate. We also recommend FDCA maintain supporting documentation linking the financial statement amounts shown by the reconciliation to FDCA's financial records.
State Agency Response and Corrective Action Plan	In the future, we will provide supporting documentation by CFDA that will link the expenditure amount on the SEFA to the year end FLAIR report and to the amount reported on the reconciliation. Written procedures will be developed and training will be provided to staff for this process.
Estimated Corrective Action Date	Submission of the June 30, 2009, SEFA report
Agency Contact and Telephone Number	Karen Peyton (850) 922-1646

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-032**
CFDA Number	Various
Program Title	**Various**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Period of Availability of Federal Funds, Procurement and Suspension and Debarment, Reporting, and Subrecipient Monitoring
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency

Finding

In audit report No. 2009-018, dated October 2008, we disclosed deficiencies related to FDOH information technology controls. The deficiencies described in finding Nos. 1, 2, and 4 relate to general, application, or security control weaknesses that we consider to be significant deficiencies. Details of the findings, including descriptions of criteria, condition, cause, and effect, as well as FDOH management's corrective action plan, are included in that report.

The audit included a review of information technology controls for the shared resources center and various information systems. The information systems included AIDS Drug Assistance Program, Children's Medical Services Vendor Payment System, Children's Medical Services Case Management Data System, Management Information and Payment System, API Imaging System, Asset Manager System, and Florida Accounting Information Resource Subsystem.

The systems were used in administering the following FDOH major programs:

10.558 – Child and Adult Care Food Program
84.181 – Special Education – Grants for Infants and Families
93.069 – Public Health Emergency Preparedness
93.268 – Immunization Grants
93.889 – National Bioterrorism Hospital Preparedness Program
93.917 – HIV Care Formula Grants

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-033**
CFDA Number	Various (See Condition)
Program Title	**Various (See Condition)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	Various (See Condition)
Finding Type	Noncompliance Questioned Costs – $4,758,485
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-044

Finding

FDOH continued to utilize contracts to acquire staff to administer FDOH grant activities, although the statutory authority for doing so had not been clarified.

Criteria

OMB Circular A-87 Attachment A, Subsection C., *Basic Guidelines* – To be allowable under Federal awards, costs must be authorized and not prohibited under State laws or regulations.

Sections 216.262(1) and 216.2625, Florida Statutes – Except for positions funded by county health department trust funds or the United States Trust Fund, the total number of authorized positions for FDOH is limited to the number of positions provided in the appropriations acts.

Condition

As similarly noted in prior audit reports, FDOH had six contracts for the purpose of acquiring staff to perform grant-related activities in lieu of using agency-authorized positions. Although FDOH did not enter into any additional staffing contracts during the 2007-08 fiscal year, FDOH renewed two of the six contracts in June 2008, for the period July 1, 2008, through June 11, 2011. Generally, under the terms of the contracts, the contract providers recruit personnel who are interviewed, hired, and supervised by FDOH personnel and housed at FDOH offices. Contractual services payments to the contract providers are made monthly or quarterly for payroll costs of staff placed in FDOH offices and for administrative expenses of the contract provider. FDOH payments during the 2007-08 fiscal year relative to staffing contracts totaled approximately $10.8 million. Approximately $6.7 million of which was charged to Federal programs including $4,758,485 to the major Federal programs. Charges to the major Federal programs during the 2007-08 fiscal year were:

CFDA Number	Program Title	Federal Grant Number	Amount
84.173	Special Education - Preschool Grant	378-2678A-8CP01	$286,563
84.181	Special Education - Grants for Infants and Families	H181A060099 H181A070099	$392,479
93.069	Public Health Emergency Preparedness	5U90TP417006-08	$2,583,013
93.268	Immunization Grants	2H23IP422511-06	$32,293
93.558	Temporary Assistance for Needy Families	G-0702FLTANF G-0802FLTANF	$46,210
93.767	State Children's Insurance Program	05-0705FL5021 05-0805FL5021	$45,961
93.889	National Bioterrorism Hospital Preparedness Program	6U3REP070010-01-00 6U3RHS07570-01-02	$1,105,353
93.917	HIV Care Formula Grant	2X07HA0057-18 6X07HA0057-17	$226,908
97.067	Homeland Security Cluster	DS-5-5N-13-00-13-328	$39,705

In prior audits, we have questioned whether governing State laws clearly authorized FDOH to, in substance, employ staff through staffing contracts, and in our most recent prior audit, recommended that FDOH seek a legal opinion from the State Attorney General. Such an opinion had not been requested by FDOH.

Subsequent to the issuance of our prior audit, the USDHHS Inspector General's Office addressed the use of staffing contracts in two audit reports: A-04-07-01046 (*Allowability of Costs Claimed for Reimbursement Under Florida's Bioterrorism and Emergency Preparedness Programs for the Period August 31, 2004 through August 30, 2006)* and A-04-07-01048 (*Allowability of Costs Claimed for Reimbursement Under Florida's Bioterrorism Hospital Preparedness Programs for the Period September 1, 2004 through August 31, 2006)*. USDHHS reports stated that, absent some provision of law that permits the State agency to exceed the total number of authorized positions that are provided in the State's appropriation acts, approximately $3.6 million and $1.2 million, expended for the costs of acquiring staff for the Emergency Preparedness and Hospital Preparedness Programs, respectively, may be unallowable. USDHHS requested that FDOH determine, as a matter of law, whether the initiation of staffing contracts bypassed the position limitations imposed by the Florida Legislature.

In response to the USDHHS Inspector General audit reports, FDOH management indicated that FDOH is pursuing this issue with the Florida Department of Management Services (FDMS) and corrective action is pending interpretation of law by FDMS.

Cause

FDOH management continues to assert that Chapter 287, Florida Statutes provides the legal authority to purchase contractual services and is seeking an opinion from FDMS.

Effect

The absence of State laws and Federal regulations clearly authorizing these contracts may result in the disallowance of costs by the Federal grantor agency. Also, the State record characterization of these expenditures as contractual services does not accurately present their substance.

Recommendation	We recommend that FDOH obtain the legal interpretation from the Florida Department of Management Services, and provide it to the USDHHS Inspector General's office for consideration. We will review subsequent Program Determination Letters in regard to the resolution of this and prior audit findings.
State Agency Response and Corrective Action Plan	Concur. Legal interpretation was received from the Department of Management Services. A copy was provided to the Auditor General's office. Coordinate with US Department of Health and Human Services and other Federal agencies to secure a final resolution to satisfactorily close the prior year findings.
Estimated Corrective Action Date	April 30, 2009
Agency Contact and Telephone Number	Gary Mahoney (850) 245-4149

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-034**
CFDA Number	Various
Program Title	**Various**
Compliance Requirement	Allowable Costs/Cost Principles and Reporting
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Other

Finding

FDOH used the Other Cost Accumulator (OCA) field as an essential control for identifying and recording revenue and expenditures in the State's accounting system relative to specific activities. To account for Federal grants, the FDOH maintains the Other Cost Accumulator Management System (OCAMAN) that provides a description of the activities and the funding source for each OCA.

In audit report No. 2006-152, finding No. FA 05-040, we noted that FDOH procedures for identifying accounting codes associated with Federal Programs should be improved. We recommended that FDOH review the data recorded in OCAMAN to ensure its accuracy and ensure that it is properly maintained. Additionally, in audit report No. 2007-110, dated February 2007, we indicated that FDOH had not corrected inaccurate and incomplete information in OCAMAN.

FDOH reported on the Summary Schedule of Prior Audit Findings that the prior audit finding was partially corrected.

During the 2007-08 fiscal year, FDOH used OCAMAN to administer various Federal Programs including the following major programs:

10.558 – Child and Adult Care Food Program
84.181 – Special Education – Grants for Infants and Families
93.069 – Public Health Emergency Preparedness
93.268 – Immunization Grants
93.889 – National Bioterrorism Hospital Preparedness Program
93.917 – HIV Care Formula Grants

Recommendation

FDOH management indicated that they are in the process of redesigning the OCAMAN system. We recommend that FDOH establish and implement monitoring procedures to ensure that OCAMAN is accurately maintained.

State Agency Response and Corrective Action Plan

Concur. The Bureau of Revenue Management committed additional staff to assist with the upkeep of OCAMAN. The system was redesigned to include more query capabilities and improve the navigation experience and data output. The bureau is working with the Division of Information Technology to provide a new link for department wide access. The Master Grant Listing document was reassigned to a person to maintain and to ensure better accuracy and timeliness of the file upload to the department's Intranet site.

Complete - OCAMAN redesign was tested and operational 6/30/2008.

Estimated Corrective Action Date

June 30, 2008

Agency Contact and Telephone Number

Gary Mahoney
(850) 245-4149

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-035**
CFDA Number	Various (See Finding)
Program Title	**Various (See Finding)**
Compliance Requirement	Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions
State Agency	**Florida Department of Children and Family Services (FDCFS)**
Federal Grant/Contract Number and Grant Year	N/A
Finding Type	Significant Deficiency

Finding

The Florida On-line Recipient Integrated Data Access (FLORIDA) System is a Statewide system operated and maintained by FDCFS to assist in public assistance program eligibility determination and benefit issuance. In the Information Technology (IT) audit report No. 2008-197, dated June 2008, we disclosed in findings Nos. 3 through 5 deficiencies related to the public assistance component of the FLORIDA System regarding exception reporting, application controls, and system security that we consider to be significant deficiencies. Details of the findings and recommendations, as well as, FDCFS management's response are included in that report.

The FLORIDA System is used in administering aspects of the following programs:

10.551 and 10.561 – Food Stamp Cluster
93.558 – Temporary Assistance for Needy Families
93.563 – Child Support Enforcement
93.566 – Refugee and Entrant Assistance – State Administered Programs
93.778 – Medical Assistance Program

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-036**
CFDA Number	93.268
Program Title	**Immunization Grants**
Compliance Requirement	Eligibility
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	5H23IP422511-05 (January 1, 2007 – December 31, 2007) 2H23IP422511-06 (January 1, 2008 – December 31, 2008)
Finding Type	Significant Deficiency

Finding

Certain access security controls were not in place to prevent and timely detect any unauthorized changes to the database and data files of the Florida State Health Online Tracking System (SHOTS).

Criteria

42USC 300aa.25, *Recording and reporting of information*

Florida Department of Management Services Rule 60DD-2.004, Logical and Data Access Controls, Florida Administrative Code, provides that each user of a multiple-user information resource shall be assigned a unique personal identifier or user identification that shall be authenticated before access is granted.

FDOH Policy DOHP 50-10-07-Information Security and Privacy Policy, Security Policy 4, *Acceptable Use and Confidentiality Agreement.* This policy stipulates the following: Workers will be given a user account to access FDOH information technology resources; users shall have unique user accounts; and workers must not share their agency account passwords.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.

Condition

SHOTS is a Statewide, centralized online immunization registry used by FDOH, health care providers, schools, clinics, and county health departments to access immunization records and track progress in completion of the series of childhood immunization vaccinations. FDOH also uses SHOTS data when monitoring county health departments to verify vaccine inventory. Our review of the status of SHOTS access control deficiencies noted in audit report No. 2008-015, dated September 2007, disclosed control deficiencies that continued to exist, at June 30, 2008:

- Two employees within FDOH's Office of Planning, Evaluation and Data Analysis shared a user ID and password account that was used to assign, delete, or modify staff access to software used for extracting data from and updating the database. Additionally, two employees within FDOH's Division of Information Technology shared a user ID and password account that allowed access to system utility programs and updating of production data.
- Five contracted program developers had user IDs and passwords for three different accounts that allowed access to 1) data extraction software, 2) utility software, and 3) updating of production data. Individuals having access to all three of these accounts creates a lack of separation of duties in that application programmers should not have access to production data and programs.
- Additional deficiencies were noted in FDOH security controls in the areas of user authentication and monitoring of system activity. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDOH security. Appropriate FDOH personnel have been notified of the issues.

Cause

FDOH did not follow its policies and procedures regarding the sharing of log-on accounts. FDOH staff indicated that the sharing of user IDs and passwords would be remediated in the next software release scheduled for October 2008.

Developers are granted temporary access to perform investigations pertaining to production system issues. FDOH did not have a policy to ensure the roles of the developers and system administrators were clearly delineated. In correspondence dated March 20, 2008, in regard to audit report No. 08-015, FDOH indicated that procedures had been implemented to clarify the roles of the developers and system administrators. However, our follow-up indicated that the procedures had not been implemented as of June 30, 2008.

The security issues noted in the third bullet were primarily the result of FDOH using an older version of database software. FDOH management indicated that they are planning to upgrade the software to a newer version that includes updated security features.

Effect

The absence of strong user identification and password controls whereby each user is assigned a unique user ID and password increases the risk that FDOH management will not be able to trace SHOTS activity to the responsible individual. Allowing staff with application programming duties to have update access to the production database increases the risk that unauthorized changes may be made to the production database and not be timely detected. The use of outdated software prevents FDOH management from having the benefits of the updated security and tracking technology and increases the risk of unauthorized access to SHOTS programs and data.

Recommendation

We recommend that FDOH management enforce the use of unique user IDs and passwords. We also recommend that FDOH management continue to pursue updating outdated Cache software and implementing appropriate actions to strengthen its security control features. FDOH should periodically review the ongoing appropriateness of access capabilities for SHOTS programs and data to ensure that there is appropriate separation of duties regarding access to production data and programs.

State Agency Response and Corrective Action Plan

The findings of this audit with regard to shared accounts have been resolved. Separate user accounts exist for all developers and maintenance and operations staff as well as IT staff, and there are no shared accounts or passwords. The findings for this audit with regard to the Cache upgrade are the same as prior year findings in which the bureau responded that the security limitations of the current Cache product used by Florida SHOTS would be remedied with migration to the 2008.x version. Due to the high demand for system enhancements placed on Florida SHOTS resources and the complexities of migrating to the Cache upgrade, there have been delays in implementing the upgrade. A complete analysis is currently in progress to determine the work effort for the Cache upgrade.

The upgrade is now scheduled tentatively for late August 2009 but completion may be sooner once the work effort is determined. Since the newer release of Cache replaces a much older version, the analysis and work effort for the migration is extensive. In the interim, the bureau follows a policy for clearly defined roles and responsibilities between developers and other staff. No developers have access to production data or production systems. Any system or application issues that need to be diagnosed and require the technical skills of developers are first managed through the test environment, which is extensive and robust but does not match production completely due to resource shortages. On rare occasions where issues cannot be diagnosed in the test environment, highly controlled access to production may be granted to a developer on a temporary basis as approved by the business office to ensure rapid diagnosis of problems that may develop.

Once the upgraded version of Cache is complete and better tools for system management and access are available (included with upgrade), access to the

	various areas of Florida SHOTS will be further identified by roles with pertinent permissions assigned. Implement Cache upgrade to 2008.x by date indicated. Ensure access policy is communicated to and followed by project staff.
Estimated Corrective Action Date	August 2009
Agency Contact and Telephone Number	Susan Lincicome (850) 245-4444, Ext. 2381

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-037**
CFDA Number	93.558
Program Title	**Temporary Assistance for Needy Families (TANF)**
Compliance Requirement	Eligibility
State Agency	**Florida Department of Children and Family Services (FDCFS)**
Federal Grant/Contract Number and Grant Year	G-0702FLTANF 2007
Finding Type	Noncompliance Questioned Costs – $761
Finding	FDCFS made TANF benefit payments without appropriately documenting eligibility and did not always pay the correct benefit amount.
Criteria	TANF State Plan, *Eligibility for TANF Funded Assistance and Non-Assistance*; TANF Policy Manual 2020.0400 Relative Caregiver Program (TCA); 45 CFR 206.10(a)(1)(ii) *Application, Determination of Eligibility and Furnishing of Assistance*
Condition	During the 2007-08 fiscal year, FDCFS made TANF cash assistance benefit payments totaling $153,762,429. Our test of eligibility for 40 clients (cases), for which TANF benefits of $10,152 were selected for testing, disclosed the following: • Benefits totaling $761 were paid during the 2007-08 fiscal year for one case for which an application was not on file. The case was opened in 2005. • A relative caregiver was paid $242 per month for a child over 5 years old. However, for children ages 6 to 12 years of age, the relative caregiver should have received $249 per month on the child's behalf. The monthly payment should have increased to $249 a month on October 26, 2007, but was not increased until March 2, 2008, resulting in an under payment of $35.
Cause	Employee error or insufficient oversight may have led to these errors.
Effect	TANF assistance payments may have been made to clients whose eligibility was not appropriately documented. Additionally, certain payments were in an incorrect amount.
Recommendation	We recommend that FDCFS ensure that client eligibility documentation is properly maintained. We also recommend that FDCFS enhance oversight to ensure that benefit payments are properly determined.
State Agency Response and Corrective Action Plan	1. In the one instance that an application was not on file, the eligibility re-determination was completed through an Interim Contact form which was not located. The local service center was asked to reconstruct the case. 2. In the one instance that resulted in an underpayment, the Circuit responsible for the error was requested to restore benefits to the recipient. Training emphasizing the importance of addressing expected changes in Relative Caregiver cases was requested for the local service center where the error occurred.
Estimated Corrective Action Date	1. March 31, 2009 2. March 31, 2009
Agency Contact and Telephone Number	Cindy Mickler (850) 488-5342

FA 08-038 FINDING NOT USED.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-039**
CFDA Number	93.563
Program Title	**Child Support Enforcement (CSE)**
Compliance Requirement	Reporting and Special Tests and Provisions – Enforcement of Support Obligations
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	0804FL4004 2007-08
Finding Type	Material Weakness and Significant Deficiency

Finding

During the 2007-08 fiscal year, FDOR procedures, as implemented, did not ensure adequate oversight and monitoring of State Disbursement Unit (SDU) collection and disbursement of child support payments and the reporting thereof.

Criteria

Title 42, Section 654b., United States Code, requires states to establish an SDU for the collection and disbursement of child support payments. The SDU must be operated by the state IV-D agency or a contractor directly responsible to the agency.

Section 61.1826, Florida Statutes, directed FDOR to contract with the Florida Association of Court Clerks, Inc., (FACC) to provide for the operation and maintenance of SDU services. FACC awarded a subcontract to Lockheed Martin IMS, Inc., (Lockheed Martin) on March 11, 1998, to develop, operate, and maintain the Florida SDU. On November 1, 2001, Lockheed Martin sold its Information Management Services Division to Affiliated Computer Services State and Local Solutions (ACS). Effective August 31, 2005, the contract was assigned by FACC to FDOR.

Included in the contract effective August 31, 2005, between the FDOR and ACS for the operation and maintenance of the SDU, was a requirement for an annual audit of ACS to be performed by a certified public accounting (CPA) firm and provided to FDOR, with ACS responses. The contract also required ACS to provide its own internal audit and quality assurance function to ensure the integrity of the collection and disbursement functions and provide FDOR with reports of the audits performed along with the results of the audits within 15 business days after completion of the audit.

Condition

For the 2007-08 fiscal year, FDOR reported child support collections totaling approximately $1.6 billion on the Quarterly Reports of Collections (OSCE-34), the majority of which was collected at the SDU. The SDU receives child support payments and transmits the collection information to the CSE Component of the FLORIDA System. The CSE Component of the FLORIDA System determines the distribution allocations for the collections and transmits the information to the SDU. The SDU then disburses the collections. FDOR utilized information from the FLORIDA System, which in part was provided by the SDU, to prepare the Quarterly Reports of Collections.

We noted that during the 2007-08 fiscal year, FDOR management did not enforce contractual provisions requiring the SDU contractor to provide an annual audit and reports of internal quality assurance efforts. FDOR staff indicated that certain FDOR internal monitoring and review procedures, as described below, provided oversight and monitoring of the SDU function, some of which were applied intermittently during the 2007-08 fiscal year:

- FDOR staff indicated that two staff from the FDOR Remittance and Distribution Process Unit were on-site at the SDU to assist SDU staff with operational issues, monitor the SDU call center, assist with customer service, and provide e-disbursement function assistance.
- In January 2008, Remittance and Distribution Process Unit staff implemented a monthly oversight and monitoring function. FDOR management indicated that

due to staffing changes and vacancies, the monthly oversight and monitoring activities were placed on hold after four monthly reviews were completed, but resumed in November 2008.

- FDOR Contract Management Sub-Process Unit staff conducted a formal review at the SDU on July 2-3, 2007. This internal review was based in part on the U.S. Department of Health and Human Services, Office of Child Support Enforcement, Office of Audit's *Guide for Auditing State Disbursement Units*. FDOR management indicated that while evaluating the strengths and weaknesses of the first formal review, the quality assurance coordinator left the monitoring team and these monitoring activities were suspended.

While intermittent monitoring and reviews may have provided limited assurance, they cannot substitute for a comprehensive, ongoing effort to monitor SDU operations.

Cause

According to FDOR staff, after the assignment of the contract to FDOR in 2005, FDOR requested the quality assurance reviews but the contractor declined to provide them, citing the proprietary nature of the reports.

Effect

Absent consistent monitoring of SDU operations, FDOR had limited ability to make a determination of the extent of the contractor's compliance with governing contract provisions and of the related reporting requirements.

Recommendation

To ensure the integrity of the collection and disbursement functions at the SDU, we recommend that FDOR enhance its monitoring and oversight efforts. Specifically, we recommend that FDOR consider requiring that the SDU contractor provide an annual audit of SDU operations made in accordance with U.S. Auditing Standards applicable to audits of service organizations. Such an audit, commonly referred to as a SAS 70 audit, would provide FDOR with information as to the effectiveness of internal controls over collections and disbursements as implemented by the SDU contractor.

State Agency Response and Corrective Action Plan

The Florida Department of Revenue agrees it would be beneficial to have an annual audit of State Disbursement Unit operations to obtain information on the effectiveness of internal controls implemented by the State Disbursement Unit contractor.

The State Disbursement Unit contract was amended effective October 1, 2008, and extended until August 31, 2014, in accordance with Chapter 2008-153, §24, Laws of Florida. The amended contract does not require the contractor to perform an annual audit. However, the contractor is required to provide full access to State Disbursement Unit records and facilities to State and Federal officials for audit purposes.

The Department will ask the contractor to quote a price for an annual audit of State Disbursement Unit operations. Once the quote is provided, the Department will determine if a Legislative Budget Request is required to obtain funding. In addition, the Department will contact the State's Chief Financial Officer and the Auditor General to determine whether either office is able to provide the required auditing services.

As mentioned in the Condition Section above, the Department resumed its oversight and monitoring activities in November 2008.

Estimated Corrective Action Date

Agency Contact and Telephone Number

Mel Hedick, Process Manager
(850) 413-0605

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-040**
CFDA Number	93.563
Program Title	**Child Support Enforcement (CSE)**
Compliance Requirement	Reporting and Special Tests and Provisions – Enforcement of Support Obligations
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	0704FL4004 2006-07 and 0804FL4004 2007-08
Finding Type	Other
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-048

Finding

Matters disclosed in the prior audit regarding FDOR procedures for reconciling SDU-maintained information to information maintained in the FLORIDA System continued to exist during the 2007-08 fiscal year.

The collection and disbursement process requires multiple automated systems to work together. Those systems include various systems within the State Disbursement Unit (SDU), such as the State Disbursement Unit Repository System (SDUR) and the Automated Centralized Collection Receipt Deposit System (ACCoRD), and the CSE Component of the FLORIDA System. The SDU receives child support payments and transmits the collection information to the CSE Component of the FLORIDA System. The CSE Component of the FLORIDA System determines the distribution allocations for the collections and transmits the information to the SDU. The SDU then disburses the collections.

Our audit determined that FDOR did not perform a full reconciliation of the data in the CSE Component of the FLORIDA System to the receipts and disbursements data in the SDU systems. Utilizing data from the CSE Component of the FLORIDA System, FDOR reported collections totaling approximately $1.6 billion on the Quarterly Reports of Collections (OSCE-34A) submitted for the 2007-08 fiscal year.

FDOR management indicated that it is nearing completion of detailed work flows of current operations and will soon start developing "to be" work flows to support full reconciliation of all collection data. These work flows will be used in the design and development of the Child Support Enforcement Automated Management System (CAMS) Phase II, which is projected for implementation in March 2011. The development will include a comprehensive reconciliation component that will enable FDOR to perform timely and complete reconciliation of all data providing adequate detail and documentation to allow for adjustments to Federal reports and accounting records.

Recommendation

We recommend that FDOR include the development of a comprehensive reconciliation component in its design and development of CAMS Phase II.

State Agency Response and Corrective Action Plan

The Florida Department of Revenue concurs with the recommendation and is currently finalizing system requirements for the CAMS Phase II system. Reconciliation is a key component of the system requirements.

Estimated Corrective Action Date

June 2011

Agency Contact and Telephone Number

Mel Hedick, Process Manager
(850) 413-0605

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-041**
CFDA Number	93.563
Program Title	**Child Support Enforcement (CSE)**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	0804FL4004 2007-08
Finding Type	Noncompliance and Significant Deficiency

Finding

FDOR did not have procedures in place to ensure compliance with all Federal requirements relating to subrecipient monitoring.

Criteria

OMB Circular A-133 §___.320 (a); §___.400 (d)(1), (d)(4), *Report Submission* and *Pass-through entity responsibilities*, respectively

Condition

During the 2007-08 fiscal year, FDOR entered into agreements with 69 subrecipients and one State Attorney to perform various services for the CSE Program.

Contrary to Federal requirements, FDOR did not identify the Federal awarding agency or include the CFDA number and title in the uniform cooperative agreements FDOR used for subgrants with the 67 county court clerks for local depository services. Additionally, we noted that the standard contract FDOR used for subgrants for full CSE services and for a healthy marriage grant did not identify the Federal awarding agency or include the CFDA title.

Our audit also disclosed that during the 2007-08 fiscal year, FDOR did not have procedures in place to ensure that required single audits were performed and submitted to FDOR within the required nine months after the end of the subrecipient's fiscal year. Our audit disclosed that for five of the ten subrecipient agreements tested, the subrecipient had not submitted its single audit to FDOR in a timely manner. Those single audits were submitted from 1 to 119 days after the due date. Our audit also disclosed that for those five, FDOR did not make inquiries about the possibility of potential or actual audit findings relating to CSE or have procedures in place for imposing sanctions should the subrecipient be unable or unwilling to have the required audit performed or submit the report in a timely manner.

Cause

FDOR had not developed and implemented formal policies and procedures for communicating identifying Federal award information and audit requirements to subrecipients. Additionally, while FDOR had developed a Review Checklist used by the Contract Manager in reviewing the single audits of each of the Clerks of the Court, FDOR had not developed and implemented formal policies and procedures to instruct staff on the requirements and processing of subrecipient audits, including appropriate follow-up on late audit reports.

Effect

Failure to provide required Federal award information may result in subrecipients not correctly identifying Federal funds for financial reporting and accountability purposes. Also, absent timely receipt and review of audit reports, FDOR had limited ability to detect subrecipient noncompliance with laws, regulations, and provisions of contracts and ensure that prompt, appropriate corrective actions were taken.

Recommendation

We recommend that FDOR revise the standard award and contract documents to identify the Federal awarding agency and include the CFDA number and title, as appropriate. We also recommend that FDOR develop and implement comprehensive, formal policies and procedures with regard to obtaining, reviewing, and following up on subrecipient audits.

State Agency Response and Corrective Action Plan	The Florida Department of Revenue concurs with the finding and recommendation. The Department will include the Federal awarding agency and CFDA number/title in an attachment to the subrecipient contracts. Further, the Department concurs with the recommendation requiring the Department to develop and implement comprehensive policies and procedures for obtaining, reviewing, and following up on subrecipient audits, formalizing our current protocols. Corrective Actions include: 1. Develop an attachment to the FDOR standard contract that identifies the Federal awarding agency and CFDA number/title. 2. Develop policies and procedures for obtaining, reviewing, and following up on subrecipient CSE-related audit findings.
Estimated Corrective Action Date	June 30, 2009
Agency Contact and Telephone Number	Mel Hedick, Process Manager (850) 413-0605

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-042**
CFDA Number	93.563
Program Title	**Child Support Enforcement (CSE)**
Compliance Requirement	Special Tests and Provisions – Securing and Enforcing Medical Support Obligations
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	0704FL4004 2006-07 and 0804FL4004 2007-08
Finding Type	Noncompliance, Material Weakness, and Significant Deficiency

Finding

Our tests disclosed that where medical support had been ordered, FDOR did not always request the necessary information from the responsible parents to determine whether health insurance was reasonably available or take enforcement action to secure medical support.

Criteria

42 USC 654(15)(A)*, State plan for child and spousal support,* requires a process for an annual review of and report to the Secretary of the Department of Health and Human Services on the State CSE program operated under the State approved plan, including such information as may be necessary to measure compliance with Federal requirements.

45 CFR 303.31, *Securing and enforcing medical support obligations,* requires that in cases where medical support is ordered, the State is to verify that it was obtained or take steps to enforce the health insurance coverage unless it is determined that health insurance is not available at a reasonable cost.

45 CFR 308.2(e), *Annual State Self-Assessment Review and Report – Required program compliance criteria,* requires States to have and use procedures for securing and enforcing medical support orders in at least 75 percent of the cases reviewed.

Condition

Our test disclosed that for 2 of the 11 CSE cases tested where medical support had been ordered, FDOR did not send a notice to the responsible parents of their obligation to provide medical support and request the necessary health insurance information to determine whether health insurance was reasonably available or take enforcement action to secure medical support.

FDOR reported in its Annual Self Assessment Report (SAR) dated March 2008 that for the period July 1, 2006, through June 30, 2007, the State achieved a 69.9 percent efficiency rate for securing and enforcing medical support orders, with 84 percent of the out-of-compliance cases having resulted from FDOR's failure to determine if health insurance was reasonably available. The corrective action plan, included in the SAR, stated that a decision was made by FDOR in June 2007 to begin limited implementation of medical support enforcement in the CSE Automated Management System (CAMS) Phase I. Specifically, the limited implementation included noticing the noncustodial parent of the obligation to provide medical support. For the period June 2007 through February 2008, FDOR noticed approximately 5,000 noncustodial parents each week. However, the noticing stopped in March 2008, due to a higher priority being assigned to the software upgrade in CAMS Phase I. The regular noticing of noncustodial parents did not occur during the remainder of the 2007-08 fiscal year.

Cause

In addition to the shift in priorities to the software upgrade in CAMS Phase I, FDOR management also indicated that the functionality included in CAMS Phase I for enforcing medical support compliance needed enhancement.

Effect

Absent adequate procedures to obtain health insurance information, FDOR has limited ability to verify that medical support obligations have been met, where required.

Recommendation	Pending the enhancement of medical support compliance functionality in CAMS, we recommend that FDOR implement procedures to obtain the necessary information from the responsible parents and take enforcement action to secure medical support.
State Agency Response and Corrective Action Plan	The Florida Department of Revenue agrees with the finding associated with Securing and Enforcing Medical Support Obligations. The Child Support Enforcement Program is undertaking the following corrective actions to implement the recommendation: 1. Review existing procedures and training documents to identify appropriate sections for update to ensure a clear message to staff regarding the correct entry of data identifying the responsible party in both the FLORIDA and the CAMS systems. 2. Finalize and implement procedures and job aids providing staff with the information needed to efficiently identify cases eligible for creation of the CS-EF17 Request for Health Care Coverage Information or the CS-EF18/19 National Medical Support Notice. 3. Continue with efforts already in progress to enhance CAMS Phase I system functionality, thus allowing the Program to automatically identify and enforce cases determined noncompliant with the order to provide health insurance.
Estimated Corrective Action Date	October 1, 2009
Agency Contact and Telephone Number	Mel Hedick, Process Manager (850) 413-0605

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-043**
CFDA Number	93.563
Program Title	**Child Support Enforcement (CSE)**
Compliance Requirement	Special Tests and Provisions – Provision of Child Support Services for Interstate Cases
State Agency	**Florida Department of Revenue (FDOR)**
Federal Grant/Contract Number and Grant Year	0704FL4004 2006-07 and 0804FL4004 2007-08
Finding Type	Noncompliance and Significant Deficiency

Finding

FDOR did not timely refer initiating interstate cases to the responding states' interstate central registries for action within the required time frame.

Criteria

45 CFR 303.7(b), *Provision of services in interstate IV-D cases – Initiating State IV-D agency responsibilities;* and 45 CFR 308.2(g)(1)(i), *Required program compliance criteria – Interstate services,* provide that except when using the State's long-arm statute for establishing paternity, if referral is appropriate, the IV-D agency must within 20 calendar days of determining that the noncustodial parent is in another state, and if appropriate, receipt of any necessary information needed to process the case, refer any interstate IV-D case to responding states' interstate central registries for action.

Condition

Our test of interstate cases disclosed that for 6 of 21 initiating interstate cases reviewed, FDOR did not timely refer the cases to the responding states' interstate central registries for action within the required time frame of 20 calendar days of determining that the noncustodial parent was in another State and, if appropriate, receipt of any necessary information needed to process the case. The number of days in excess of the required 20 calendar days for referral ranged from 3 to 126 days.

Cause

FDOR's utilized a process management approach for initiating interstate cases. The process management approach did not provide a tracking mechanism to alert staff of impending deadlines for referral of initiating interstate cases to responding states' interstate central registries for action.

Effect

FDOR's untimely referral of initiating interstate cases to responding states may delay the processing of child support enforcement orders by the responding state and may further delay the initiation of enforcement actions.

Recommendation

We recommend that FDOR strengthen its procedures for initiating interstate cases to ensure initiating interstate cases are processed and referred within the required time frame to the responding states' interstate central registries for action.

State Agency Response and Corrective Action Plan

The Florida Department of Revenue agrees with the finding. The following corrective action will be taken to improve the timely initiation of initiating interstate actions:

1. Review existing interstate procedures to ensure instructions regarding required federal timeframes are clear, including identifying the definition of when the 20 calendar day timeframe required under 45 CFR 303.7(b)(2) begins.

2. Review existing interstate training documents to ensure instructions regarding required federal timeframes are clear, including identifying the definition of when the 20 calendar day timeframe required under 45 CFR 303.7(b)(2) begins.

3. Direct communication to region supervisors and region staff responsible for processing interstate initiating transmittals regarding the importance of meeting the federal timeframes. This communication will occur via regularly scheduled teleconferences with region staff on a variety of program issues.

	4. Direction to region supervisors of staff who process interstate initiating transmittals to review their internal case processing, related to specific process step assignments to staff, to identify ways to improve compliance with the federal timeframes. 5. Review proposed interstate initiating process design for Phase II of CAMS to ensure the federal timeframes are accommodated. Completed.
Estimated Corrective Action Date	Actions to implement the corrective action plan will commence during March 2009 and should be completed by July 2009.
Agency Contact and Telephone Number	Mel Hedick, Process Manager (850) 413-0605

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-044**
CFDA Number	93.566
Program Title	**Refugee and Entrant Assistance – State Administered Programs (REAP)**
Compliance Requirement	Eligibility
State Agency	**Florida Department of Children and Family Services (FDCFS)**
Federal Grant/Contract Number and Grant Year	G-08AAFL4100 2007-08
Finding Type	Noncompliance Questioned Costs – $190
Finding	FDCFS provided REAP benefits to one individual for whom FDCFS could not provide documentation supporting eligibility.
Criteria	45 CFR 400.43, *Requirements for documentation of refugee status*; 45 CFR 400.75, *Registration for employment services, participation in employability service programs and targeted assistance programs, going to job interviews, and acceptance of appropriate offers of employment*; FDCFS REAP State Plan
Condition	During the 2007-08 fiscal year, FDCFS made Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) payments totaling $31,367,479.39. We reviewed RCA and RMA payments, totaling $12,855.67, made to 60 clients during the 2007-08 fiscal year to determine whether the clients met the categorical and financial requirements of the Program. Our review disclosed one instance in which case records did not document that the client met the work registration requirements. RCA benefits totaling $190 were paid to the client. In addition, our review disclosed that in two instances, dates of entry were entered incorrectly into the case management system used by FDCFS. Although the errors noted did not result in questioned costs for the 2007-08 fiscal year, the possibility exists that, without accurate date of entry information, benefits would not be terminated in accordance with the program requirements. REAP Program benefits are time limited to eight months from the date of entry.
Cause	FDCFS did not always follow policies and procedures established to document eligibility.
Effect	REAP benefits were used to provide assistance to individuals for whom FDCFS could not provide documentation supporting eligibility.
Recommendation	We recommend that FDCFS strengthen its efforts to ensure that appropriate documentation is maintained for individuals receiving benefits and that dates of entry are correctly recorded in the case management system.
State Agency Response and Corrective Action Plan	A Benefit Recovery referral will be made in the one instance where there was no documentation that the work registration requirement was met.
Estimated Corrective Action Date	May 1, 2009
Agency Contact and Telephone Number	Eileen Schilling (850) 414-5643

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-045**
CFDA Number	93.566
Program Title	**Refugee and Entrant Assistance – State Administered Programs (REAP)**
Compliance Requirement	Reporting
State Agency	**Florida Department of Children and Family Services (FDCFS)**
Federal Grant/Contract Number and Grant Year	G06AAFL4100 2005-06, G07AAFL4100 2006-07, G08AAFL4100 2007-08
Finding Type	Significant Deficiency

Finding

The Refugee Assistance Program Office does not have in place supervisory review procedures to verify the accuracy of data generated by the Refugee Services Database System. Additionally, we noted that the ORR-11 State-of-Origin Report for the quarter ended September 30, 2007, contained inaccuracies and was not always supported by the Refugee Services Database System used to compile the data in the report.

Criteria

45 CFR 400.28(b), *Maintenance of records and reports* and ORR-11 Instructions for Refugee State-of-Origin Report (OMB Control No. 0970-0043)

Condition

States are required to submit an ORR-11 Report annually. The Refugee Services Database System was used to prepare the ORR-11 State-of-Origin Report. The FDCFS Office of Refugee Services maintains the Refugee Services Database System and makes it available to providers to input demographics and the type of services obtained by clients. We noted that FDCFS did not have in place procedures requiring a supervisory review of the data generated from the system.

We tested the records of 20 clients for whom demographics and services were included in the ORR-11 State-of-Origin Report and the following discrepancies were noted:

- For 2 of 20 client files, the date of birth in the Refugee Services Database System did not agree with data recorded in the Florida On-line Integrated Data Access (FLORIDA) System which is used by FDCFS to maintain client information and to document eligibility.
- For 1 of 20 client files, the date of entry in the Refugee Services Database System was not in agreement with data recorded in the FLORIDA System.

Cause

FDCFS management indicated the above-noted errors were due to incorrect data entry and lack of supervisory review procedures to verify the accuracy of data generated by the Refugee Services Data System.

Effect

Absent the receipt of an accurate report, the U.S. Department of Health and Human Services (USDHHS) may lack the information needed to properly administer the program and provide accurate refugee population data to other parties. Failure to provide accurate data may result in delay, suspension, or termination of grant support.

Recommendation

We recommend that FDCFS enhance procedures for the review of required Federal reports and the underlying data to ensure that reports filed with USDHHS include accurate information.

State Agency Response and Corrective Action Plan

Refugee Services (PDRS) has implemented a process to compare data from the Refugee Services Database System (RSDS) and FLORIDA system to identify and correct discrepancies. PDRS will run a monthly query identifying any records wherein alien numbers, entry dates or birth dates do not match. PDRS will research the records, correct errors immediately in the RSDS and provide information to the FLORIDA system on the discrepancies. ACCESS will correct errors in the FLORIDA system.

Estimated Corrective Action Date	March 31, 2009
Agency Contact and Telephone Number	Jason Atwood (850) 410-3062

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-046**
CFDA Number	93.568
Program Title	**Low-Income Home Energy Assistance Program (LIHEAP)**
Compliance Requirement	Allowable Costs/Cost Principles, Matching, Level of Effort, and Earmarking, Reporting
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Material Weakness and Significant Deficiency

Finding

FDCA management had not established appropriate internal controls regarding user access and systems development and management for the Grants Administration System (GAS).

Criteria

45 CFR 96.30(a), *Fiscal control and accounting procedures*

Florida Department of Management Services Rule 60DD-2.004 *Logical and Data Access Controls,* Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.

Florida Department of Management Services Rule 60DD-2.005 *Data and System Integrity*, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.

Florida Department of Management Services Rule 60DD-2.008 *Personnel Security and Security Awareness*, Florida Administrative Code, stipulates that agencies shall provide an ongoing awareness and training program in information security.

Information Technology (IT) Industry Standards:

- IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:
  - DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.
  - AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.
  - PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.
- National Institute of Standards and Technology *Building an Information Security Technology Awareness and Training Program,* Special Publication 800-50.

Condition

FDCA procedures required subgrantees to use GAS to electronically transmit Requests for Reimbursement for review and approval by the LIHEAP Contract Manager prior to the Requests being sent to Finance and Accounting for payment. FDCA staff also used GAS to account for and support LIHEAP subgrantee expenditures entered into the State's accounting system (FLAIR) and to demonstrate compliance with earmarking requirements. During the 2007-08 fiscal year, $31,808,689 was processed through GAS for payment to 43 subgrantees.

FDCA procedures for granting access to GAS were not adequate to ensure that access was properly approved, monitored for appropriateness given the employee's job duties, and timely removed when no longer necessary. We also noted that there were no written policies and procedures for the systems

development and maintenance process, assigning and removing user IDs, or monitoring access privileges to the GAS application. Specifically, we noted the following:

- Access to GAS was not timely removed for two employees of the contractor that maintained GAS. Subsequent to our audit inquiry, FDCA personnel terminated access for these two employees who no longer worked with GAS.
- We noted one employee granted GAS access who did not require access to GAS to perform her job duties. Subsequent to our inquiry, FDCA personnel terminated the employee's access.
- Changes to GAS programming code were made directly into the production environment by a contractor and thus were not subject to user testing prior to being placed in production.
- Additional aspects of FDCA security controls in the area of user access needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDCA security. Appropriate FDCA personnel have been notified of the issues.

Cause

FDCA staff indicated that FDCA management determined that security access levels initially established within GAS caused inefficiency in the approval process and were ultimately removed.

Effect

Absent appropriate security and change management procedures, the integrity of the data contained within GAS is subject to increased risk of compromise.

Recommendation

We recommend FDCA implement appropriate system security controls and procedures to ensure that access to the system is properly reviewed, approved, and monitored. Additionally, we recommend that FDCA implement change management procedures to ensure that changes to GAS are appropriately approved, documented, and tested prior to being placed in operation.

State Agency Response and Corrective Action Plan

Written procedures will be developed to ensure that the Department's GAS administrator will be responsible for periodically maintaining security and access control. The User/Security screen is only accessible for editing by management and only necessary Community Assistance Section staff will have access to the GAS. Implementation of user access "passwords" will be considered to provide additional security. Also, the contractor performing maintenance and changes will be provided access only when required to perform installations.

Although there has been a change management process followed since the inception of the GAS, written procedures have not been formalized. These procedures will be developed. The contractor has a functional beta system environment which is utilized to create changes and test compatibility. The change is then presented to management in the beta environment for review and approval. Upon approval, the contractor is granted access to the GAS and performs the upload. Department staff then process transactions in the production system environment to ensure that it is functioning properly and no errors are occurring in relation to the change.

Estimated Corrective Action Date

March 1, 2009

Agency Contact and Telephone Number

Paula Lemmo
(850) 922-1844

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-047**
CFDA Number	93.568
Program Title	**Low-Income Home Energy Assistance Program (LIHEAP)**
Compliance Requirement	Period of Availability of Federal Funds, Reporting
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	07B1FLLIEA 2007
Finding Type	Noncompliance and Significant Deficiency – Period of Availability of Federal Funds Significant Deficiency – Reporting Questioned Costs – $1,679,589.48

Finding

FDCA's procedures for calculating the grant amount to be carried over were ineffective to ensure that the carryover was within the limit established by Federal regulations. Consequently, FDCA carried over funds totaling $1,679,589.48 in excess of the ten percent limitation.

Criteria

42 USC 8626 *Payments to States, fiscal year requirements respecting availability, etc.*; 45 CFR 96 Subpart H *Low-Income Home Energy Assistance*; 45 CFR 96.80/96.81 *Scope and Carryover and Reallotment, and Subpart B – General Procedures*; Section 2607(b) of the Low-Income Home Energy Assistance Act, Title XXVI of Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981, as amended; Simplified Instructions for Timely Obligation of LIHEAP Funds and Reporting Funds for Carryover and Reallotment

Condition

Pursuant to Federal regulations, FDCA could have held available ten percent of the 2007 LIHEAP grant award, for obligation in the second Federal fiscal year of the grant (October 1, 2007, through September 30, 2008). Funds in excess of the ten-percent computation were to be made available to USDHHS for reallotment. FDCA's 2007 grant award totaled $27,969,958, exclusive of leveraging funds which are not subject to the carryover limitation. Consequently, ten percent of the 2007 grant award totaled $2,796,995.80. FDCA records indicated that funds totaling $4,476,585.28 were carried over, or $1,679,589.48 more than the ten-percent limitation.

Cause

Our review of FDCA's carryover calculations identified several errors, which included but were not limited to, the exclusion of funds available under a contingency award totaling $1,442,486 and administrative costs totaling $524,836, which were not obligated at September 30, 2007. FDCA excluded the $1,442,486 on the basis of the award's issuance three business days prior to the end of the grant's first Federal fiscal year. Additionally, FDCA based its computation, in part, on the September 30, 2007, Financial Status Report. Consequently, deficiencies in reporting procedures, as described in finding No. FA 08-067 would affect decisions made based on reported amounts.

Effect

FDCA inaccurately reported the financial status of grant funds on its September 30, 2007, Financial Status Report, submitted on October 15, 2007, and did not make $1,679,589.48 available to USDHHS for reallotment as required.

Recommendation

We recommend that FDCA management review its procedures and revise them as necessary to ensure that excess funds are made available to the USDHHS for reallotment as required.

State Agency Response and Corrective Action Plan	The Department has revised its procedures to report only documented obligations on the SF-269 report. This change in reporting procedures will ensure that the Department will adhere to the ten percent carry over limitation of the grant award. Any amount in excess of the ten percent limitation will be made available to USDHHS for reallotment as required. The current SF-269 report has been completed correctly and submitted. However, the first opportunity to submit a correct report was September 30, 2008, which fell outside the timeline for this review.
Estimated Corrective Action Date	September 30, 2008
Agency Contact and Telephone Number	Paula Lemmo (850) 922-1844

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-048**
CFDA Number	93.568
Program Title	**Low-Income Home Energy Assistance Program (LIHEAP)**
Compliance Requirement	Period of Availability of Federal Funds, Reporting
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	06B1FLLIEA 2006
Finding Type	Significant Deficiency Questioned Costs – $71,472.63
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-052

Finding

FDCA reported obligations totaling $71,472.63 for the 2006 grant award that were not documented as obligations occurring during the period of availability.

Criteria

45 CFR 96.14, *Time period for obligation and expenditure of grant funds*; Federal Financial Status Report (SF-269) instructions

45 CFR 74.2, (HHS Common Rule) defines obligations as the amounts of orders placed, contracts and grants awarded, services received, and similar transactions during a given period that require payment by the recipient during the same or a future period. While the Common Rule is not applicable to LIHEAP, the term obligations is not further defined within the Program-specific regulations. Absent an alternative definition, it is reasonable to apply the Common Rule definition of obligations to LIHEAP.

Condition

Pursuant to Federal regulations, FDCA was required to obligate funds for the 2006 grant award by September 30, 2007, the end of the second year of the award period. The 2006 grant award totaled $49,790,178. FDCA reported on its Federal Financial Status Report (SF 269) dated October 15, 2007, for the period ended September 30, 2007, that the full amount of the grant award had been expended or was obligated, except for $5,280. This amount pertained to a reallotment of 2006 LIHEAP funds that USDHHS indicated was not required to be obligated until September 30, 2008. Our review of documentation supporting the $122,847.30 reported as the Federal share of unliquidated obligations indicated that $71,472.63 was not supported by documents evidencing that the moneys had been obligated.

Cause

FDCA staff indicated that the remaining unobligated grant balance of $71,472.63 was reported as obligated as was FDCA practice. According to the Summary Schedule of Prior Audit Findings, corrective action in response to a similar prior audit finding would not have been taken until July 1, 2008, subsequent to the preparation of the SF 269 for the period ended September 30, 2007.

Effect

FDCA inaccurately reported the financial status of grant funds and improperly retained the opportunity to expend grant funds that were not documented as obligations incurred during the period of availability.

Recommendation

We recommend that FDCA identify obligations occurring during the period of availability and report as such on the Financial Status Report.

State Agency Response and Corrective Action Plan

Beginning with the September 30, 2008 reporting period, the financial status reports submitted for this program only reflected obligations that were identified in the state accounting system. We will continue this process for all future reports. Written procedures will be developed and training will be provided to staff for this process.

Estimated Corrective Action Date

September 30, 2008 with written procedures and formal training by April 1, 2009

Agency Contact and Telephone Number	Karen Peyton (850) 922-1646

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-049**
CFDA Number	93.575, 93.596 17.207, 17.801, 17.804 17.258, 17.259, 17.260
Program Title	**CCDF (Child Care and Development Fund) Cluster, Employment Service (ES) Cluster, WIA (Workforce Investment Act) Cluster**
Compliance Requirement	Allowable Costs/Cost Principles; Eligibility; Matching, Level of Effort, and Earmarking; and Reporting
State Agency	**Florida Agency for Workforce Innovation (FAWI)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency

Finding

Contrary to its security policy, FAWI did not develop a security plan and did not complete security certification and accreditation of the Enhanced Field System (EFS) and the One Stop Management Information System (OSMIS).

Criteria

FAWI *Information Systems Security Program*, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy includes by reference Federal Information Processing Standards (FIPS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series, which provide standards applicable to Federal information systems.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.5 Security testing, Surveillance and Monitoring – IT security should be reaccredited in a timely manner to ensure that the approved information security baseline is maintained.

National Institute of Standards and Technology *Guide for the Security Certification and Accreditation of Federal Information Systems,* Special Publication 800-37.

Condition

FAWI and the State's 31 early learning coalitions (ELCs) used EFS to administer the CCDF Cluster. EFS is integral to CCDF Program compliance as it is used for enrollment, eligibility determination, client management, reporting, and provider payments. EFS is a vendor-owned distributed data system, with FAWI the owner of the enhancements. Controls related to EFS security and access are based on user roles assigned by the ELCs. Security guidelines related to EFS passwords are also assigned by each ELC.

FAWI and the Regional Workforce Boards (RWBs) used OSMIS in the administration of the ES Cluster and WIA Cluster Programs. OSMIS is a FAWI-owned Web-based system that provides for the financial management of all grants received, allocated, approved and expended by the RWBs on Federal workforce development programs.

FAWI security policy requires all FAWI major information systems to have an approved security plan and complete a security certification and accreditation (i.e., security authorization process). Although FAWI identified EFS and OSMIS as major information systems, FAWI did not develop a security plan and did not perform a certification and accreditation for EFS and OSMIS.

Cause

FAWI records made available to us during our audit did not provide an indication as to why FAWI did not apply its security policy in these instances.

Effect	Absent an approved security plan, FAWI management cannot demonstrate that they have summarized information security requirements for the system and described the security controls in place or planned for meeting those requirements. Also, absent a completed security certification and accreditation, FAWI has limited assurance that security controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting the security requirements for EFS and OSMIS.
Recommendation	We recommend that FAWI, in compliance with its established security policy, develop and approve a security plan and complete a security certification and accreditation for EFS and OSMIS.
State Agency Response and Corrective Action Plan	AWI is currently developing system security plans (SSP) for both EFS and OSMIS. Each business unit is scheduled to have the documents completed and signed by March 1, 2009. Upon approval of each SSP, the business units will begin the Certification and Accreditation process for both EFS and OSMIS which is scheduled to be completed by October 1, 2009.
Estimated Corrective Action Date	October 1, 2009
Agency Contact and Telephone Number	Scott Stewart (850) 245-7305

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-050**
CFDA Number	93.575, 93.596 17.258, 17.259, 17.260
Program Title	**CCDF (Child Care and Development Fund) Cluster,** **WIA (Workforce Investment Act) Cluster**
Compliance Requirement	Allowable Costs/Cost Principles, Eligibility, Reporting, and Subrecipient Monitoring
State Agency	**Florida Agency for Workforce Innovation (FAWI)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-054

Finding

FAWI monitoring procedures did not include monitoring subrecipient-established Enhanced Field System (EFS) and One Stop Management Information System (OSMIS) security policies and controls during the 2007-08 fiscal year.

Criteria

OMB Circular A-133, §__.400(d) *Pass-through entity responsibilities*, §__.300(f) *Auditee Responsibilities*

45 CFR 98.11(b)(6),(8), *Administration under contracts and agreements*

20 CFR 667.400, *Who is responsible for oversight and monitoring of WIA title I grants?* and 20 CFR 667.410, *What are the oversight roles and responsibilities of recipients and subrecipients?*

Section 411.01(4)(l), Florida Statutes, requires FAWI to monitor and evaluate the performance of each early learning coalition (ELC) in administering Federal and State programs. These monitoring and performance evaluations must include, at a minimum, on-site monitoring of each ELC's finances, management, operations, and programs.

FAWI *Information Systems Security Program*, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy includes by reference Federal Information Processing Standards (FIPS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series, which provide standards applicable to Federal information systems.

Condition

FAWI and the State's 31 ELCs used the EFS to administer the CCDF Cluster. EFS is integral to CCDF Program compliance as it is used for enrollment, eligibility determination, client management, reporting, and provider payments. EFS is a vendor-owned distributed data system, with FAWI the owner of the enhancements. Each ELC establishes security policies and controls related to EFS at the local level, e.g., access privileges are assigned by the ELCs. Relative to this process, FAWI included in the 2007-08 ELC grant agreements a provision that required ELCs to demonstrate due diligence in safeguarding information resources by establishing policies and procedures for information systems security that contain criteria and standards as set forth in AWI's security policy.

OSMIS is a FAWI-owned Web-based system that provides for the financial management of all grants received, allocated, approved, and expended by the Regional Workforce Boards (RWBs) on Federal workforce development programs, including WIA Cluster Programs. Provisions in the 2007-08 master cooperative agreements between the RWBs and FAWI require each RWB to comply with all FAWI directives and policies. Therefore, FAWI management indicated that the RWBs are required to comply with FAWI's security policy.

During the 2007-08 fiscal year, subrecipient monitoring was performed at the ELCs and RWBs, including internal control reviews and financial monitoring

reviews. These reviews were conducted by independent contractors utilizing monitoring tools developed by FAWI. FAWI enhanced its on-site monitoring tools for the 2007-08 fiscal year reviews to address certain information systems security controls as identified in NIST SP 800-53. For example, recommended security controls within selected areas of access controls, system and information integrity, and contingency planning. However, other areas of security controls, as identified in NIST SP 800-53, were not addressed on the monitoring tool. For example, security awareness and training and system and communications protection, specifically, protecting the confidentiality of transmitted information.

FAWI management indicated that at the ELC and RWB level, multiple information technology (IT) systems, e.g., EFS, OSMIS, and financial accounting systems, are utilized to conduct business on a daily basis. For the 2007-08 monitoring cycle, FAWI made a decision to focus primarily on testing IT security controls of the local financial accounting systems based on an assessment of risks. Although FAWI management had identified EFS and OSMIS as major information systems, EFS and OSMIS security controls were not evaluated.

FAWI management indicated that FAWI staff had developed a monitoring tool for the annual CCDF Program eligibility monitoring, that included EFS data system review for compliance with FAWI's security policy; however, the use of this tool was not implemented until July 2008.

Cause

FAWI management indicated that the observations and recommendations related to IT security controls made in its monitoring of the local financial accounting systems were made on a global level so that the ELCs and RWBs could apply the information provided to all IT systems including EFS and OSMIS. FAWI management also indicated that it was not feasible nor was it required to test security controls for each of the IT systems in a single year. However, FAWI had not demonstrated through its assessment of risk how EFS and OSMIS security controls were considered and determined either to not be significant for consideration during the monitoring of its subrecipients, or when the monitoring would occur.

Effect

Absent effective monitoring of EFS and OSMIS security policies and controls established by each ELC and RWB, CCDF and WIA Cluster Programs data may not be adequately safeguarded and any unauthorized system use or data loss may not be timely detected.

Recommendation

We recommend that FAWI ensure that its monitoring process includes ELCs and RWBs system security policies and controls and the implementation of FAWI's security policy.

State Agency Response and Corrective Action Plan

FAWI financial staff carefully planned the scope of its 2007-08 monitoring activities. Factors considered during the planning process included state and federal requirements and an assessment of risks. The Agency recognized the risks associated with information technology (IT) security controls and incorporated testing of these controls into the 2007-08 monitoring plan.

At the RWB and ELC level, multiple IT systems are utilized to conduct business on a daily basis. These systems include EFS, OSMIS and various accounting systems. The Agency recognized that it was not feasible nor was it required to test security controls for each of these systems in a single year. Therefore, for the 2007-08 monitoring cycle, the Agency made a decision to focus primarily on testing IT security controls of the local financial accounting systems based on an assessment of risks. For example, in the RWBs, detailed accounting data is initially captured in local accounting systems and then summary information is entered into OSMIS. The monitoring process specifically tested security controls of the local accounting systems and then tested that OSMIS data agreed to the local accounting system data at each RWB.

Although the accounting systems were the primary focus for testing of IT security controls in 2007-08, observations and recommendations related to these controls

	were made on a global level so that the RWBs and ELCs could apply the information provided to all IT systems including EFS, OSMIS and the accounting systems. The IT security control recommendations from the 2007-08 monitoring activities clearly demonstrate the global nature of the recommendations made relative to IT security controls. In summary, FAWI fully recognizes the importance of its role in monitoring the activities of its subrecipients. Countless hours are spent each year planning, assessing risks, reviewing what other states are doing, and developing the tools for monitoring. The Agency believes the approach taken in 2007-08 with regard to monitoring IT security controls was reasonable and provided excellent recommendations to the RWBs and ELCs for improving security controls in all the IT systems used by these entities including EFS and OSMIS.
Estimated Corrective Action Date	June 30, 2009
Agency Contact and Telephone Number	Kevin Thompson (850) 245-7335

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-051**
CFDA Number	93.659
Program Title	**Adoption Assistance**
Compliance Requirement	Activities Allowed or Unallowed and Eligibility
State Agency	**Florida Department of Children and Family Services (FDCFS)**
Federal Grant/Contract Number and Grant Year	0701FL1407 2007 and 0801FL1407 2008
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $23,905.10 (Federal Share $12,175.31) (Federal Grant Award Number 0701FL1407 - Federal Share $2,288.51, and Federal Grant Award Number 0801FL1407 - Federal Share $9,886.80)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-056

Finding

FDCFS made Adoption Assistance payments on behalf of children who were not eligible or in amounts in excess of program limits.

Criteria

42 USC 673, *Adoption Assistance Program*; Foster Care and Adoption Assistance State Plan

Condition

FDCFS has responsibility for determining Adoption Assistance eligibility. Community-Based Care agencies (CBCs) provide documentation and maintain the case files supporting client eligibility. Adoption Assistance Program assistance payments during the 2007-08 fiscal year totaled $76,452,299. We examined 40 case files of children receiving Adoption Assistance subsidy payments during the 2007-08 fiscal year to determine if eligibility requirements were met and documented. We noted one instance in which the initial adoption agreement was signed and became effective in February 2006, subsequent to the final adoption decree in July 1999. Under this condition, the client would not be eligible to receive benefits under the Program. In this instance, benefits paid during the 2007-08 fiscal year totaled $364.

Our audit procedures disclosed instances in which the CBCs made incorrect payments. Specifically, we noted the following:

- The Adoption Assistance Program may reimburse up to $1,000 in nonrecurring expenses related to the adoption of a child. Monitoring these payments to ensure specified limits are not exceeded is a manual process and is the responsibility of the case worker. We performed analytical procedures on case files which reported nonrecurring expenses. We noted that two circuits did not comply with the $1,000 nonrecurring expenses limit. The two circuits incurred overpayments of $11,089.63 (14 instances) and $9,630.10 (12 instances), respectively, for a total overpayment of $20,719.73.
- The Adoption Assistance Program may provide adoption assistance to the adoptive parents for the support and maintenance of an eligible child until the 18th birthday of such child. Determining when payments should end based on the age of the child is a manual process and is the responsibility of the child's case worker. We performed analytical procedures to determine if payments were made beyond the 18th birthday of an eligible child. We noted 11 instances in 5 districts in which FDCFS did not timely enforce the age limit. Subsequent to our inquiry, FDCFS discontinued the maintenance payments for these cases; however, maintenance payments were made for 8 to 22 days after the 18th birthday in 10 instances and for 87 days for one instance. These 11 instances resulted in overpayments of $2,821.37 during the 2007-08 fiscal year.

Cause

The payment of $364 on behalf of an ineligible child was due to a case worker moving the child from a Federal assistance program, under which the child was eligible to receive benefits, to the Adoption Assistance Program in error.

Additionally, manual processes were not always effective in ensuring that limits on payments were not exceeded.

Effect

Adoption Assistance Program funds were used to pay benefits for children who were not eligible to receive Program services or were paid in excess of Program limits.

Recommendation

We recommend that FDCFS consider implementing electronic edits or other procedures to periodically monitor adoption assistance benefit payments to ensure payments are made only on behalf of eligible children and are within Program limits.

State Agency Response and Corrective Action Plan

The Department concurs with the finding. The Office of Family Safety will take the following actions to address the finding and recommendation.

The relevant regions, circuits, and Community-Based Care (CBC) lead agencies will be immediately instructed to recoup error payments no later than 6/30/09.

Training and technical assistance will be provided on eligibility policy and appropriate claiming within program limits. Each region, circuit, and CBC with error payments will be asked to develop and implement a corrective action plan that includes a system of checks and balances to ensure that payments are paid from the correct fund source.

The Office of Family Safety will institute a redesigned federal funding monitoring process. The process is designed to conduct analytical procedures on specific program requirements such as the $1,000 limit and cessation upon the 18th birthday.

As problematic areas are identified through the monitoring process, monthly revenue maximization conference calls will be used as a forum for training and technical assistance.

In addition, implementation of Florida Safe Families Network (FSFN) release 2b in 2009 should be more effective than manual processes in ensuring payment limits are not exceeded.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Mukweso Mwenene
(850) 922-0510

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-052**
CFDA Number	93.767
Program Title	**State Children's Insurance Program (SCHIP)**
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	05-0705FL5021
Finding Type	Significant Deficiency Questioned Costs – $253.78
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-058

Finding

FDOH procedures were not adequate to ensure that Children's Medical Services (CMS) payments were accurate and made on behalf of eligible individuals.

Criteria

OMB Circular A-87, Attachment A, Section C, *Basic Guidelines*

Condition

FDOH receives SCHIP funds through the Florida Agency for Health Care Administration (FAHCA) for the provision of services to eligible children with special health care needs. Providers of CMS services are generally paid based on Medicaid reimbursement rates established by FAHCA. The FDOH Case Management Data System (CMDS) determines the reimbursement amount to be paid to the provider. In this system, the reimbursements are determined based on a table of Medicaid reimbursement rates by fee code number.

We tested 40 expenditure transactions, 30 of which related to CMS payments. We noted two instances in which CMS payments to the providers were not proper. In one instance, $70 was paid for medical services for an individual ineligible for SCHIP. In the other instance, a provider was paid at an enhanced Medicaid reimbursement rate for medical services although the provider was not eligible for the increased rate. The excess reimbursement to this provider totaled $183.78 during the 2007-08 fiscal year.

Cause

In regard to the ineligible client, the medical services provided were coded incorrectly in the CMDS causing the SCHIP to be charged in error.

In regard to the payment of the incorrect reimbursement rate, the physician practice was coded with the specialty code in the FDOH CMDS that allowed the enhanced Medicaid reimbursement rate. However, the particular physician providing the service was not eligible for the enhanced Medicaid reimbursement rate. The payment to the provider was based on the specialty code for the physician practice rather than physician providing the service.

Effect

Improper payments for medical services were made.

Recommendation

We recommend that FDOH CMS enhance procedures to ensure that payments are for services to SCHIP-eligible clients and in the correct amount.

State Agency Response and Corrective Action Plan

Concur. CMS has submitted a Legislative Budget Request for FY 2009-2010 to develop an automated solution to increase accuracy in the SCHIP client payments.

Each CMS Area Office is responsible for identifying provider's status in order to enter it into CMDS. Area Offices have two automated systems that are used as reference to obtain required information without having to contact providers. There is a lookup feature in the CMS Provider Panel system (internet based). Area Office staff may also research provider information in the Florida Medicaid Management Information System (FMMIS) since most physicians approved for CMS participation are Medicaid providers.

At this time, we believe the department has exhausted all the tools possible to improve the existing manual process. The CMDS software is at least 20 years old

	and is not capable of automated to interface with either of the two external systems. CMS depends on the local Area Offices to research and enter this information into CMDS. Until such time that CMS is able to procure new business software it will continue to rely heavily on the quality of manual processes. CMS will continue to re-enforce the need to accurately reflect provider status in the CMDS.
Estimated Corrective Action Date	December 31, 2010
Agency Contact and Telephone Number	Randy Wilcox (850) 245-4214

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-053**
CFDA Number	93.767
Program Title	**State Children's Insurance Program (SCHIP)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Health (FDOH)** **Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5021
Finding Type	Other
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-057

Finding

FDOH implemented corrective actions to resolve issues noted during prior audits regarding capitation payments charged to SCHIP; however, the cash balance for the SCHIP capitation account remained high at June 30, 2008. We also noted that FAHCA and FDOH were working with Federal officials to resolve related prior audit findings.

Criteria

OMB Circular A-87, Attachment A, Section C, *Basic Guidelines* - In determining reasonableness of a given cost, consideration shall be given to whether the transaction represents arms-length bargaining.

Condition

FDOH receives SCHIP funds through a capitation agreement with the Florida Agency for Health Care Administration (FAHCA), whereby FAHCA pays FDOH a fixed monthly rate per client enrolled in the Children's Medical Services component of SCHIP. In prior audits, we reported that FDOH received SCHIP funds that exceeded FDOH costs and had accumulated a large cash balance (residual). We also reported that a portion of the residual in the capitation account was used for purposes that were not appropriate charges to SCHIP. (See audit report Nos. 2005-158 and 2006-152, finding Nos. FA 04-065 and FA 05-073, respectively.)

Our current review of FDOH activity disclosed that corrective actions had been initiated, in part, through a decrease in the capitation rates from $518.24 to $446.52, effective July 1, 2007; however, the balance in the SCHIP capitation account remained high. FDOH records indicated that during the fiscal year ended June 30, 2008, expenditures exceeded capitation revenues and the cash balance for the SCHIP capitation account was $29.9 million as of June 30, 2008, a decrease of $1.5 million from that reported at June 30, 2007.

In response to a demand letter dated July 2, 2008, from the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), FAHCA management indicated that $7,269,098.24 of expenditures erroneously charged to SCHIP during the 2003-04 fiscal year would be refunded to SCHIP.

Cause

The high cash balance in the capitation account was a result of FDOH capitation revenues exceeding capitation account expenditures in prior years because the capitation rates were set at an amount higher than that required.

Effect

A residual balance in excess of Program needs has been accumulated.

Recommendation

We recommend that FAHCA and FDOH continue to monitor capitation rates to determine whether additional reductions are needed to prevent the accumulation of excess cash and work with CMS to promptly resolve other prior audit findings.

State Agency Response and Corrective Action Plan

Florida Department of Health

FAHCA and FDOH in collaboration with the Executive office of the Governor and the staff of the House and Senate Appropriation Committees agreed to return $7.2 million to the Federal CMS related to the previous Florida Auditor General findings regarding the Florida appropriation of excess cash for non-SCHIP purposes.

	Steps are implemented to monitor and manage the Capitation account, current cash balance as of December 31, 2008 reflects a total of $8,932,923.52. The program cash balance is now less than 10% of projected annual expenditures. This is within the authorized amount as referenced in Florida Statute 391.026(16)(a) Completed, CMS will continue monitoring cash balances and recommend Corrective Action Plan Premium adjustments as indicated thru the KidCare Estimating Conference.
Estimated Corrective Action Date	December 31, 2008
Agency Contact and Telephone Number	Randy Wilcox (850) 245-4219
	Florida Agency for Health Care Administration
State Agency Response and Corrective Action Plan	The KidCare Social Services Estimating Conference is the group that reviews the CMS capitation. DOH presents to the KidCare Social Services Estimating Conference the Title XXI Children's Medical Services expenditure history, current enrollment, projected cost, projected enrollment and cash balance to reach consensus on this information. DOH/CMS staff work with AHCA staff on preparation of the materials used for the KidCare Social Services Estimating Conference. AHCA provides the medical cost inflationary information used for projecting future cost based on projected Medicaid cost forecasts. DOH/CMS uses this information to project future cost trends. AHCA pays DOH/CMS based on the rate set by the SSEC and as authorized in the General Appropriations Act for each enrolled child. DOH agreed with the repayment of $7,269,098.24. A legislative transfer of funds to support activities that were not restricted to Title XXI activities did occur in SFY 2003/04. Such transfers did not occur before that fiscal year or after that fiscal year.
Estimated Corrective Action Date	Next KidCare Social Service Estimating Conference is scheduled for February 13 2009. The KidCare Social Services Estimating Conference is usually held at least twice a year, in February and October.
Agency Contact and Telephone Number	Gail Hansen, Medicaid Services (850) 922-7890

FA 08-054 FINDING NOT USED.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-055**
CFDA Number	93.767
Program Title	**State Children's Insurance Program (SCHIP)**
Compliance Requirement	Reporting
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5021
Finding Type	Noncompliance and Significant Deficiency
Finding	On the March 31, 2008, CMS 21 report, FAHCA overstated collections and understated net SCHIP expenditures by the amount of $1,040,694.24.
Criteria	42 USC 1397ee(c)(5) *Offset of receipts attributable to premiums and other cost-sharing*
Condition	Federal requirements provide that SCHIP expenditures be reduced by the amount of any premiums and other cost-sharing received by the State. These premiums are to be reported as collections on line 29 of the CMS-21 report and reduce the total program expenditures reported. FAHCA staff incorrectly included $1,040,694.24 in premiums collected for a State program within the $2,084,230 reported as total collections on the March 31, 2008, CMS 21 report. On the CMS-21 report, these collections were netted against total expenditures, which resulted in an understatement of SCHIP expenditures by the same amount.
Cause	When recording premiums for the State program in the State's accounting system (FLAIR), FAHCA staff incorrectly used the object code established for the SCHIP premiums.
Effect	Inaccurate records and reports may impact the ability of FAHCA management and the Federal grantor agency officials to properly administer the Program.
Recommendation	Subsequent to our audit inquiries, FAHCA staff corrected FAHCA accounting records and correctly reported premiums on the June 30, 2008, CMS-21 report. We recommend that FAHCA review its procedures for recording transactions in FLAIR to ensure that premiums are appropriately coded.
State Agency Response and Corrective Action Plan	We concur. Management is monitoring the FLAIR entries to ensure correct account code information is being used.
Estimated Corrective Action Date	Implemented
Agency Contact and Telephone Number	Paula Shirley (850) 922-8452

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-056**
CFDA Number	93.775, 93.776, 93.777, 93.778
Program Title	**Medicaid Cluster**
Compliance Requirement	Activities Allowed or Unallowed
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $4,001,108.06 (Federal Share $2,293,814.63, Federal Grant Nos. 05-0705FL5028 $608,452.70, 05-0805FL5028 $1,685,361.93)

Finding

Internal controls were not sufficient to ensure that certain medical service claims were paid in accordance with established Medicaid policy.

Criteria

42 CFR 430 – *Grants to States for Medical Assistance Programs*, 42 CFR 433 Subpart C – *Mechanized Claims Processing and Information Retrieval Systems*, 42 CFR 447 Subpart B – *Payment Methods: General Provisions*

Medicaid Provider Coverage and Limitations Handbooks and Medicaid Fee Schedules

Condition

Approximately 76,000,000 claims totaling $13.6 billion were processed for Medicaid services during the 2007-08 fiscal year. We examined a sample of 200 claims paid by the Florida Medicaid Management Information System (FMMIS) during the 2007-08 fiscal year and totaling $69,065.29 to determine whether the payments were processed in accordance with established Medicaid policies and procedures and were only for allowable activities. Our tests disclosed that 7 of the 200 claims paid did not adhere to established Medicaid policy. Six of these claims were paid at rates that exceeded the maximum allowable rate for the service type, resulting in a total overpayment of $135.76. The remaining claim for $190.01 was for an unallowed service, based upon our review of the Medicaid policy. Specifically, our review disclosed the following:

- For one claim, physician services were paid at a rate of $1 per unit of service rather than the authorized rate of $.33 per unit of service, resulting in an overpayment of $6.70. In another instance for the same claim, physician services were paid at a rate of $101.12 per unit rather than the authorized rate of $48.21 per unit of service, resulting in an overpayment of $105.82.
- For one claim, radiology services were paid at a rate of $3.68 per unit of service rather than the authorized rate of $3.40 per unit of service, resulting in an overpayment of $.28.
- Two capitation payments to the applicable Health Maintenance Organization (HMO) on behalf of two Medicaid recipients were made at incorrect rates. In both instances, the rate paid was not the correct rate for the service area where the recipient resided. In the first instance, the rate paid was $83.23 rather than $79.99. This resulted in an overpayment of $3.24. In the second instance, the rate paid was $107.08 rather than $106.36. This resulted in an overpayment of $.72.
- For two claims, laboratory services were paid at incorrect rates. The rates paid ranged from $4 to $28 per service. In the first instance, the claim payment totaled $101 rather than the correct amount of $90.90. This represents an overpayment of $10.10. In the second instance, the claim payment totaled $89 rather than the correct amount of $80.10. This represents an overpayment of $8.90.
- For one claim, an outpatient hospital visit was billed as a stand-alone service. Payment for this service is allowable only with certain other medical services.

The claim totaled $190.01.

We also performed queries of FMMIS data for claims paid during the 2007-08 fiscal year for certain types of home health services, dental services, and Developmental Disabilities Waiver services to determine whether unallowable claims were paid. Total payments for the claims queried totaled $194,240,970.58 during the 2007-08 fiscal year. Our queries disclosed instances in which payments totaling $4,000,782.29 were made for selected service types that were not in accordance with established Medicaid policy. Specifically, we noted the following:

- According to the Medicaid Provider Coverage and Limitations Handbook for Home Health Services, personal care service and private duty nursing service claims are not to be billed for less than two hours of service. Additionally these services are required to have prior authorization for reimbursement. Our queries disclosed 134 claims totaling $1,251.31 for personal care services and 1,983 claims totaling $48,775.53 for private duty nursing services that were paid for claims with less than two hours of service. Additionally, our queries disclosed 179 claims totaling $8,985.50 for personal care services and 9,834 claims totaling $2,435,513.29 for private duty nursing services that were reimbursed without prior authorization.
- According to the Medicaid Provider Coverage and Limitations Handbook for the Developmental Disabilities Wavier Services Special Medical Home Care, services are to be provided in a licensed group home and prior authorization is required from the Florida Agency for Persons with Disabilities. Our queries disclosed 690 claims totaling $1,505,707.66 that were paid for Special Medical Home Care services that had a place of service code indicating Other Place of Service rather than the service code for Group Home. Also, there was no evidence of prior authorization for these services.
- The Medicaid Provider Coverage and Limitations Handbook for Dental Services requires that for periodontal services, certain types of services could not be billed on the same date of service, for the same recipient, by the same provider. Our queries disclosed that contrary to this policy, one claim totaling $159 for gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth and gingivectomy or gingivoplasty – one to three contiguous teeth or bounded teeth were claimed together for the same date of service for the same recipient, by the same provider. Likewise, eight claims totaling $390 for periodontal scaling and root planning – four or more teeth per quadrant and periodontal scaling and root planning – one to three teeth per quadrant were claimed together for the same date of service for the same recipient by the same provider, contrary to Medicaid policy.

Cause

The specific internal control deficiencies resulting in the above-noted instances of noncompliance were not apparent from our examination.

Effect

Absent appropriate controls, erroneous claims may be processed and paid, and may remain undetected by FAHCA personnel.

Recommendation

We recommend that FAHCA ensure that appropriate electronic or manual controls are in place and operating effectively to ensure that Medicaid claims are accurately and properly processed by FMMIS.

State Agency Response and Corrective Action Plan

The Agency Medicaid Services bureau will coordinate with the Medicaid Contract Management bureau to ensure that appropriate modifications are made to the FMMIS for the noted discrepancies between how FMMIS processed certain claims and what is recorded in policy handbooks for the noted claim types.

Estimated Corrective Action Date	October 2009
Agency Contact and Telephone Number	Alan Strowd, Medicaid Contract Management (850) 922-2726 Beth Kidder, Medicaid Services (850) 488-9347

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-057**
CFDA Number	93.775, 93.776, 93.777, 93.778
Program Title	**Medicaid Cluster**
Compliance Requirement	Activities Allowed or Unallowed
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
Finding Type	Questioned Costs – $3,789,801.30 (Federal Share $2,172,415.69 - Federal Grant Nos. 05-0705FL5028, $568,468.30; 05-0805FL5028, $1,603,947.39)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-060
Finding	Overpayments made to HMO plans on behalf of deceased clients were not timely recouped.
Criteria	42 CFR 438 – *Managed Care*
Condition	During the 2007-08 fiscal year FAHCA paid approximately $2.6 billion in fixed monthly payments (i.e., capitation) to HMO plans. Audit queries of the Florida Medicaid Management Information System (FMMIS) for these payments disclosed payments totaling $4,592,914.27 in which HMO plans were paid on behalf of Medicaid recipients subsequent to the recipient's date of death. FAHCA contracted with a third-party vendor to identify and recoup this type of overpayment. Generally, this process is completed quarterly and encompasses five years of Medicaid paid claims. In response to our audit inquiry, FAHCA staff indicated that during the 2007-08 fiscal year, the process of identifying overpayments was only completed for the quarter ended March 31, 2008, and would have included claims back to 2003. Likewise, our audit queries disclosed that the overpayments were not always timely recouped. For example, HMO overpayments for the month of July 2007 totaled $370,696.32. However, as of June 30, 2008, only 15 percent of the July 2007 overpayments had been recouped by FAHCA. The balance of HMO overpayments during the 2007-08 fiscal year not recouped as of June 30, 2008, totaled $3,789,801.30.
Cause	FAHCA staff indicated that HMO overpayments were not timely recouped because of the transition between fiscal agents that occurred July 1, 2008. FAHCA staff also indicated that as of November 1, 2008, a new provider will perform the date of death recoupment projects.
Effect	Erroneous capitation payments were not timely recouped.
Recommendation	We recommend that FAHCA timely recoup claim overpayments.
State Agency Response and Corrective Action Plan	The Agency executed a new Medicaid Third Party Liability (TPL) Contract effective November 1, 2008. Through this contract, the new Vendor, ACS State Healthcare, LLC will conduct the Date of Death Project. The first Date of Death Project will include a five-year review to determine claims paid after the date of death. ACS will conduct the Date of Death Project on a regular basis, each time reviewing five years of paid claims data in order to help ensure timely recoupment of Medicaid funds. As the new TPL Vendor, ACS is currently in the process of receiving and converting to its system, five years of historical claims data. ACS will also receive updated paid claims data on a regular basis. This data is needed in order for ACS to conduct TPL activities as well as other recovery projects such as the Date of Death Project.
Estimated Corrective Action Date	July 1, 2009
Agency Contact and Telephone Number	Jennifer Barrett, Medicaid Program Analysis (850) 487-0925

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-058**
CFDA Number	93.775, 93.776, 93.777, 93.778
Program Title	**Medicaid Cluster**
Compliance Requirement	Eligibility
State Agency	**Florida Department of Children and Family Services (FDCFS)**
Federal Grant/Contract Number and Grant Year	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
Finding Type	Opinion Qualification, Material Noncompliance, Material Weakness, and Significant Deficiency Questioned Costs $18,191.34 (Federal Share $10,377.04) Federal Grant Nos. 05-0705FL5028, $1,184.39; 05-0805FL5028, $9,192.65)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-061

Finding

In a significant number of instances, FDCFS was unable to provide sufficient documentation to support the eligibility determinations of individuals receiving Medicaid. FDCFS was also unable to provide documentation that certain data exchange requests had been performed as required. Additionally, data exchanges responses received by FDCFS were not processed timely.

Criteria

42 CFR 435.913 – *Case Documentation;* 42 CFR 435.907 – *Written Application;* 42 CFR 435.916 – *Periodic Redeterminations of Medicaid Eligibility;* 42 CFR 435.948 – *Requesting Information*

FDCFS Operating Procedures (CFOP) 165-22 Public Assistance Policy Manual Chapters 0600 *Application Processing*, 1400 *Technical Requirements*, 1800 *Income*, 2000 *Coverage Groups*, and 2400 *Budgeting Income*

Condition

The Florida Agency for Health Care Administration expended approximately $12 billion on Medicaid services provided during the 2007-08 fiscal year. Approximately $5.1 billion of this amount was based on FDCFS determinations of client eligibility to receive Medicaid services. We reviewed 40 case records for individuals receiving Medicaid services to determine whether the records demonstrated that the clients met the eligibility requirements for the Program. Our tests disclosed that for 10 cases FDCFS did not fully document the eligibility of individuals to receive Medicaid services during the 2007-08 fiscal year. Specifically, our review disclosed the following:

- For six individuals, FDCFS did not sufficiently document that the individuals met the income limits associated with their respective assistance category.
  - In four of these instances, a client statement was taken as verification of self-employment income. In two of these instances, the client statement was in the form of a work calendar prepared by the individual. In all four instances, there was no evidence that a temporary exemption from the verification requirements had been applied for and granted in accordance with FDCFS policy. Medicaid services totaling $11,231.65 were provided to these individuals during the applicable eligibility periods.
  - For one instance, the client rather than the employer had completed the Loss of Income verification form, contrary to FDCFS policy. Medicaid services totaling $1,576.44 were provided to this individual during the applicable eligibility period.
  - For one instance, the individual initially applied for the State Children's Health Insurance Program (SCHIP) and was referred to FDCFS for consideration for Medicaid services. FDCFS policy states that income verification for such individuals will be performed through data exchange. In this instance, state wage information had been returned through data exchange for three consecutive quarters that indicated a higher income than reported by the client, the consideration of which would have had an

adverse effect on the individual's eligibility status. Medicaid services totaling $762.62 were provided to this individual during the applicable eligibility period.

- For two individuals, FDCFS was unable to provide complete copies of the application submitted by the individual. In one instance, FDCFS was unable to provide a copy of the application. In the other instance, the application provided by FDCFS was missing pages related to income, assets, and household size. Medicaid services totaling $1,368.13 were provided to these individuals during the applicable eligibility period.
- For one individual, FDCFS case records did not document United States citizen or qualified noncitizen citizenship status. Medicaid services totaling $927.65 were provided to this individual during the 2007-08 fiscal year. Subsequent to audit inquiry, FDCFS provided evidence of qualifying citizenship status.
- For one individual, FDCFS did not redetermine eligibility after the individual had received Medicaid services for 12 months. As of June 30, 2008, Medicaid services totaling $2,182.85 had been provided to the individual subsequent to the close of the 12-month eligibility period.

In addition to the ten above-noted instances, FDCFS incorrectly calculated the share of costs for one individual enrolled in a Medically Needy assistance category. In this instance, an incorrect income amount was used in the calculation of the individual's share of costs. This resulted in $142 of Medicaid services charged to the Medicaid Program rather than to the individual.

Data Exchange. Federal regulations require FDCFS to verify certain eligibility information through electronic data exchange with other State and Federal agencies. One of the data exchange requirements is that earned income shown for individuals by FDCFS eligibility records must be compared with State wage information at least quarterly. FDCFS has also established time frames of 10 or 45 days, depending upon the type of data exchange, for processing the information returned by data exchange procedures. Our review of 40 case records for individuals receiving Medicaid services disclosed that:

- For 30 cases, FDCFS did not retain documentation evidencing that state wage information had been requested at least quarterly. In connection with this matter, we noted that the FDCFS had not negotiated an agreement with the Florida Department of Revenue (FDOR) for the provision of State wage information at the needed intervals. Such an agreement may better ensure the timely availability of State wage information.
- For 15 cases, FDCFS did not process data exchange responses received by FDCFS within the established time frames. For example, one data exchange that should have been reviewed within 45 days after receiving the response on January 31, 2008, had not been reviewed as of the date of our examination 222 days later. The untimely processing of data exchange responses is also disclosed in finding No. 3 of audit report No. 2008-197.

Cause

Causes for the failure to document client eligibility were not apparent from FDCFS records or our inquiries with FDCFS management and staff.

In response to audit inquiry, FDCFS staff indicated that documentation evidencing that certain data exchanges had been requested was not retained because of FDCFS archiving policy. FDCFS staff indicated that archived data exchange requests were not restorable. FDCFS further indicated that, in response to our prior audit, it is redesigning the archive retrieval process. In response to audit inquiry during the audit field work for audit report No. 2008-197, FDCFS management indicated that a large volume of unprocessed overdue data exchange responses existed because of an insufficient number of staff.

Effect

Medicaid services may have been provided to individuals for whom Medicaid eligibility was not determined. Additionally, failure to appropriately use data exchange information may preclude FDCFS from identifying changes in client eligibility status.

Recommendation

We recommend that FDCFS enhance staff compliance with procedures established to ensure that eligibility is fully documented. We also recommend that FDCFS enter into an agreement with FDOR for the provision of wage information at the required time frames. In addition, we recommend that FDCFS process data exchange responses and any related eligibility status adjustments within the established time frames.

State Agency Response and Corrective Action Plan

1. Of the six cases that were cited for insufficient documentation of income, four cases contained self-employment income.

a. In the two cases that had self-employment income verified by work calendars, which is acceptable per Automated Community Connections to Economic Self-Sufficiency (ACCESS) policy, there was no documentation that a temporary exemption was granted. ACCESS will revise its policy manual to include an expanded definition of business records and to exclude the need to gain a temporary exemption to align with current business practices.

b. The six cases will be referred to benefit recovery. The regions will be asked to do in-service training on verification of self-employment income.

2a. In the one instance that an application was not provided, the local service center will be asked to reconstruct the case.

b. The one case cited for an incomplete application was missing pages related to income, assets, and household size. The application met the minimum acceptable criteria for a complete application per ACCESS policy; however, this was a paper application and it is unclear if the missing pages were submitted by the client. Any missing information was obtained during the eligibility determination process. A policy reminder will be issued to staff to scan paper applications in their entirety, as submitted by the client.

3. One case was cited for failure to document qualified noncitizen status. As the original documentation was not available in the ACCESS scanned imaging system, a copy dated subsequent to the audit inquiry was provided to support the qualified noncitizen status as reflected in the electronic record. The copy was obtained from the Systematic Alien Verification for Entitlements (SAVE) system, which does not retain a history of initial verification requests.

In 2008, a memo was distributed to staff reminding them of the importance of obtaining U.S. Citizenship and Immigration Service (USCIS) documentation and using Systematic Alien Verification for Entitlements (SAVE) to verify qualified noncitizen status.

4. A child under age six received more than 12 months of Medicaid without a review of eligibility. There was no change in the eligibility, even though a review should have been done in 12/2007. An overpayment did not occur. Staff will be reminded to complete eligibility reviews at the prescribed intervals.

5. In one case, the share of cost was calculated incorrectly. A referral to benefit recovery will be made.

6. This is a repeat finding. As a corrective action for the original finding, the ACCESS program office requested a system enhancement to improve the availability and manner in which archived data exchange requests are retrieved. In October 2008, a work order was completed to develop a procedure to store and retrieve triggers posted on the data exchange requests screen.

The Department verified with the Agency for Workforce Innovation (AWI) that a separate agreement to cover this type of data exchange is not needed. The Department retained authority to have on-line access privileges to unemployment

compensation data and unemployment tax (UT) data because of the Interagency Agreement with AWI. Though the UT data is now maintained on the FDOR's System for Unified Taxation (SUNTAX), a separate SUNTAX agreement with FDOR is not required.

7. The Department agrees staff need to timely review data exchange alerts and process any changes related to the information provided. Staff shortages and an increase in workload have contributed to this issue. The Department is in the process of authorizing overtime for ACCESS staff. ACCESS staff will be provided a reminder to process alerts timely.

Estimated Corrective Action Date

1. July 1, 2009
2. July 1, 2009
3. July 1, 2009
4. July 1, 2009
5. March 1, 2009
6. N/A
7. May 1, 2009

Agency Contact and Telephone Number

Florence Love (Items 1-5, 7)
(850) 413-6790

Carol Miller
(850) 922-3887

Kara O'Brien (Item 6)
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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-059**
CFDA Number	93.775, 93.776, 93.777, 93.778
Program Title	**Medicaid Cluster**
Compliance Requirement	Special Tests and Provisions – Provider Eligibility
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $3,522,776.21 (Federal Share $2,012,202.01 – Federal Grant Nos. 05-0705FL028, $310,797.49; 05-0805FL5028, $1,701,404.52)

Finding

FAHCA procedures were not sufficient to ensure that Medicaid providers receiving payments had a current provider agreement in effect.

Criteria

42 CFR 431.107 – *Required Provider Agreement*

Florida Medicaid Provider General Handbook, Section 2 – Requires both institutional and noninstitutional providers enrolled in the Medicaid program to submit a signed and dated Provider Agreement.

Condition

Approximately 43,000 providers, excluding Health Maintenance Organizations and other capitation payment plans, received Medicaid payments during the 2007-08 fiscal year. FAHCA contracted with a fiscal agent to provide the Florida Medicaid Management Information System (FMMIS) that processed Medicaid claims submitted by providers. The Medicaid fiscal agent also was responsible for enrolling providers in the Medicaid Program and ensuring that all provider files were complete. Among the documentation required to be submitted by the provider was a Medicaid Provider Agreement, for a three-year term for an institutional provider and a five or ten-year term for a noninstitutional provider. The Medicaid Provider Agreements specify, among other things, that only a person or entity with a provider agreement in effect can receive payments. The Agreement also states that services performed must have actually been performed for an eligible Medicaid recipient and must have been medically necessary.

We reviewed documentation for 40 providers enrolled in the Medicaid Program and that received payments during the 2007-08 fiscal year to determine whether the provider met the eligibility requirements. Our review disclosed that the Provider Agreement on file with FAHCA for eight providers had expired. The expiration dates for these Provider Agreements ranged from December 31, 2004, to April 15, 2008. Payments made to these eight providers totaled $3,522,776.21 for the period of time during the 2007-08 fiscal year after the Provider Agreement had expired.

Cause

FAHCA staff indicated that renewed Provider Agreements were not obtained because of delays in changing to a new fiscal agent. FAHCA management indicated that there was a 12-month delay in the start of the new fiscal agent in July 2008, during which time some provider agreements may have expired.

Effect

Failure to ensure that current Provider Agreements are in effect with Medicaid providers could preclude FAHCA from demonstrating provider eligibility and enforcing the provisions of applicable laws, rules, and regulations.

Recommendation

We recommend that FAHCA improve its monitoring of the fiscal agent to ensure that provider files contain current information.

State Agency Response and Corrective Action Plan

As noted by the Agency, there were unanticipated delays regarding the re-enrollment processes, out of control of the Agency. Procedures are already in place and effective regarding the re-enrollment procedures. The Agency will

	ensure the re-enrollment processes are initiated in a timely manner.
Estimated Corrective Action Date	October 2009
Agency Contact and Telephone Number	Alan Strowd, Medicaid Contract Management (850) 922-2726 Shawn McCauley, Medicaid Contract Management (850) 922-2726

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-060**
CFDA Number	93.775, 93.776, 93.777, 93.778
Program Title	**Medicaid Cluster**
Compliance Requirement	Special Tests and Provisions - Provider Health and Safety Standards
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
Finding Type	Noncompliance and Significant Deficiency

Finding

FAHCA procedures were not sufficient to ensure that facilities receiving Medicaid payments met the required health and safety standards.

Criteria

42 CFR 431.610(c) – *Relations with standard-setting and survey agencies*

Florida Medicaid State Plan Section 4.11 - Designates FAHCA as the agency having authority to establish and maintain health and nonhealth related standards for private or public institutions that provide services to Medicaid recipients.

FAHCA Division of Health Quality Assurance Licensure and Certification Standard Operating Procedures, Section 6-7 - Establishes time frames for the completion of Life Safety Surveys. Hospitals, nursing homes, and intermediate care facilities for the developmentally disabled (ICF-DD) are to receive a Life Safety Survey on an annual basis, with new Life Safety Surveys conducted within 9 to 15 months of the exit date of the last survey.

Condition

During the 2007-08 fiscal year, Medicaid payments to hospitals, nursing homes, and ICF-DDs, all of which were required to have an annual Life Safety survey, totaled approximately $6.5 billion. We reviewed documentation for 17 facilities to determine whether FAHCA retained documentation evidencing that the facilities met the required health and safety standards. We noted that for five hospitals, FAHCA could not provide documentation evidencing that the hospitals had received an annual Life Safety Survey within 9 to 15 months of the last survey. In four of these instances, the Life Safety Surveys were completed from 1 to 14 months late. FAHCA made Medicaid payments totaling $128,699,654.75 to the 4 hospitals for the period of time during the 2007-08 fiscal year in which the hospitals did not have a current Life Safety Survey certification. In the remaining instance, the survey should have been completed by June 2008, but had not been completed as of August 11, 2008. No payments were made to the hospital during this period.

Cause

FAHCA indicated that the Bureau of Plans and Construction is responsible for scheduling and completing the Life Safety Surveys. FAHCA also indicated that the delays in conducting the Life Safety Surveys were due to staff shortages and heavy construction workloads.

Effect

Failure to complete the required Life Safety Surveys could allow facilities to provide Medicaid services without meeting applicable health and safety standards.

Recommendation

We recommend that FAHCA increase its efforts to ensure that staff conduct Life Safety Surveys within the established time frames.

State Agency Response and Corrective Action Plan

We will make the necessary rule, manpower availability and management review changes necessary to assure that Life Safety Surveys are conducted within the established time frames. The delay in surveying Doctors Memorial Hospital arose from an internal miscommunication, which has since been resolved. The Office of Plans and Construction performs fire life safety surveys annually on this hospital except in the years when the area office provides the survey as part of the certification process. The survey dates for the other four facilities were delayed by manpower shortages. The Agency will address this problem through a combination of rule revisions which will include the use of Joint Commission on

	Accreditation of Healthcare Organizations (JCAHO) accreditation surveys every third year. We will modify the rule in Florida Administrative Code (FAC) 59A-3 to accept JCAHO accreditation surveys every third year in lieu of the annual state licensure survey. Additionally, modifying the rule in FAC 59A-5 to allow ambulatory surgery centers to skip the year subsequent to the one in which they receive a deficiency-free survey on the first visit will free up man-hours to focus on the timely completion of required surveys of the remaining facilities. Management will improve its scheduling and review of these surveys to ensure they are conducted within the appropriate timeframes.
Estimated Corrective Action Date	07/31/09
Agency Contact and Telephone Number	Skip Gregory (850) 487-0713

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-061**
CFDA Number	93.775, 93.776, 93.777, 93.778
Program Title	**Medicaid Cluster**
Compliance Requirement	Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits
State Agency	**Florida Agency for Health Care Administration (FAHCA)**
Federal Grant/Contract Number and Grant Year	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-062

Finding

FAHCA had not developed policies and procedures to provide for the timely review and release of cost report audits of Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) and nursing homes. The cost report audits are performed to ensure that the institutions were paid at the appropriate rate.

Criteria

42 CFR 447.253(g) – *Audit Requirements*

Condition

Payments for inpatient hospital services and long-term care facility services are based on approved cost-based rates. To ensure the accuracy of those rates, periodic audits of the supporting financial and statistical records of participating providers are required. FAHCA contracted with certified public accounting (CPA) firms to perform the periodic ICF-DD and nursing home cost report audits. FAHCA staff were to review the audited cost reports and working papers prior to releasing the audit reports.

Our audit disclosed that FAHCA had not developed policies and procedures to ensure the timely review and release of ICF-DD and nursing home cost report audits. Specifically, FAHCA had not established a methodology for the selection of facilities to be audited or time frames within which the audits should be conducted, reviewed, and released. We noted that the year in which a facility's audit was scheduled was oftentimes from one to three years after the fiscal year selected for examination. Additionally, FAHCA's practice of reviewing the supporting working papers for each CPA audit report may have impeded the timely issuance of the audit reports.

As indicated by the following information, FAHCA's practices were not effective for ensuring the timely performance and issuance of cost report audits:

- Of the 23 ICF-DD audit reports released during the 2007-08 fiscal year, 8 were selected during the 2003-04 fiscal year, 11 during the 2004-05 fiscal year, and 4 during the 2005-06 fiscal year. None of the 14 ICF-DDs selected for audit in the 2006-07 fiscal year had been released as of June 30, 2008. For the ICF-DD audits released during the 2007-08 fiscal year, the average length of time to complete and release an ICF-DD audit report, from the year selected to the year released, was approximately 3.2 years.
- As of October 28, 2008, none of the 19 audits resulting in disclaimers of opinion on the ICF-DD cost reports for the 2003-04 and 2004-05 fiscal years had been released, nor had the issues been resolved through other means. (See audit report No. 2008-141, finding No. FA 07-062.) FAHCA staff indicated that they were performing additional work to resolve the reported disclaimers of opinion.
- Of the 73 nursing home audit reports released during the 2007-08 fiscal year, 4 were selected for audit during the 2003-04 fiscal year, 9 during the 2004-05 fiscal year, 51 during the 2005-06 fiscal year, and 9 during the 2006-07 fiscal year. For the nursing home audits released during the 2007-08 fiscal year, the average length of time to complete and release a nursing home audit report,

from the year selected to the year released, was approximately 2.1 years.

- The number of nursing homes selected for audit had decreased from 210 during the 2005-06 fiscal year to 125 in the 2006-07 fiscal year, a reduction of 40 percent. Decreasing the number of audits conducted annually will lengthen, on average, the time between when a nursing home is paid and FAHCA's determination of the appropriate rate.

Cause

FAHCA staff indicated that the reasons for the delay in releasing ICF-DD and nursing home audit reports may be the result of staff working on other tasks, such as cost report audit appeals scheduled with the Division of Administrative Hearings or management requests. FAHCA staff also indicated that they rely on professional judgment to govern the scheduling, review, and release of nursing home and ICF-DD audit reports.

Effect

Failure to timely release the ICF-DD and nursing home audit reports reduces the effectiveness of efforts to ensure that these facilities are reimbursed at the appropriate rate and limits FAHCA's ability to timely apply rate adjustments, if necessary.

Recommendation

We recommend that FAHCA develop policies and procedures to assist in the scheduling and release of nursing home and ICF-DD audit reports, including time frames for the timely release of the audit reports. We also recommend that FAHCA implement a quality assurance review process in which FAHCA staff review the supporting working papers for a sample of CPA audit reports in lieu of the current practice of reviewing the working papers for all audit reports.

State Agency Response and Corrective Action Plan

The Agency acknowledges the amount of time the review process of Medicaid nursing home and ICFD-DD audits takes and is taking steps to maintain maximum staffing levels in order to provide the needed oversight in this process. In addition, the Agency is requesting an additional audit analyst position through the Legislative Budget Request process. The additional analyst would help increase the ability to issue audits in a timelier manner and maintain the quality of the audit oversight.

The Agency has established a system to audit Medicaid nursing home and ICF-DD cost reports. The Agency selects cost reports based on risk criteria to be audited and outsources the audit fieldwork through contract with independent CPA firms. The Agency maintains the quality assurance of the audits through the review process of all audit working papers to determine whether the contract audit firm:

- Completed the examination program,
- Has performed and documented sufficient work to support the proposed adjustments,
- Produced a report that includes all the proposed adjustments based on the work,
- Applied appropriate program knowledge, and
- Has consistently applied Agency policy.

The purpose of the audits is to determine whether the costs included in the cost reports are Medicaid allowable and supported. These costs are used to determine the Medicaid per diem rate for each audited provider. The significance of maintaining a rigorous quality assurance role is important as audit results are used to determine any necessary rate changes for the nursing home and ICF-DD providers. These rate changes are used to determine possible overpayments that are recouped from the provider.

The Agency has determined cost reports to be potentially subject to manipulation and has made a commitment to provide a rigorous level of oversight to ensure a high degree of accuracy for these audits. Recent audits have shown that

providers are including increasingly complex financial transactions that have to be tracked through to conclusion and appropriate adjustments proposed. The complexity of the audits has significantly increased the Agency's review time, as the evaluation process is systematic and careful to properly address the number of issues. The significant dollar value of these adjustments to the Medicaid program warrants that the Agency have the ability to identify and follow the complex transactions.

As the audits represent Agency action, each cost report audit issued has appeal rights under Section 120.57, Florida Statutes. The appeals are defended by the same Agency analysts that perform the audit reviews, as they are the most conversant about the issues that have been uncovered during the review process. The Agency's thorough review of the issues and adjustments are critical for the ability to defend those adjustments. Without appropriate review of all audits, the Agency is at risk to miss adjustments that may determine additional overpayments to the providers.

The Agency has determined that it is at least nine months after assignment to the audit firm before the working papers are submitted to the Agency for review. This time may be much longer if issues develop at the audit firm level that need to be brought to conclusion, before the audit can be submitted to the Agency for review.

Audit reviews are generally handled on a first-in-first-out basis and are usually completed within six months to nine months. The review time may also vary along with the complexities of the audit transactions and the number of audits from a like chain.

Should the provider decide to appeal the issued audit, the provider has the option of attempting to settle the issues or moving the issue to the Division of Administrative Hearings for a legal hearing. Either of these courses of action requires the audit analyst to incorporate this work in with the other audits submitted for review. If an audit appeal does go to hearing, the timing of any other assigned work is changed to meet the requirements of the hearing process. The appeal process usually takes at least a year. The many unknowns presented throughout this process make developing and keeping a timeline for issuing audits difficult.

A reduction of the review process through review of a sample of the reports in order to improve the timing of the issuance of the audit reports increases the risk the Agency may not identify the potential provider overpayments and reduce the ability to defend underdeveloped or overlooked audit adjustments. This reduced review process may also allow for the inconsistent application of Agency policy that might hinder or set precedent in defending the Agency's position during an administrative hearing or settlement process.

The importance of issuing audits in a timelier manner is acknowledged. However, the importance of having defendable audits with well developed issues that may reveal significant overpayments cannot be overlooked when it is the Agency's responsibility to ensure accountability in this process. The reduction in review process does not take away the provider's Chapter 120 rights to appeal the audit adjustments and may potentially require more time for the audit analyst to handle the appeals.

The Agency acknowledges that reducing the level of oversight for these audits to require a sample review of supporting working papers for CPA audit reports rather than a review of working papers for all audit reports may increase the number of audits issued in any given period. However, the provider has appeal rights under Chapter 120.57, Florida Statutes, upon issuance of the report. Issuing reports through a sample review of the working papers will not reduce, and may potentially increase, the amount of time required to defend these audits in the appeal process. Additional adjustments that may be added during the review process would be a lost opportunity for audits not reviewed. The Agency believes it is more prudent to ensure the accuracy of the reports due to the significant

	amount of overpayments this process produces.
Estimated Corrective Action Date	
Agency Contact and Telephone Number	Lisa Milton, Medicaid Program Analysis (850) 487 1242

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-062**
CFDA Number	93.889
Program Title	**National Bioterrorism Hospital Preparedness Program**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	5U90TP417006-08, U90/CCU417006-07-7, 6U3RHS007570-01-02, 1U3REP070010-01-00
Finding Type	Noncompliance Questioned Costs – $32,210.23

Finding

Contrary to Federal requirements, FDOH did not always maintain records to support salary and benefits charged to the Program. Additionally, FDOH charged a portion of the salary of one contract employee to the Program when the employee's job duties were related to another program.

Criteria

OMB Circular A-87 Attachment B, Section 8.h., *Support of Salaries and Wages*

Condition

FDOH records indicated that during the 2007-08 fiscal year, expenditures for the Program totaled $26,558,224.23. These expenditures included $565,470.55 in salary and benefit costs for FDOH employees and $1,086,398.02 for payments to contractors for contract employees.

We tested 40 expenditures charged to the Program during the 2007-08 fiscal year. Of these expenditures, four were salary payments and three were payments to contractors for contract employees to administer FDOH grant activities. As described below, our test disclosed discrepancies in salary charges in three instances.

- For one FDOH employee, salary and benefits were allocated and charged to multiple programs; however, FDOH did not maintain time and effort records to support the allocation of the employee's salary and benefits costs totaling $16,114.75 to several Federal programs. Salary and benefits costs for this employee for the period June 15, 2007, through August 30, 2007, were charged to the Program (Federal Grant Nos. 6U3RHS007570-01-02, $5,373.88; 1U3REP070010-01-00, $721.35), as well as, to CFDA No. 93.069 Public Health Emergency Preparedness (Federal Grant No. 5U90TP417006-08, $1,082.04) and CFDA No. 93.283 Center for Disease Control and Prevention - Investigations and Technical Assistance (Federal Grant No. U90/CCU417006-07-7, $8,937.48).
- Salary costs attributable to one contract employee for two months totaling $9,426.08 was charged to the Program; however, a certification was not on file to evidence that the employee worked solely on the Program. (Federal Grant No. 6U3RHS007570-01-02) Subsequent to our inquiry, a certification was obtained for this employee.
- A portion of one contract employee's salary for two months totaling $6,669.40 was charged to the Program when the employee's job duties were related 100 percent to CFDA No. 93.283, Center for Disease Control and Prevention - Investigations and Technical Assistance. (Federal Grant No. 6U3RHS007570-01-02)

Cause

FDOH staff indicated that they did not require 100-percent timekeeping for employees who worked in multiple activities until August 15, 2007, when FDOH policy DOHP 57-03-07 *Bureau of Revenue Management Time Keeping Requirements for Federal Programs* was implemented.

A certification was not obtained for the contract employee who worked solely on the program apparently due to an oversight.

	FDOH staff indicated that the contract employee's salary charged to the Program when the employee's job duties were related to another program resulted from an error on the applicable purchase order.
Effect	The Program was charged costs that were not substantiated by appropriate records or costs for activities that did not benefit the Program.
Recommendation	We recommend that FDOH maintain time and effort records or payroll certifications as appropriate for all employees that work on Federal programs. We also recommend that FDOH restore to the Program, funds inappropriately charged for the contract employee who did not work on that Program.
State Agency Response and Corrective Action Plan	DOHP 57-03-07 Bureau of Revenue Management Time Keeping Requirements for Federal Programs has been implemented for all employees working on Federal programs. Additionally, a Direct Order for one employee's salary was set up incorrectly causing a portion of an employee's salary to be charged to the incorrect federal grant. The office of Public Health Preparedness will work with DHHS to restore funds inappropriately charged to the incorrect program. 1. Implement DOHP 57-03-07 Time Keeping Requirement for Federal Programs. 2. The Office of Public Health Preparedness will contact DHHS to determine whether funds charged to the incorrect program can be repaid from correct current grant year program since services were directly related to the grant. The Department will adhere to the final decision produced by the grantor agency.
Estimated Corrective Action Date	1. Completed; 2. March 31, 2009
Agency Contact and Telephone Number	Victor Johnson (850) 245-4444, Ext. 4346

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-063**
CFDA Number	93.889
Program Title	**National Bioterrorism Hospital Preparedness Program**
Compliance Requirement	Period of Availability of Federal Funds
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	6U3RHS007570-01-02
Finding Type	Noncompliance Questioned Costs – $9,449.20
Finding	FDOH charged the Federal grant award for obligations incurred prior to the grant award period.
Criteria	45 CFR 92.23, *Period of availability of funds*
Condition	FDOH charged $9,449.20 to the Federal grant award for the period September 1, 2006, through August 31, 2008, for expenditures incurred prior to the funding period. The expenditures were incurred during the 2004-05 Federal fiscal year.
Cause	During grant close-out procedures in August 2007, FDOH staff discovered that a vendor had not been paid. FDOH staff indicated that the vendor never notified FDOH that the invoices had not been paid.
Effect	Expenditures incurred prior to the grant's funding period may be subject to disallowance by USDHHS.
Recommendation	As this is an isolated instance, we recommend that FDOH consult with the Federal grantor agency as to resolution of this matter.
State Agency Response and Corrective Action Plan	Although the period of availability for these funds ended, the funds were used for goods and/or services relating to the grant and should have been paid. FDOH will implement a year end federal award review process that ensures encumbrances for a given award period are fully expended within that award period. FDOH will consult with Department of Health and Human Services on process to request approval for charging federal grant expenditures which occurred in a prior period to a current period award. FDOH will document process for future should this isolated instance occur.
Estimated Corrective Action Date	March 31, 2009
Agency Contact and Telephone Number	Victor Johnson (850) 245-4444, Ext. 4346

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-064**
CFDA Number	93.917
Program Title	**HIV Care Formula Grants (HIV Grants)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	6 X07HA00057-17-05 2008 and 2 X07HA00057-18-00 2009
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $78,146.34 ($77,388.48 Federal; $757.86 State Match)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-063

Finding

FDOH had established procedures to document employee time and effort as a basis for allocating salaries and benefits to multiple Federal programs or cost objectives. However, the procedures were not consistently applied to pharmacy employees, nor was an approved alternative method implemented for such employees.

Criteria

OMB Circular A-87 Attachment B, Section 8.h., *Support of Salaries and Wages*

Condition

We examined 40 HIV Grants and State matching expenditures, 19 of which were salary payments. Two of the 19 salary payments tested pertained to one pharmacy employee whose salary and benefits were allocated to multiple cost objectives during the 2007-08 fiscal year. We noted that FDOH did not have time and effort records for the employee, nor did FDOH maintain an approved alternative regulatory compliant personnel activity report or other documentation to support the salary allocation for this employee. FDOH charged salary and benefits totaling $14,450 for this employee to HIV Grants during the 2007-08 fiscal year. (Federal Grant Nos. 6 X07HA00057-17-05, $10,370.25; 2 X07HA00057-18-00, $4,079.75)

We identified six additional pharmacy employees whose salaries and benefits were allocated to HIV Grants and other cost objectives during the 2007-08 fiscal year. FDOH could not provide documentation to support the salary allocations for five of these employees. FDOH charged salary and benefits totaling $63,696.34 for these five employees to HIV Grants during the 2007-08 fiscal year. (Federal Grant Nos. 6 X07HA00057-17-05, $49,241.33; 2 X07HA00057-18-00, $13,697.15; and State Match, $757.86)

Cause

In the instance identified in our sample, FDOH staff indicated that time and effort reporting was not considered to be a viable method for allocating the pharmacy employee's salary. The employee's supervisor estimated an amount based on his observation of the time the employee spent to dispense prescriptions for the AIDS Drug Assistance Program. In the other instances identified, FDOH timekeeping procedures were not followed.

Effect

Absent the time and effort records required by OMB Circular A-87, FDOH had not fully substantiated the salary costs charged to HIV Grants.

Recommendation

We recommend that FDOH maintain time and effort records as required by OMB Circular A-87 or if deemed appropriate, seek USDHHS approval for an alternative method.

State Agency Response and Corrective Action Plan

FDOH will continue to maintain time and effort records as required by OMB Circular A-87 or if deemed appropriate, seek USDHHS approval for an alternative method.

The Bureau of HIV/AIDS will contact the pharmacy on a quarterly basis to confirm that staff partially funded by the Ryan White grant are completing timesheets to document the amount of time spent on Ryan White related activities.

Estimated Corrective Action Date	On-going
Agency Contact and Telephone Number	Sherry Riley (850) 245-4420

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-065**
CFDA Number	93.917
Program Title	**HIV Care Formula Grants**
Compliance Requirement	Eligibility
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	2 X07HA00057-18-00 2009
Finding Type	Noncompliance Questioned Costs – $2,152.83
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-064
Finding	As reported on the Summary Schedule of Prior Audit Findings, FDOH conducted technical assistance training and revised training materials to improve efforts to maintain adequate documentation of client eligibility. However, our tests disclosed one instance where client income documentation could not be provided.
Criteria	42 USC 300ff-26(b) Provision of Treatment – *Eligible Individuals*; 42 USC 300ff-27(b) State Application – *Description of Intended Uses and Agreements*; *Determining Eligibility Staff Procedures Manual*
Condition	During the 2007-08 fiscal year, FDOH expended $79,332,452.34 in AIDS Drug Assistance Program (ADAP) funds to purchase drugs for subsequent distribution to eligible clients. We reviewed records for 40 clients receiving AIDS Drug Assistance Program (ADAP) assistance that were enrolled or reenrolled in the Program during the 2007-08 fiscal year. For 1 of the 40 clients, FDOH did not have adequate documentation to support eligibility to receive ADAP benefits. Specifically, FDOH could not provide adequate income documentation, such as pay stubs or self-declaration for the May 2008 re-enrollment period. This client received drug benefits valued at $2,152.83 in May and June 2008.
Cause	The above-noted instance occurred during a transition period in which a County Health Department assisted a subcontractor as it began providing core eligibility determinations for the Program.
Effect	Drug benefits were provided to a client who may not have met the income eligibility requirement.
Recommendation	We recommend that FDOH continue its efforts to obtain and properly maintain documentation for eligibility determinations.
State Agency Response and Corrective Action Plan	FDOH will continue to provide regular training venues and technical assistance concerning client eligibility determinations. The Bureau of HIV/AIDS will continue to conduct eligibility training and distribute the eligibility manual to staff on a routine bases. Bureau staff will also provide specific technical assistance to individual field staff as needed or requested.
Estimated Corrective Action Date	On-going
Agency Contact and Telephone Number	Sherry Riley (850) 245-4420

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-066**
CFDA Number	Various (See Condition)
Program Title	**Various (See Condition)**
Compliance Requirement	Procurement and Suspension and Debarment
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-067

Finding

Significant deficiencies regarding the verification of vendors had not been corrected.

Criteria

44 CFR 13.35, *Subawards to debarred and suspended parties*

2 CFR 180.320, provides that non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Condition

FDCA management indicated in its Summary Schedule of Prior Audit Findings that procedures were in place to ensure that all vendors were checked against the *Excluded Parties List System (EPLS)* as of June 30, 2008, and certifications were obtained from the vendors for contractual services contracts; however, the procedures had not been added to FDCA's Policies and Procedures. Applicable procurements for the 2007-08 fiscal year totaled approximately $51.3 million for the Homeland Security Cluster (CFDA Nos. 97.004 and 97.067), Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036), and the Hazard Mitigation Grant (CFDA No. 97.039).

Our review of four Federal procurement transactions totaling $18.7 million disclosed one transaction totaling $2,647,239.20 for which there was no documented verification against EPLS or certification obtained from the vendor. Although our review on October 2, 2008, disclosed that this vendor was not on EPLS, the potential for not detecting excluded vendors continued to exist during the 2007-08 fiscal year.

Additionally, we noted that while FDCA's procedures related to procurements handled through MyFloridaMarketPlace (MFMP) required the vendor name to be checked against EPLS, the procedures did not require FDCA staff to check EPLS for the principals' names. Approximately $17.4 million of the $51.3 million in 2007-08 fiscal year transactions related to MFMP procurements.

Cause

FDCA management indicated that staff turnover and existing vacancies had contributed to continued problems in implementing procedures.

Effect

Contracts for goods or services may be procured from vendors that have been debarred or suspended, resulting in charges subject to disallowance.

Recommendation

We recommend that FDCA develop and implement written policies and procedures regarding the verification of vendors and the related principals.

State Agency Response and Corrective Action Plan

The Department's procedure has been enhanced to check the following sites when a requisition is sent for approval:

1. Excluded Parties at:
https://www.epls.gov/ (The required list to check the principal names of vendors)

2. Florida Dept. of State, Division of Corporations at:
http://ccfcorp.dos.state.fl.us/scripts/corofflis.exe?action=OFFFWD&action_dir=F&princ_comp_name=& (This site allows us to search a vendor no matter their name, FEID number, fictitious name, judgment lien, certification of partnership, profit,

	nonprofit, etc. 3. Convicted-Suspended List at: http://dms.myflorida.com/business_operations/state_purchasing/vendor_information/convicted_suspended_discriminatory_complaints_vendor_lists (This site is managed by DMS and it allows us to see past or current convicted or suspended vendors.) Also, the following statement is now added to all requisitions: "This vendor has been verified against the Federal Excluded Parties List System and does not appear to be disbarred or excluded from receiving Federal contracts". The Purchasing Analyst will also be checking the bid and single source requests processed through the purchasing office. The state contracts and MBE vendors will be checked periodically. However, the vendors on state contract are managed by DMS; DMS should notify all the purchasing offices about any changes to a vendor or a vendor's inclusion on the convicted or suspended list. The minority vendors are managed by Office of Supplier Diversity (OSD) through a certification and recertification process. OSD or DMS would expectedly advise the purchasing office if one of these vendors were not in compliance with the necessary qualifications. Written procedures will be developed and training will be provided to staff for this process.
Estimated Corrective Action Date	April 1, 2009
Agency Contact and Telephone Number	Tammie Kuhn (850) 922-1622

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-067**
CFDA Number	93.568, 97.004 and 97.067, 97.036, 97.039
Program Title	**Low-Income Home Energy Assistance Program (LIHEAP)** **Homeland Security Cluster (HSC)** **Disaster Grants – Public Assistance (Presidentially Declared Disasters)** **Hazard Mitigation Grant**
Compliance Requirement	Reporting
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	Various (See Condition)
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-052

Finding

FDCA did not have sufficient procedures in place to ensure that financial reports were accurate and complete.

Criteria

44 CFR 13.20(b)(1), *Financial reporting*; 45 CFR 96.30(a), *Fiscal control and accounting procedures*

Condition

Financial status reports for the Federal programs administered by FDCA and the Florida Division of Emergency Management (FDEM) were centrally prepared within FDCA's Office of Finance and Accounting. During the 2007-08 fiscal year, FDCA was required to prepare and submit approximately 224 financial reports for the LIHEAP, HSC, Disaster Grants, and Hazard Mitigation Grant Programs. Our review of FDCA's procedures for preparing and reviewing the required Federal financial reports disclosed that FDCA did not have written policies and procedures regarding the preparation of the financial reports from FDCA's accounting records. Additionally, FDCA did not have procedures in place to ensure that an appropriate level of review was conducted and documented prior to submission of required reports. FDCA management indicated that amounts on the financial reports were traced to the supporting worksheets; however, the only documentation of the review was the manager's signature on the financial report. Additionally, FDCA had no intermediate review to verify that amounts on the supporting worksheets agreed with applicable FDCA accounting records.

Our review of Federal financial reports submitted during the period July 1, 2007, through June 30, 2008, disclosed errors in amounts reported as described below.

- The LIHEAP Financial Status Report submitted for the period October 2006 through September 2007, for Grant No. 2007G992201/G992212 G-07B1FLLIEA, reported $13,865,542.67 as the Federal share of unliquidated obligations. However, the unliquidated obligations included $524,836 in administrative costs that were not documented as obligated. This condition was similarly disclosed in audit report No. 2008-141, finding No. FA 07-052.

- The Disaster Grants Financial Status Report submitted for the period October 2006 through June 2007, for Grant No. FEMA-1609-DR-FL, reported Federal funds authorized totaling $1,508,239,028.24, while actual Federal funds authorized totaled $1,527,753,684.71, a difference of $19,514,656.47. Subsequent to FDCA's submission of the report, FEMA personnel detected the error and required a revised report to be submitted. According to FDCA management, the correct amount was available on the supporting record; therefore, the error should have been detected during management's review of the report.

- The HSC Financial Status Reports for Grant No. 2006GET60023 for the period October 2007 through December 2007 and for Grant No.2004GET40010 for the period January 2008 through March 2008, were identified as being prepared on the accrual basis of accounting; however, FDCA prepared the

reports on the cash basis.

Cause

FDCA management indicated that records used to derive amounts reported on the supporting worksheets were only reviewed in special circumstances, such as close-outs and revisions. Contrary to financial status report instructions, FDCA management indicated that it was FDCA practice for LIHEAP reporting to report the remaining unobligated grant balance as obligated on the financial status report until the final report was submitted.

Effect

The failure to provide reports that are complete, accurate, and properly supported may limit the ability of the USDHHS and USDHS to properly administer these Federal programs.

Recommendation

We recommend that FDCA establish written policies and procedures for the preparation of financial reports. Additionally, FDCA should enhance procedures for the review of required Federal reports by requiring proper levels of review be conducted and documented.

State Agency Response and Corrective Action Plan

The FDCA will utilize the Federal guidelines to develop written internal procedures regarding the preparation and review of financial reports for all Federal programs. The Grants Director will review the reports and associated documentation, and document that review before submission to the Federal agency.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Karen Peyton
(850) 922-1646

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-068**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023
Finding Type	Opinion Qualification, Material Noncompliance, Material Weakness, Significant Deficiency Questioned Costs – $2,957,627.57 (2004-GE-T4-0010 - $289,982.52; 2005-GE-T5-0035 - $2,423,926.82; 2006-GE-T6-0023 - $243,718.23)

Finding

Our review disclosed instances in which FDEM did not maintain adequate documentation to support the appropriateness of payments to subgrantees or adhere to its established procedures, and where FDEM reimbursed subgrantees for expenditures incurred after the end of the contract period. We also noted that requests for reimbursement were submitted by the subgrantees and paid by FDEM more than 30 days from the end of the contract period without adequate explanation, and that closeout reports did not always include all reimbursements.

Criteria

OMB Circular A-87, Attachment A, Section C.1.j., *Costs must be adequately documented;* 28 CFR 66.23, *Period of Availability of Funds*; 28 CFR 66.40, *Monitoring and Reporting Program Performance;* USDHS OGT OGO Financial Management Guide, *Period of Availability of Funds, Monitoring Project Performance*

Pursuant to the instructions included on FDEM's close-out report, the report should be completed and submitted to FDEM no later than 60 days after the termination date of the agreement. According to FDEM guidance, final close-out reports should not be submitted until final payment has been made and all final expenditures have occurred. FDEM's final close-out report requires the subgrantee to summarize expenses incurred during the project and specifically acknowledge any cost overages or underages.

FDEM's subgrantee agreement extensions provide that, generally, payments may or may not be made by FDEM after 30 days of the end of the contract period at the discretion of FDEM.

Condition

During the 2007-08 fiscal year, FDEM made payments totaling $21,542,081.50 to 98 subgrantees, primarily local governments. FDEM required subgrantees to submit a Reimbursement Request Form and a supporting Detail of Claims worksheet when requesting reimbursement. Additionally, effective April 2008, FDEM required subgrantees to submit underlying documentation, such as copies of invoices and cancelled checks, along with the Detail of Claims. FDEM had established procedures requiring the review and approval of all Requests for Reimbursement prior to payment. Our test of 20 payments to subgrantees totaling $8,547,786.45, disclosed two payments totaling $2,672,932.34 that were not supported by Details of Claims or documentation such as copies of invoices. Additionally, we noted FDEM made these payments 164 and 353 days after the end of the contract period. One of the two subgrantees submitted the final close-out report for the grant prior to receiving payments totaling $289,982.52 in the 2007-08 fiscal year and $4,935.50 in the 2008-09 fiscal year.

We also noted that FDEM had not established procedures to review reimbursement requests to ensure that subgrantee expenditures were incurred during the contract period. Additionally, procedures were not in place to ensure that payments were made within 30 days of the end of the contract period or that the basis for FDEM's decision to reimburse the subgrantee for expenditures submitted subsequent to that time was documented. Our review of 20 subgrantee

payments included payments to 12 subgrantees whose contract periods ended during or prior to the 2007-08 fiscal year. We reviewed FLAIR records for payments to these 12 subgrantees and noted 7 instances in which related payment documentation indicated that FDEM had made payments for expenditures incurred after the end of the contract period or more than 30 days after the end of the contract period, as described below.

- FDEM reimbursed one subgrantee $40,977 in expenditures that were incurred five months after the end of the contract period related to at least one of three deliverables. Additionally, the subgrantee had submitted the final close-out report for the grant prior to receiving the reimbursement.
- For another subgrantee, the subgrantee submitted a request for reimbursement and FDEM paid $63,352.22 141 days after the end of the contract period, of which $19,536.46 in expenditures were incurred after the initial agreement ended January 31, 2008, and prior to the reinstatement of the agreement on August 11, 2008. These expenditures were incurred during the months of February and March 2008.
- FDEM made payments totaling $180,366.01 to four subgrantees more than 30 days after the end of the contract period without documenting the reasons for paying subgrantees for requests for reimbursement submitted more than 30 days after the end of the contract period. These payments were made from 34 to 119 days after the end of the contract period. One of the subgrantees had submitted the final close-out report prior to receiving a payment totaling $89,610.

In addition, while payments were not noted subsequent to the end of the contract period, we noted another two subgrantees whose close-out reports did not include reimbursements totaling $308,388.20.

Cause

FDEM did not follow procedures requiring itemized Details of Claims, and did not adhere to newly established procedures requiring detailed documentation, prior to processing reimbursement requests from subgrantees. Also, FDEM did not perform an adequate review and approval of closeout reports upon receipt from subgrantees.

Effect

Absent adequate documentation and review thereof, there is reduced assurance that amounts paid from Federal program funds were used for allowable activities and that applicable costs were necessary, reasonable, and documented in compliance with Federal regulations and State grant requirements. Also, FDEM cannot demonstrate the appropriateness of expenditures charged to the Program.

Payments outside the period of performance are subject to disallowance by USDHS. Untimely requests for reimbursement and subsequent payments to subgrantees delay FDEM's closeout of subgrant agreements and, ultimately, Federal grants.

The usefulness of subgrantee closeout reports is diminished when the reports contain inaccurate or incomplete information. Also, FDEM had reduced assurance of subgrantee compliance with applicable Program requirements and achievement of performance goals.

Recommendation

We recommend that FDEM enhance its review of subgrantee Requests for Reimbursement to ensure required documentation is submitted. As part of its review, FDEM should also ensure that expenditures are incurred during the period of performance. We also recommend that FDEM establish guidelines to ensure that final subgrantee Requests for Reimbursement are submitted and paid within the timeframes established by the subgrantee contracts and that reasons for accepting and paying subsequently received Requests are documented. We further recommend that FDEM grant managers and program staff perform a review of closeout reports.

State Agency Response and Corrective Action Plan	The Division has hired a writer to develop and finalize Standard Operating Procedures for all aspects of the Unit including review of requests for reimbursement, close-out reports, and status reports. On August 13, 2008 the Domestic Preparedness Unit completed a Department of Homeland Security Grants Management Technical Assistance delivery. Once the SOP is complete, we will request a second delivery of the Department of Homeland Security Grants Management Technical Assistance to ensure all new staff have the same skill sets as those that attended the initial training session.
Estimated Corrective Action Date	The SOP will be complete by June 30, 2009, the Technical Assistance Delivery is contingent upon DHS availability.
Agency Contact and Telephone Number	Tina Quick (850) 413-9974

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-069**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Activities Allowed or Unallowed, Cash Management
State Agency	**Florida Department of Community Affairs (FDCA)** **Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	2005-GE-T5-0035
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $166,636.40

Finding

FDEM's procedures for advancing funds to subgrantees did not appear to be effective in minimizing the time elapsing between the disbursement of funds and their use by the subgrantee or ensuring that advances are offset against subsequent reimbursements. Also, FDEM had not established procedures for monitoring interest earned by subgrantees on advances. Additionally, FDCA did not properly code the advance payment in the State's accounting system, Florida Accounting Information Resource Subsystem (FLAIR).

Criteria

28 CFR 66.20, *Standards for Financial Management Systems*; 28 CFR 66.21(c), *Advances*; 28 CFR 66.21(i), *Interest earned on advances;* 28 CFR 66.37(a)(4), *Subgrants*

USDHS OGT Financial Management Guide provides that the State should keep in mind that idle funds in the hands of subrecipients will impair the goals of sound cash management. All recipients must develop procedures for the disbursement of funds to ensure that Federal cash on hand is kept at a minimal balance.

FDEM's subgrantee agreement requires subgrantees to submit budget data and a justification for advance. Pursuant to the terms of the agreement, funds may be advanced in an amount up to three months of cash needs.

Condition

Our review of 20 FDEM payments to subgrantees during the 2007-08 fiscal year, identified one subgrantee advance totaling $150,000 in August 2007. FDEM records did not indicate why it was necessary to provide funding for up to 90 days in advance of when the cash would be needed by the subgrantee. Although FDEM had identified the payment as an advance, FDCA did not code the payment as an advance in FLAIR. FDEM made additional payments to the subgrantee totaling $220,339.29 during the remainder of the 2007-08 fiscal year and in the 2008-09 fiscal year. Our review of records supporting the payments indicated that FDEM did not offset the advance against these payments. Additionally, we noted that FDEM did not obtain appropriate supporting documentation, such as invoices, to support $16,636.40 in costs reimbursed to the subgrantee during the 2007-08 fiscal year.

Also, we noted that FDEM had not established procedures for offsetting advances against subsequent reimbursements, monitoring interest earned by subgrantees on advances, and ensuring that any interest earned by the subgrantees is promptly remitted to FDEM as required by subgrantee contract terms. FDEM had not determined whether interest was due for the advance payment described above.

Cause

FDEM procedures for advancing funds do not address adherence to cash management requirements.

Effect

Absent adequate controls, FDEM lacks assurance that subgrantees minimize the time elapsing between the transfer of Federal funds and their disbursement by the subgrantee and timely submit interest earnings as required. Additionally, failure to consider applicable cash management requirements may result in FDEM placing

excess funds with subgrantees. Without proper recording of advances in FLAIR, FDEM and FDCA management may have a limited ability to identify advances and ensure that they are properly offset with subsequent subgrantee expenditures.

Recommendation

We recommend that FDEM enhance its procedures to ensure that advances are appropriate based on the scope and length of the period of performance and conform to Federal cash management requirements. We also recommend that FDEM establish procedures to ensure that advances are properly offset against subsequent reimbursements. Additionally, FDCA should ensure that advances are properly coded in FLAIR.

Florida Department of Community Affairs

State Agency Response and Corrective Action Plan

All advance payments received in the Fiscal Management unit that meet the state's statutory requirements and have received an approved waiver if applicable, will be classified as an advance upon entry into FLAIR. All payments received in the Fiscal Management unit that are classified as an advance payment but do not meet the designated criteria will be returned to the appropriate program office to correct the advance classification or until waiver approval documentation is provided. Written procedures will be developed and training will be provided to staff for this process.

Estimated Corrective Action Date

April 1, 2009

Agency Contact and Telephone Number

Karen Peyton
(850) 922-1646

Florida Division of Emergency Management

State Agency Response and Corrective Action Plan

The Division of Emergency Management has hired a writer to further refine and finalize the Domestic Preparedness Unit's Standard Operating Procedures (SOPs) as well as a Standard Operating Guide for each position. The SOP will include a section focused on Advances as well as Cash Management to ensure the Unit and Sub-Grantees stay in compliance with State and Federal guidelines.

Estimated Corrective Action Date

June 30, 2009

Agency Contact and Telephone Number

Tina Quick
(850) 413-9974

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-070**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Law Enforcement (FDLE)**
Federal Grant/Contract Number and Grant Year	2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
Finding Type	Questioned Costs – $245,609.86
Finding	Contrary to the terms of its agreement with the Florida Division of Emergency Management (FDEM), FDLE charged indirect costs to the Homeland Security Cluster (HSC) grants.
Criteria	FDLE's agreements with FDEM provide that FDLE may charge management and administration costs directly related to the administration of the program; however, the agreements do not provide for the charging of indirect costs. The agreements further identify unauthorized expenditures to include items not in accordance with the authorized equipment list or not listed as allowable costs. Indirect costs were not identified as allowable costs.
Condition	During the 2007-08 fiscal year, FDLE expenditures for HSC grants totaled $16,347,604.47. Our review of FDLE expenditure records disclosed that FDLE charged indirect costs totaling $245,609.86 to HSC grants. FDLE management, in response to our inquiries indicated that while indirect cost is not included within FDLE's agreements with FDEM, indirect cost is an allowable cost under Homeland Security guidelines published by USDHS.
Cause	FDLE relied upon Homeland Security guidelines in determining the allowability of indirect costs, rather than the terms of the agreement with FDEM.
Effect	Unauthorized costs are subject to disallowance by USDHS.
Recommendation	FDLE should consult with FDEM regarding the allowability of indirect costs charged to the grants during the 2007-08 fiscal year.
State Agency Response and Corrective Action Plan	The Office of Finance and Accounting is seeking clarification from FDEM regarding the questioned costs. Action will be taken to resolve the finding.
Estimated Corrective Action Date	March 2009
Agency Contact and Telephone Number	Teddy F. Payne (850) 410-7165

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-071**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster (HSC)**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Law Enforcement (FDLE)**
Federal Grant/Contract Number and Grant Year	2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $177,385.22
Finding	FDLE did not have procedures in place to obtain certifications required by OMB Circular A-87 for employees working solely on the Homeland Security Cluster.
Criteria	OMB Circular A-87, Attachment B, Section 8.h.(3), *Support of Salaries and Wages*
Condition	During the 2007-08 fiscal year, FDLE expended HSC funds totaling $16,347,604.47, including salaries and benefits totaling $599,105.21. Our audit disclosed that FDLE did not have procedures in place to obtain payroll certifications for employees working solely on HSC activities. Our review of ten FDLE administrative expenditures included salary payments for three employees who worked solely on HSC activities. Salaries and benefits for the three employees totaled $177,385.22. FDLE could not readily identify other employees who worked solely on HSC activities.
Cause	FDLE staff indicated that they were unaware that payroll certifications were required for employees working on HSC activities.
Effect	Absent the periodic certifications required by OMB Circular A-87, FDLE had not fully substantiated the salary costs charged to HSC.
Recommendation	We recommend that FDLE ensure that certifications are obtained from all employees working solely on the HSC Program.
State Agency Response and Corrective Action Plan	Procedures are being developed by the Office of Finance and Accounting (OFA) to obtain the certifications. Semiannually (April and October), OFA will conduct reviews and obtain the certifications for members who work solely on federal grant programs. Certifications will be retained with each federal grant award file in OFA. OFA is finalizing certifications for the period July 1, 2007, through September 30, 2008.
Estimated Corrective Action Date	February 2009
Agency Contact and Telephone Number	Teddy F. Payne (850) 410-7165

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-072**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Financial Services (FDFS)**
Federal Grant/Contract Number and Grant Year	2006-GE-T6-0023
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $141,737.28
Finding	FDFS made payments to subgrantees for expenditures incurred prior to the execution of a contract.
Criteria	USDHS OGT OGO Financial Management Guide, *Procurement*
Condition	During the 2007-08 fiscal year, the FDFS Office of the State Fire Marshall made payments totaling $2,816,447 to subgrantees. We tested eight payments to subgrantees totaling $690,321.09. Our audit disclosed that for one subgrantee, FDFS reimbursed the subgrantee for expenditures totaling $141,737.28 although the expenditures were incurred outside the contract period. These expenditures were incurred from three to ten months prior to the start of the contract period.
Cause	In response to our inquiry, FDFS staff indicated that subrecipients of the State Fire Marshall were allowed to pursue projects under the auspices of the FDFS contract with the Florida Division of Emergency Management even if a contract with the subrecipient had not been executed. According to FDFS staff, this procedure was discontinued.
Effect	Payments made prior to the contract period may be subject to disallowance by USDHS.
Recommendation	We recommend that FDFS reimburse expenditures only when incurred under a valid contract between the subrecipient and FDFS and during the contract period.
State Agency Response and Corrective Action Plan	All future contracts with Homeland Security Cluster grant subrecipients will ensure that the effective date of the agreement coincides with the effective date of the corresponding agreement between DEM and DFS. In addition, the Department's Division of Administration has revised procedures to require requests for payments to grant recipients be submitted to the Reconciliation Unit in the Bureau of Financial and Support Services, instead of to the Disbursements Unit as is the case for all other requests for payment. The Reconciliation Unit then verifies that the payment is within the contract period. After verification, it is then sent to our Disbursements Unit for processing.
Estimated Corrective Action Date	Completed
Agency Contact and Telephone Number	Mike Bannister Division of State Fire Marshal (850) 413-3611 Robert E. Clift, Inspector General (850) 413-4960

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-073**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Department of Health (FDOH)**
Federal Grant/Contract Number and Grant Year	2006-GE-T6-0023 and 2007-GE-T7-0039
Finding Type	Significant Deficiency Questioned Costs – $1,100 (Federal Grant No. 2007-GE-T7-0039)

Finding

We noted one instance in which FDOH paid for goods prior to receipt and had not subsequently documented in the procurement records that the goods were received. Additionally, FDOH did not ensure that items were recorded in the property records at the correct cost.

Criteria

OMB Circular A-87, *Basic Guidelines*; OMB Circular A-87, Attachment B, *Equipment and other capital expenditures*

Florida Department of Financial Services, Rule 69I-72.001, Florida Administrative Code, defines cost as the invoice price plus freight and installation charges less discounts.

Condition

FDOH expenditures for the Homeland Security Cluster totaled $5,747,027.87 for the 2007-08 fiscal year. FDOH equipment purchases totaled $818,929.30. Our examination of ten expenditures totaling $1,711,585.82 disclosed one instance where FDOH paid $1,100 for goods that had not been received at the time of payment. FDOH used the State's electronic procurement system, MyFloridaMarketPlace, to record the receipt of the goods and approve payment. Although the receiving report in MyFloridaMarketPlace documented that the goods had not been received, FDOH approved payment for the full amount. Subsequent to our audit inquiry, FDOH management provided a packing slip indicating the goods were shipped and received approximately two weeks after the vendor was paid.

Additionally, we noted that FDOH did not record the correct values in the property records for three of four property items included in the expenditures we examined. The property items were recorded in the property records with values totaling $22,307; however, FDOH excluded freight charges totaling $520.46 from the costs of these items.

Cause

FDOH records did not indicate why it paid for goods prior to receipt. According to FDOH management, program office staff was unable to update information in the procurement records to reflect the subsequent receipt of the goods. FDOH procedure was to record property based on the purchase price.

Effect

Absent documentation of receipt prior to payment, FDOH may make erroneous payments. Additionally, FDOH did not accurately account for property purchased with Federal funds.

Recommendation

We recommend that FDOH ensure that payments are made only for goods actually received. Additionally, FDOH should record property items at the appropriate cost in the property records.

State Agency Response and Corrective Action Plan

Documentation between the program office and the Department's Bureau of Finance & Accounting reflect the items in question were received. Additionally, prior to 10/06/2008, FDOH policies did not require the reporting of freight costs in the acquisition of costs for property records.

1. Schedule training on procedures approval and payment of good using My Florida Marketplace.

	2. Implement FDOH Asset Management Policy as updated on 10/6/08.
Estimated Corrective Action Date	1. Completed; 2. March 31, 2009
Agency Contact and Telephone Number	Victor Johnson (850) 245-4444, Ext. 4346

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-074**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Matching, Level of Effort, and Earmarking
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
Finding Type	Significant Deficiency

Finding

FDEM did not have procedures in place to track the allocation and expenditure of management and administrative costs of the State and local jurisdiction subgrantees.

Criteria

Homeland Security Grant Program Guidance for FY 2004, 2005, 2006, and 2007

USDHS guidance provides that 3 to 5 percent of total amounts allocated to the State may be used for Statewide management and administrative (M&A) purposes, depending on the Federal grant year. For Statewide purposes, 3 percent is allowed for the 2004 and 2005 Federal grant years, and 5 percent is allowed for the 2006 and 2007 Federal grant years. In addition, for the 2005 Federal grant year, local jurisdiction subgrantees may retain and use up to 2.5 percent of their subaward from the State for local M&A purposes (3 percent for 2006 and 2007). The State may pass through a portion of the State M&A allocation to local subgrantees in order to supplement the percentage allowed on subgrants. However, no more than 3 percent (5 percent for 2006 and 2007) of the total subaward may be expended by subgrantees on M&A costs.

Condition

FDEM did not have procedures in place to track the allocation and expenditure of M&A funds at the State level and local subgrantee level to ensure compliance with the M&A cost limitations. Although M&A costs were allocated to both FDEM and other State agencies at the State level, there were no procedures to ensure that total Statewide expenditures do not exceed the amounts allowed. Also, FDEM did not track M&A expenditures for local subgrantees for funds provided by FDEM and provided by other State agencies.

We requested documentation from FDEM regarding compliance with the M&A cost limitation for the 2004 and 2005 grant awards, which are scheduled to expire during the 2008-09 fiscal year. FDEM could not provide documentation of how FDEM monitored total M&A expenditures by the State and local subgrantees to ensure that the maximum allowable percentages for the 2004 and 2005 Federal grant awards were not exceeded.

In response to our inquiries, FDEM management indicated that they relied on language and the budget included in the subgrant agreements. However, our review of the budgets included in 13 agreements with local jurisdiction subgrantees and other State agencies, disclosed inconsistencies between the award agreement, budget detail, and proposed budget in 6 instances. In one case, we noted that the total allocated for M&A costs in the proposed budget exceeded the allowable M&A costs in the award amount due to including the State portion in the calculation of the M&A costs in the local subgrantee's award. This resulted in an M&A cost allocation of 3.1 percent, contrary to Federal guidelines. Additionally, we noted for one State agency the budget detail worksheet did not include $2,834,058 of the total award amount. We also reviewed payments for five agreements and noted one agreement where the total paid for M&A costs had exceeded the M&A cost allocation by $515.96, with one year and $1.9 million remaining on the agreement.

Cause	FDEM management relied on the allocation process to document compliance with the requirement.
Effect	Without adequate procedures to monitor actual M&A expenditures, FDEM cannot ensure that amounts allocated and expended for management and administrative costs are within Federal guidelines, both for the State and local subgrantees.
Recommendation	We recommend that FDEM establish procedures to ensure that the allocation and expenditure of management and administrative costs for each Federal grant award at the State and local levels are in compliance with Federal requirements.
State Agency Response and Corrective Action Plan	The Domestic Preparedness Unit will incorporate management and administrative funds management and tracking processes into our new Standard Operating Procedures at the recommendation of the Auditor General.
Estimated Corrective Action Date	June 30, 2009
Agency Contact and Telephone Number	Tina Quick (850) 413-9974

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-075**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	2005-GE-T5-0035 and 2006-GE-T6-0023
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-079

Finding

FDEM again did not always document that subgrantee status reports were timely obtained and reviewed. Additionally, FDEM review procedures were not adequate to identify reports that were not properly completed. FDEM did not fairly state the status of this finding in the Summary Schedule of Prior Audit Findings (SSPAF).

Criteria

28 CFR 66.40, *Monitoring and Reporting Program Performance*; USDHS OGT OGO Financial Management Guide, *Monitoring Project Performance*

Condition

During the 2007-08 fiscal year, FDEM made payments totaling $21,542,081.50 to 98 subgrantees. FDEM staff were required to document review of subgrantee status reports through the completion of the Request for Review Routing Sheet for quarterly and semiannual reports. FDEM did not have procedures in place to document the review of close-out reports. Our review of FDEM records with regard to 28 quarterly and semiannual reports and 4 close-out reports required of 10 subgrantees disclosed:

- For seven quarterly status reports, FDEM could not provide Request for Review routing sheets. Additionally, the seven reports were not dated by the subgrantee or date-stamped upon receipt by FDEM; therefore, we could not determine the time period covered by the report or whether the reports had been submitted timely.
- For four subgrantees, documentation was not available to evidence that nine status reports were prepared at the appropriate frequency, submitted timely, or contained all required information in accordance with contract provisions.
- The four close-out reports did not contain documentation evidencing review by FDEM. During our review of the four reports, we noted that one close-out report had been submitted without being signed or dated by the subgrantee. The purpose of the subgrantee's signature and date is to certify that the costs reported are true and accurate.

In its SSPAF as of June 30, 2008, FDEM indicated the finding was fully corrected; however, as described above, we continued to note instances where FDEM did not obtain or review subgrantee reports. FDEM did not have in place procedures governing the review of status reports. FDEM management provided us with draft Standard Operating Guidelines dated June 6, 2008, that were not implemented during the 2007-08 fiscal year. These guidelines addressed procedures for reviewing quarterly reports, but not semiannual or close-out reports.

Cause

FDEM management attributed the problems with reviewing reports to staff turnover. The absence of written review procedures during the audit period also contributed to the status report review issues.

Effect

Absent timely monitoring, FDEM had limited assurance of compliance with applicable Program requirements and achievement of performance goals.

Recommendation

We recommend that FDEM include in its Standard Operating Guidelines procedures for reviewing quarterly, semiannual, and close-out reports. Additionally, we recommend that FDEM document that required status and

	close-out reports are timely obtained and reviewed.
State Agency Response and Corrective Action Plan	The Division has hired a writer to develop and finalize Standard Operating Procedures for all aspects of the Unit including review of Requests for Reimbursement, Close-Out Reports, and Status reports. The Standard Operating Guide for Grant Managers will include a step to document that required status and close-out reports are timely obtained and reviewed. Documentation will be reflected on the grant manager's spreadsheet as well as in the sub-grant file.
Estimated Corrective Action Date	June 30, 2009
Agency Contact and Telephone Number	Tina Quick (850) 413-9974

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-076**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	2005-GE-T5-0035
Finding Type	Significant Deficiency

Finding

FDEM monitoring procedures were not adequate to ensure that subgrantees were selected for on-site monitoring visits based on documented risk factors and that the identified subgrantees were monitored. Additionally, FDEM did not have procedures in place to ensure that the results contained in FDEM monitoring reports were supported by the monitoring instruments.

Criteria

OMB Circular A-133, §___.400(d), *Pass-through entity responsibilities* include monitoring activities of subrecipients and OMB Circular A-133 Compliance Supplement requires monitoring during-the-award activities.

28 CFR 66.40, *Monitoring and Reporting Program Performance*; USDHS OGT OGO Financial Management Guide, *Monitoring Project Performance*

Condition

During the 2007-08 fiscal year, FDEM expended HSC funds totaling $55,821,242.57 of which FDEM provided $21,542,081.50 to subgrantees and $31,780,659.70 to State agencies. FDEM staff monitors its subgrantees through reviews of required reports and through on-site monitoring. FDEM did not have a documented risk assessment or selection methodology for determining the subgrantees to be monitored. FDEM provided a monitoring schedule; however, it covered the period May 2007 through December 2007 and no subsequent schedules were provided. Also, our review of the schedule showed that FDEM scheduled on-site visits for both open and closed contracts. During the 2007-08 fiscal year, FDEM staff monitored only 2 of 98 local subrecipients. Absent an overall monitoring plan, it was not apparent whether monitoring was conducted on a reasonable time frame and gave appropriate attention to during-the-award activities.

FDEM had not established written procedures for the review of financial and programmatic monitoring checklists, supporting documentation, and completed monitoring reports that would ensure completeness, consistency, or documentation of supervisory review. Supervisory review allows FDEM an opportunity to detect errors in the monitoring report. For example, our examination of one of the two completed site visits disclosed inconsistencies between the monitoring tool used during the visit and the completed report. Specifically, FDEM staff noted during the monitoring visit that the subgrantee did not maintain course rosters and conducted training that was not approved; however, these matters were not included in the report. Also, FDEM staff included a recommendation in the report for an area where related issues were not noted on the monitoring instrument.

Cause

According to FDEM management, emphasis was placed on monitoring other State agencies rather than local agencies. Additionally, FDEM management attributed the site visit deficiencies to the visit being one of the first FDEM conducted.

Effect

Absent comprehensive monitoring procedures, FDEM management's ability to detect inefficient and ineffective uses of HSC funds and noncompliance with laws, regulations, and provisions of contracts is limited.

Recommendation	We recommend that FDEM ensure that the selection of subgrantees is based on a documented risk assessment and that monitoring visits are conducted as scheduled and include during-the-award activities. We also recommend that FDEM establish procedures to provide for a supervisory review of checklists and supporting documentation to ensure that monitoring reports contain all significant findings noted during the on-site visit.
State Agency Response and Corrective Action Plan	The Domestic Preparedness Unit currently has a Monitoring Procedure which includes frequency criteria. At the recommendation of the Auditor General, the Unit will take into consideration further bolstering of the procedure and incorporating it into the Standard Operating Procedure.
Estimated Corrective Action Date	June 30, 2009
Agency Contact and Telephone Number	Tina Quick (850) 413-9974

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-077**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster (HSC)**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Law Enforcement (FDLE)**
Federal Grant/Contract Number and Grant Year	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
Finding Type	Noncompliance and Significant Deficiency

Finding

FDLE did not receive audit reports from subrecipients within the time frame established through single audit requirements or document its efforts to obtain the audit reports. Additionally, FDLE did not have adequate procedures in place to ensure that subgrantee audit reports were timely reviewed and deficiencies were properly identified for corrective actions.

Criteria

OMB Circular A-133, §___.400(d), *Pass-through entity responsibilities*

Condition

FDLE provided HSC subgrants to 212 subrecipients during the 2007-08 fiscal year. According to FDLE records, 53 subrecipients expended at least $500,000 and were required to submit audit reports for the fiscal year ended September 30, 2006, by June 30, 2007. Our review of FDLE's records regarding these reports disclosed that 52 of the 53 (98.11 percent) reports were not received timely. These reports were received from 40 to 530 days after the date of the auditor's report. Pursuant to Federal regulations, audit reports are due from the subrecipients within 30 days of receipt of the auditor's reports or nine months after the end of the audit period, whichever is earlier. While 7 of the 53 reports were not prepared until after the June 30, 2007, due date, the remaining 46 reports had been timely prepared. According to FDLE management, letters were sent to subrecipients when reports were not received timely; however, copies of those letters were not retained, nor were the dates the letters were sent recorded in FDLE's tracking system (SIMON).

We also noted that FDLE did not review 40 of the 53 audit reports within 180 days of receipt as required by Federal regulations. According to FDLE records, FDLE initiated its review of the reports from 1 to 603 days subsequent to receipt and finalized its reviews from 17 to 612 days subsequent to receipt. For these 40 reports, the completion of the review process averaged 363 days after receipt.

We reviewed FDLE records substantiating its review of three subrecipient audit reports. We noted that, for two audit reports, FDLE did not identify and follow up on findings that could affect the administration of HSC subgrants. According to FDLE management, FDLE staff thought that the Summary of Auditors Results contained within the audit report was inclusive of all findings and, therefore, did not review the remainder of the report or the management letter for additional findings.

Cause

FDLE procedures were not adequate to ensure that subrecipient audit reports were obtained and reviewed timely. Additionally, FDLE staff reviewed only the Summary of Auditors Results for potential audit findings.

Effect

Absent timely receipt and review of subrecipient audit reports, FDLE management lacks assurance that subgranted funds were used in compliance with controlling laws, rules, and regulations and that any deficiencies identified in subgrantee audit reports were properly resolved.

Recommendation

We recommend that FDLE improve its procedures to ensure that audit reports are timely obtained from subrecipients, reviewed, and findings followed up in regard to necessary corrective actions. FDLE should fully document its efforts to obtain subrecipient audit reports that are not timely received.

State Agency Response and Corrective Action Plan	FDLE has reviewed the procedures regarding audit reports and has amended them to require that Management Letters and Summary of Audit Findings be reviewed within 180 days of receipt. Copies of deficiency letters, e-mails and notes documenting telephone conversations with subrecipients are being maintained in the audit file. In addition, summaries of action taken on individual subgrants are being noted in the comments section of Subgrantee Audit module in the Subgrant Information Management ON-line (SIMON) System. Monthly reviews/meetings will determine the status of receipt of audit reports, reviews of audit reports, and follow-up on findings.
Estimated Corrective Action Date	December 10, 2008
Agency Contact and Telephone Number	Clayton Wilder (850) 617-1250

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-078**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster (HSC)**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Law Enforcement (FDLE)**
Federal Grant/Contract Number and Grant Year	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
Finding Type	Significant Deficiency

Finding

FDLE procedures for selecting subrecipients for on-site monitoring were not documented. Additionally, FDLE did not adhere to its monitoring schedule or ensure that during-the-award activities were monitored. Additionally, monitoring reports were not always complete.

Criteria

OMB Circular A-133, §___.400(d), *Pass-through entity responsibilities* include monitoring the activities of subrecipients and OMB Circular A-133 Compliance Supplement requires monitoring during-the-award activities.

Condition

During the 2007-08 fiscal year, FDLE expended HSC funds totaling $16,347,604.47 of which FDLE provided $11,540,475.23 to 212 subgrantees. FDLE staff monitors its subgrantees through reviews of required reports and subrecipient audits and through on-site monitoring. We reviewed FDLE's procedures for on-site monitoring and noted the following:

- FDLE did not have a documented risk assessment or other systematic selection methodology for determining the subgrantees to be monitored. According to FDLE staff, at the beginning of the fiscal year, staff decided which subgrantees to monitor based on the contract amount and area of the State. During the 2007-08 fiscal year, FDLE completed monitoring visits for 26 of the 41 subgrantees scheduled for monitoring. Of the 26 subgrantees monitored, 15 were monitored for activities related to closed grants rather than activities during the award. Absent an overall monitoring plan, it was not apparent whether monitoring was conducted on a reasonable timeframe and gave appropriate attention to during-the-award activities.
- Our review of five completed monitoring reports disclosed that for three of the reports, elements of the report were inconsistent with the supporting documentation. One report noted that all expenditure reports had been submitted, although on the date of the monitoring visit, one expenditure report had not been submitted and was 178 days delinquent. In two cases, sole sourced acquisitions were not noted on the monitoring instrument, although other documentation at FDLE indicated that the subgrantees had sole sourced acquisitions. FDLE's monitoring instrument included a specific element for sole sourced acquisitions, which required prior approval by FDLE.

Cause

FDLE did not have comprehensive monitoring procedures in place during the 2007-08 fiscal year.

Effect

Absent comprehensive monitoring procedures, FDLE management's ability to detect inefficient and ineffective uses of HSC funds and noncompliance with laws, regulations, and provisions of contracts is limited.

Recommendation

We recommend that FDLE base the scheduling of subgrantee monitoring on a documented risk assessment. We also recommend that FDLE ensure that monitoring visits are conducted as scheduled and include during-the-award activities, and that greater care is taken during the monitoring reviews to identify deficiencies and areas of special interest.

State Agency Response and Corrective Action Plan	FDLE will monitor our subgrantees by using desk audits and on-site monitoring visits. The scheduling of these will be based on factors, such as previous reviews, award amounts, geographical areas, and special areas of interest. Monthly reviews/meetings will be held to determine the status of desk and on-site monitoring.
Estimated Corrective Action Date	February 2009
Agency Contact and Telephone Number	Clayton Wilder (850) 617-1250

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-079**
CFDA Number	97.004, 97.067
Program Title	**Homeland Security Cluster**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Department of Financial Services (FDFS)**
Federal Grant/Contract Number and Grant Year	2006-GE-T6-0023
Finding Type	Significant Deficiency
Finding	FDFS did not have written procedures for monitoring subgrantees and reviewing subgrantee audit reports. Additionally, during the 2007-08 fiscal year, FDFS did not perform on-site subgrantee monitoring.
Criteria	USDHS OGT OGO Financial Management Guide, *Monitoring Project Performance;* OMB Circular A-133, §___.400(d), *Pass-through entity responsibilities*
Condition	During the 2007-08 fiscal year, FDFS expended HSC funds totaling $3,608,203. Expenditures for subgrants during the 2007-08 fiscal year totaled $2,816,447 (78 percent of total expenditures). Our review disclosed that FDFS had not established written procedures for conducting site visits, reviewing subgrantee quarterly and close-out reports required by its subgrantee agreements, or reviewing subgrantee audit reports. Additionally, we noted that FDFS did not perform on-site monitoring of subgrantees during the 2007-08 fiscal year. In June 2008, FDFS contracted with a vendor to perform site visits and provide monitoring evaluations of subgrantees. However, these evaluations were not completed until September 2008.
Cause	In response to our inquiries regarding written procedures, FDFS management stated that they were in the process of establishing and updating procedures, which include ensuring that subgrantees obtain audits in a timely manner.
Effect	FDFS had limited assurance of subgrantee compliance with applicable Program requirements and achievement of performance goals.
Recommendation	We recommend that FDFS ensure that monitoring is performed for subgrantees to ensure that Federal funds are being used as intended. We also recommend that FDFS establish written procedures regarding the review of subgrantee quarterly and closeout reports required by subgrantee agreement, as well as, subgrantee audit reports.
State Agency Response and Corrective Action Plan	FDFS is improving and documenting its procedures to improve the efficiency and accountability of its processes. A new State Homeland Security Coordinator has been hired with extensive experience in managing Federal grants. The various modes of monitoring will continue to expand. In addition, FDFS is in the process of establishing and updating procedures to assure that subrecipients provide required audits and reports in a timely manner.
Estimated Corrective Action Date	June 2009
Agency Contact and Telephone Number	Loren Mock, Domestic Security Coordinator Division of State Fire Marshal (352) 732-1433 Robert E. Clift, Inspector General (850) 413-4960

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-080**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Matching, Level of Effort, and Earmarking, Subrecipient Monitoring
State Agency	**Florida Department of Community Affairs (FDCA)** **Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Disclaimer of Opinion, Material Weakness, and Significant Deficiency
Finding	FDEM could not provide reliable documentation to evidence adherence to the matching and subrecipient monitoring compliance requirements. Additionally, FDEM documentation to support compliance with the activities allowed or unallowed and allowable costs/cost principles compliance requirements was of limited reliability.
Criteria	44 CFR 13.22, *Allowable Costs*; 44 CFR 13.24, *Matching or Cost Sharing*; 44 CFR 206.228, *Allowable Costs* OMB Circular A-133 §___.400 (d) *Pass-through entity responsibilities*
Condition	FDEM used the Florida Public Assistance (FloridaPA) System to process and approve payments for the Disaster Grants program. Additionally, the System allocates the payments to the Federal and State share according to the percentages entered by FDEM staff into the FloridaPA System. The FloridaPA System also contains all information on FDEM's monitoring efforts for its subrecipients. In Information Technology audit report No. 2009-086, dated January 2009, we disclosed deficiencies regarding FloridaPA System general and application controls that we consider material weaknesses. Because of the deficiencies, the reliability of the information contained within the FloridaPA system is highly compromised. Without using information from FloridaPA, FDEM cannot demonstrate compliance with matching or subrecipient monitoring requirements. The weaknesses in FloridaPA System controls precluded our reliance thereon for purposes of our audit, and it was not possible in the circumstances for us to utilize alternative procedures. Consequently, our audit did not include tests of compliance with matching requirements and subrecipient monitoring.
Recommendation	We recommend that FDEM and FDCA implement corrective actions to address the general and application control weaknesses noted in audit report No. 2009-086. Additionally, FDEM should explore alternative methods for demonstrating compliance with Federal requirements until management can assure itself of the integrity of FloridaPA.
	<u>Florida Department of Community Affairs</u>
State Agency Response and Corrective Action Plan	FDCA has appointed an Information Security Manager whose responsibilities will include documenting Information Technology security best practices. In addition, this position will develop an employee training and security awareness program for all FDCA employees. The Department will advise FDEM regarding security best practices and will continue to provide technical assistance as requested.
Estimated Corrective Action Date	December 1, 2008 for designated manager with training and awareness program completed by June 30, 2009
Agency Contact and Telephone Number	Steve Grantham (850) 922-1475

Florida Division of Emergency Management

State Agency Response and Corrective Action Plan	Please refer to the DEM State Response to the Audit, Information Technology, Florida Public Assistance System in Report No. 2009-086. The referenced response is relative to the new version of the Floridapa.org system and addresses the system integrity issues and recommendations to fully comply with Federal requirements.
Estimated Corrective Action Date	April 2009
Agency Contact and Telephone Number	Charles Shinkle (407) 268-8752 Bob Seibert (407) 268-8609

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-081**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (PA) (Presidentially Declared Disasters)**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	FEMA-1539-DR-FL, FEMA-1545-DR-FL, FEMA-1551-DR-FL, FEMA-1561-DR-FL, FEMA-1602-DR-FL, FEMA-1609-DR-FL, FEMA-1679-DR-FL
Finding Type	Disclaimer of Opinion, Material Weakness and Significant Deficiency Questioned Costs – $10,678,099.73 (FEMA-1539-DR-FL $1,528,726.62; FEMA-1545-DR-FL $5,386,537.42; FEMA-1551-DR-FL $96,381.90; FEMA-1561-DR-FL $1,520,055.97; FEMA-1602-DR-FL $328,118.09; FEMA-1609-DR-FL $1,479,602.84; FEMA-1679-DR-FL $64,019.93; State Share $274,656.96)

Finding

In a significant number of instances, FDEM made payments without adequate documentation to demonstrate that costs were allowable and reasonable and incurred during the authorized project period.

Criteria

44 CFR 13.22 & 206.205, 226, 228, *Allowable Costs*; OMB Circular A-87, Attachment A, Section C, Basic Guidelines – *Cost Principles*

The 2007 FEMA Public Assistance Guide establishes deadlines for work according to the type of work. The deadlines are measured from the declaration date of the major disaster or emergency. FDEM has limited authority to grant extensions of the completion deadlines. Emergency work and debris clearance have 6 month deadlines and can be extended by FDEM for an additional six months. Permanent work has an 18 month deadline and can be extended by FDEM an additional 30 months. Requests for time extensions beyond the limit of FDEM's authority must be submitted to FEMA for approval.

Generally, Disaster Grant funds are authorized for specific projects during specific time frames. Project costs are estimated and authorized on a Project Worksheet (PW). FDEM allowed subgrantees to submit Requests for Reimbursement (RFR) supported by Summary of Documentation forms (SOD) that contained information such as vendor names, invoice numbers, brief descriptions of the work performed, dates of delivery, etc., without requiring the inclusion of copies of invoices or purchase orders. Once projects are completed, FDEM performs a final inspection and closeout and any unspent project funds are to be deobligated and made available to FEMA for reallocation to other disasters.

Condition

During the 2007-08 fiscal year, FDEM made payments totaling $517,064,724.89 to subgrantees and State agencies under the Disaster Grants Program. Our test of 62 payments totaling $28,415,297.80 to subgrantees and State agencies included 29 payments totaling $10,161,942.16 for which the SOD did not provide adequate detailed information to demonstrate that costs were allowable and incurred during the authorized project period. Although requested, FDEM did not provide approved time extensions for costs incurred after the project completion deadline. Following is a description of information provided on the SODs for these payments:

- SODs for 15 payments included items totaling $6,314,189.85 for which the vendor name, invoice, or check numbers were identified, but a description of the work performed was not included. Two of the 15 payments included costs of $349,870.81 incurred from 47 to 288 days after the project completion deadline. Additionally, two payments made to the Florida Department of Agriculture and Consumer Services may involve a duplicate payment as the SOD for each $26,953.68 payment included the same voucher number and vendor name.

- Eight payments included items totaling $1,464,058.36 that were supported by SODs with general descriptions of work performed repeated for several line items. For example, one SOD listed two cost line items totaling $853,050 for which the description was lodge construction. This project was a $3.7 million replacement of a building used as a farmer's market. Four of the eight payments included costs of $341,140.56 incurred from 93 days to approximately 2 years after the project completion deadline. One of the four payments included additional costs of $28,875 that, although supported by adequate records, were incurred after the project completion deadline.
- One payment totaling $1,349,231.94 was supported by an SOD listing the locations where the work was performed, but no description of work performed was provided. These costs were incurred over 19 months after the project completion deadline.
- One payment totaling $712,352.78 for a window project referred to an attachment FDEM was unable to provide in response to our audit inquiry.
- Three payments included items totaling $176,898.23 that were described on the SOD as force account labor. While some listed date ranges, the SODs did not include a work description.
- One payment included $116,336 that was described on the SOD as a payment to offset the deobligation of remaining project funds. The SOD provided no indication this amount was needed to pay project costs. Deobligated funds are no longer available to pay for project costs.

Although FDEM had adequate SOD information for 33 of the payments we examined, we noted that eight of these payments totaling $516,157.57 did not appear to be for allowable costs based on documentation provided. Specifically,

- One payment totaling $113,133.78 was paid after FDEM had completed the final inspection and closeout. The SOD indicated that the reimbursement was to offset the closeout version and draw down the rest of the remaining funds. FDEM had no additional documentation to support the allowability of the payment. Additionally, $18,085.01 of this payment was for costs incurred 54 days after the project completion deadline.
- One payment included $204,000.01 for a hazard mitigation proposal that was not allowable under the Stafford Act because the seawall being constructed was not part of the original site.
- One payment included $55,478.90 that was described as advanced funding. However, the referenced project had been deobligated two years prior to the request for payment.
- One payment totaling $30,300 was for a PW related to reconstruction of a damaged parking lot. The PW indicated that the project would be considered ineligible without a geotechnical report supporting that the damage was a result of Hurricane Wilma. FDEM records did not indicate that the geotechnical report had been received.
- One payment included $10,635 for book shelves with an estimated cost totaling $2,635. No explanation for the $8,000 difference between the estimated and actual cost was available nor was there a modification of the PW.
- One payment included $6,121.48 for an alarm system not listed in the scope of work in the PW.
- One payment included costs totaling $1,961.41 for labor charges attributable to Hurricanes Dennis, Katrina, and Rita although the approved project was for damage incurred during Hurricane Wilma.

- One payment included $5,603.40 of emergency costs included on an SOD for a PW for permanent work. This payment also included $91,558.59 for costs incurred 137 days after the project completion deadline.

Cause

FDEM did not have written procedures for payment processing. Additionally, FDEM management indicated that reliance is placed on the closeout process to determine whether costs are allowable, rather than a detailed review of documentation submitted with requests for reimbursement. While final inspections may identify unallowable costs, the review of documentation prior to payment can help detect unallowable costs and prevent payment of such costs.

Effect

Absent adequate documentation, FDEM cannot demonstrate the appropriateness of the expenditures and advances charged to the Program. Additionally, payments made subsequent to project completion dates or for unauthorized purposes are subject to disallowance by the Federal grantor agency.

Recommendation

We recommend that FDEM establish written procedures for payment processing and make payments only for documented and allowable costs incurred during the authorized project period.

State Agency Response and Corrective Action Plan

FDEM will develop written procedures to follow the audit recommendation and adhere to 44CFR in all respects including insuring that payments are processed within the project period.

Estimated Corrective Action Date

April 2009

Agency Contact and Telephone Number

Charles Shinkle
(407) 268-8752

Bob Seibert
(407) 268-8609

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-082**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**
Compliance Requirement	Activities Allowed or Unallowed, Cash Management
State Agency	**Florida Department of Community Affairs (FDCA)** **Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	FEMA-1609-DR-FL and FEMA-1545-DR-FL
Finding Type	Noncompliance Questioned Costs – $169,650.97 (FEMA-1609-DR-FL - $159,649.96; FEMA-1545-DR-FL - $9,535.27)

Finding

FDCA drew down Disaster Grants funds authorized for use in particular projects to cover the costs of other projects for which funding was not available.

Criteria

44 CFR 13.20(7), *Cash Management*; 44 CFR 206.202, *Application procedures*; 44 CFR 206.40, *Designation of affected areas and eligible assistance*; and 44 CFR 206.44, *FEMA-State Agreements*

OMB Circular A-87, Attachment A, *General Principles for Determining Allowable Costs*, Section C, *Basic Guidelines*.

Condition

FDCA had one letter of credit against which it drew both Disaster Grants and Hazard Mitigation Grant funds. Under the letter of credit, USDHS established separate subaccounts by disaster for each program. During the 2007-08 fiscal year, FDCA drew down funds totaling approximately $554 million as funds designated for the Disaster Grants Program.

Our review of ten draws disclosed two instances in which Federal funds were drawn from an incorrect Federal grant subaccount. In these instances, FDCA staff drew funds from one subaccount to cover deficits in other subaccounts. In total, the deficits ranged from $166,076.65 in September 2007 to $169,650.97 in June 2008. Specifically:

- In one of the two instances, FDCA drew funds totaling $26,688.38 in July 2007 from the Hurricane Wilma Disaster Grants subaccount for underlying expenditures related to Hazard Mitigation Grant (CFDA No. 97.039) - Hurricane Georges. Other similar draws had been made and at June 16, 2008, the draws totaled $159,649.96. According to FDCA records, FDCA began drawing funds from the Hurricane Wilma subaccount to cover Hazard Mitigation Grant expenditures in January 2007. USDHS released additional Hazard Mitigation Grant funds in April 2008 and FDCA reimbursed the Disaster Grants Program on June 26, 2008.
- In one of the two instances, FDCA drew funds totaling $9,535.27 in September 2007 from the 2000 South Florida Floods subaccount to cover a wildfire grant subaccount deficit that FDEM had not resolved with FEMA. Additional draws were made and at June 16, 2008, the draws totaled $10,001.01. As of September 3, 2008, these funds had not been restored to the 2000 South Florida Floods subaccount.

Cause

Cash draw records indicated that the requirements for the Hazard Mitigation Grant had not been met for the release of additional funds and the Program office was working with the Federal government to resolve the matter. FDCA cash draw worksheets indicated that FDEM program staff had identified the subaccounts that were to be used to cover the deficits.

Effect	Expenditures made prior to Federal approval or drawdowns made from inappropriate subaccounts may be subject to disallowance by Federal officials.
Recommendation	We recommend that FDCA draw funds only from the appropriate grant subaccount. Additionally, we recommend that FDEM ensure that Federal funds are authorized and available prior to charging expenditures to Federal grants. Additionally, we recommend that FDCA promptly restore to the 2000 South Florida Floods subaccount the funds used to cover wildfire grant overruns.
State Agency Response and Corrective Action Plan	The FDCA will no longer allow FDEM to cover cash shortages from other Federal grants. The FDEM has agreed to not incur costs before the approved amount has been placed on the letter of credit. The FDEM is in the process of submitting a request to FEMA to increase the grant amount for the Wildfire overruns. Restoration of cash to the 2000 South Florida Floods subaccount will take place as soon as the funds have been increased on the letter of credit. Written procedures will be developed and training will be provided to staff for this process.
Estimated Corrective Action Date	Future Inappropriate Grant Cash Coverage - February 1, 2009 Written procedures and training - April 1, 2009 Restoration of Cash Overruns - As soon as the amount is increased by the Federal agency.
Agency Contact and Telephone Number	Doug Wright (850) 413-9963 Charles Shinkle (407) 268-8752 Karen Peyton (850) 922-1646 Christine Savage (850) 922-1658

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-083**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**
Compliance Requirement	Activities Allowed or Unallowed, Cash Management
State Agency	**Florida Department of Community Affairs (FDCA)** **Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-069

Finding

FDEM and FDCA had not resolved deficiencies noted in the prior audit regarding the documentation and coding of cash advances. Additionally, FDEM had not established procedures for monitoring interest earned by the subgrantees on advances.

Criteria

31 CFR 205, *Rules and Procedures for Efficient Federal-State Funds Transfer* ; 44 CFR 13.20, *Standards for Financial Management Systems*; 44 CFR 13.21(c), *Advances*; and 44 CFR 13.21(i), *Interest earned on advances*

FDEM Subgrantee Reimbursement Guidelines require that when requesting an advance, the applicant must complete and submit a Request for Advance and a 90-day or less Schedule of Projected Expenditures (SOPE) for each project listed on the Request for Advance. The SOPE must outline how advance funds will be expended over the next 90 days.

Condition

FDCA advanced Disaster Grants funds totaling approximately $2.9 million to five subgrantees during the 2007-08 fiscal year. Our audit tests disclosed:

- We reviewed three advances totaling approximately $2.5 million and noted conditions similar to those reported in the prior year. For the three advances reviewed, FDEM did not obtain all documentation required by the subgrantee agreements, such as evidence to demonstrate that the subgrantee had procedures in place to ensure that funds were disbursed to vendors and contractors without unnecessary delay and statements justifying the advance. Also, FDEM records did not document that the cash advances were necessary to meet the immediate cash needs of the subgrantee or indicate why it was necessary to provide funding for up to 90 days in advance of when the cash would be needed by the subgrantee. For example, for one advance payment, totaling approximately $1.3 million and made in November 2007, FDEM had not received documentation that the subgrantee had expended the advanced funds as of June 30, 2008, 215 days later.
- FDCA coded all of the 2007-08 fiscal year advances as reimbursements rather than as advances in FLAIR. Our review of five payments disclosed that FDEM had identified all five payments as advances in the supporting documentation sent to FDCA for processing. FDCA staff indicated that FDCA coded disaster payments subsequent to the first payment to a subgrantee as reimbursements.

Additionally, FDEM had not established procedures for monitoring interest earned by subgrantees on advances and ensuring that any interest earned by the subgrantees was promptly (at least quarterly) remitted to FDCA as required by subgrantee contract terms. Because FDEM did not obtain documentation to support the reasonableness of advances and monitor interest earned, significant subgrantee interest liabilities could accrue. For example, during the 2007-08 fiscal year, one subgrantee remitted interest totaling $688,313 to FDEM, based on recommendations in the subgrantee's audit report for the fiscal year ended September 30, 2006.

Cause

FDEM procedures did not ensure that advances were administered in compliance with Federal regulations or that interest earned on advances was properly determined and remitted by the subgrantees. Additionally, FDEM practices for advancing funds did not address adherence to cash management requirements.

Effect

Absent adequate controls, FDEM and FDCA lack assurance that subgrantees minimize the time elapsing between the transfer of Federal funds and their disbursement by the subgrantee and timely remit any interest earnings. Without proper recording of advances in FLAIR, FDEM and FDCA have a limited ability to identify advances and ensure that they are properly offset with subsequent subgrantee expenditures.

Recommendation

We again recommend that FDEM establish procedures to ensure that all required conditions are met prior to advancing moneys to subgrantees. FDCA should ensure that advances are properly coded in FLAIR. We also recommend that FDEM establish procedures to ensure the timely remittance of interest earnings to FDCA.

Florida Department of Community Affairs

State Agency Response and Corrective Action Plan

All advance payments received in the Fiscal Management unit that meet the State's statutory requirements and have received an approved waiver if applicable, will be classified as an advance upon entry into FLAIR. All payments received in the Fiscal Management unit that are classified as an advance payment but do not meet the designated criteria will be returned to the appropriate program office to correct the advance classification or until waiver approval documentation is provided. Written procedures will be developed and training will be provided to staff for this process.

Estimated Corrective Action Date

April 1, 2009

Agency Contact and Telephone Number

Karen Peyton
(850) 922-1646

Florida Division of Emergency Management

State Agency Response and Corrective Action Plan

FDEM will develop methodology and written procedures that incorporate and follow the requirements contained in the Public Assistance Funding Agreement, Article VIII C in order to substantiate and comply with the conditions required for advancing monies to subgrantees. FDEM will also develop methodology and written procedures for ensuring the timely identification and payment of interest earned due to advances made to the subgrantee.

All advance payments received in the Fiscal Management unit that meet the state's statutory requirements and have received an approved waiver if applicable, will be classified as an advance upon entry into FLAIR. All payments received in the Fiscal Management unit that are classified as an advance payment but do not meet the designated criteria will be returned to the appropriate program office to correct the advance classification or until waiver approval documentation is provided.

Estimated Corrective Action Date

April 2009

Agency Contact and Telephone Number

Charles Shinkle
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(850) 922-1646

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-084**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability of Federal Funds, Reporting, and Subrecipient Monitoring
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	FEMA-1345-DR-FL
Finding Type	Other Questioned Costs – $26,879,056 (Federal Share $22,483,862; State Share $4,395,195)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-070

Finding

FDEM's analysis of eligible costs to amounts paid for one subgrantee disclosed payments totaling $26,879,056 in excess of costs incurred.

Criteria

44 CFR 13.22 & 206. 205, 226, 228, *Allowable Costs*; 44 CFR 13.21(c), *Advances*; 44 CFR 13.21(i), *Interest earned on advances*; 44 CFR 13.40, *Monitoring*; 44 CFR 13.40 & 206.204, *Reporting*

Condition

In our prior audit, we questioned over $15 million in payments to one subgrantee for which there was not sufficient documentation to demonstrate that the payments were appropriate. In response to that finding, FDEM prepared a reconciliation of final eligible costs to payments and advances made for 1,746 of the more than 2,000 projects approved for this subgrantee related to the 2000 South Florida Floods (FEMA-1345-DR-FL). Based on the draft reconciliation provided on November 19, 2008, FDEM had paid in prior years $26,879,056 in excess of the subgrantee's final eligible costs for the closed projects. In addition to the excess, the subgrantee may also owe interest on advances received from FDEM that were not expended. FDEM staff had not calculated the amount of the interest liability.

The final eligible costs used in FDEM's reconciliation are based on the FEMA approved final inspection reports. FDEM staff cannot complete the reconciliation until all final inspections for these projects have been approved by FEMA. According to FDEM records, as of October 6, 2008, there were 76 open projects for this subgrantee that will require final inspections. Until a final reconciliation is performed, FDEM has suspended all further payments to the subgrantee.

Cause

According to FDEM staff, funds were advanced to the subgrantee without requests for the advances and without justifying documentation, with the understanding that the subgrantee would account for the funds at final inspection. In some cases, for projects with funding advances, the projects were not completed because it was later determined that there was no damage or the projects were transferred to other subgrantees.

Effect

Pending FDEM's final reconciliation and corrective actions, moneys have been provided to a subgrantee that should be repaid with interest to the Disaster Grants Program.

Additionally, because Federal funding for these disaster projects expired on October 4, 2008, costs incurred by FDEM in conducting the remaining final inspections, finalizing the reconciliation, and processing payments and refunds subsequent to this date will not be eligible for Federal funding. Although project costs may continue to be paid, Federal regulations provide that funding for administrative costs is available for a maximum of eight years from the date of the major disaster declaration.

Recommendation	We recommend that FDEM recover any amounts paid on completed projects in excess of the subgrantee's final eligible costs with interest, and restore the amounts recovered to the Disaster Grants Program and appropriate State matching fund sources. We also recommend that, as additional projects are completed, FDEM, as soon as practicable, allocate the necessary resources to facilitate the completion of the final inspections, the reconciliation, and final payments and refunds.
State Agency Response and Corrective Action Plan	FDEM has suspended further payments to the subgrantee until the final reconciliation is completed on all projects. FDEM will schedule the remaining final inspections and determine if the subgrantee placed the advanced funds in an interest-bearing account and if so, the interest earned will be required to be remitted for refund to FEMA.
Estimated Corrective Action Date	September 2009
Agency Contact and Telephone Number	Charles Bartel (850) 414-7566

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-085**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**
Compliance Requirement	Cash Management
State Agency	**Florida Department of Community Affairs (FDCA)**
Federal Grant/Contract Number and Grant Year	FEMA-1609-DR-FL
Finding Type	Noncompliance
Finding	FDCA, in some instances, drew down funds without documenting that the funds were for immediate cash needs.
Criteria	44 CFR 13.20(7), *Cash Management*
Condition	During the 2007-08 fiscal year, FDCA drew down funds totaling approximately $554 million for the Disaster Grants Program. Our review of ten draws totaling approximately $65.2 million disclosed that two draws included amounts totaling $1,100,000 for which FDCA management could not provide supporting documentation evidencing how the amount was determined or that there was an immediate cash need for the funds.
Cause	FDCA personnel indicated that the $1,100,000 was drawn due to a discrepancy between state accounts and the agency's cash report. The cash was drawn to cover expenditures in the fund until records could be reconciled.
Effect	Draws in excess of documented immediate cash needs were made.
Recommendation	We recommend that FDCA ensure that draws do not exceed documented immediate cash needs.
State Agency Response and Corrective Action Plan	The FDCA has a process established that should always be followed when making federal cash draws. This process does not support the drawing of cash without proper documentation. We will continue to reiterate the established guidelines to all staff involved in this process. Written procedures will be developed and training will be provided to staff for this process.
Estimated Corrective Action Date	February 1, 2009 with written procedures and formal training by April 1, 2009
Agency Contact and Telephone Number	Karen Peyton (850) 922-1646 Christine Savage (850) 922-1658

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-086**
CFDA Number	97.036
Program Title	**Disaster Grants – Public Assistance (Presidentially Declared Disasters)**
Compliance Requirement	Special Tests and Provisions
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	FEMA-1539-DR-FL, FEMA-1545-DR-FL, FEMA-1551-DR-FL, FEMA-1561-DR-FL, FEMA-1595-DR-FL, FEMA-1602-DR-FL, FEMA-3220-DR-FL, FEMA-3259-DR-FL, and FEMA-1609-DR-FL
Finding Type	Disclaimer of Opinion, Material Weakness, and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-074

Finding

Significant deficiencies disclosed in the prior audit regarding the completion of final inspections continued to exist during the 2007-08 fiscal year.

Criteria

44 CFR 206.205, *Payment of claims*

Condition

In audit report No. 2008-141, finding No. FA 07-074, we disclosed significant deficiencies regarding FDEM's inability to complete final inspections for a significant number of large projects. Large projects are those with expenditures exceeding an established threshold. During the 2007-08 fiscal year, the threshold for large projects was $60,900.

In response to our inquiry, FDEM management indicated that as of October 2008, final inspections had been completed for 6,073 closed projects. However, of the 5,677 applicable open large projects, as of October 2008, there remained 2,260 projects for which final inspections had been requested, but not completed. A breakdown by disaster is presented below.

	Number of Large Projects		
Disaster	Closed	Open	Open With Final Inspection Requested
Pre-2004 Disasters			
1300 – Hurricane Floyd	131	8	1
1306 – Hurricane Irene	235	130	1
1344 – Tropical Storm	141	5	0
1345 – South Florida Floods	2,275	203	14
1381 – Tropical Storm Allison	57	5	2
1393 – Tropical Storm Gabrielle	89	6	0
1481 – Severe Storms and Flooding	49	11	5
2004 and 2005 Disasters			
1539 – Hurricane Charley and Tropical Storm Bonnie	653	602	316
1545 – Hurricane Frances	904	855	552
1551 – Hurricane Ivan	329	605	273
1561 – Hurricane Jeanne	563	646	458
1595 – Hurricane Dennis	107	225	101
1602 – Hurricane Katrina	87	233	90
3220 – Hurricane Katrina Evacuation	6	2	1
3259 – Tropical Storm Rita	28	13	7
1609 – Hurricane Wilma	398	1,971	421
2006 – 2008 Disasters			
1679 – Severe Storm and Tornadoes	21	157	18
Total All Disasters	6,073	5,677	2,260

Source: FDEM Records as of October 6, 2008

Cause	According to FDEM management, the resources needed to hire additional staff to process these inspections had not been available due to delayed funding from FEMA. FDEM management also attributed the backlog of final inspections and closeouts to FEMA procedures that duplicated work performed by FDEM. Additionally, FDEM management indicated that delays were caused by work required by new disasters which took priority over closure activities.
Effect	Final inspections for large projects are necessary for FDEM to certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, that the project was in compliance with the provisions of the FEMA-State Agreement, and that payments had been made in accordance with Federal requirements. The effectiveness of these inspections is significantly diminished absent their timely performance.
Recommendation	We recommend that FDEM allocate the necessary resources to facilitate the completion of all required final inspections as soon as practicable.
State Agency Response and Corrective Action Plan	FDEM has worked diligently with FEMA to secure the appropriate funding to allocate the necessary resources required to complete required final inspections. Additionally, FDEM has bi-weekly conferences with FEMA to review progress of closeouts and refine strategies in order to minimize duplication of work effort. The majority of FDEM staff mobilized to work new disasters has returned to their closeout duties and the remaining staff will be returned as soon as practicable.
Estimated Corrective Action Date	December 2010
Agency Contact and Telephone Number	Doug Wright (850) 413-9963 Charles Shinkle (407) 268-8752 Bob Seibert (407) 268-8609

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-087**
CFDA Number	97.039
Program Title	**Hazard Mitigation Grant**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	FEMA-1249-DR-FL, FEMA-1345-DR-FL, FEMA-1381-DR-FL, FEMA-1539-DR-FL, FEMA-1545-DR-FL
Finding Type	Opinion Qualification, Material Noncompliance, Material Weakness and Significant Deficiency Questioned Costs – $749,330.47 (FEMA 1249-DR-FL - $84,521.00; FEMA-1345-DR-FL - $135,490.00; FEMA-1381-DR-FL - $3,557.57; FEMA-1539-DR-FL - $265,812.00; FEMA-1545-DR-FL - $258,647; State Share - $1,302.90)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-076

Finding

Contrary to Federal and State requirements, FDEM made reimbursements to subgrantees after the period of performance, without approval from the Federal Emergency Management Agency (FEMA). Additionally, in two instances FDEM charged the payments to an incorrect disaster authorization.

Criteria

OMB Circular A-87, Attachment A, Section C.1.j., *Costs must be adequately documented*; OMB Circular A-87, Attachment A, Section C.1.c., Section C.1.d., Section C.3.a., and Section C.3.c., *Basic Guidelines*

44 CFR 206.434(d)(1), *Eligible activities – Planning* provides that up to 7 percent of the State's grant may be used to develop State, tribal, and/or local mitigation plans.

44 CFR 206.40, *Designation of affected areas and eligible assistance*

44 CFR 206.44, *FEMA-State Agreements*

Condition

During the 2007-08 fiscal year, FDEM made payments to 88 subgrantees totaling $24,346,387. Pursuant to the terms of the Hazard Mitigation subgrant agreements, final close-out reports are due 60 days after the project period or upon completion of the activities in the agreement. FDEM's final close-out report requires the subgrantee to itemize all expenses incurred during the project and specifically acknowledge any cost overages or underages.

Our test of 40 payments to subgrantees totaling $15,644,673.65, disclosed 5 payments totaling $749,330.47, in which FDEM reimbursed the subgrantee after the project period had ended and after final close-out reports were due. These five payments were made from 110 days to 2.5 years (857 days) after the end of the project period and the date the final close-out reports were due to FDEM. Our review of the documentation on file for these payments disclosed the following additional information:

- Two payments totaling $220,011 were not supported by adequate supporting documentation, such as copies of invoices, cancelled checks, and payroll ledgers. One of these payments, in the amount of $84,521, is discussed further below.
- One payment totaling $84,521 was made although FDEM had received a notice from FEMA indicating that no further extensions to the project would be granted beyond September 30, 2005. Documentation included in the project file indicated that FDEM processed this payment, dated September 5, 2007, based on an executive decision over the objections of two project managers who both questioned expenditures that appeared to have occurred outside the period of performance. FDEM records did not indicate the basis for the decision to make this payment.

- Two payments totaling $270,672.47 were coded to disasters other than the disasters under which FEMA initially approved the project. According to FDEM staff, payments were made from the wrong disaster because funding was not available under the approved disaster. These payments were approved under Tropical Storm Allison and Hurricane Charley, but paid from the 2000 South Florida Floods and Hurricane Jeanne, respectively. One of these payments, $4,860.47 for a planning project, was made without evidence of review by the Project Manager. The Project Manager's review serves to verify that the service period is within the subgrantee's period of performance and that matching requirements were met.

  Failure to charge payments for planning projects to the appropriate disaster may affect FDEM's ability to comply with the 7-percent limitation on planning projects for the disaster. Consequently, we reviewed FDEM records and identified a total of $31,509.39 of contract payments made during the 2006-07 fiscal year for planning projects authorized under Tropical Storm Allison that were charged to the incorrect disaster.

Cause

FDEM management indicated they had experienced frequent staff turnover. Additional information regarding the cause of the deficiencies are included within the descriptions of the specific above-noted instances.

Effect

Payments made outside the period of performance are subject to disallowance by USDHS. Additionally, failure to charge project costs to the appropriate disaster limits management's ability to monitor adherence to Federal earmarking requirements.

Recommendation

We recommend that FDEM ensure that payments are made only for services incurred within the approved period of performance. We also recommend that FDEM review its records to determine the amounts paid on all projects from funds inappropriately drawn from other disasters and restore such amounts to the correct disaster account.

State Agency Response and Corrective Action Plan

This finding outlines three issues which are sources for audit exceptions in administering the Hazard Mitigation Grant Program (HMGP).

- Inadequate documentation for reimbursement
- Payment outside the period of performance
- Reimbursement transactions miscoded to incorrect funding source

Inadequate documentation for reimbursement – The Federal regulations require that the Grantee (State) provide a summary of documentation for payment reimbursement, and that the project records are kept by the sub-grant recipient. (CFR 44, Sec. 206.438 Project management.)

Florida HMGP has chosen to require additional documentation, including (but not limited to) proof of financial transactions and proof of the completion of scope of work. These practices, which were implemented in April 2007, with the introduction of a Request for Reimbursement / Advance Payment Checklist (see corrective action to FA 07-076). The use of this Checklist has also decreased the number of payments made with inadequate supporting documentation. This finding identifies 5 out of 40 payments which are exceptions to current procedures. There are circumstances where the Governor's Authorized Representative in cooperation with the Federal Grantor will authorize funding of projects that have deviated from Federal or state guidelines. In the future, when this occurs, a copy of the authorizing document will be included in the file.

Action: HMGP Project Managers will require sufficient documentation to ensure that scopes of work are complete and financial transactions are valid before payments are approved. This has been implemented and the Projects Managers and Quality Control personnel will be reminded of these guidelines identified in the Request for Reimbursement / Advance Payment Checklist.

Payment outside the period of performance – The period of performance (POP) for an HMGP project, as determined by the Federal guidelines, is pertinent to the actual work completed. The program allows for administrative tasks to be completed after the period of performance, including inspections, payments and closeout documentation. Typical DEM contract practices have been that the contract period of performance mirror the project period of performance. Frequently work will be completed within the period of performance but the final payments or other administrative activities are not completed.

Action: When an HMGP project POP requires an extension the Project Manager will review and process the request for submission to the Federal agency. The HMGP Project Manager will coordinate the requests to the Federal agency along with any modification needed to the contract. These tasks may not coincide since the Federal approval for POP extension must be approved before the State contract can be modified. This process will be documented and Project Managers will ensure that the process is completed before pertinent administrative tasks are conducted.

Reimbursement transactions miscoded to incorrect funding source – The DCA Finance & Accounting section works with the DEM Finance Section to determine the cost accounting and cost accumulators that will be used to capture grant expenditures. The "coding" that is set up for HMGP is manually inputted into the Florida Emergency Reimbursement System (FERS) system, and a table will be used in the FloridaMitigation.org system where payments are and will be produced. HMGP has strict procedures for both sub-grant payments and management cost expenditures, that these cost will only be charged against the approved federal or state funding source. Any mistakes in the coding of payments or inadvertent charges to inappropriate funding sources are corrected. Reconciliations between the state accounting system and the programmatic grant awards are conducted quarterly. The charging of expenditures to incorrect sources, because of the lack of correct funding, has been addressed. These issues, when identified, are corrected.

Action: HMGP will continue to conduct quarterly reconciliations of the state accounting and programmatic accounting systems (FERS / FloridaMitigation.org)

Estimated Corrective Action Date

Quarterly, perpetual.

Agency Contact and Telephone Number

Miles Anderson, Community Program Administrator
(850) 413-9816

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-088**
CFDA Number	97.039
Program Title	**Hazard Mitigation Grant**
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	FEMA-1249-DR-FL, FEMA-1345-DR-FL, FEMA-1381-DR-FL, FEMA-1539-DR-FL, FEMA-1545-DR-FL, FEMA-1551-DR-FL
Finding Type	Opinion Qualification, Material Noncompliance, Material Weakness and Significant Deficiency – Activities Allowed or Unallowed and Allowable Costs/Cost Principles Noncompliance and Significant Deficiency – Cash Management Questioned Costs – $1,965,044.50 (FEMA 1551-DR-FL - $1,894,447.95; FEMA-1609-DR-FL - $4,461.00; State Share - $66,135.55)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-076

Finding

Our review disclosed a significant number of instances in which FDEM did not maintain adequate documentation to support the appropriateness of payments to subgrantees or adhere to its established procedures. Additionally, FDEM's procedures for advancing funds to subgrantees may not be effective in minimizing the time elapsing between the disbursement of funds and their disbursement by the subgrantee.

Criteria

OMB Circular A-87, Attachment A, Section C.1.j., *Costs must be adequately documented*; OMB Circular A-87, Attachment A, Section C.1.c., Section C.1.d., Section C.3.a., and Section C.3.c., *Basic Guidelines*; OMB Circular A-87, Attachment B, Section 8.g., *Severance pay*

31 CFR 205.33, *States should exercise sound cash management in funds transfers to subgrantees in accordance with OMB Circular A-102*

44 CFR 13.21(c), *Advances*

Condition

During the 2007-08 fiscal year, FDEM made payments to 88 subgrantees totaling $24,346,387. Our test of 40 payments to subgrantees totaling $15,644,673.65, disclosed 9 payments for which FDEM did not adhere in some respect to Federal requirements or FDEM established procedures. As described below, we identified costs that were not documented or were inappropriate based on applicable Federal cost principles or cash management requirements:

- FDEM policies required subgrantees to submit detailed documentation to support costs, such as copies of invoices, cancelled checks, and payroll ledgers. Six payments included costs totaling $264,382.01 that were not adequately supported by documentation required by FDEM. In these instances, detailed documentation of the costs such as invoices, timesheets, and budgets were not included with the payment documentation.
- According to FDEM's standard agreement with its subgrantees, FDEM may advance funds up to the expected cash needs of the subgrantee within the first three months of the contract. In order to receive an advance payment, FDEM required subgrantees to submit a request for advance, a justification of advance, and a detailed budget with supporting documentation. Two of the 40 payments examined were advances. One additional advance payment was noted during our review of FDEM's monitoring activities. With regard to the 3 advances, we noted that FDEM advanced funds without obtaining required supporting budget documentation and in amounts that were inconsistent with the planned scope of work and period of performance. Additionally, FEDM may have advanced funds in excess of funds needed to meet immediate cash needs, contrary to Federal regulations.

- FDEM advanced one subgrantee $1,390,532 without documentation to support the budget submitted.
- FDEM advanced one subgrantee $304,656, which represented half of the grant award although the grant agreement was for 36 months.
- FDEM advanced one subgrantee $4,461, the entire award amount, although the grant agreement extended for a period of 27 months. In this instance, the subgrantee submitted an advance justification that indicated all work would be done within three months, while the scope of work contained within the grant agreement indicated that the work would take 27 months. FDEM did not resolve the inconsistency with regard to the grant period and approved the advance solely based on the advance justification.

- Payment documentation submitted by one subgrantee included salary and leave payments totaling $1,013.49 for one employee during the period August 26, 2007, through September 29, 2007. According to FDEM staff, these payments, although submitted for reimbursement as regular salary and leave, were for severance pay. Pursuant to Federal regulations, severance pay may not be directly charged to the Program.

Cause

FDEM management indicated they had experienced frequent staff turnover.

FDEM procedures for advancing funds do not address adherence to cash management requirements.

Effect

Absent adequate documentation, FDEM cannot demonstrate the appropriateness of the expenditures and advances charged to the Program. Additionally, failure to consider applicable cash management requirements may result in FDEM placing excess funds with subgrantees.

Recommendation

We recommend that FDEM ensure that, prior to payment of the subgrantee requests for payments, appropriate documentation is obtained and reviewed to evidence that services have been received and were allowable. We also recommend that FDEM enhance its procedures to ensure that advances are appropriate based on the scope and length of the period of performance and conform to Federal cash management requirements.

State Agency Response and Corrective Action Plan

Appropriate documentation for payments – The Federal regulations require that the Grantee (State) provide a summary of documentation for payment reimbursement, and that the project records are kept by the sub-grant recipient. (CFR 44, Sec. 206.438 Project management.)

Florida HMGP has chosen to require additional documentation, including (but not limited to) proof of financial transactions and proof of the completion of scope of work. These practices, which were implemented in April 2007, with the introduction of a Request for Reimbursement / Advance Payment Checklist (see corrective action to FA 07-076), have decreased the State costs and travel to conduct site inspections. These findings identify 5 out of 40 payments which are exceptions to current procedures. There are circumstances where the Governor's Authorized Representative in cooperation with the Federal Grantor will authorize funding of projects that have deviated from the federal or state guidelines. In the future, when this occurs, a copy of the authorizing document will be included in the file.

Action: HMGP Project Managers will continue to require sufficient documentation to ensure that scopes of work are complete and financial transactions are valid before payments are approved. This has been implemented and the Projects Managers and Quality Control personnel will be reminded of these guidelines identified in the Request for Reimbursement / Advance Payment Checklist.

Advances – The Florida HMGP bases advance payments requests and approvals on the scope of work schedule. Additionally, Florida HMGP will require a

	purchase order(s) or other sufficient outside source document along with a payment schedule of its subgrant recipients. Action: HMGP Project Managers will be reminded of the revised State guidelines, also outlined in the contracts, and be required to follow these guidelines.
Estimated Corrective Action Date	Immediate
Agency Contact and Telephone Number	Miles Anderson, Community Program Administrator (850) 413-9816

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-089**
CFDA Number	97.039
Program Title	**Hazard Mitigation Grant**
Compliance Requirement	Allowable Costs/Cost Principles
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Material Weakness and Significant Deficiency

Finding

FDEM management had not established appropriate internal controls regarding user access and systems development and management for the Florida Emergency Reimbursement System (FERS).

Criteria

44 CFR 13.20, *Standards for financial management systems*

Florida Department of Management Services Rule 60DD-2.004 *Logical and Data Access Controls,* Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.

Florida Department of Management Services Rule 60DD-2.005 *Data and System Integrity*, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.

Florida Department of Management Services Rule 60DD-2.008 *Personnel Security and Security Awareness*, Florida Administrative Code, stipulates that agencies shall provide an ongoing awareness and training program in information security.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.

AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.

PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.

National Institute of Standards and Technology *Building an Information Security Technology Awareness and Training Program,* Special Publication 800-50.

Condition

FDEM used FERS as the underlying support for Hazard Mitigation Grant (HMG) expenditures and, according to FDEM management, all staff members used FERS for a large number of tracking, reporting, and informational needs. FERS was used to account for HMG grants and related activities, including payments, and to create quarterly reports submitted to FEMA. HMG expenditures totaled $75,476,793.68 during the period July 1, 2007, through June 30, 2008.

Our review disclosed that with respect to FERS, access, system documentation, security awareness, and change management controls were not sufficient. Specifically, we noted the following:

- Security awareness program training had not been provided to FDEM staff.

- There were no user manuals, diagrams, or system documentation for FERS available at FDEM.
- Changes to FERS programming code were made directly into the production environment by a contractor. The changes were not subject to testing prior to being placed in use.
- Access to FERS was not timely removed for terminated employees. FDEM had not timely removed the access capabilities of the two employees who terminated employment with DEM during the period July 1, 2007, through May 31, 2008, as of June 10, 2008. These employees, both of whom had unlimited capabilities within FERS (level 3), including adding users and establishing access rights of users, terminated their employment on April 1, 2008.
- Additional aspects of FDCA security controls in the areas of user access needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDCA security. Appropriate FDCA personnel have been notified of the issues.

Cause

FDEM employees noted that FERS was created and maintained by a contractor and FDEM had not monitored user access and system controls for appropriateness. FDEM management indicated that since access to the FDCA network was necessary in order to access the system it was not necessary to control access at the system level. However, access controls at the system level are necessary to ensure that access is appropriate based on employees' assigned duties and responsibilities.

Effect

Absent appropriate security, system documentation, and change management controls, the integrity of the data contained within FERS may be compromised. Additionally, without system documentation, including documentation and testing of system changes, users may not be aware of the functions contained within FERS or the purpose of system fields.

Recommendation

We recommend FDEM management establish appropriate FERS security and systems development and change management controls. Additionally, we recommend that FDEM ensure that the access of employees is removed from the system immediately upon termination of employment.

State Agency Response and Corrective Action Plan

As indicated by this finding, the Florida Emergency Reimbursement System (FERS) has the following security and management deficiencies.

The FERS user security is controlled by four (4) access levels; System Administrator (3), Project Manager (2), HMGP user (1), and Read Only user (0). The FERS system MUST retain the user information in perpetuity so that historical user activities are preserved. The system allows for the "deactivation" of users which prevents all access.

FERS has a "help" section in the system which functions as the user manual. The FERS system documentation is unretrievable and will not be redeveloped since the Bureau is currently developing the web-based replacement system FloridaMitigation.org. The new system will be documented and FERS, as it interfaces and transitions to the new system will also be documented. FloridaMitigation.org is in Alpha testing stage and will enter the Beta testing stage within 6 months (NLT July 1, 2009). Full implementation and transition to the new system will most likely be during the next fiscal year (FY 09-10).

Changes to FERS are infrequent and are usually only required when a report needs updating or a bug needs to be fixed. The contractor that provides service to FERS, tests all changes on a local beta copy of FERS before implementing into the live version. This is per the DCA development methodology.

Actions:

1. DCA is developing a security awareness & training program, slated to begin in

	April 2009, which DEM will apply to FERS and FloridaMitigation.org accordingly. 2. The task of deactivating HMGP users will be included in the “exit” process and added to the FDEM "Separation of Employment Form" for all terminated, retiring, and resigning employees. The FERS users with system administration (3) access will be authorized to control activation and deactivation. To be implemented immediately. 3. During the Beta implementation of FloridaMitigation.org system, the FERS transition and interface will be documented according to the DCA development methodology. Timeframe: NLT 01 July 2009. 4. Appropriate system documentation for the FloridaMitigation.org system will be developed during the full implementation of the system. Timeframe: 01 July 2009 to 30 June 2010.
Estimated Corrective Action Date	See time frames in above
Agency Contact and Telephone Number	Miles Anderson, Community Program Administrator (850) 413-9816

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-090**
CFDA Number	97.039
Program Title	**Hazard Mitigation Grant**
Compliance Requirement	Reporting
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Noncompliance and Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-077

Finding

FDEM management had not maintained documentation to support that the FEMA Quarterly Report or the underlying data from the Florida Emergency Reimbursement System (FERS) had been reconciled to the State's accounting records (FLAIR). Additionally, our review disclosed that FDEM had not accurately disclosed project status and completion dates on the FEMA Quarterly Report for the quarter ending March 31, 2008.

Criteria

44 CFR 206.438(c), *Progress reports*, requires a quarterly progress report to FEMA indicating the status and completion date for each project funded. Any problems or circumstances affecting completion dates, scope of work, or project costs which are expected to result in noncompliance with approved grant conditions are to be described in the report.

44 CFR 13.20, *Standards for financial management systems*

Condition

The Quarterly Report for the quarter ending March 31, 2008, encompassed 20 disasters occurring between 1998 and 2007 and included 575 open projects. The Quarterly Report disclosed cumulative Federal share payments totaling $174,283,713, and a Federal share balance totaling $215,098,078 for the 20 disasters. The Quarterly Report provides information to FEMA regarding approved Hazard Mitigation projects and identifies, by disaster and project, approved dates and costs, completion due dates, actual close dates, payments made, and project status. FDEM also used this report to identify the population of subgrantees for monitoring. FDEM used data maintained in the Florida Emergency Reimbursement System (FERS) to prepare the quarterly report.

Our examination of FDEM's FEMA Quarterly Report for the quarter ending March 31, 2008, disclosed instances in which the status of projects was not accurate. We identified 44 projects with project completion due dates prior to March 31, 2008, yet the projects were shown as ongoing in the project status column. In response to our audit inquiry, FDEM provided a schedule describing the status of these projects, based on information contained in grant accountant records. The schedule provided the following information in regard to the 44 projects:

- For 14 projects, the projects had been completed or deobligated but were not closed out. These projects had a range of completion due dates from June 30, 2004, to March 30, 2008, that were not shown on the Quarterly Report and a Federal share balance totaling $1,118,929.
- For 30 of those projects, FDEM considered the project status as ongoing but had not extended the Period of Performance. These were phased projects involving planning (Phase I) and construction (Phase II). FDEM had not requested extensions to the period of performance or reported a revised completion due date for these projects. According to FDEM management, a new completion date will be assigned when phase II funding is awarded and FDEM will request a time extension for phase I if necessary. The Federal share balance for these projects totaled $1,999,946.

- FDEM management indicated that a consultant performed a reconciliation between the FERS data and FLAIR; however, no documentation was maintained to support that the data in the systems had been reconciled or that necessary adjustments were made. In response to our audit inquiries, FDEM management could not provide us with any further information on the reconciliation process, including the accounts reconciled or whether any significant reconciling items were identified.

Cause

FERS was not timely maintained to include current information with regard to project completion dates.

Reconciliations between FERS and FLAIR were the responsibility of a former FDEM employee. After the employee transferred to a position with the Florida Department of Community Affairs, a consultant was hired by FDEM to perform the reconciliations. Documentation of any reconciliations performed was not retained.

Effect

The Quarterly Report errors and management's lack of understanding concerning the financial system limited FEMA's ability to effectively monitor the status of funded projects and the ability to identify potential record and reporting problems. Without extensions to the periods of performance for projects, costs could be subject to disallowance. Also, inaccurate reports may be used improperly by decision makers with regard to the amount of funds anticipated to be drawn for various projects.

Recommendation

We recommend that FDEM staff review reconciliations performed by the consultant and maintain documentation of the results of the reconciliation, their review of the reconciliation, and actions taken as a result of the reconciliation. We also recommend that FDEM enhance its procedures to ensure that the project status and completion dates are accurately and timely recorded in FERS and reported to the Federal government.

State Agency Response and Corrective Action Plan

The Florida HMGP requires and receives quarterly reports from sub-grant recipients for all active contracts / projects. These quarterly reports are transcribed to the "State to FEMA" quarterly report. According to the current HMGP guidelines, Project Managers review quarterly reports upon receipt and signify this review by initialing the report. Whether the report is marked by the reviewer or not, however, there is little chance that a report is not reviewed. Every report MUST be reviewed at least to the point for it to be transcribed to the State to FEMA quarterly report.

Action: Project Managers will be reminded to document review of the quarterly reports.

Frequently, the sub-grant recipients' quarterly reports will indicate little or no change in status, which would require no action by the Project Manager, unless the project or contract period of performance was close to conclusion. It is also common for the sub-grant recipients' quarterly reports to indicate delays in schedule or possible variations to budget. This, too, may not require action by the Project Manager, unless the report is accompanied by a request for additional funding or important milestones are at risk. The Project Manager must make determinations on a case-by-case basis and will sometimes need to consult HMGP management or federal partners to determine if action is needed.

Action: Project Managers will be reminded to document the actions or non-actions taken with respect to quarterly reports. The details in these reports, regarding status and completion dates will be accurately recorded by the Project Managers.

HMGP has a contracted consultant that facilitates the reconciliations of Federal, state, and programmatic accounting systems. HMGP also employs a financial point of contact that coordinates with the contractor. These personnel perform a cursory review of transactions made in FERS, FloridaMitigation.org, and FLAIR (with respect to any reconciliations), which are typically made quarterly and at grant closeout.

	The current reconciliation process is being reviewed and/or revised to coincide with the processes and implementation of the FloridaMitigation.org accounting and reimbursement system.
Estimated Corrective Action Date	Several corrective actions are ongoing, while others coincide with the implementation of the FloridaMitigation.org system (FY 09-10).
Agency Contact and Telephone Number	Miles Anderson, Community Program Administrator (850) 413-9816

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number	**FA 08-091**
CFDA Number	97.039
Program Title	**Hazard Mitigation Grant**
Compliance Requirement	Subrecipient Monitoring
State Agency	**Florida Division of Emergency Management (FDEM)**
Federal Grant/Contract Number and Grant Year	Various
Finding Type	Significant Deficiency
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-078

Finding

In some instances, FDEM staff did not follow established procedures to document required monitoring activities.

Criteria

OMB Circular A-133 §___.400 (d)(3), *Pass-through entity responsibilities*

FDEM Hazard Mitigation procedures require the Project Manager to read subgrantee quarterly reports in their entirety. If the applicant is behind schedule and it appears that the project will not be completed by the performance period of the contract, the Project Manager should offer technical assistance. Upon completion of the Project Manager's review, the Project Manager is to note the date and initial the report and take other appropriate actions when required.

Condition

During the 2007-08 fiscal year, FDEM made payments to 88 subgrantees totaling $24,346,387. FDEM monitors its subgrantees through on-site reviews and reviews of subgrantee quarterly reports. Our review of subgrantee monitoring activities related to 15 subgrantees disclosed 6 instances in which the Project Manager did not document review of the subgrantees' March 31, 2008, quarterly reports by dating and initialing the reports. Of these six instances, three subgrantees reported that their projects were behind schedule and, in one case, overbudget. For one of the three subgrantees, FDEM staff could not provide documentation that technical assistance had been provided to the subgrantee.

Cause

According to FDEM personnel, as a result of frequent staff turnover, not all of the Project Managers were aware of the requirement to initial and date quarterly reports.

Effect

Without evidence of review, FDEM cannot demonstrate that Project Managers have examined subgrantee quarterly reports and acted appropriately to mitigate the impact of reported problems.

Recommendation

We recommend FDEM personnel provide appropriate training to ensure that Project Managers are aware of the procedures for documenting monitoring activities. We also recommend that appropriate follow-up activities are performed and documented.

State Agency Response and Corrective Action Plan

The Project Manager must make determinations on a case-by-case basis and will occasionally need to consult HMGP management or Federal partners to determine if action is needed. Frequently, the sub-grant recipients' quarterly reports will indicate little or no change in status, which would require no action by the Project Manager, unless the project or contract period of performance was close to conclusion. It is also common for the sub-grant recipients' quarterly reports to indicate delays in schedule or possible variations to budget. Unless the report is accompanied by a request for additional funding or important milestones are at risk. The Project Manager must make determinations on a case-by-case basis and will sometimes need to consult HMGP management or federal partners to determine if action is needed.

Action: To ensure consistency, guidance materials for quarterly project monitoring, is provided to Project Managers. This guidance calls for the documentation of the actions or non-actions taken on a quarterly basis. In addition, monthly

	notifications will be sent to the management team.
Estimated Corrective Action Date	Ongoing
Agency Contact and Telephone Number	Miles Anderson, Community Program Administrator (850) 413-9816

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STATE UNIVERSITIES AND COMMUNITY COLLEGES
SUMMARY OF QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2008

Compliance Requirement/ Institutions	Questioned Costs	Questioned Costs Restored	Net Questioned Costs
Student Financial Assistance Cluster			
***CASH MANAGEMENT* - Finding No. FA 08-092**			
Escheating:			
Florida A & M University	$ 9,038.75	$	$ 9,038.75
***ELIGIBILITY* - Finding No. FA 08-094**			
Overaward:			
University of North Florida	10,141.00	10,141.00	
***SPECIAL TESTS AND PROVISIONS* - Finding No. FA 08-098**			
Return of Title IV Funds - Official Withdrawal:			
Seminole Community College	611.00		611.00
St. Petersburg College	325.51	325.51	
Total	936.51	325.51	611.00
***SPECIAL TESTS AND PROVISIONS* - Finding Nos. FA 08-099, 100**			
Return of Title IV Funds - Unofficial Withdrawal:			
Florida Atlantic University	1,178.42	1,178.42	
St. Petersburg College	468.96	468.96	
Total	1,647.38	1,647.38	
***SPECIAL TESTS AND PROVISIONS* - Finding No. FA 08-101**			
Nonattendance:			
St. Petersburg College	4,935.00	4,935.00	
Total Questioned Costs	$ 26,698.64	$ 17,048.89	$ 9,649.75

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-092**
CFDA Number	84.032, 84.063, and 84.375
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loan (FFEL) Federal Pell Grant Program (PELL) Academic Competitiveness Grants (ACG)
Compliance Requirement	Cash Management – Prohibition on Escheating of Title IV Higher Education Act (HEA) Funds
State Educational Entity	**Florida Agricultural and Mechanical University (FAMU)**
Finding Type	Noncompliance Questioned Costs – $9,038.75 ($3,951.10 FFEL subsidized; $1,810.60 FFEL unsubsidized; $2,152.05 PELL; and $1,125 ACG)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-081, Report No. 2007-146, Finding No. FA 06-084, Report No. 2006-152, Finding No. 05-089, and Report No. 2005-158, Finding No. FA 04-092
Finding	The institution's procedures were not adequate to ensure the timely return of unclaimed Title IV HEA funds to applicable Federal programs and lenders.
Criteria	34 CFR 668.164(h)(2), Subpart K, *Cash Management, Disbursing Funds* According to the U.S. Department of Education, institutions are prohibited from allowing Title IV HEA funds to revert (or "escheat") to a third-party, State, or institutional coffers, and Florida institutions must return unclaimed Title IV HEA funds no later than 240 days (previously 180 days) after checks containing such funds are written.
Condition	Our review of 20 outstanding student checks containing Title IV HEA funds disclosed that as of August 28, 2008, 8 of the 20 checks were outstanding, 329 to 392 days after the checks were written. Although the institution had implemented procedures to identify outstanding checks containing Title IV HEA funds, the institution had not returned applicable funds to the Federal programs and lenders.
Cause	The institution had not fully implemented adequate procedures to timely return Title IV HEA funds to the applicable Federal program or lenders.
Effect	The institution may be allowing Title IV HEA funds to be used for purposes other than that for which they are intended.
Recommendation	The institution should implement procedures to timely return outstanding checks containing Title IV HEA funds to the applicable Federal programs or lenders, no later than 240 days after the date the check was issued. Additionally, the institution should return $9,038.75 ($3,951.10 FFEL subsidized; $1,810.60 FFEL unsubsidized; $2,152.05 PELL; and $1,125 ACG) to the applicable Federal programs and lenders.
FAMU Response and Corrective Action Plan	The University identified the stale dated checks within Title IV HEA funds. All funds have been returned to the proper Title IV programs. To ensure the timely return of funds to Title IV HEA programs, the University revised its procedure to return stale dated checks at the end of each semester effective Fall 2008.
Estimated Corrective Action Date	September 30, 2008
FAMU Contact and Telephone Number	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-093**
CFDA Number	84.007 and 84.063
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Supplemental Educational Opportunity Grants (FSEOG) Federal Pell Grant Program (PELL)
Compliance Requirement	Cash Management – Prohibition on Escheating of Title IV Higher Education Act (HEA) Funds
State Educational Entity	**Miami Dade College (MDC)**
Finding Type	Noncompliance
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-082

Finding

The institution's procedures during the 2007-08 award year were not adequate to ensure the timely return of unclaimed Title IV HEA funds to applicable Federal programs.

Criteria

34 CFR 668.164(h)(2), Subpart K, *Cash Management, Disbursing Funds*

According to the U.S. Department of Education, institutions are prohibited from allowing Title IV HEA funds to revert (or "escheat") to a third-party, State, or institutional coffers, and Florida institutions must return unclaimed Title IV HEA funds no later than 240 days (previously 180 days) after checks containing such funds are written.

Condition

Our review of the institution's June 30, 2008, list of unnegotiated checks disclosed 15 checks containing $10,021.99 of Title IV HEA funds ($9,221.99 PELL and $800 FSEOG) that had not been timely returned to the applicable Title IV HEA programs. The institution's attempts to disburse the funds to students were through a combination of electronic fund transfers (EFT), for which a third-party processor was used, and checks. Through this combination of checks and EFTs, the institution made three attempts to disburse the funds to five of the students, and two attempts were made for the remaining ten students. The Title IV HEA funds (checks and EFTs) remained unnegotiated from 260 to 1,162 days.

Subsequent to the end of the fiscal year, in July 2008, and as part of the implementation of modified procedures that included voiding unnegotiated checks and returning Title IV HEA funds every four months, the institution returned $7,219.25 ($800 FSEOG and $6,419.25 PELL), which was 607 to 1,162 days late for 10 of the 15 checks. The five remaining checks, totaling $2,802.74 PELL, were checks or EFTs that had been reissued from 127 to 189 days after the date of the first issue, and, while ultimately cashed by the students, were unnegotiated from 260 to 680 days after the first issue date. Since the institution reissued the checks or EFTs, they were outstanding an additional 71, 158, 478, 523, and 553 days from the reissue dates. It is not clear why the institution would reissue checks that were not subsequently cashed timely and not negotiated for the additional 71 to 553 days, which resulted in these checks being outstanding for a total of 260 to 680 days from the first issue date. Although it was allowable to reissue the five checks because 240 (previously 180 days) days had not elapsed, the assumption on a reissue is that the student had been located and the reissued check would be cashed in a reasonable amount of time. The date of the reissue does not restart the number of days which are allowed to clear outstanding checks.

Cause

The institution's procedures were not adequate to return unnegotiated checks containing Title IV HEA funds to the applicable Federal programs within the timeframe specified by Federal regulation, because it did not believe that it was required to return such funds within 180 days. Additionally, the new procedures implemented after the end of the fiscal year failed to take into account reissued checks.

Effect	The institution may be allowing Title IV HEA funds to be used for purposes other than that for which they are intended.
Recommendation	The institution should continue its efforts to enhance and implement procedures to return unnegotiated Title IV HEA funds to the applicable Federal programs.
MDC Response and Corrective Action Plan	Based on consultation with USED and the receipt of two Final Determination letters for the past three years regarding this issue, the College is confident its process of returning such funds on an annual basis was in compliance with both state statute and Federal regulations in place through June, 2008. Recently the College outsourced the processing of its student disbursements to streamline processes and enable students to access their refunds faster. This process returns involves an electronic payment to a third-party processor who in turn, allows students to select the method by which they wish to receive their refund. In some cases, students do not claim their refunds or cannot be located resulting in the former manual check process, for which the College continued to return unclaimed checks annually through June, 2008. The College revised its procedures effective July 1, 2008, to comply with new U.S. Department of Education regulations requiring unclaimed Title IV HEA funds to be returned to the applicable program within 240 days after monies are disbursed. In this review, the auditors have outlined a more stringent calculation of the days a series of disbursements among multiple entities is outstanding that will require additional modifications. These modifications will be completed by February 28, 2009 to ensure full compliance with the interpretation of the new regulations in an effort to bring final closure to this ongoing audit issue.
Estimated Corrective Action Date	February 28, 2009
MDC Contact and Telephone Number	Gregory Knott, AVP - Accounting and Student Services (305) 237-0399

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-094**
CFDA Number	84.375 and 84.376
Program Title	**Student Financial Assistance Cluster (SFA)** Academic Competitiveness Grants (ACG) National Science and Mathematics Access to Retain Talent Grants (SMART) Program
Compliance Requirement	Eligibility – Overawards
State Educational Entity	**University of North Florida (UNF)**
Finding Type	Noncompliance Questioned Costs – $10,141 ($8,841 SMART and $1,300 ACG)
Finding	The institution disbursed Title IV Higher Education Act (HEA) funds to ineligible students.
Criteria	34 CFR 691.15(b)(iii)(C), 691.15(c)(3) *Eligibility to Receive a Grant*
Condition	For 1 of 2 students tested that were disbursed SMART grant funds, we noted that the student was disbursed a $2,000 award for the Fall 2007 term, although, the student's grade point average (GPA) entering the term was below the required 3.0 on a 4.0 scale. Subsequent to audit inquiry, the institution identified 4 other students (3 SMART recipients ($6,841) and 1 ACG recipient ($1,300)) that were also ineligible for the Fall 2007 term (2 students) or were ineligible for both the Fall 2007 and the Spring 2008 terms (2 students). Subsequent to audit inquiry, on August 1, 2008, the institution returned $10,141 to the applicable programs.
Cause	When processing Spring 2008 awards, the institution awarded the students for Spring 2008 and retroactively for Fall 2007. The institution based the Fall 2007 term award on the cumulative GPA after the Fall 2007 term was over instead of using the cumulative GPA prior to the beginning of the Fall 2007 term. As a result, the students were not eligible for the Fall 2007 term award because their respective GPAs were below 3.0.
Effect	When institutions award Title IV HEA funds to ineligible students, funds may not be available for eligible students and institutions may be required to return institutional funds to the Federal program.
Recommendation	The institution should strengthen its procedures to ensure that awards of Title IV HEA funds are properly determined, monitored, and documented. The institution should also strengthen its procedures for monitoring changes to student awards during the year to ensure that students are not subsequently overawarded.
UNF Response and Corrective Action Plan	UNF has utilized the user defined fields in the SCT Banner Software Program to record the GPAs by term. The rules written in Banner for awarding and disbursing these programs will read these GPAs by term to ensure that the student is eligible for the program for that term. UNF also created a job to determine renewal criteria for these programs and records that status on the user defined fields to ensure that students are not awarded or disbursed funds from these accounts who do not meet the eligibility requirements. All funds have been repaid to the appropriate programs.
Estimated Corrective Action Date	December 1, 2008
UNF Contact and Telephone Number	Janice Nowak, Director of Compliance, Technology and Training (904) 620-1043

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-095**
CFDA Number	84.007, 84.032, 84.033, 84.063 and 84.375
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Supplemental Educational Opportunity Grants (FSEOG) Federal Family Education Loans (FFEL) Federal Work-Study Program (FWS) Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL**)** Academic Competitiveness Grants (ACG**)**
Compliance Requirement	Eligibility – Satisfactory Academic Progress (SAP)
State Educational Entity	**St. Petersburg College (SPC)**
Finding Type	Noncompliance
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-086
Finding	The institution's Satisfactory Academic Progress (SAP) policies and procedures did not meet Federal requirements.
Criteria	34 CFR 668.16(e), *Satisfactory Academic Progress* Federal regulations require that students demonstrate satisfactory academic progress to be eligible to receive Title IV HEA funds. For an undergraduate program, the institution's SAP policy must include a quantitative component that requires the student's attempted hours as a percentage of earned hours to be at least 67 percent, but no more than 150 percent, of the published length of the educational program.
Condition	The institution's SAP policy did not comply with Federal regulations.
Cause	The institution's SAP policy during the 2007-08 award year did not include the quantitative component required by Federal regulations. In November 2007, the institution revised its SAP policy to be in compliance with Federal regulations. The institution is implementing the revised policy for the 2008-09 award year.
Effect	There may be students who received Title IV HEA funds that did not meet SAP requirements and were therefore ineligible for the Title IV HEA funds received.
Recommendation	The institution should ensure the revised SAP policy is in place for the 2008-09 award year as indicated in their Summary Schedule of Prior Audit Findings' response.
SPC Response and Corrective Action Plan	The SAP policy for SPC has been revised and approved by the U.S. Department of Education (USED) in February 2008. The SAP review is done annually at SPC and was applied at the end of the summer term in July 2008, for the 2008-09 award year. Based on guidance received from the USED, we extended the review to include the summer term instead of running it at the end of spring term, as we had in the past, to include the entire academic year within the review.
Estimated Corrective Action Date	July 2008
SPC Contact and Telephone Number	Dr. Tonjua Williams, Vice President Academic and Student Affairs (727) 341-3344 Marcia R. McConnell, M.Ed., Director, Financial Assistance Services (727) 302-6800

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-096**
CFDA Number	84.032 and 84.038
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loan (FFEL) Federal Perkins Loan Program (FPL)
Compliance Requirement	Special Test and Provisions – Disbursements – Loan Notifications
State Educational Entity	**Various**
Finding Type	Noncompliance

Finding

Three institutions did not always document the required notification, of FFEL or FPL student or parent loan borrowers, within 30 days before or after crediting a student's account with FFEL funds.

Criteria

34 CFR 668.165, *Notices and Authorizations*

Effect

Because incurring a loan obligation is a serious responsibility, a borrower must be given the opportunity to cancel the loan at, or close to, the time the funds are actually disbursed and the debt incurred. Without notification of the right to cancel a loan, there is an increased risk that a borrower may incur unnecessary debt.

Florida Agricultural and Mechanical University (FAMU)

Prior Year Finding

Report No. 2008-141, Finding No. FA 07-081, Report No. 2007-146, Finding No. FA 06-094, and Report No. 2006-152, Finding No. FA 05-100

Condition

Effective August 31, 2007, the institution implemented a procedure to generate a list of FFEL student loan borrowers by disbursement date. The students listed were mailed the required loan notification letter, and the students receiving the notifications in the disbursement period were recorded on a mail log. However, 11 of the 17 FFEL student loan borrowers tested were not included on the FFEL student loan borrowers' list and the institution was unable to provide documentation that the required notifications were sent to the FFEL student or parent loan borrowers, as applicable.

Cause

The process used to identify FFEL borrowers did not function as intended and as a result, did not identify all FFEL student loan borrowers for the intuition to provide the required notifications.

Recommendation

The institution should enhance their procedures to ensure that FFEL student or parent loan borrowers receive the required notification electronically or in writing, no earlier than 30 days before and no later than 30 days after crediting a student's account with FFEL funds.

FAMU Response and Corrective Action Plan

The Office of Student Financial Services followed the procedures for notifying students of their rights to cancel all or a portion of the Federal Loans (Federal Subsidized or Unsubsidized, PLUS, or Federal Perkins) within 14 days of disbursement. The query used to create letters to students was developed by Enterprise Information Technology (EIT) staff. During the 2007-08 academic year, the EIT staff reviewed the query and found a small group of borrowers omitted from the query because the address tables were not joining tables in the query correctly. The query has been reviewed and modified by EIT to select all students with loan disbursements. This action will resolve this issue.

Estimated Corrective Action Date

September 30, 2008

FAMU Contact and Telephone Number

Marcia Boyd, Director of Financial Aid and Scholarships
(850) 412-5278

Florida International University (FIU)

Condition	The institution did not have procedures to notify the student or parent in writing, or electronically, when FFEL or FPL funds were credited to the students' or parents' accounts.
Cause	The institution did not have procedures implemented, due to ongoing upgrades to a new system that were not fully functioning as intended.
Recommendation	The institution should continue efforts to enhance procedures to ensure that FFEL and FPL student or parent loan borrowers receive the required notification electronically or in writing, no earlier than 30 days before and no later than 30 days after crediting a student or parents' account with FFEL or FPL funds.
FIU Response and Corrective Action Plan	The Office of Financial Aid has implemented procedures to notify students and/or parents in writing, or electronically, when FFEL, DL and/or FPL funds are credited to their accounts. The unit has taken the following steps to ensure notification is sent to students/parents in timely fashion: By mid October, the Financial Aid Office had identified all federal loan recipients for Fall 2008 whose loans had been disbursed and notified them that they had the right to cancel/return all or a portion of their loan within 14 days of the date of the notification sent. Students/parents were provided specific instructions as to how to cancel/return all or a portion of their loans. Subsequent to this first identification round, all new loan disbursements were identified on a weekly basis and the required notification was sent to students and/or parents. Beginning mid December, Financial Aid enhanced this process to generate the required notification after each batch disbursement which is typically three times a week. All notifications are stored and maintained electronically.
Estimated Corrective Action Date	Completed
FIU Contact and Telephone Number	Francisco Valines, Director of Financial Aid (305) 348-2333

University of North Florida (UNF)

Condition	For 1 of 5 students tested, we noted that the required notification for a Fall 2007 FFEL disbursement was not sent to the student. Additionally, none of the other 152 students on the same EFT disbursement roster dated October 31, 2007, received the required notification. Subsequent to audit inquiry, the institution identified a second EFT disbursement roster dated November 14, 2007, with 120 students for which the required notifications were not sent.
Cause	The institution did not follow its procedures for the disbursement rosters noted. Although the two EFT disbursement rosters were generated, the required notifications were not sent to the applicable students.
Recommendation	The institution should strengthen its monitoring procedures to ensure full compliance with Federal regulations.
UNF Response and Corrective Action Plan	The university has established a logging system when the job runs to generate the notification letter. These logs are reviewed bi-weekly by the Associate Director of Enrollment Services Processing Financial Aid and the Enrollment Services Compliance, Technology and Training department to ensure that all students who appear on the EFT (electronic fund transfer) roster are properly notified.
Estimated Corrective Action Date	December 1, 2008
UNF Contact and Telephone Number	Janice Nowak, Director of Compliance, Technology and Training (904) 620-1043

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-097**
CFDA Number	84.063
Program Title	**Student Financial Assistance Cluster** Federal Pell Grant Program (PELL)
Compliance Requirement	Special Tests and Provisions – Disbursements – Common Origination and Disbursement (COD) System
State Educational Entity	**Various**
Finding Type	Noncompliance

Finding

For three institutions the PELL disbursement date in the institutions' records did not always agree with the U.S. Department of Education (USED) Common Origination and Disbursement (COD) System's disbursement date as required by USED regulations and technical references.

Criteria

34 CFR 690.83, *Submissions of Reports*; COD technical reference

The USED COD is a streamlined method for processing, storing, and reconciling Federal Pell Grant financial aid information. COD defines the disbursement date as the date cash was credited to the student's account or paid to the student directly.

Effect

The level of PELL authorization for an institution is affected by the accuracy with which the PELL information is reported to COD.

Florida Agricultural and Mechanical University (FAMU)

Condition

For 15 PELL recipients tested, disbursement dates in the COD reporting system were incorrectly reported by the institution. The disbursement dates reported in COD were 4 to 58 days before the actual disbursement dates.

Cause

The institution's procedures were not adequate to ensure accurate information was reported to COD. The institution's system initially recorded the end of the drop or add date on the COD system instead of the actual disbursement date, and the institution did not subsequently correct the COD file to reflect the actual date of disbursement.

Recommendation

The institution should review its procedures to ensure that information provided to USED through COD is accurate.

FAMU Response and Corrective Action Plan

The University has established procedures to ensure the Pell disbursement date in the institution's record agrees with the U.S. Department of Education Common Origination and Disbursement (COD) system's disbursement date. An update was made to the set up table in the student information system (PeopleSoft) for PELL payments to COD to reflect the actual date of disbursement effective October 10, 2008.

Estimated Corrective Action Date

October 10, 2008

FAMU Contact and Telephone Number

Marcia Boyd, Director of Financial Aid and Scholarships
(850) 412-5278

Central Florida Community College (CFCC)

Condition

For 7 of 10 Pell recipients tested (8 disbursements), the disbursement dates reported in COD were 17 to 49 days prior to the actual disbursement dates for 3 disbursements, and 6 days after the actual disbursement dates for 5 disbursements, during the 2007-08 award year.

Cause

The institution had not implemented adequate procedures to reconcile the PELL disbursement dates reported to COD with the institution's own disbursement records.

Recommendation	The institution should enhance its procedures to ensure that the information provided to USED through COD is accurate.
CFCC Response and Corrective Action Plan	The College will enhance its procedures to ensure accuracy in technical reporting. The corrective action to be taken will encompass additional programming to the college's operating system (Jenzabar) to report only actual disbursements in COD. This action will occur as soon as possible.
Estimated Corrective Action Date	As soon as possible.
CFCC Contact and Telephone Number	James Harvey, Senior Vice President (352) 237-2111

St. Petersburg College (SPC)

Condition	For 21 of 22 PELL recipients tested, disbursement dates in the COD reporting system were incorrectly reported by the institution. The disbursement dates reported in COD were 8 to 70 days prior to the actual disbursement date during the Spring 2008 term.
Cause	The institution had not implemented adequate procedures to reconcile the PELL disbursement dates initially reported in the COD with the institution's subsequent actual disbursement dates.
Recommendation	The institution should review its procedures to ensure that information provided to USED through COD is accurate.
SPC Response and Corrective Action Plan	SPC has reviewed its procedures to ensure that accurate data is transmitted to COD; changes have been made and tested within PeopleSoft to ensure the dates reported are the same dates as the disbursements for the 2008-09 award year. SPC is a Just In Time Pilot school with regards to the Federal Pell Grant program. The college is investigating moving away from Just In Time to an Advance Payment school for the 2009-10 academic year.
Estimated Corrective Action Date	August 2008
SPC Contact and Telephone Number	Marcia R. McConnell, M. Ed, Director, Financial Assistance Services (727) 302-6800

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-098**
CFDA Number	84.032 and 84.063
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL)
Compliance Requirement	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds (Official Withdrawals)
State Educational Entity	**Various**
Finding Type	Noncompliance Questioned Costs – $325.51 FFEL unsubsidized and $611 PELL

Finding

Three institutions did not always accurately calculate and, within 45 days of the students' withdrawal, timely return Title IV HEA funds to the applicable Federal lenders for those students who officially withdrew prior to the 60 percent point of the payment period.

Criteria

34 CFR 668.22, *Treatment of Title IV Funds When a Student Withdraws*

Effect

The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal lenders. Additionally, the institution returned funds in excess of the amounts that were unearned.

Florida International University (FIU)

Condition

For three of ten students tested that officially withdrew from the institution during the Fall 2007 term, and received Title IV HEA funds, the institution returned $2,978.78 FFEL ($1,640.27 subsidized and $1,338.51 unsubsidized) of unearned Title IV HEA funds 34, 93, and 107 days late. Also, for four of the ten students (4 other students) the returns were miscalculated, resulting in de minimus overpayments to the PELL program and FFEL lenders.

Cause

Institution staff indicated that they were unable to follow their procedures to ensure the accurate and timely calculation of unearned funds to Title IV HEA programs and lenders because all resources, normally devoted to return of Title IV HEA funds processing, were diverted to a request by the United States Department of Education (USED). As a result of an audit finding reported in report no. 2007-146, finding no. FA 06-097, USED required the institution to reevaluate all unofficial withdrawals during the 2005-06 award year and by November 1, 2007, provide the information to USED to determine liability.

Recommendation

The institution should follow their procedures and ensure that procedures are adequate for the accurate calculation and timely return of unearned Title IV HEA funds to applicable Federal programs and lenders for students that officially withdrew.

FIU Response and Corrective Action Plan

The reason for a delay in returning funds for three students is that on August 2007, the U.S. Department of Education requested that the University re-evaluate the R2T4 calculation due to the fiscal year 2005-2006 audit finding that was noted by the Auditor General's Office in the Federal Awards Audit. This recalculation was completed by applying the expanded scope of review. The re-examination was completed by October 2007. Since this request took priority, the normal process for reviewing students for Fall 2007 return of funds was not completed until a later date.

A comprehensive calendar, with due dates and timelines, has been created to meet federal requirements for the timely calculation and return of federal funds. The production calendar is reviewed weekly and a report of all Return of Title IV activities is generated and reviewed by the director on a monthly basis. These safeguards will ensure the timely calculation and return of federal funds.

The university believes the miscalculation of these four students resulted from its reasonable interpretation of 34 CFR 668.22(f) (2) (i). This regulation states that "…if classes were taught on either weekend day prior to the scheduled break, those days would be included rather than excluded" from the calculation of total days of instruction. The university offers instruction on Saturdays and thus the Office of Financial Aid included both Saturday and Sunday, prior to the scheduled break, in its calculation of total days of instruction. This regulation specifically states that:

Determining the length of a scheduled break: Determine the last day that class is held before a scheduled break – the next day is the first day of the scheduled break. The last day of the scheduled break is the day before the next class is held. Where classes end on a Friday and do not resume until Monday following a one week break, both weekends (four days) and the five weekdays would be excluded from the Return calculation. (The first Saturday, the day after the last class, is the first day of the break. The following Sunday, the day before classes resume, is the last day of the break.) If classes were taught on either weekend for the programs that were subject to the scheduled break, those days would be included rather than excluded.

The university has requested clarification from the U.S. Department of Education as to whether, in the future, it should include both Saturday and Sunday, prior to a scheduled break, to calculate total days of instruction when it offers instruction only on Saturdays. Until further clarification is received from the U.S. Department of Education, the Office of Financial Aid will accept the recommendation to exclude the Sunday prior to the scheduled break from the calculation of total days of instruction.

Estimated Corrective Action Date Completed

FIU Contact and Telephone Number Francisco Valines, Director of Financial Aid
(305) 348-1124

St. Petersburg College (SPC)

Prior Year Finding Report No. 2008-141, Finding No. FA 07-087

Finding The institution did not always accurately calculate the amount of Title IV HEA funds to be returned for those students who officially withdrew prior to the 60 percent point of the payment period.

Criteria 34 CFR 668.22, *Treatment of Title IV Funds When a Student Withdraws*

Condition For 4 of 15 students tested that officially withdrew from the institution during the Spring 2008 term and received Title IV HEA funds, the returns were miscalculated due to the institution using incorrect amounts for institutional costs. In August 2008, subsequent to audit inquiry, the institution returned $325.51 of unsubsidized FFEL funds to the lenders.

Cause The institution did not follow its procedures to ensure the accurate calculation of unearned funds to Title IV HEA lenders.

Recommendation The institution should enhance its procedures to ensure the accurate calculation of unearned Title IV HEA funds to applicable Federal programs and lenders for students that officially withdraw. In addition, the institution should review the institutional costs used for all return of Title IV HEA calculations for the 2007-08 award year and return Title IV HEA funds to the applicable Federal programs or lenders.

SPC Response and Corrective Action Plan	SPC has enhanced our procedures to ensure the accurate calculation of unearned Title IV funds is used by the staff. SPC has reviewed the institutional costs used for all return of Title IV calculations for the 2007-08 award year and returned all funds to the applicable Federal programs or lenders.
Estimated Corrective Action Date	August 2008
SPC Contact and Telephone Number	Marcia R. McConnell, M. Ed, Director, Financial Assistance Services (727) 302-6800

Seminole Community College (SCC)

Prior Year Finding	Report No. 2008-141, Finding No. FA 07-087
Condition	Of the 15 students tested that officially withdrew from the institution during the 2007-08 academic year, and received Title IV HEA funds, we noted the following: • For 2 of the 15 students, the institution returned to the PELL program $1,104.70 of unearned Title IV HEA funds 31 and 52 days late. • Also, for one of the two students, as a result of a miscalculation, $611 is due to the PELL grant program and as of November 24, 2008, the funds had not been returned, 331 days late. • For 5 of the 15 students (4 other students and 1 of the students above) the returns for the Fall 2007 term were miscalculated, resulting in de minimus overpayments to the PELL program and FFEL lenders.
Cause	The institution did not deduct a five-day break in the Fall 2007 term which resulted in miscalculated returns and also, processing delays resulted in some untimely returns.
Recommendation	The institution should enhance its procedures to ensure the accurate calculation and timely return of unearned Title IV HEA funds to applicable Federal programs and lenders for students that officially withdraw. Also, the institution should return $611 to the PELL grant program.
SCC Response and Corrective Action Plan	In order to assure the accurate calculation of repayment for students who withdraw, the institution has addressed the issue of the 5-day winter break and has adjusted the Return of Title IV calendar accordingly. Each of the Return of Title IV calculations done for the current year, Fall 2008, has been reviewed for accuracy and corrected if necessary. In the instance of the $611 Pell Grant Discrepancy, it was found that this discrepancy occurred from a miscalculation of a post-withdrawal disbursement. The funds were returned to the program through the Common Origination/Disbursement system on December 1, 2008, and a copy of the documentation to confirm adjustment AD2008120113143 was provided to the on-site auditor. A process of internal validation of the post-withdrawal disbursements has been implemented whereby two employees check the accuracy of the calculation. The institution has changed policies to utilize the calculation dates used for official withdrawals as opposed to utilizing last dates of attendance. A review of this change for current term (Fall 08) students has been performed and adjustments have been made when necessary.
Estimated Corrective Action Date	Spring 2009
SCC Contact and Telephone Number	Robert Lynn, Director, Student Financial Resources (407) 708-2044

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-099**
CFDA Number	84.032
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loans (FFEL)
Compliance Requirement	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds – Unofficial Withdrawals
State Educational Entity	**Florida Atlantic University (FAU)**
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $1,178.42 FFEL subsidized
Finding	The institution had not implemented adequate procedures to determine, within 30 days after the end of the payment period, whether Title IV HEA funds were earned for students who ceased attendance without providing official notification to the institution of their withdrawal. As a result, the institution did not timely identify, calculate, and return (within 45 days) unearned Title IV HEA funds to the applicable Federal programs for those students who unofficially withdrew prior to the 60 percent point of the payment period.
Criteria	34 CFR 668.22, *Treatment of Title IV funds when a student withdraws*
Condition	For 2 of 10 students tested who unofficially withdrew and received Title IV HEA funds during the Fall 2007 term, the institution did not maintain documentation to support attendance past the 60 percent point of the payment period. The institution did not timely identify these students as unofficial withdrawals, nor timely return the unearned funds to the applicable Federal program. Subsequent to audit inquiry, 205 and 233 days late, the institution calculated the returns totaling $1,178.42 subsidized FFEL, and returned the funds on August 14, 2008, ($673.38) and September 5, 2008, ($505.04).
Cause	The institution relies on faculty to accurately identify students and note the last date of attendance when inputting the final grades for students who unofficially withdraw. Maintenance of the records supporting attendance is not centralized once the term is completed, and therefore, not archived. As a result, there is an increased risk that subsequent to the end of the term, the records will not be available to support the coding input by faculty because faculty may be on leave or may have terminated and the records were not archived.
Effect	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal programs and lenders.
Recommendation	The institution should enhance its procedures to ensure the accurate and timely identification, calculation, and return of unearned Title IV HEA funds to the applicable Federal programs and lenders.
FAU Response and Corrective Action Plan	In order to assure accurate reporting of students, grades and attendance, FAU will begin to obtain statistical data from Blackboard, a university supported faculty software tool. It will store course data for 3 years on campus. In addition, a university task force (including faculty and administrators) has been created to review university policies and procedures related to attendance and withdrawal issues. The committee will develop recommended actions for enhancing record-keeping in relation to student attendance.
Estimated Corrective Action Date	June 30, 2009
FAU Contact and Telephone Number	Carole Pfeilsticker, Student Financial Aid Director (561) 297-3528

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-100**
CFDA Number	84.032 and 84.063
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL**)**
Compliance Requirement	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds (Unofficial Withdrawals)
State Educational Entity	**St. Petersburg College (SPC)**
Finding Type	Noncompliance Questioned Costs – $468.96 ($359.22 FFEL unsubsidized and $109.74 PELL)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-088
Finding	The institution did not always accurately calculate the amount of Title IV HEA funds to be returned for those students who unofficially withdrew prior to the 60 percent point of the payment period.
Criteria	34 CFR 668.22, *Treatment of Title IV Funds When a Student Withdraws*
Condition	For 3 of 15 students tested that unofficially withdrew from the institution during the Spring 2008 term and received Title IV HEA funds, the returns were miscalculated due to the institution using incorrect amounts for institutional costs. In August 2008, subsequent to audit inquiry, the institution returned unsubsidized FFEL funds totaling $359.22 and PELL funds totaling $109.74 to the Federal lenders and program.
Cause	The institution did not follow its procedures to ensure the accurate calculation of unearned funds to Title IV HEA lenders and program.
Effect	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal lenders and program.
Recommendation	The institution should enhance its procedures to ensure the accurate calculation of unearned Title IV HEA funds to applicable Federal lenders and programs for students that unofficially withdraw. In addition, the institution should review the institutional costs used for all return of Title IV HEA calculations for the 2007-08 award year and return Title IV HEA funds to the applicable Federal lenders and programs.
SPC Response and Corrective Action Plan	SPC has enhanced our procedures to ensure the accurate calculation of unearned Title IV funds is used by the staff. SPC has reviewed the institutional costs used for all return of Title IV calculations for the 2007-08 award year and returned all funds to the applicable Federal programs or lenders.
Estimated Corrective Action Date	August 2008
SPC Contact and Telephone Number	Marcia R. McConnell, M. Ed, Director, Financial Assistance Services (727) 302-6800

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-101**
CFDA Number	84.032 and 84.063
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL**)**
Compliance Requirement	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds – Nonattendance
State Educational Entity	**St. Petersburg College (SPC)**
Finding Type	Noncompliance Questioned Costs – $4,935 ($1,750 FFEL subsidized; $2,000 FFEL unsubsidized; and $1,185 PELL)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-085
Finding	The institution did not always document attendance in at least one class for students who received Title IV HEA funds and received all failing, incomplete, and withdraw grades.
Criteria	34 CFR 668.21 and 682.604(d), *Treatment of Federal Perkins Loan, FSEOG, Federal Pell Grant, ACG, and National Smart Program Funds if the Recipient Withdraws, Drops Out, or is Expelled Before His or Her First Day of Class and Processing the Borrower's Loan Proceeds*
Condition	For 1 of 30 students tested that received Title IV HEA funds during the Spring 2008 term, the institution did not document attendance in at least one class. Absent documentation evidencing that the student attended at least one class, the student was not eligible for FFEL loan or PELL funds totaling $4,935 ($1,750 FFEL subsidized; $2,000 FFEL unsubsidized; and $1,185 PELL). The institution returned $790 of PELL funds in February 2008, and $109.74 of FFEL unsubsidized loan funds in June 2008. In August 2008, subsequent to audit inquiry, the institution returned the remaining funds totaling $4,035.26 ($1,750 FFEL subsidized; $1,890.26 FFEL unsubsidized; and $395 PELL).
Cause	An automatic nightly programming process was not put into production as expected in January 2008. In early February 2008, the institution determined the program was not running and implemented the process. During the time the program was not run, the institution manually identified students as no shows.
Effect	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal lender and program.
Recommendation	The institution should strengthen its procedures to identify all students who did not attend at least one class and return unearned Title IV HEA funds to applicable Federal lenders or programs.
SPC Response and Corrective Action Plan	SPC has strengthened our procedures to identify all students who do not attend at least one class and return unearned Title IV funds to the applicable Federal lenders or programs. The one student, who was identified above, occurred due to a human input error prior to the institution running the automatic nightly programming process identifying no show students reported by faculty.
Estimated Corrective Action Date	February 2008
SPC Contact and Telephone Number	Dr. Tonjua Williams, Vice President Academic and Student Affairs (727) 341-3344

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-102**
CFDA Number	84.032 and 84.063
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL)
Compliance Requirement	Special Tests and Provisions – Disbursements – National Student Loan Data System (NSLDS) - Mid-Year Transfer Monitoring
State Educational Entity	**Miami Dade College (MDC)**
Finding Type	Noncompliance
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-091

Finding

The institution did not always inform NSLDS of mid-year transfer students. Additionally, the institution did not accurately state the status of a similar finding in the Summary Schedule of Prior Audit Findings (SSPAF)

Criteria

34 CFR 668.19(b), *Financial Aid History*

The institution is required to inform NSLDS of mid-year transfer students, including those students for whom the institution accesses NSLDS directly, so NSLDS can continue monitoring the student for any subsequent relevant changes. The institution may inform NSLDS about a student at any time it determines that a student may be transferring to the school and seeking Title IV HEA aid, but it must do so prior to disbursing any Title IV HEA aid to the student.

OMB Circular A-133, §___.500(e), *Audit Follow-up*

Condition

For 2 of 10 students tested that transferred to the institution mid-year, the institution did not inform NSLDS of the transfers. The students received Title IV Higher Education Act (HEA) funds totaling $9,933 ($8,620 PELL and $1,313 FFEL unsubsidized).

A similar finding was noted in report No. 2008-141, finding No. FA 07-091, for which the institution, in the 2007-08 fiscal year SSPAF, indicated a status of "Fully Corrected." However, as noted in the previous paragraph, the institution still had not established adequate procedures to comply with the NSLDS Mid-Year Transfer Monitoring Process.

Cause

The students were not timely identified and reported due to the institution's computer programming schedule that was not reporting mid-year transfer students as frequently as required.

Effect

Although the students were not overawarded, when NSLDS is not informed of mid-year transfers, students may receive Title IV HEA funds for which they are not eligible because they may have received Title IV HEA funds from the prior institution and the current institution would be uninformed. Further, by providing information to NSLDS of mid-year transfer students, the institution allows NSLDS to monitor and inform the institution of any subsequent relevant changes in a student's financial aid history before and after making a disbursement at the second institution. Also, inaccurate responses on the SSPAF may result in incorrect decisions by the Federal awarding agency.

Recommendation

The institution should resolve the computer programming issue to ensure that NSLDS is informed of all mid-year transfer students prior to disbursing Title IV HEA funds by using the NSLDS Student Transfer Monitoring Process. Also, the institution should accurately report the status of prior year findings on the SSPAF.

MDC Response and Corrective Action Plan

Prior program modifications were successful however it was noted that the program did not execute on a timely basis for a period of time due to human error. The scheduling error has since been rectified.

	It should be noted that, in addition to system modifications, the College continues to closely monitor the Multiple Reporting Records (MRR) reports provided by the Department of Education, and through this secondary control, amounts noted in the audit sample did not include any overpayments.
Estimated Corrective Action Date	Completed
MDC Contact and Telephone Number	Gregory Knott, AVP-Accounting and Student Services (305) 237-0399

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-103**
CFDA Number	84.032
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loans (FFEL)
Compliance Requirement	Special Tests and Provisions – Student Status Changes – National Student Loan Data System (NSLDS) Roster Files
State Educational Entity	**Various**
Finding Type	Noncompliance
Finding	Three institutions did not always timely report enrollment status changes to NSLDS for FFEL student loan borrowers. Unless the institution expects to submit its next roster file (enrollment data) to NSLDS within 60 days, it must notify NSLDS directly within 30 days of discovering that a student who received an FFEL loan ceased to be enrolled on at least a half-time basis.
Criteria	34 CFR 682.610(c), *Student Status Confirmation Reports*
Effect	When NSLDS is not timely notified with accurate information, NSLDS may not be aware of when a FFEL student loan borrower ceases at least half-time enrollment, thereby not timely starting the grace period for repayment of FFEL student loans, which may result in an increased default rate.
	Florida Atlantic University (FAU)
Condition	For four of nine FFEL student loan borrowers tested who withdrew, graduated, or otherwise ceased to be enrolled at least half-time during the 2007-08 award year, the institution reported the enrollment status changes 16 to 146 days late to NSLDS.
Cause	The institution submitted its roster files to the National Student Clearinghouse (NSC) and relied on NSC to transmit student status changes to NSLDS for FFEL student loan borrowers; however, the institution did not have monitoring procedures in place to ensure that NSC submitted student status changes to NSLDS timely.
Recommendation	The institution should work with NSC and NSLDS to correct the submission problems or develop alternative procedures to timely provide NSLDS with FFEL student loan borrowers' enrollment status information.
FAU Response and Corrective Action Plan	FAU implemented a new student information system, SCT Banner, during the 2007-08 academic year. Submission of the Student Status Confirmation Reports (SSCR) to the Clearinghouse were delayed during Spring 2008 as automated programs were developed and fine-tuned to accurately submit the required enrollment updates. Effective Spring 2009, the SSCR's to the Clearinghouse will be submitted bi-weekly instead of monthly to meet federal reporting requirements.
Estimated Corrective Action Date	January 31, 2009
FAU Contact and Telephone Number	Carole Pfeilsticker, Student Financial Aid Director (561) 297-3528
	Florida Gulf Coast University (FGCU)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-090
Condition	For 5 of 20 FFEL student loan borrowers who withdrew, graduated or otherwise ceased to be enrolled at least half-time during the 2007-08 award year, the institution reported the enrollment status changes to NSLDS, 19 to 173 days late. Additionally, two students, (one of the five and another student) had unofficially withdrawn and were incorrectly reported to NSLDS as half-time instead of less

	than half-time.
Cause	According to institution personnel, accurate and timely reporting to NSLDS for FFEL student loan borrowers' enrollment status changes was not ensured due to staff shortages within the Registrar's Office and the institution's electronic process did not identify all students that were enrolled less than half-time.
Recommendation	The institution should enhance its procedures and address the staff shortage to ensure that enrollment status changes for FFEL student loan borrowers are accurately and timely reported to NSLDS.
FGCU Response and Corrective Action Plan	The Office of Financial Aid will take a more proactive approach along with the Office of the Registrar to be in compliance with enrollment reporting. The Office of Financial Aid will work with the Registrar's Office to ensure that a thorough review of the data takes place before the roster is submitted. Additionally, Financial Aid will pursue further technical modifications to the process in order to report students timely and accurately.
Estimated Corrective Action Date	Spring 2009 Term
FGCU Contact and Telephone Number	Jorge Lopez, Director of Student Financial Services (239) 590-1210
	Edison State College (ESC)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-090
Condition	Of the 21 FFEL student loan borrowers tested who graduated, withdrew, or ceased to be enrolled at least half-time, the institution reported the enrollment changes 18 days late to NSLDS for the 2 students who graduated during the Fall 2007 term. Upon further review, we noted the institution's procedures of manually reviewing 42 Fall graduates with FFEL loans prior to NSLDS submission resulted in untimely NSLDS notification.
Cause	The institution's procedures for determining eligibility for graduation and processing the graduation actions for FFEL students were not effective to ensure that student status changes were timely reported to the NSLDS because the institution manually reviews all graduating students, which delays reporting to NSLDS.
Recommendation	The institution should enhance its procedures to ensure that all enrollment status changes for FFEL student loan borrowers are reported timely to NSLDS.
ESC Response and Corrective Action Plan	The College has implemented a new procedure to report currently enrolled students to the Clearinghouse at the end of the add/drop period as well as the 15th and 30th of every month. Graduates will be reported in batch process and as determined every two weeks until the graduation process has been completed. This will ensure compliance with reporting rules concerning NSLDS student status.
Estimated Corrective Action Date	Summer 2008 Term
ESC Contact and Telephone Number	Billee Silva, Registrar (239) 489-9362

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-104**
CFDA Number	84.032 and 84.268
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Family Education Loan (FFEL) Federal Direct Student Loans (FDSL)
Compliance Requirement	Special Test and Provisions – Student Status Changes – Exit Counseling
State Educational Entity	**Various**
Finding Type	Noncompliance

Finding

Six institutions did not always timely (within 30 days) perform exit counseling, or provide exit counseling materials, for FFEL or FDSL student loan borrowers who graduated, withdrew, or ceased to be enrolled at least half-time.

Criteria

34 CFR 682.604(g) and 685.304(b), *Exit Counseling*

Effect

When exit counseling information is not provided timely, FFEL or FDSL student loan borrowers may not be fully aware of their loan repayment obligations, and lenders and guarantors, or the U.S. Department of Education, may not be timely provided with important personal and contact information, which could lead to an increased default rate for the institution.

Florida Agricultural and Mechanical University (FAMU)

Prior Year Finding

Report No. 2008-141, Finding No. FA 07-081, Report No. 2007-146, Finding No. FA 06-099, Report No. 2006-152, Finding No. FA 05-106, and Report No. 2005-158, Finding No. FA 04-103

Condition

Prior to the end of each semester, the institution runs a query to identify FFEL student loan borrowers who ceased at least half-time enrollment. The query includes FFEL student loan borrowers from the current term, as well as FFEL student loan borrowers from the previous term, who ceased at least half-time enrollment without the school's prior knowledge and subsequently, did not return for the current term. Since the procedure is to run the query prior to the end of the term, it is not frequent enough to ensure the timely identification of FFEL student loan borrowers requiring exit counseling materials within 30 days of an enrollment change occurring more than 30 days prior to the query. Based on the institution's procedures, two of the five FFEL student loan borrowers who ceased at least half-time enrollment early in the term were provided exit counseling materials 58 and 62 days late.

Cause

The institution did not have adequate procedures to ensure that FFEL student loan borrowers who ceased to be enrolled at least half-time were timely provided exit counseling materials.

Recommendation

The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.

FAMU Response and Corrective Action Plan

Exit counseling workshops are conducted the week prior to graduation each semester to include graduation rehearsal. Exit counseling materials are distributed at the workshops. Also, exit counseling materials are sent via U.S. Postal Service to students who do not attend the workshops to ensure that each borrower has been provided counseling materials. Although, all graduating and withdrawn students received exit counseling materials, as required, students that officially withdrew from the University during the semester and unofficially withdrew from the University in the prior semester and did not reenroll were mailed the packet at the end of the semester. Procedures are updated and students that officially and unofficially withdraw from the University will receive exit loan counseling materials within thirty days from the official withdrawal notice to the University and thirty days from the university's determination of the student's unofficial withdrawal

	status for students who do not reenroll the following semester. This new process is incorporated with the Return of Title IV policies and procedures.
Estimated Corrective Action Date	November 3, 2008
FAMU Contact and Telephone Number	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278
	Florida Gulf Coast University (FGCU)
Condition	For 4 of 20 students tested, the institution did not perform exit counseling, or provide exit counseling materials, within 30 days of when the FFEL student loan borrowers withdrew or otherwise ceased to be enrolled at least half-time during the 2007-08 award year. Exit counseling materials were provided to the students 39 to 42 days late.
Cause	The institution indicated that due to staff shortages within the Registrar's Office, staff was unable to ensure that all FFEL student loan borrowers who ceased to be enrolled at least half-time were provided exit counseling materials.
Recommendation	The institution should provide adequate staff to ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
FGCU Response and Corrective Action Plan	The Office of Financial Aid continues its efforts to achieve 100% compliance with this regulation. As a result, exit-counseling materials have been converted to an electronic format (e-mail) to make sure students are notified in a timely manner as required by DOE regulations. The exit counseling notices are emailed twice per month to ensure timeliness and accuracy.
Estimated Corrective Action Date	Fall 2008 Term
FGCU Contact and Telephone Number	Jorge Lopez, Director of Student Financial Services (239) 590-1210
	Florida International University (FIU)
Condition	For 20 of 20 FFEL student loan borrowers tested who withdrew or ceased to be enrolled at least half-time during the 2007-08 award year, exit counseling materials were provided 14 to 71 days late.
Cause	The institution's computerized reporting system which identifies students requiring exit counseling was not a fully automated process. The required user interface was not performed within 30 days of FFEL student loan borrowers ceasing to be enrolled at least half-time.
Recommendation	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
FIU Response and Corrective Action Plan	The Office of Financial Aid has fully automated the process to notify FFEL and FDL borrowers, who withdrew or ceased to be enrolled half-time, of their requirement to complete an exit interview. This notification process runs three times per week on the production schedule.
Estimated Corrective Action Date	Completed
FIU Contact and Telephone Number	Francisco Valines (305) 348-2333

Central Florida Community College – (CFCC)

Condition	For two of nine FDSL student loan borrowers tested who withdrew or ceased to be enrolled at least half-time during the 2007-08 award year, exit counseling materials were provided 32 and 199 days late.
Cause	The institution's computerized reporting system did not identify all students requiring exit counseling, within 30 days of an FDSL student loan borrower ceasing to be enrolled at least half-time.
Recommendation	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FDSL student loan borrower ceasing at least half-time enrollment
CFCC Response and Corrective Action Plan	The College has initiated a new computer program that allows the Financial Aid Office the capability to provide all student borrowers exit counseling materials as required. Financial Aid staff also review enrollment records every week (run the less than six credit report) and provide pertinent information to facilitate the processing of exit counseling materials to students that have dropped to less than half time status or totally withdrawn during the week.
Estimated Corrective Action Date	Completed
CFCC Contact and Telephone Number	James Harvey, Senior Vice President (352) 237-2111

Edison State College (ESC)

Condition	For 13 of 21 students tested, the institution did not perform exit counseling, or provide exit counseling materials, within 30 days of when the FFEL student loan borrowers graduated, withdrew, or ceased to be enrolled at least half-time. As of July 16, 2008, the date of our audit fieldwork, the number of days late ranged from 46 to 230.
Cause	The institution's computerized reporting system did not identify all students requiring exit counseling within 30 days of an FFEL student loan borrower ceasing to be enrolled at least half-time.
Recommendation	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
ESC Response and Corrective Action Plan	The college has reviewed and corrected the report processes that identifies student loan recipients that are required to complete the loan exit interview process. The college has scheduled the interview process to be reviewed at the end of each month to ensure compliance with the loan entrance interview regulations. Students will be notified via email to complete the interview process on-line and sent the interview information through regular mail.
Estimated Corrective Action Date	Fall 2008 Term
ESC Contact and Telephone Number	Cindy Lewis, District Student Financial Aid Director (239) 489-9346

Seminole Community College (SCC)

Prior Year Finding	Report No. 2008-141, Finding No. FA 07-092 and Report No. 2007-146, Finding No. FA 06-099
Condition	For 8 of 13 FFEL student loan borrowers tested who withdrew during the 2007-08 academic year, exit counseling materials were provided from 30 to 88 days late.
Cause	The institution reviews student records at the end of each term to identify FFEL student loan borrowers having an enrollment status change requiring exit counseling. Since the institution's procedure is to review student records at the

	end of the term, it is not frequent enough to ensure the timely identification of FFEL student loan borrowers requiring exit counseling, if the enrollment change occurred more than 30 days prior to the review.
Recommendation	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
SCC Response and Corrective Action Plan	The institution's official withdrawal form has been revised to include a notification of exit counseling requirements for all current and previous loan recipients. To further enhance the frequency of review, the weekly financial aid enrollment monitoring report will assist in identifying reductions in enrollment below half-time for loan recipients. An email message will be sent to students still currently enrolled yet have fallen below half time. The institution's new email policy and process will be utilized for this purpose and a record of the notification sent to the students will be maintained,
Estimated Corrective Action Date	Spring 2009
SCC Contact and Telephone Number	Robert Lynn, Director, Student Financial Resources (407) 708-2044

U.S. DEPARTMENT OF EDUCATION

Finding Number	**FA 08-105**
CFDA Number	84.007, 84.032, 84.033, 84.038, 84.063, 84.375, and 84.376
Program Title	**Student Financial Assistance Cluster (SFA)** Federal Supplemental Educational Opportunity Grants (FSEOG) Federal Family Education Loans (FFEL) Federal Work-Study Program (FWS) Federal Perkins Loans (FPL) Federal Pell Grant Program (PELL) Academic Competitiveness Grants (ACG) National Science and Mathematics Access to Retain Talent Grants (SMART)
Compliance Requirement	Eligibility
State Educational Entity	**Florida Agricultural & Mechanical University (FAMU)**
Finding Type	Other
Finding	On October 27, 2008, the institution reported suspected fraud to the United States Department of Education (USED).
Criteria	34 CFR 668.16(g), *Referrals to the Office of the Inspector General of the United States Department of Education for Investigation*
Condition	The institution became aware of unauthorized grade or residency changes for approximately 90 students. Student Financial Assistance payments from various Title IV Higher Education Act (HEA) programs to these students could have resulted in potential overawards. We were advised by the institution that the matter had been reported to local law enforcement, which resulted in grand jury indictments of several individuals. The final determination by USED is pending.
Recommendation	The institution should continue to report any known or suspected instances of Title IV HEA funds' fraud to the USED OIG, and to local law enforcement agencies, as applicable.
FAMU Response and Corrective Action Plan	The University will continue to report any known or suspected instances of Title IV HEA funds' fraud to the USED, OIG, and to local law enforcement agencies, as applicable.
FAMU Contact and Telephone Number	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278

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STATE UNIVERSITIES AND COMMUNITY COLLEGES
SUMMARY OF QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2008

Compliance Requirement/ Institutions	**Questioned Costs**
Research and Development Cluster (R&D)	
***ALLOWABLE COSTS/COST PRINCIPLES* - Finding No. FA 08-106**	
General Expenditures:	
University of South Florida	$ 18,500.03
***ALLOWABLE COSTS/COST PRINCIPLES* - Finding No. FA 08-107**	
Leave Payouts:	
Florida State University	25,869.05
***ALLOWABLE COSTS/COST PRINCIPLES* - Finding Nos. FA 08-108, 109**	
Time-and-Effort:	
Florida Atlantic University	364,777.31
University of Central Florida	24,969.47
Total	389,746.78
***MATCHING, LEVEL OF EFFORT, EARMARKING* - Finding No. FA 08-110**	
Florida State University	4,773,104.00
Total Questioned Costs	$ 5,207,219.86

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-106**
CFDA Number	12.300, 12.999, 43.001, and 84.324
Program Title	**Research and Development Cluster (R&D)** Basic and Applied Scientific Research (12.300) United States Department of Defense – Other Federal Awards (12.999) Aerospace Education Services Program (43.001) Research in Special Education (84.324)
Compliance Requirement	Allowable Costs/Cost Principles – General Expenditures
State Educational Entity	**University of South Florida (USF)**
Federal Grant/Contract Number and Grant Year	**CFDA No. 12.300** N00014-01-1-0279, December 1, 2000 – December 30, 2008 **CFDA No. 12.999** DASG60-00-C-0089, September 7, 2000 – April 30, 2009 W911SR-05-C-0020, July 28, 2005 – May 31, 2009 W9113M-06-C-0022, March 23, 2006 – April 24, 2009 **CFDA No. 43.001** NNL06AA17A, September 1, 2006 – August 31, 2009 **CFDA No. 84.324** H324P040003, January 1, 2005 – December 31, 2008
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $ 18,500.03 ($1,373.15, grant No. N00014-01-1-0279; $8,060.21, grant No. DASG60-00-C-0089; $6,918.98, grant No. W911SR-05-C-0020; $1,425.48, grant No. W9113M-06-C-0022; $215.50, grant No. NNL06AA17A; and $506.71, grant No. H324P040003)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-098 and Report No. 2007-146, Finding No. FA 06-107

Finding

The institution did not always properly monitor Federal grant expenditures to ensure documentation was on file to support that amounts were valid, reasonable, and necessary, and that travel expenditures for employees were paid at rates authorized by State law.

Criteria

OMB Circular A-21, Section C.4. *Allowable Costs;* Section J. *General Provisions for Selected Items of Costs;* Section J.10.f. *Fringe Benefits;* and Section 112.061, Florida Statutes, *Per Diem and Travel Expenses*

Condition

Our test of expenditures for six Federal grants disclosed the following:

1. Four Federal grants were overcharged for payroll costs as follows:

   Eleven employees who terminated during the 2007-08 fiscal year earned annual and sick leave from multiple projects during their employment at the institution. However, leave payments for unused annual and sick leave made to ten of the employees, totaling $17,777.82, were incorrectly overcharged to four Federal grants ($1,373.15, grant No. N00014-01-1-0279; $8,060.21, grant No. DASG60-00-C-0089; $6,918.98, grant No. W911SR-05-C-0020; and $1,425.48, grant No. W9113M-06-C-0022). In July 2008, subsequent to audit inquiry, the $17,777.82 was reimbursed to the respective grants for the charges that were incurred.

2. During review of a subrecipient agreement, we determined that the institution did not obtain documentation to support the subrecipient cost reimbursement payments made, as required by invoicing instructions of the subrecipient agreement. Subsequent to audit inquiry, in August 2008, the institution provided supporting documentation for the subrecipient cost reimbursement payments totaling $299,296.65. (grant No. H324P040003)

3. Two Federal grants were overcharged for travel costs as follows:

   The institution reimbursed employees for mileage and meals using rates prescribed by the U.S. General Services Administration (GSA) Domestic Per Diem Rate Schedule instead of rates authorized by Section 112.061, Florida Statutes. OMB Circular A-21, Sections C.2 and J. 53, determine reasonableness, in part, by the requirements imposed by State laws and regulations and in its regular operations. Two of the six Federal grants tested were overcharged $401.25 for meals ($215.50, grant No. NNL06AA17A and $185.75, grant No. H324P040003) due to use of GSA rates instead of rates authorized by State law. The extent to which other Federal grants were overcharged due to noncompliance with Section 112.061, Florida Statutes, was not readily determinable. Effective July 1, 2007, the institution changed its travel reimbursement rates to agree with Section 112.061, Florida Statutes; however, travel expenses that occurred prior to July 1, 2007, continued to be reimbursed using the GSA rate.

   For one of the Federal grants, the institution incorrectly charged the grant for lodging costs twice. ($320.96, grant No. H324P040003) Subsequent to audit inquiry, on July 3, 2008, the duplicated lodging expense was reimbursed to the grant.

Cause

The institution's review and approval of grant charges procedures were not adequate to ensure that expenditures charged to Federal grants were adequately documented, approved, reasonable, and necessary.

Effect

Federal grant funds may have been used for goods or services that were not allowable or reasonable under the terms of the Federal grants.

Recommendation

The institution should enhance its procedures to maintain documentation for all charges to substantiate the validity, reasonableness, and necessity of all expenditures charged to Federal grants. The institution should calculate overcharges for travel and return any such overcharges, and the remaining questioned costs disclosed by our audit, to applicable Federal grants.

USF Response and Corrective Action Plan

The University continually enhances procedures to maintain documentation for all charges to substantiate the validity, reasonableness, and necessity of expenditures charged to Federal Awards. The University's subcontract policy has been revised and is in the promulgation process. Once approved, the subrecipient documentation cited in this finding will be required to be maintained by the subcontractee (who would be subject to an annual A-133 audit). Overcharges for travel and unused annual and sick leave paid at termination were removed from the impacted projects and funds were returned to sponsors as necessary. As stated above, the institution has changed its travel reimbursement rates to agree with Section 112.061, Florida Statutes, for all travel that began after July 1, 2007.

Estimated Corrective Action Date

December 31, 2008

USF Contact and Telephone Number

Nick Trivunovich, Controller
(813) 974-6061

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-107**
CFDA Number	10.200, 12.300, 47.049, and 93.855
Program Title	**Research and Development Cluster (R&D)** Grants for Agricultural Research, Special Research Grants (10.200) Basic and Applied Scientific Research (12.300) Mathematical and Physical Sciences (47.049) Allergy, Immunology and Transplantation Research (93.855)
Compliance Requirement	Allowable Costs/Cost Principles – Leave Payouts
State Educational Entity	**Florida State University (FSU)**
Federal Grant/Contract Number and Grant Year	CFDA No. 10.200, (United States Department of Agriculture) 2006-38890-03568, July 1, 2006 – June 30, 2009 CFDA No. 12.300, (Office of Naval Research – ONR) N00014-07-1-0599, February 1, 2007-January 31, 2009 CFDA No. 47.049, (National Science Foundation - NSF) 0654118, January 1, 2008 – December 31, 2012 CFDA No. 93.855, (Department of Health and Human Services – DHHS) R01AI023007, March 1, 2005 – February 28, 2009
Finding Type	Noncompliance and Significant Deficiency Questioned Costs - $25,869.05 (grant No. 2006-38890-03568, $5,673.65; grant No. N00014-07-1-0599, $7,842.76; grant No. 0654118, $1,893.72; grant No. R01AI023007, $10,458.92)
Finding	The institution does not have adequate procedures for charging Federal grants for costs related to unused leave payments to terminated employees that have worked on multiple Federal grants during employment at the institution.
Criteria	OMB Circular A-21, Section J.10.f. *Compensation for Personal Services, Fringe Benefits*.
Condition	Our review of nine employees that terminated employment during the 2007-08 fiscal year, and were paid unused leave, disclosed that four employees worked and earned leave from multiple Federal grants during their employment at the institution. However, unused leave payments for these four employees, totaling $25,869.05 (grant No. 2006-38890-03568, $5,673.65; grant No. N00014-07-1-0599, $7,842.76; grant No. 0654118, $1,893.72; grant No. R01AI023007, $10,458.92), were charged to the last Federal grant the employees were assigned to, instead of being allocated to the Federal grants the employees worked on throughout their employment at the institution.
Cause	The institution did not have adequate procedures to identify, allocate, and charge costs related to unused leave payments to terminated employees to the Federal grants on which its employees worked throughout their employment at the institution.
Effect	Federal funds were used to pay unused leave charges that should have been charged to multiple Federal grants, which resulted in overcharges to the Federal grants that were charged and undercharges to other Federal grants on which the employees worked and were not charged.
Recommendation	The institution should implement procedures that allow for employees' unused leave to be readily identified and allocated to the Federal grants on which the employees worked throughout their employment at the institution so that costs related to unused leave payments to terminated employees can be charged to the appropriate Federal grants.

FSU Response and Corrective Action Plan	In 2008 FSU, reviewed its accounting for leave costs for the entire University (E&G, C&G, auxiliaries etc.) and it was concluded by senior management to change accounting for terminal leave costs from a cash to an accrual basis for sponsored projects. This change in accounting became effective January 9, 2009, and DHHS was notified in November 2008. FSU will be filing a revised Disclosure Statement with DHHS in the near future.
Estimated Corrective Action Date	January 9, 2009
FSU Contact and Telephone Number	Ralph Alvarez Associate Vice President for Budget/Planning and Financial Services (850) 644-4444

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-108**
CFDA Number	12.300 and 93.867
Program Title	**Research and Development Cluster (R&D)** Basic and Applied Scientific Research (12.300) Vision Research (93.867)
Compliance Requirement	Allowable Cost/Cost Principles - Time-and-Effort
State Educational Entity	**Florida Atlantic University (FAU)**
Federal Grant/Contract Number and Grant Year	CFDA No. 12.300 N00014-05-1-0341H, October 16, 2006 – July 31, 2008 CFDA No. 93.867 5R01 EY013022-09, December 1, 2004 – November 30, 2009
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $364,777.31 ($247,185.44, grant No. N00014-05-1-0341H and $117,591.87, grant No. 5R01 EY013022-09)
Prior Year Finding	Report No. 2008-141, Finding No. FA 07-099

Finding

After-the-fact time-and-effort payroll certification forms did not reflect actual time worked by employees on various Federal contracts and grants, and such forms and reports documenting time-and-effort were not always certified by the employee or an individual with direct knowledge of the employee's work, contrary to Federal cost principles.

Criteria

OMB Circular A-21, Section C., *Basic Considerations* and J. 10.c.(2), *Compensation for Personal Services;* and the institution's Directives and Procedures.

Federal regulations require that after-the-fact personnel activity reports be completed within six months of the end of the academic term for academic personnel, and monthly for non-academic or non-professional personnel. These reports should be signed by the employee and a supervisor with direct knowledge of the employee's activities.

Condition

As noted in our prior audit, the institution's procedures required that payroll certification forms be approved at the end of each pay period by the Department head and the timekeeper. These forms were prepared after-the-fact; however, the percentage of effort was based on budgeted or anticipated percentages of effort rather than actual effort and were not signed by the employee or an individual with direct knowledge of the employee's activities. In addition, faculty are required to document non-instructional activities in the Faculty Academic and Information Reporting system; however, these reports (timesheets) are not always signed by the employee or an individual with direct knowledge of the employee's activities.

As a result of inadequate after-the-fact time-and-effort documentation, questioned costs totaled $364,777.31 for salary and benefits ($222,689.56 grant No. N00014-05-1-0341H and $98,281.57 grant No. 5R01 EY013022-09) and other personnel service employees (timesheet) ($24,495.88 grant No. N00014-05-1-0341H and $19,310.30 grant No. 5R01 EY013022-09) payroll for the two Federal grants tested.

Agency personnel indicated that they are in the process of revising and implementing procedures relating to Research Accounting, which includes future implementation of a new time-and-effort reporting system that will comply with Federal reporting standards.

Cause

Throughout the 2007-08 fiscal year, the institution actively evaluated alternative systems to handle the time-and-effort reporting. A committee determined the needs of the institution and issued an Invitation to Negotiate for vendor systems. As of June 2008, the committee formulated a short list of vendors capable of providing the institution with systems that will comply with time-and-effort requirements. Complicating this selection is the need for new systems to interface effectively with the institution's payroll and timekeeping software, SCT Banner, and to be effectively implemented for all research activities of the institution. The institution plans to make a final decision and recommendation by Fall 2008.

Effect

When time-and-effort reporting is inadequate financial data may not be reliable, reports to users may not be accurate, and unallowable costs may be charged to grants and go undetected.

Recommendation

The institution should continue its efforts to implement the revised time-and-effort reporting system to ensure that the records reflect the employee's actual effort and are certified by the employee or individual with direct knowledge of the employee's work in accordance with Federal regulations.

FAU Response and Corrective Action Plan

Florida Atlantic University is actively pursuing a Time and Effort system that will assist the institution in meeting the A-21 requirements. The University has set the following requirements for acquiring this system:

Must meet the A-21 requirements

Can be delivered at a reasonable cost

Must be integrated with the University's Banner Enterprise Resource Planning (ERP) system

Must be user friendly

The University is in the final phase of evaluating the responses to the Invitation to Negotiate (ITN) as described in the auditor's "cause" section of this finding. The vendors on the shortlist can all provide a system that is both A-21 compliant and user friendly. These systems may require bridge programs in order to integrate with Banner.

The University recently learned that Banner SCT (provider of current ERP system) has released a new version of its ERP system which includes a Time and Effort module. The University is in the process of comparing this module with the systems that were included in the ITN. If the Banner module meets all of the requirements listed above, the institution may upgrade to this new Banner version and include the system's Time and Effort module in the upgrade.

In the meantime, the University is also reviewing its current FAIR system to determine if current processes could be enhanced in order to meet the A-21 requirements until a new system is implemented.

Estimated Corrective Action Date

December 31, 2009

FAU Contact and Telephone Number

Dr. Edwin Bemmell, Director of Research Accounting
(561) 297 2606

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-109**
CFDA Number	12.431, 16.560, and 93.853
Program Title	**Research & Development Cluster (R&D)** Basic Scientific Research (12.431) The National Institute of Justice Research, Evaluation, and Development Project Grants (16.560) Extramural Research Programs in the Neurological Disorders (93.853)
Compliance Requirement	Allowable Costs/Cost Principles – Time-and-Effort
State Educational Entity	**University of Central Florida (UCF)**
Federal Grant/Contract Number and Grant Year	CFDA No. 12.431 - W911NF-06-1-0283, August 15, 2006 - August 14, 2009 CFDA No. 16.560 - 2005-MU-MU-K044, July 1, 2005 - December 31, 2008 CFDA No. 93.853 - 5R01 NS050452, September 23, 2005 - June 30, 2010
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $24,969.47, Grant No. 2005-MU-MU-K044

Finding

The institution's time-and-effort reports were not adequate to meet Federal reporting requirements. In addition, time-and-effort reports for professorial and professional staff were not completed in a timely manner.

Criteria

OMB Circular A-21, Sections C., *Basic Considerations and J. 10.c.(2), Compensation for Personal Services*; and the Institution's Directives and Procedures.

Federal regulations require that when an institution uses time cards or other forms of after-the-fact payroll documents as original documentation for payroll and payroll changes, such documents shall qualify as an acceptable method for payroll distribution if they meet the requirement in subsections J.10.c.(2)(a) through(e) which includes that reports will reflect an after-the-fact reporting. Additionally, Federal regulations require that for professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months. The institution's rules, Guidance & Directive No. ORC-01, requires that time-and-effort certifications be completed within 90 days after the end of each semester.

Condition

Payroll timesheets are utilized by the institution as after-the-fact time-and-effort reports for employees that are compensated on an hourly basis. We noted that for 21 of 27 timesheets reviewed for 3 employees, the timesheets were signed by the employees and approved by their supervisors 1 to 7 days prior to the end of the pay period for which they were certifying. Further discussions with the departmental administrator revealed that it was common practice for hourly timesheets to be completed prior to the end of the period in order to process the payroll in a timely manner (Grant No. 2005-MU-MU-K044).

Additionally, we noted that 5 of 12 professorial and professional staff's after-the-fact time-and-effort reports reviewed were completed in an untimely manner, from 8 to 85 days late (1 employee - Grant No. W911NF-06-1-0283 and 4 employees – Grant No. 5R01-NS050452).

Cause

Timekeeping procedures for hourly employees allowed for the reporting of estimated hours to be worked prior to the end of the pay period without adequate supervisory follow up to ensure that hours reported agreed to actual hours worked. Additionally, the institution had not implemented procedures to ensure that all required time-and-effort after-the-fact certifications were completed in accordance with Federal requirements.

Effect

The information on the timesheets may not be valid due to the certifications occurring prior to the hours' worked. Consequently, salary expenditures may have been inappropriately charged to grants and may result in reports to users not

being accurate and costs charged to grants may be unallowable and not be detected. Also, late certifications may result in unreliable information or costs charged to grants may be unallowable and not be timely detected.

Recommendation

The institution should enhance their timesheet processing procedures to include after-the-fact supervisory certification of any estimated hours reported by hourly employees, and also, the institution should enhance procedures to ensure that professorial and professional staff's time-and-effort reports are completed in a timely manner.

UCF Response and Corrective Action Plan

The University of Central Florida (UCF) agrees that three hourly paid employees signed their timesheets one to seven days prior to the end of the pay period. We also affirm five salaried employees certified their time-and-effort beyond the 90 day period.

Corrective Action Plan - Timesheet Certification:

The University has updated and implemented timesheet certification procedures to comply with Federal time-and-effort reporting requirements. The university will develop an enhanced timesheet monitoring program to ensure hourly paid employees are properly certifying their assignments after-the-fact. The university will retrieve actual timesheet data for the three employees referenced in the audit report and re-certify the one to seven days in question for each employee respectively. The university will provide supplemental after-the-fact timesheet training to employees and departmental personnel identified in the audit. For clarity, the university will design and implement a monthly timesheet report for employee/supervisor after-the-fact certification in addition to the bi-weekly timesheet.

Corrective Action Plan: Salaried Employees

The university will begin a more rigorous program to ensure prompt time-and-effort certification. The university will begin issuing weekly faculty time-and-effort certification status reports to college deans and the Vice President for Research no later than 60 days following the end of each reporting period, and submit a status report to the Office of the Provost no later than 75 days after the end of each reporting period for appropriate action.

Estimated Corrective Action Date

March 30, 2009

UCF Contact and Telephone Number

Dr. Thomas O'Neal, Associate Vice President for Research
Office of Research and Commercialization
(407) 882-1120

U.S. DEPARTMENT OF ENERGY

Finding Number	**FA 08-110**
CFDA Number	81.049
Program Title	**Research and Development Cluster (R&D)** Office of Science Financial Assistance Program (81.049)
Compliance Requirement	Matching, Level of Effort, and Earmarking
State Educational Entity	**Florida State University (FSU)**
Federal Grant/Contract Number and Grant Year	DE-FG02-05CH11292, August 15, 2005 – October 14, 2007
Finding Type	Noncompliance and Significant Deficiency Questioned Costs – $4,773,104 (Federal share) and $1,193,276 (total required cost-share of which $468,590.01 is the cost-share from revised Personnel Activity Report (PARS))

Finding

The institution did not maintain adequate documentation evidencing that mandatory cost-share (match) requirements were met.

Criteria

OMB Circular A-110, Subpart C.23, *Cost Sharing or Matching*

Condition

Although the institution had developed written cost-sharing policies and procedures, the institution did not adequately document compliance with mandatory cost-share requirements for one of the two grants tested. The grant award was $4,773,104 with a cost-share requirement of $1,193,276. The institution reported the required amount to the United States Department of Energy (USDOE) on the final Financial Status Report submitted April 21, 2008.

Our review disclosed that a portion of ten employees' salaries totaling $468,590.01 was used to meet the grant's cost-share requirement. Twenty-nine (29) amended after-the-fact reports of time-and-effort for these employees were used to support cost-share effort on the grant. These reports were for the academic terms ranging from Fall 2005 through Summer 2007, and none of the reports showed employee effort on the grant until amended in February 2008 (4 reports) and April 2008 (23 reports), four to six months after the grant ended and six months to two and one half years after the academic term. Also, two of the amended reports were not dated. It is not evident why the institution would amend PARS forms up to two and one half years after the original forms were completed.

(See FA 08-112 for additional information about closeout procedures followed for this grant.)

Cause

The institution did not always follow written cost-sharing procedures.

Effect

The institution may not have met cost-share requirements of the grantor. When cost–share requirements are not met, the institution may be subject to the termination of the grant and disallowance of grant costs.

Recommendation

The institution should enhance its procedures to ensure compliance with the Federal cost-share requirements prior to the end of the grant period, which may include more frequent monitoring to ensure that adequate documentation is being maintained.

FSU Response and Corrective Action Plan

In late 2007, FSU began the University's contract closeout process. As part of this process FSU became fully aware of the contractual cost sharing issues for the subject US Department of Energy award completed by the FSU Center for Advanced Power Systems (CAPS). As a result of follow-up efforts by the Vice President for Research's office in conjunction with FSU's Sponsored Research Accounting Services (SRAS), the following specific actions were taken to address the apparent lack of understanding and awareness to properly document cost shared effort on center projects:

1. The University created and hired a new senior department administrator to

ensure the Center would follow its own departmental procedures, University policies and all contractual requirements pertaining to the management, spending and documentation in performing the scope of work required by Federal Government sponsored awards.

2. In addition FSU in early 2008 provided special effort reporting training to all CAPS personnel (faculty & administrators) and other associated faculty.

In addition to the specific actions mentioned above, FSU has taken the following broader actions to improve processes for effort reporting and related cost sharing:

- In early 2008, FSU purchased from the firm Cedar Crestone a "bolt-on" effort reporting system-"FACET" (attaches to FSU's OMNI financial system) in order to significantly improve faculty effort reporting and to monitor cost share on a more timely basis. The current plan is to have the system operational for effort certification for the Fall 2008 personnel activity. The new system is expected to be unveiled in the first quarter of 2009 and will include extensive training for management, faculty and staff. With the implementation of the FACET system, we will have the ability to enter commitments of effort. This will enable departmental personnel as well as SRAS to identify instances where effort is not being dedicated to a project at a rate that will provide compliance with the commitment made for the full project life.

- In addition to the above, FSU's Division of Sponsored Research updated and revitalized its Cost Sharing policy during 2007and has formulated a plan to better monitor all contractual cost sharing commitments. This plan includes (1) assigning cost sharing to SRAS' cognizant department Coordinators rather than to just one individual in SRAS (2) establishing cost sharing budgets in the FSU OMNI System for use in the accounting for cost share throughout the life a project - as a result, FSU's departments will be able to code expenditures to be used for cost share directly to the budget that was set up. This also will allow the cognizant SRAS Coordinator to monitor compliance on an ongoing basis rather than just when a project ends (or reporting mandates) as used to be the case.

Estimated Corrective Action Date

March 31, 2009

FSU Contact and Telephone Number

Ralph Alvarez
Associate Vice President for Budget/Planning and Financial Services
(850) 644-4444

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-111**
CFDA Number	66.202 and 84.366
Program Title	**Research and Development Cluster (R&D)** Congressionally Mandated Projects (66.202) Mathematics and Science Partnerships (84.366)
Compliance Requirement	Procurement and Suspension and Debarment – Suspension and Debarment
State Educational Entity	**University of West Florida (UWF)**
Pass-Through Agency	Escambia County District School Board (84.366)
Finding Type	Noncompliance

Finding

Prior to entering into agreements with vendors for Federal transactions equal to or greater than $25,000 (covered Federal transactions), the institution did not determine whether vendors were debarred or suspended from receiving Federal funds.

Criteria

OMB Circular A-110, Subpart C, Section 44(d) *Procurement Procedures* and Appendix A.8. *Debarment and Suspension*, and the November 26, 2003, Federal Register

Condition

The institution did not obtain a written certification from its vendors, or check the Excluded Parties List System (EPLS) maintained by the General Services Administration for vendors debarred or suspended from receiving Federal funds, for covered Federal transactions. Although our review of Federal purchases totaling $564,627 [$286,752 (2 vendors totaling $89,640 and $197,112 each), CFDA No. 66.202], and $277,875 [(3rd vendor), CFDA No. 84.366] with three vendors, disclosed that the vendors were not on the EPLS at the time of our testing, the potential for not detecting excluded vendors exists because the institution did not verify vendors were not excluded prior to subcontracting.

Cause

During the audit period, the institution's procedures did not require vendors to certify that they were not suspended or debarred or provide for an independent verification that vendors were not on the EPLS excluded vendors' list. Effective for the 2008-09 fiscal year the institution implemented procedures to independently verify that existing vendors were not on the EPLS excluded vendors list.

Effect

Covered Federal transactions may be entered into with vendors that have been suspended or debarred, resulting in charges subject to disallowance by Federal agencies.

Recommendation

The institution should continue its efforts to ensure that vendors used for covered Federal transactions are not debarred or suspended from receiving Federal funds.

UWF Response and Corrective Action Plan

UWF's Procurement & Contracts department was contacted by the Auditor General on May 30, 2008, regarding the lack of procedures for determining whether vendors were debarred or suspended from receiving Federal funds. By June 4, 2008, the Purchase Order terms and conditions were changed and posted to meet language requirements outlined in A-133 Compliance Supplement 3-I-1 March 2008 Compliance Requirements.

A Procurement & Contracts Standard Operating Procedure (SOP #411.05) was established on October 23, 2008, requiring a check of vendors before a Purchase Order is processed and to also check vendors on a monthly basis for the PCard program. Research and Sponsored Programs has adopted a standard procedure, using state of the art software, to screen agencies a) serving as sponsors on any contract or award received and b) any collaborative partner or initially identified subcontractor. Purchase requisitions for over $25,000 will also be screened prior to approval by Research and Sponsored Programs. Procurement & Contracts will be responsible for screening all subsequent transaction to the initial contract.

Estimated Corrective Action Date	June 4, 2008 and November 15, 2008
UWF Contact and Telephone Number	Mr. David O'Brien, Associate Vice President and Chief Contracting Officer (850) 474-2626 Dr. Richard Podemski, Assoc. Vice President Research & Sponsored Programs (850) 474-7713

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number	**FA 08-112**
CFDA Number	12.300 and 81.049
Program Title	**Research and Development Cluster (R&D)** Basic and Applied Scientific Research (12.300) Office of Science Financial Assistance Program (81.049)
Compliance Requirement	Special Tests and Provisions – Closeout Procedures
State Educational Entity	**Florida State University (FSU)**
Federal Grant/Contract Number and Grant Year	CFDA No. 12.300, (Office of Naval Research – ONR) N00014-02-1-0623, June 1, 2002 – March 31, 2008 CFDA No. 81.049, (United States Department of Energy - USDOE) DE-FG02-05CH11292, August 15, 2005 – October 14, 2007
Finding Type	Noncompliance and Significant Deficiency

Finding

The institution did not always timely report final grant information to Federal awarding agencies.

Criteria

OMB Circular A-110, Subpart D, *After-the-Fact Requirements, Closeout Procedures*

Condition

Although the institution had developed written grant closeout procedures, our review disclosed that the institution did not always timely report final grant information to Federal awarding agencies for two of the three grants tested, as follows:

- For grant No. N00014-02-1-0623, the final Financial Status Report (SF-269) was submitted to ONR on July 28, 2008, 29 days late. Subsequent to audit inquiry, the final Report of Inventions and Subcontracts (DD 882) was submitted on November 26, 2008, 150 days late. As of December 18, 2008, the Final Technical Report, due on June 29, 2008, had not been submitted.
- For grant No. DE-FG02-05CH11292, although USDOE approved a 48-day extension, the final Financial Status Report (SF-269) and the final Federal Cash Transaction Report (SF-272) were submitted to USDOE on April 21, 2008, 52 days late. Subsequent to audit inquiry, the Property Closeout Certification was submitted on November 18, 2008, 263 days late. The Final Scientific/Technical Report was submitted on April 1, 2008, 32 days late, and the final Patent Certification was submitted on March 27, 2008, 27 days late.

Cause

The institution did not follow written closeout procedures.

Effect

Since the SF-269 and SF-272 reports are used by Federal agencies to monitor cash advanced to recipients and to obtain disbursement information, failure of the institution to provide timely information to the Federal agencies may limit the ability of the Federal agencies to make proper decisions and provide accurate data to other interested parties.

Recommendation

The institution should enhance its efforts to review and monitor contract and grant accounts to ensure the timeliness of final reports in accordance with grant terms.

FSU Response and Corrective Action Plan

The Center for Advanced Power Systems (CAPS) submitted a final annual technical report for this project and believed that report satisfied the requirement for a final project technical report. When they were notified that wasn't the case, they prepared and submitted to the agency on December 22, 2008, a final project technical report.

FSU is currently reviewing its database reporting capabilities to develop a system whereby we will have reportable milestone due dates tracked for all projects. This will allow us to send early reminders to principal investigators of their responsibility for reports, identifying report types and due dates. As part of this

	review, we are investigating the possibility of a system where Sponsored Research Services (SRS) would be notified when principal investigators have (or have not) submitted required reports, enabling us to closely monitor compliance. Likewise, such a system would facilitate better reporting compliance by SRS for all report type submissions (patent, sub-award, etc.). For the submission of financial reports the practice for Sponsored Research Accounting Services is to contact the sponsor to obtain an extension for submitting the final report. While historically we have accepted a verbal approval, we will in the future ensure that approval of all extensions obtained are documented appropriately.
Estimated Corrective Action Date	June 30, 2009
FSU Contact and Telephone Number	Greg Thompson, Director, Sponsored Research Services (850) 644-5260

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2008

Acronyms and abbreviations used in the State's Schedule of Expenditures of Federal Awards include the following:

Citrus	Florida Department of Citrus
Courts	State Courts System
FAHCA	Florida Agency for Health Care Administration
FAPD	Florida Agency for Person with Disabilities
FAWI	Florida Agency for Workforce Innovation
FDACS	Florida Department of Agriculture and Consumer Services
FDCA	Florida Department of Community Affairs
FDCFS	Florida Department of Children and Family Services
FDEP	Florida Department of Environmental Protection
FDFS	Florida Department of Financial Services
FDHSMV	Florida Department of Highway Safety and Motor Vehicles
FDJJ	Florida Department of Juvenile Justice
FDLA	Florida Department of Legal Affairs
FDLE	Florida Department of Law Enforcement
FDMA	Florida Department of Military Affairs
FDMS	Florida Department of Management Services
FDOC	Florida Department of Corrections
FDOE	Florida Department of Education
FDOEA	Florida Department of Elder Affairs
FDOH	Florida Department of Health (Includes County Health Departments)
FDOR	Florida Department of Revenue
FDOS	Florida Department of State
FDOT	Florida Department of Transportation
FDVA	Florida Department of Veterans' Affairs
FEOG	Florida Executive Office of the Governor (1)
FFWCC	Florida Fish and Wildlife Conservation Commission
FPC	Florida Parole Commission
FSDB	Florida School for the Deaf and the Blind
JAC	Justice Administrative Commission
SU	State Universities
SCC	State Community Colleges

(1) Includes amounts reported for Volunteer Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2008

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Office of National Drug Control Policy				
Direct Programs - Not Clustered				
Other Federal Awards	FDLE	07.999	66,756	
Subtotal - Direct Programs - Not Clustered			$66,756	
Indirect Programs - Not Clustered				
Other Federal Awards	FDLE	07.999	139,808	
Subtotal - Indirect Programs - Not Clustered			$139,808	
Subtotal - Office of National Drug Control Policy			$206,564	
U. S. Department of Agriculture				
Direct Programs - Clustered				
Child Nutrition Cluster:				
School Breakfast Program ((1))	FDOE/ FSDB	10.553	124,394,544	124,304,499
National School Lunch Program ((1))	FDACS/ FDJJ/ FDOC/ FDOE/ FSDB/ SU	10.555	502,064,762	440,433,776
Special Milk Program for Children	FDOE/ SU	10.556	69,490	62,866
Summer Food Service Program for Children	FDOE/ SCC/ SU	10.559	16,058,441	15,418,367
Emergency Food Assistance Cluster:				
Emergency Food Assistance Program (Administrative Costs)	FDACS	10.568	2,273,868	
Emergency Food Assistance Program (Food Commodities) ((1))	FDACS	10.569	11,121,677	
Food Stamp Cluster:				
Supplemental Nutrition Assistance Program ((1))	FDCFS/ SU	10.551	1,657,611,873	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	FAWI/ FDCFS/ FDLE/ FDOE	10.561	83,684,627	7,453,290
Research & Development Cluster:				
Agricultural Research - Basic and Applied Research	SU	10.001	755,719	
Plant and Animal Disease, Pest Control, and Animal Care	SU	10.025	569,970	
Grants for Agricultural Research, Special Research Grants	SU	10.200	9,142,024	2,048,588
Cooperative Forestry Research	SU	10.202	808,946	
Payments to Agricultural Experiment Stations Under the Hatch Act	SU	10.203	4,084,994	
Payments to 1890 Land-Grant Colleges and Tuskegee University	SU	10.205	546	
Grants for Agricultural Research - Competitive Research Grants	SU	10.206	2,284,335	73,539
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	SU	10.210	109,082	
1890 Institution Capacity Building Grants	SU	10.216	734,722	
Biotechnology Risk Assessment Research	SU	10.219	95,081	1,932
Higher Education Multicultural Scholars Program	SU	10.220	9,817	
Hispanic Serving Institutions Education Grants	SU	10.223	65,861	
Agricultural and Rural Economic Research	SU	10.250	4,385	
Integrated Programs	SU	10.303	947,363	65,676
Organic Agriculture Research and Extension Initiative	SU	10.307	144,199	59,906
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	SU	10.443	93	
Crop Insurance	SU	10.450	8,933	
Food Safety Cooperative Agreements	SU	10.479	24,720	
Cooperative Extension Service	SU	10.500	2,129,032	
State Administrative Expenses for Child Nutrition	SU	10.560	27,972	
Forestry Research	SU	10.652	244,300	
Cooperative Forestry Assistance	SU	10.664	161,434	
Forest Health Protection	SU	10.680	5,459	
Soil and Water Conservation	SU	10.902	296	
Technical Agricultural Assistance	SU	10.960	67	
Scientific Cooperation and Research	SU	10.961	19,957	
Other Federal Awards	SU	10.999	584,897	41,285
Schools and Roads Cluster:				
Schools and Roads - Grants to States	FDFS	10.665	2,636,797	
Subtotal - Direct Programs - Clustered			$2,422,880,283	$589,963,724

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2008

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Direct Programs - Not Clustered				
Agricultural Research - Basic and Applied Research	Citrus/ SCC/ SU	10.001	861,180	
Plant and Animal Disease, Pest Control, and Animal Care	FDACS/ FFWCC/ SU	10.025	13,000,840	
Wildlife Services	FFWCC	10.028	82,872	
Wetlands Reserve Program	FFWCC	10.072	1,298,670	
Federal-State Marketing Improvement Program	FDACS	10.156	85,733	
Market Protection and Promotion	FDACS	10.163	1,829,053	
Specialty Crop Block Grant Program	FDACS	10.169	78,945	
Grants for Agricultural Research, Special Research Grants	SU	10.200	272,786	
Cooperative Forestry Research	SU	10.202	180	
Payments to Agricultural Experiment Stations Under the Hatch Act	SU	10.203	600,000	
Grants for Agricultural Research - Competitive Research Grants	SU	10.206	7,992	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	SU	10.210	46,816	
1890 Institution Capacity Building Grants	SU	10.216	307,982	
Higher Education Challenge Grants	SU	10.217	137,791	41,384
Higher Education Multicultural Scholars Program	SU	10.220	1,219	
Hispanic Serving Institutions Education Grants	SCC	10.223	146,243	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	SCC	10.226	24,324	
Integrated Programs	SU	10.303	202,785	13,786
Homeland Security - Agricultural	FDACS/ SU	10.304	405,760	
International Science and Education Grants	SU	10.305	39,829	
Organic Agriculture Research and Extension Initiative	FDACS/ SU	10.307	138,092	56,055
State Mediation Grants	SU	10.435	39,886	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	SU	10.443	87,186	
Meat, Poultry, and Egg Products Inspection	FDACS	10.477	358,074	
Food Safety Cooperative Agreements	SU	10.479	55,527	
Cooperative Extension Service	SU	10.500	6,471,625	
Special Supplemental Nutrition Program for Women, Infants, and Children ((1))	FDOH	10.557	300,531,030	2,699,227
Child and Adult Care Food Program	FDLE/ FDOEA/ FDOH/ SCC	10.558	135,994,134	134,265,014
State Administrative Expenses for Child Nutrition	FDACS/ FDOE/ FDOEA/ FDOH/ SU	10.560	7,914,398	251,413
WIC Farmers Market Nutrition Program	FDACS	10.572	248,009	
Senior Farmers Market Nutrition Program	FDOEA	10.576	89,370	
Market Access Program	Citrus	10.601	5,741,703	
Forestry Research	FDACS/ SU	10.652	618,059	
Cooperative Forestry Assistance	FDACS	10.664	20,216,425	12,376,673
Rural Development, Forestry, and Communities	SU	10.672	90	
Forest Stewardship Program	FFWCC	10.678	2,502	
Research on the Economic Impact of Cooperatives	SU	10.778	86,174	
Soil and Water Conservation	FFWCC/ SCC	10.902	319,333	
Wildlife Habitat Incentive Program	FFWCC	10.914	47,391	
Cochran Fellowship Program-International Training-Foreign Participant	SU	10.962	1,131	
Other Federal Awards	SCC/ SU	10.999	179,964	
Subtotal - Direct Programs - Not Clustered			$498,571,103	$149,703,552
Indirect Programs - Clustered				
Food Stamp Cluster:				
Supplemental Nutrition Assistance Program ((1))	SCC	10.551	22,143	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	SCC	10.561	93,518	
Research & Development Cluster:				
Plant and Animal Disease, Pest Control, and Animal Care	SU	10.025	35	
Grants for Agricultural Research, Special Research Grants	SU	10.200	22,104	
Grants for Agricultural Research - Competitive Research Grants	SU	10.206	19,926	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Higher Education Challenge Grants	SU	10.217	2,982	
Integrated Programs	SU	10.303	19,285	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	SU	10.443	11,185	
Rural Community Development Initiative	SU	10.446	4,976	
Cooperative Extension Service	SU	10.500	94	
Other Federal Awards	SU	10.999	2,771	
Subtotal - Indirect Programs - Clustered			$199,019	
Indirect Programs - Not Clustered				
Grants for Agricultural Research, Special Research Grants	SU	10.200	5,000	
1890 Institution Capacity Building Grants	SU	10.216	17,960	
Cooperative Extension Service	SU	10.500	148,273	
Emerging Markets Program	SCC	10.603	70,166	
Other Federal Awards	SU	10.999	7,004	
Subtotal - Indirect Programs - Not Clustered			$248,403	
Subtotal - U. S. Department of Agriculture			$2,921,898,808	$739,667,276
U. S. Department of Commerce				
Direct Programs - Clustered				
Research & Development Cluster:				
Sea Grant Support	SU	11.417	1,987,156	719,942
Coastal Zone Management Administration Awards	SU	11.419	66,236	5,108
Coastal Zone Management Estuarine Research Reserves	SU	11.420	840,287	
Financial Assistance for National Centers for Coastal Ocean Science	SU	11.426	3,765	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	SU	11.427	8,487	
Undersea Research	SU	11.430	5,359	
Climate and Atmospheric Research	SU	11.431	1,363,572	
Marine Fisheries Initiative	SU	11.433	22,497	
Southeast Area Monitoring and Assessment Program	SU	11.435	88,793	
Pacific Fisheries Data Program	SU	11.437	2,564	
Marine Mammal Data Program	SU	11.439	48,985	
Environmental Sciences, Applications, Data, and Education	SU	11.440	214,573	
Unallied Management Projects	SU	11.454	180,620	20,164
Special Oceanic and Atmospheric Projects	SU	11.460	21,838	
Hydrologic Research	SU	11.462	64,699	
Habitat Conservation	SU	11.463	31,309	
Applied Meteorological Research	SU	11.468	1,548,856	28,047
Unallied Science Program	SU	11.472	57,025	4,956
Coastal Services Center	SU	11.473	293,730	26,069
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	SU	11.478	1,132,895	208,499
Educational Partnership Program	SU	11.481	2,399,819	1,053,019
Measurement and Engineering Research and Standards	SU	11.609	97,793	
National Center for Standards and Certification Information	SU	11.610	47,417	
Other Federal Awards	SU	11.999	49,156	
Subtotal - Direct Programs - Clustered			$10,577,431	$2,065,804
Direct Programs - Not Clustered				
Interjurisdictional Fisheries Act of 1986	FFWCC	11.407	151,026	
Sea Grant Support	SU	11.417	387,509	
Coastal Zone Management Administration Awards	FDCA/ FDEP/ FDOH/ FDOS/ FFWCC/ SU	11.419	6,665,249	2,977,500
Coastal Zone Management Estuarine Research Reserves	FDEP	11.420	1,944,819	
Financial Assistance for National Centers for Coastal Ocean Science	FDEP	11.426	96,960	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	FFWCC	11.427	63,020	
Marine Sanctuary Program	FDEP/ FFWCC	11.429	3,524,831	
Undersea Research	SU	11.430	6,859	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Marine Fisheries Initiative	FFWCC/ SU	11.433	386,139	32,873
Cooperative Fishery Statistics	FFWCC	11.434	1,979,500	
Southeast Area Monitoring and Assessment Program	FFWCC	11.435	69,980	
Marine Mammal Data Program	FFWCC	11.439	739,027	
Unallied Management Projects	FDACS/ FFWCC/ SU	11.454	1,066,316	
Habitat Conservation	FDACS/ FDEP/ SU	11.463	509,782	
Applied Meteorological Research	SU	11.468	24,141	
Unallied Science Program	FFWCC	11.472	223,493	6,075
Coastal Services Center	FDEP	11.473	41,388	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	SU	11.478	48,485	
Educational Partnership Program	SCC/ SU	11.481	56,345	
Public Telecommunications Facilities Planning and Construction	SCC/ SU	11.550	131,470	
Measurement and Engineering Research and Standards	SCC/ SU	11.609	52,336	
National Center for Standards and Certification Information	SU	11.610	7,217	
Subtotal - Direct Programs - Not Clustered			$18,175,892	$3,016,448
Indirect Programs - Clustered				
Research & Development Cluster:				
ITA Special Projects	SU	11.113	86	
Sea Grant Support	SU	11.417	40,178	
Coastal Zone Management Administration Awards	SU	11.419	221,086	
Financial Assistance for National Centers for Coastal Ocean Science	SU	11.426	1,566	
Undersea Research	SU	11.430	23,921	
Climate and Atmospheric Research	SU	11.431	85,295	
Office of Oceanic and Atmospheric Research Joint and Cooperative Institutes	SU	11.432	564,206	
Columbia River Fisheries Development Program	SU	11.436	40,204	
Environmental Sciences, Applications, Data, and Education	SU	11.440	62,407	
Unallied Management Projects	SU	11.454	74,473	
Special Oceanic and Atmospheric Projects	SU	11.460	12,921	
Habitat Conservation	SU	11.463	83,556	
Meteorologic and Hydrologic Modernization Development	SU	11.467	46,553	
Coastal Services Center	SU	11.473	147,943	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	SU	11.478	161,853	
Other Federal Awards	SU	11.999	13,340	
Subtotal - Indirect Programs - Clustered			$1,579,588	
Indirect Programs - Not Clustered				
Sea Grant Support	FFWCC/ SU	11.417	17,667	
Marine Sanctuary Program	SU	11.429	23,361	
Undersea Research	SU	11.430	20,309	
Office of Oceanic and Atmospheric Research Joint and Cooperative Institutes	SU	11.432	44,110	
Regional Fishery Management Councils	FFWCC	11.441	247,309	
Habitat Conservation	FDEP/ FFWCC/ SU	11.463	209,470	
Atlantic Coastal Fisheries Cooperative Management Act	FFWCC	11.474	79,641	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	FFWCC	11.478	1,213,032	270,922
Educational Partnership Program	FFWCC/ SU	11.481	37,711	
Other Federal Awards	FFWCC/ SU	11.999	45,501	
Subtotal - Indirect Programs - Not Clustered			$1,938,111	$270,922
Subtotal - U. S. Department of Commerce			$32,271,022	$5,353,174
U. S. Department of Defense				
Direct Programs - Clustered				
Research & Development Cluster:				
Procurement Technical Assistance For Business Firms	SU	12.002	148,358	
Collaborative Research and Development	SU	12.114	2,788,452	141,680
Department of Defense Appropriation Act of 2003	SU	12.116	28,582	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Basic and Applied Scientific Research	SU	12.300	32,501,751	8,169,227
Basic Scientific Research - Combating Weapons of Mass Destruction	SU	12.351	35,451	
National Guard Military Operations and Maintenance Projects	SU	12.401	135,775	
Military Medical Research and Development	SU	12.420	5,146,692	410,824
Basic Scientific Research	SU	12.431	6,081,926	1,387,354
Basic, Applied, and Advanced Research in Science and Engineering	SU	12.630	1,315,517	217,396
Air Force Defense Research Sciences Program	SU	12.800	7,427,289	1,053,080
Language Grant Program	SU	12.900	2,595	
Mathematical Sciences Grants Program	SU	12.901	279,356	
Information Security Grant Program	SU	12.902	165,185	
Research and Technology Development	SU	12.910	5,933,573	1,002,173
Other Federal Awards	SU	12.999	14,127,950	1,355,308
Subtotal - Direct Programs - Clustered			$76,118,452	$13,737,042
Direct Programs - Not Clustered				
Procurement Technical Assistance For Business Firms	SU	12.002	975,463	60,269
Navigation Projects	FDEP	12.107	705,493	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	FDEP	12.113	659,947	
Collaborative Research and Development	SU	12.114	194	
Department of Defense Appropriation Act of 2003	SU	12.116	455,772	
Basic and Applied Scientific Research	SU	12.300	22,207	
Military Construction, National Guard	FDMA	12.400	17,070,392	
National Guard Military Operations and Maintenance Projects	FDMA	12.401	26,668,272	
National Guard Civilian Youth Opportunities	FDMA	12.404	6,366,918	
Basic Scientific Research	SU	12.431	144	
Research and Technology Development	SU	12.910	9,961	
Other Federal Awards	FDOE/ SCC/ SU	12.999	4,089,376	408,535
Subtotal - Direct Programs - Not Clustered			$57,024,139	$468,804
Indirect Programs - Clustered				
Research & Development Cluster:				
Collaborative Research and Development	SU	12.114	10,856	
Department of Defense Appropriation Act of 2003	SU	12.116	19,690	
Basic and Applied Scientific Research	SU	12.300	1,910,693	12,807
Military Medical Research and Development	SU	12.420	64,142	
Basic Scientific Research	SU	12.431	526,080	
Basic, Applied, and Advanced Research in Science and Engineering	SU	12.630	47,237	
Air Force Defense Research Sciences Program	SU	12.800	1,116,624	50,000
Research and Technology Development	SU	12.910	354,994	
Other Federal Awards	SU	12.999	3,850,467	
Subtotal - Indirect Programs - Clustered			$7,900,783	$62,807
Indirect Programs - Not Clustered				
Basic and Applied Scientific Research	SU	12.300	194,607	
Basic Scientific Research	SU	12.431	5,119	
Research and Technology Development	SU	12.910	7,953	
Other Federal Awards	SU	12.999	26,842	
Subtotal - Indirect Programs - Not Clustered			$234,521	
Subtotal - U. S. Department of Defense			$141,277,895	$14,268,653
U. S. Department of Housing and Urban Development				
Direct Programs - Clustered				
Research & Development Cluster:				
Lead Outreach Grants	SU	14.904	63,262	
Subtotal - Direct Programs - Clustered			$63,262	
Direct Programs - Not Clustered				
Community Development Block Grants/States Program	FDCA	14.228	96,364,281	94,317,411

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Emergency Shelter Grants Program	FDCFS	14.231	3,306,084	3,203,067
Housing Opportunities for Persons with AIDS	FDOH	14.241	4,560,521	3,644,816
Community Development Block Grants/Brownfields Economic Development Initiative	SCC	14.246	145,012	
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	SCC/ SU	14.251	249,650	98,064
Fair Housing Assistance Program - State and Local	FDMS	14.401	1,078,075	
Other Federal Awards	SCC/ SU	14.999	456,554	1,500
Subtotal - Direct Programs - Not Clustered			$106,160,177	$101,264,858
Indirect Programs - Clustered				
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster:				
Community Development Block Grants/Entitlement Grants	FDOH/ SU	14.218	505,379	6,100
Research & Development Cluster:				
Manufactured Home Construction and Safety Standards	SU	14.171	2,021	
Subtotal - Indirect Programs - Clustered			$507,400	$6,100
Indirect Programs - Not Clustered				
Public Housing Neighborhood Networks Grants	SU	14.875	24,799	
Subtotal - Indirect Programs - Not Clustered			$24,799	
Subtotal - U. S. Department of Housing and Urban Development			$106,755,638	$101,270,958
U. S. Department of the Interior				
Direct Programs - Clustered				
Fish and Wildlife Cluster:				
Sport Fish Restoration	FFWCC/ SU	15.605	9,686,654	77,117
Wildlife Restoration	FDEP/ FFWCC	15.611	1,723,568	
Research & Development Cluster:				
Cultural Resource Management	SU	15.224	1,634	
Recreation Resources Management	SU	15.524	2,914	
Wildlife Restoration	SU	15.611	11,674	
Coastal Wetlands Planning, Protection and Restoration Act	SU	15.614	549	
Cooperative Endangered Species Conservation Fund	SU	15.615	141,512	
Coastal Program	SU	15.630	33,186	
Partners for Fish and Wildlife	SU	15.631	2,077	
Conservation Grants Private Stewardship for Imperiled Species	SU	15.632	590,671	15,000
State Wildlife Grants	SU	15.634	256,718	46,574
Assistance to State Water Resources Research Institutes	SU	15.805	391,277	50,423
U.S. Geological Survey - Research and Data Collection	SU	15.808	3,248,072	1,148
National Cooperative Geologic Mapping Program	SU	15.810	11,453	
Gap Analysis Program	SU	15.811	1,170	
Cooperative Research Units Program	SU	15.812	841,620	4,338
Historic Preservation Fund Grants-In-Aid	SU	15.904	271,104	1,427
Rivers, Trails and Conservation Assistance	SU	15.921	109,868	
Other Federal Awards	SU	15.999	137,124	
Subtotal - Direct Programs - Clustered			$17,462,845	$196,027
Direct Programs - Not Clustered				
National Fire Plan - Wildland Urban Interface Community Fire Assistance	FDACS/ FFWCC	15.228	202,812	
National Fire Plan - Rural Fire Assistance	FDACS	15.242	3,002	
Fish and Wildlife Management Assistance	FFWCC/ SU	15.608	42,954	
Coastal Wetlands Planning, Protection and Restoration Act	FDEP	15.614	294,965	
Cooperative Endangered Species Conservation Fund	FDACS/ FDEP/ FFWCC	15.615	4,576,781	
Clean Vessel Act	FDEP	15.616	894,467	455,228
Sportfishing and Boating Safety Act	FFWCC	15.622	5,000	5,000
Wildlife Conservation and Restoration	FFWCC	15.625	102,384	
Coastal Program	FDEP/ FFWCC	15.630	58,695	
Partners for Fish and Wildlife	FFWCC	15.631	55,627	
Conservation Grants Private Stewardship for Imperiled Species	FDEP/ FFWCC	15.632	169,179	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Landowner Incentive	FFWCC	15.633	186,428	
State Wildlife Grants	SU	15.634	67,045	
Neotropical Migratory Bird Conservation	FFWCC	15.635	38,750	
Wildlife Without Borders - Latin America and the Caribbean	SU	15.640	3,501	
Challenge Cost Share	FFWCC	15.642	4,989	
Migratory Bird Conservation	FFWCC	15.647	25,000	
U.S. Geological Survey - Research and Data Collection	FDEP/ FFWCC/ SU	15.808	197,426	
National Spatial Data Infrastructure Cooperative Agreements Program	FDCA/ FDOR	15.809	575,100	
National Cooperative Geologic Mapping Program	FDEP	15.810	109,057	
Historic Preservation Fund Grants-In-Aid	FDOS	15.904	181,682	93,830
Outdoor Recreation - Acquisition, Development and Planning	FDEP/ FFWCC	15.916	3,633,088	3,542,037
American Battlefield Protection	SU	15.926	7,046	
Other Federal Awards	FFWCC/ SU	15.999	1,796,220	5,623
Subtotal - Direct Programs - Not Clustered			$13,231,198	$4,101,718
Indirect Programs - Clustered				
Research & Development Cluster:				
Minerals Management Service Environmental Studies Program	SU	15.423	34,529	
Water Reclamation and Reuse Program	SU	15.504	12,873	
Fish and Wildlife Management Assistance	SU	15.608	8,519	
Cooperative Research Units Program	SU	15.812	2,180	
Other Federal Awards	SU	15.999	10,001	
Subtotal - Indirect Programs - Clustered			$68,102	
Indirect Programs - Not Clustered				
State Wildlife Grants	FFWCC	15.634	2,220,387	423,551
National Cooperative Geologic Mapping Program	SU	15.810	10,682	
Other Federal Awards	SU	15.999	60,260	
Subtotal - Indirect Programs - Not Clustered			$2,291,329	$423,551
Subtotal - U. S. Department of the Interior			$33,053,474	$4,721,296
U. S. Department of Justice				
Direct Programs - Clustered				
Research & Development Cluster:				
Desegregation of Public Education	SU	16.100	3,465	
Law Enforcement Assistance - FBI Crime Laboratory Support	SU	16.301	971	
National Institute of Justice Research, Evaluation, and Development Project Grants	SU	16.560	1,765,356	51,538
Crime Victim Assistance	SU	16.575	45,992	
Public Safety Partnership and Community Policing Grants	SU	16.710	39,393	
Other Federal Awards	SU	16.999	1,330,327	159,860
Subtotal - Direct Programs - Clustered			$3,185,504	$211,398
Direct Programs - Not Clustered				
Prisoner Reentry Initiative Demonstration (Offender Reentry)	FDOC	16.202	251,511	
Comprehensive Approaches to Sex Offender Management Discretionary Grant	FDJJ	16.203	52,581	
Juvenile Accountability Incentive Block Grants	FDJJ	16.523	2,049,024	
Juvenile Justice and Delinquency Prevention - Allocation to States	FDJJ/ JAC	16.540	2,656,169	
Part E - Developing, Testing and Demonstrating Promising New Programs	SU	16.541	213,553	
Title V - Delinquency Prevention Program	FDJJ/ SU	16.548	729,202	
State Justice Statistics Program for Statistical Analysis Centers	FDLE	16.550	35,265	
National Criminal History Improvement Program	FDLE	16.554	532,422	157,270
National Institute of Justice Research, Evaluation, and Development Project Grants	FDLE/ FDOC/ SU	16.560	4,868,887	360,664
Public Safety Officers Benefits Program	FDLE	16.571	79	
Crime Victim Assistance	FDHSMV/ FDLA/ FDOH/ FPC/ JAC/ SU	16.575	22,919,865	18,857,918
Crime Victim Compensation	FDLA	16.576	4,866,000	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Edward Byrne Memorial Formula Grant Program	FDLE/ FDOC	16.579	2,746,545	502,567
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	FDLE/ SCC/ SU	16.580	1,206,607	
Crime Victim Assistance/Discretionary Grants	JAC	16.582	93,555	
Drug Court Discretionary Grant Program	Courts	16.585	40,171	
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	FDJJ/ FDLE/ FDOC/ SCC	16.586	4,172,154	
Violence Against Women Formula Grants	Courts/ FDCFS/ FDLE/ JAC	16.588	6,905,442	2,034,391
Rural Domestic Violence and Child Victimization Enforcement Grant Program	FDCFS	16.589	390	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	FDCFS	16.590	86,758	
Residential Substance Abuse Treatment for State Prisoners	FDJJ/ FDLE	16.593	421,510	323,743
State Criminal Alien Assistance Program	FDOC	16.606	23,946,333	
Bulletproof Vest Partnership Program	FDEP/ FDLE/ SCC	16.607	16,667	
Community Prosecution and Project Safe Neighborhoods	FDLE/ JAC/ SCC	16.609	2,644,570	1,463,241
Public Safety Partnership and Community Policing Grants	FDLE/ FDOC/ SCC/ SU	16.710	858,007	
Enforcing Underage Drinking Laws Program	FDLE/ FEOG	16.727	269,057	256,126
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	FDOC	16.735	589,956	
Edward Byrne Memorial Justice Assistance Grant Program	FDJJ/ FDLE/ FDOC	16.738	13,507,960	9,330,764
Other Federal Awards	Courts/ FDJJ/ FDLE/ FEOG/ SU	16.999	1,172,950	286,034
Subtotal - Direct Programs - Not Clustered			$97,853,190	$33,572,718
Indirect Programs - Clustered				
Research & Development Cluster:				
National Institute of Justice Research, Evaluation, and Development Project Grants	SU	16.560	25,328	
Other Federal Awards	SU	16.999	40,290	
Subtotal - Indirect Programs - Clustered			$65,618	
Indirect Programs - Not Clustered				
Community Relations Service	SU	16.200	38,515	
Juvenile Justice and Delinquency Prevention - Allocation to States	SU	16.540	17,160	
National Institute of Justice Research, Evaluation, and Development Project Grants	SU	16.560	26,604	
Community Capacity Development Office	SCC	16.595	31,000	
Community Prosecution and Project Safe Neighborhoods	JAC	16.609	66,613	
Juvenile Mentoring Program	SU	16.726	14,410	
Special Data Collections and Statistical Studies	SU	16.734	4,987	
Edward Byrne Memorial Justice Assistance Grant Program	JAC/ SU	16.738	310,640	
Criminal and Juvenile Justice and Mental Health Collaboration Program	SU	16.745	19,922	
Other Federal Awards	JAC/ SU	16.999	224,745	
Subtotal - Indirect Programs - Not Clustered			$754,596	
Subtotal - U. S. Department of Justice			$101,858,908	$33,784,116
U. S. Department of Labor				
Direct Programs - Clustered				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	FAWI/ FDOE	17.207	38,414,945	12,625,703
Disabled Veterans Outreach Program	FAWI	17.801	4,629,463	1,240,047
Local Veterans Employment Representative Program	FAWI	17.804	3,707,336	951,120
WIA Cluster:				
WIA Adult Program	FAWI/ FDOE/ SU	17.258	30,071,241	28,091,270
WIA Youth Activities	FAWI	17.259	31,504,775	29,164,922
WIA Dislocated Workers	FAWI	17.260	29,984,848	26,459,825
Subtotal - Direct Programs - Clustered			$138,312,608	$98,532,887
Direct Programs - Not Clustered				

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For the Fiscal Year Ended June 30, 2008

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Labor Force Statistics	FAWI	17.002	2,764,824	
Compensation and Working Conditions	FDFS	17.005	269,759	
Unemployment Insurance	FAWI/ FDOR	17.225	1,556,712,630	12,518,487
Senior Community Service Employment Program	FDOEA	17.235	5,453,319	4,887,797
Trade Adjustment Assistance	FAWI/ FDOE	17.245	2,431,409	901,024
WIA Pilots, Demonstrations, and Research Projects	FAWI/ SCC	17.261	4,639,682	828,205
National Farmworker Jobs Program	FDOE/ SCC	17.264	3,804,959	2,549,795
Work Incentive Grants	FAWI	17.266	1,328,481	1,205,778
H-1B High Growth Job Training Grants	FAWI	17.268	2,700,804	2,661,970
Community Based Job Training Grants	SCC	17.269	2,360,286	219,832
Permanent Labor Certification for Foreign Workers	FAWI	17.272	512,230	
YouthBuild	SCC	17.274	323,405	
Occupational Safety and Health - Susan Harwood Training Grants	SCC	17.502	259,454	
Consultation Agreements	SU	17.504	1,846,095	51,450
Mine Health and Safety Grants	FDEP	17.600	179,802	
Disability Employment Policy Development	FAPD/ FAWI/ SU	17.720	364,341	116,595
Subtotal - Direct Programs - Not Clustered			$1,585,951,480	$25,940,933
Indirect Programs - Clustered				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	SCC	17.207	27,339	
Disabled Veterans Outreach Program	SCC	17.801	5,325	
Local Veterans Employment Representative Program	SCC	17.804	3,688	
Research & Development Cluster:				
WIA Adult Program	SU	17.258	37,902	8,000
WIA Pilots, Demonstrations, and Research Projects	SU	17.261	25,691	
WIA Cluster:				
WIA Adult Program	SCC/ SU	17.258	939,096	
WIA Youth Activities	SCC	17.259	590,396	
WIA Dislocated Workers	SCC/ SU	17.260	636,527	
Subtotal - Indirect Programs - Clustered			$2,265,964	$8,000
Indirect Programs - Not Clustered				
Unemployment Insurance	SCC	17.225	372,939	
WIA Pilots, Demonstrations, and Research Projects	SCC	17.261	138,670	
Transition Assistance Program	SCC	17.807	269	
Other Federal Awards	SCC/ SU	17.999	78,748	
Subtotal - Indirect Programs - Not Clustered			$590,626	
Subtotal - U. S. Department of Labor			$1,727,120,678	$124,481,820
U. S. Department of State				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	19.999	151,305	9,095
Subtotal - Direct Programs - Clustered			$151,305	$9,095
Direct Programs - Not Clustered				
American Council of Young Political Leaders	SU	19.403	111,558	
Professional Exchanges - Annual Open Grant	SU	19.415	14,709	
Educational Exchange, American Studies Institute	SU	19.418	202,195	
Other Federal Awards	SU	19.999	122,212	12,500
Subtotal - Direct Programs - Not Clustered			$450,674	$12,500
Indirect Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	19.999	18,607	
Subtotal - Indirect Programs - Clustered			$18,607	
Indirect Programs - Not Clustered				
Educational Exchange, American Studies Institute	SCC	19.418	174,420	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	FDLE/ SU	19.999	285,060	
Subtotal - Indirect Programs - Not Clustered			$459,480	
Subtotal - U. S. Department of State			$1,080,066	$21,595
U. S. Department of Transportation				
Direct Programs - Clustered				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	FDOT	20.500	4,985,175	
Highway Planning and Construction Cluster:				
Highway Planning and Construction	FDEP/ FDOS/ FDOT/ FFWCC/ SU	20.205	2,065,511,813	186,246,860
Highway Safety Cluster:				
State and Community Highway Safety	FDHSMV/ FDOH/ FDOT/ SCC/ SU	20.600	10,205,994	5,066,470
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	FDHSMV/ FDOT/ SCC	20.601	3,408,107	1,187,088
Occupant Protection	FDOT/ SCC	20.602	4,621,523	2,630,949
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	FDOH	20.605	131,376	
Safety Belt Performance Grants	FDOT	20.609	856,876	
State Traffic Safety Information System Improvement Grants	FDHSMV/ FDOT	20.610	603,391	
Incentive Grant Program to Increase Motorcyclist Safety	FDHSMV	20.612	168,476	
Research & Development Cluster:				
Aviation Research Grants	SU	20.108	355,627	
Highway Research and Development Program	SU	20.200	304,645	12,579
Highway Planning and Construction	SU	20.205	150,713	52,938
Highway Training and Education	SU	20.215	67,865	
Federal Transit - Metropolitan Planning Grants	SU	20.505	25,967	
Federal Transit - Formula Grants	SU	20.507	95,158	
Public Transportation Research	SU	20.514	1,825,271	324,928
State Planning and Research	SU	20.515	221,512	37,675
New Freedom Program	SU	20.521	725,281	19,200
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	SU	20.601	60,931	
University Transportation Centers Program	SU	20.701	894,595	
Other Federal Awards	SU	20.999	94,511	
Transit Services Programs Cluster:				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	FDOT	20.513	6,812,653	6,812,653
Subtotal - Direct Programs - Clustered			$2,102,127,460	$202,391,340
Direct Programs - Not Clustered				
Airport Improvement Program	FDOT	20.106	1,021,659	
Air Transportation Centers of Excellence	SU	20.109	13,904	4,347
National Motor Carrier Safety	FDHSMV/ FDOE/ FDOT	20.218	316,269	
Recreational Trails Program	FDACS/ FDEP	20.219	810,023	1,320,243
Commercial Driver License State Programs	FDHSMV	20.232	123,280	
Safety Data Improvement Program	SU	20.234	41,106	
Commercial Motor Vehicle Operator Training Grants	SCC	20.235	64,684	
Commercial Vehicle Information Systems and Networks	FDOT/ SU	20.237	674,581	
High Speed Ground Transportation - Next Generation High Speed Rail Program	FDOT	20.312	40,578	
Federal Transit - Metropolitan Planning Grants	FDOT/ SU	20.505	4,574,301	4,520,214
Formula Grants for Other Than Urbanized Areas	FDOT	20.509	9,572,221	9,570,822
Public Transportation Research	FDOT/ SU	20.514	614,973	28,650
University Transportation Centers Program	SU	20.701	18,487	
Interagency Hazardous Materials Public Sector Training and Planning Grants	FDCA	20.703	452,708	405,921
Assistance To Small And Disadvantaged Businesses	SCC	20.910	83,726	
Other Federal Awards	SCC/ SU	20.999	1,452,738	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Subtotal - Direct Programs - Not Clustered			$19,875,238	$15,850,197
Indirect Programs - Clustered				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	FDOT	20.500	3,695,536	
Federal Transit - Formula Grants	SU	20.507	16,450	
Highway Planning and Construction Cluster:				
Highway Planning and Construction	SU	20.205	53,450	
Research & Development Cluster:				
Aviation Research Grants	SU	20.108	34,881	
Highway Research and Development Program	SU	20.200	42,329	
Public Transportation Research	SU	20.514	78,739	
State Planning and Research	SU	20.515	4,341	
Biobased Transportation Research	SU	20.761	23,923	
Other Federal Awards	SU	20.999	217,724	
Subtotal - Indirect Programs - Clustered			$4,167,373	
Indirect Programs - Not Clustered				
Highway Research and Development Program	SU	20.200	58,884	
Public Transportation Research	SU	20.514	110,491	
University Transportation Centers Program	SU	20.701	30,595	
Other Federal Awards	SU	20.999	16,248	
Subtotal - Indirect Programs - Not Clustered			$216,218	
Subtotal - U. S. Department of Transportation			$2,126,386,289	$218,241,537
U. S. Department of the Treasury				
Direct Programs - Not Clustered				
Community Development Financial Institutions Program	SU	21.020	2,485	
Other Federal Awards	FDMA	21.999	66,936	
Subtotal - Direct Programs - Not Clustered			$69,421	
Subtotal - U. S. Department of the Treasury			$69,421	
U. S. Office of Personnel Management				
Direct Programs - Clustered				
Research & Development Cluster:				
Federal Civil Service Employment	SU	27.001	14,432	
Subtotal - Direct Programs - Clustered			$14,432	
Direct Programs - Not Clustered				
Federal Civil Service Employment	SU	27.001	350,474	
Intergovernmental Personnel Act Mobility Program	SU	27.011	150,574	
Subtotal - Direct Programs - Not Clustered			$501,048	
Subtotal - U. S. Office of Personnel Management			$515,480	
U. S. Equal Employment Opportunity Commission				
Direct Programs - Not Clustered				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	FDMS	30.002	648,848	
Subtotal - Direct Programs - Not Clustered			$648,848	
Subtotal - U. S. Equal Employment Opportunity Commission			$648,848	
U. S. General Services Administration				
Direct Programs - Clustered				
Research & Development Cluster:				
Donation of Federal Surplus Personal Property ((1))	SU	39.003	11,017	
Subtotal - Direct Programs - Clustered			$11,017	
Direct Programs - Not Clustered				
Donation of Federal Surplus Personal Property ((1))	FDMS	39.003	947,475	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	FDOS	39.999	284,021	
Subtotal - Direct Programs - Not Clustered			$1,231,496	
Subtotal - U. S. General Services Administration			$1,242,513	
Library of Congress				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	42.999	38,981	
Subtotal - Direct Programs - Clustered			$38,981	
Indirect Programs - Not Clustered				
Other Federal Awards	SU	42.999	56,856	
Subtotal - Indirect Programs - Not Clustered			$56,856	
Subtotal - Library of Congress			$95,837	
National Aeronautics and Space Administration				
Direct Programs - Clustered				
Research & Development Cluster:				
Aerospace Education Services Program	SU	43.001	3,294,278	100,703
Technology Transfer	SU	43.002	1,351,730	244,740
Other Federal Awards	SU	43.999	6,692,484	431,402
Subtotal - Direct Programs - Clustered			$11,338,492	$776,845
Direct Programs - Not Clustered				
Aerospace Education Services Program	SU	43.001	148,055	
Technology Transfer	Citrus	43.002	203,788	
Other Federal Awards	SU	43.999	109,760	1,529
Subtotal - Direct Programs - Not Clustered			$461,603	$1,529
Indirect Programs - Clustered				
Research & Development Cluster:				
Aerospace Education Services Program	SU	43.001	295,130	
Technology Transfer	SU	43.002	218,827	
Other Federal Awards	SU	43.999	1,447,115	250,014
Subtotal - Indirect Programs - Clustered			$1,961,072	$250,014
Indirect Programs - Not Clustered				
Aerospace Education Services Program	SU	43.001	434	
Other Federal Awards	SU	43.999	83,784	
Subtotal - Indirect Programs - Not Clustered			$84,218	
Subtotal - National Aeronautics and Space Administration			$13,845,385	$1,028,388
National Foundation on the Arts and the Humanities				
Direct Programs - Clustered				
Research & Development Cluster:				
Promotion of the Arts - Partnership Agreements	SU	45.025	920	
Promotion of the Humanities - Fellowships and Stipends	SU	45.160	38,634	
Promotion of the Humanities - Research	SU	45.161	75,903	
Promotion of the Humanities - Digital Humanities Initiative	SU	45.169	24,046	
Grants to States	SU	45.310	44,907	
National Leadership Grants	SU	45.312	71,818	9,750
Laura Bush 21st Century Librarian Program	SU	45.313	228,454	
Subtotal - Direct Programs - Clustered			$484,682	$9,750
Direct Programs - Not Clustered				
Promotion of the Arts - Grants to Organizations and Individuals	FDOS/ SCC/ SU	45.024	169,491	3,000
Promotion of the Arts - Partnership Agreements	FDOS/ SU	45.025	682,682	283,600
Promotion of the Humanities - Federal/State Partnership	SU	45.129	1,900	
Promotion of the Humanities - Division of Preservation and Access	SU	45.149	255,510	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Promotion of the Humanities - Fellowships and Stipends	SU	45.160	81,299	
Promotion of the Humanities - Teaching and Learning Resources and Curriculum Development	SU	45.162	83,772	
Promotion of the Humanities - Professional Development	SU	45.163	559	
Museums for America	SU	45.301	51,956	8,901
Grants to States	FDOS/ SU	45.310	8,143,844	2,080,399
National Leadership Grants	SU	45.312	8,981	
Laura Bush 21st Century Librarian Program	SU	45.313	858,227	159,603
Subtotal - Direct Programs - Not Clustered			$10,338,221	$2,535,503
Indirect Programs - Clustered				
Research & Development Cluster:				
National Leadership Grants	SU	45.312	16,851	
Other Federal Awards	SU	45.999	5,566	
Subtotal - Indirect Programs - Clustered			$22,417	
Indirect Programs - Not Clustered				
Promotion of the Arts - Grants to Organizations and Individuals	SCC	45.024	20,000	
Promotion of the Humanities - Federal/State Partnership	SCC/ SU	45.129	20,245	
Promotion of the Humanities - Professional Development	SU	45.163	1,299	
Promotion of the Humanities - Public Programs	SU	45.164	165,724	
Grants to States	SU	45.310	58,190	
Laura Bush 21st Century Librarian Program	SU	45.313	35,544	
Other Federal Awards	SU	45.999	17,292	
Subtotal - Indirect Programs - Not Clustered			$318,294	
Subtotal - National Foundation on the Arts and the Humanities			$11,163,614	$2,545,253
National Science Foundation				
Direct Programs - Clustered				
Research & Development Cluster:				
Engineering Grants	SU	47.041	9,885,084	391,841
Mathematical and Physical Sciences	SU	47.049	46,248,861	5,880,956
Geosciences	SU	47.050	8,809,704	942,429
Computer and Information Science and Engineering	SU	47.070	9,076,931	1,718,815
Biological Sciences	SU	47.074	10,570,874	1,268,109
Social, Behavioral, and Economic Sciences	SU	47.075	2,283,889	58,723
Education and Human Resources	SU	47.076	9,073,716	315,294
Polar Programs	SU	47.078	904,874	24,165
International Science and Engineering	SU	47.079	98,491	
Office of Cyberinfrastructure	SU	47.080	156,715	18,191
Other Federal Awards	SU	47.999	1,230,304	
Subtotal - Direct Programs - Clustered			$98,339,443	$10,618,523
Direct Programs - Not Clustered				
Engineering Grants	SCC/ SU	47.041	545,470	44,971
Mathematical and Physical Sciences	SCC/ SU	47.049	280,969	33,450
Geosciences	SU	47.050	663,812	
Computer and Information Science and Engineering	SCC/ SU	47.070	548,129	
Biological Sciences	SU	47.074	293,865	
Social, Behavioral, and Economic Sciences	SU	47.075	409,441	
Education and Human Resources	SCC/ SU	47.076	9,239,168	475,814
International Science and Engineering	SU	47.079	223,722	5,475
Subtotal - Direct Programs - Not Clustered			$12,204,576	$559,710
Indirect Programs - Clustered				
Research & Development Cluster:				
Engineering Grants	SU	47.041	729,664	
Mathematical and Physical Sciences	SU	47.049	976,061	
Geosciences	SU	47.050	449,736	
Computer and Information Science and Engineering	SU	47.070	347,699	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Biological Sciences	SU	47.074	718,845	
Social, Behavioral, and Economic Sciences	SU	47.075	11,961	
Education and Human Resources	SU	47.076	653,354	48,000
Polar Programs	SU	47.078	220,294	
International Science and Engineering	SU	47.079	26,904	
Other Federal Awards	SU	47.999	52,881	
Subtotal - Indirect Programs - Clustered			$4,187,399	$48,000
Indirect Programs - Not Clustered				
Engineering Grants	SU	47.041	248,242	
Mathematical and Physical Sciences	SU	47.049	53,183	
Geosciences	SU	47.050	4,521	
Computer and Information Science and Engineering	SU	47.070	42,819	
Biological Sciences	SU	47.074	33,428	
Social, Behavioral, and Economic Sciences	SU	47.075	10,231	
Education and Human Resources	SCC/ SU	47.076	4,520	
Subtotal - Indirect Programs - Not Clustered			$396,944	
Subtotal - National Science Foundation			$115,128,362	$11,226,233
U. S. Small Business Administration				
Direct Programs - Clustered				
Research & Development Cluster:				
Small Business Development Center	SU	59.037	471,701	
Other Federal Awards	SU	59.999	508,499	
Subtotal - Direct Programs - Clustered			$980,200	
Direct Programs - Not Clustered				
Small Business Development Center	SCC/ SU	59.037	7,651,888	179,119
Veterans Entrepreneurial Training and Counseling	SCC/ SU	59.044	298,451	146,164
Other Federal Awards	SCC	59.999	44,233	
Subtotal - Direct Programs - Not Clustered			$7,994,572	$325,283
Subtotal - U. S. Small Business Administration			$8,974,772	$325,283
U. S. Department of Veterans Affairs				
Direct Programs - Clustered				
Research & Development Cluster:				
Veterans State Hospital Care	SU	64.016	1,039	
Subtotal - Direct Programs - Clustered			$1,039	
Direct Programs - Not Clustered				
Grants to States for Construction of State Home Facilities	FDVA	64.005	320,463	
Veterans Medical Care Benefits	SU	64.009	7,501	
Veterans State Domiciliary Care	FDVA	64.014	1,626,674	
Veterans State Nursing Home Care	FDVA	64.015	13,812,697	
Survivors and Dependents Educational Assistance	SU	64.117	887	
Vocational and Educational Counseling for Servicemembers and Veterans	SCC	64.125	2,600	
Subtotal - Direct Programs - Not Clustered			$15,770,822	
Subtotal - U. S. Department of Veterans Affairs			$15,771,861	
U. S. Environmental Protection Agency				
Direct Programs - Clustered				
Research & Development Cluster:				
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	SU	66.034	89,929	
Congressionally Mandated Projects	SU	66.202	906,854	2,783
Water Pollution Control State, Interstate, and Tribal Program Support	SU	66.419	80,761	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	SU	66.436	1,033,779	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Water Quality Management Planning	SU	66.454	163,239	
National Estuary Program	SU	66.456	23,967	
Nonpoint Source Implementation Grants	SU	66.460	413,914	
Regional Wetland Program Development Grants	SU	66.461	3,901	
Gulf of Mexico Program	SU	66.475	213,915	900
Science To Achieve Results Research Program	SU	66.509	611,727	180,038
Greater Research Opportunities Fellowships For Undergraduate/Graduate Environmental Study	SU	66.513	28,509	
Science To Achieve Results Fellowship Program	SU	66.514	34,128	
P3 Award: National Student Design Competition for Sustainability	SU	66.516	9,757	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	SU	66.716	69,504	
Hazardous Waste Management State Program Support	SU	66.801	40,297	
Environmental Education Grants	SU	66.951	9,941	
Other Federal Awards	SU	66.999	123,038	
Subtotal - Direct Programs - Clustered			$3,857,160	$183,721
Direct Programs - Not Clustered				
Air Pollution Control Program Support	FDEP/ FDOH	66.001	6,062,961	215,494
State Indoor Radon Grants	FDOH	66.032	201,256	69,191
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	FDEP/ FDOH	66.034	651,497	46,619
Congressionally Mandated Projects	SU	66.202	25,990	
Water Pollution Control State, Interstate, and Tribal Program Support	FDEP/ SU	66.419	6,135,074	596,430
State Public Water System Supervision	FDEP	66.432	3,845,615	14,452
State Underground Water Source Protection	FDEP	66.433	292,399	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	FFWCC	66.436	198,818	
Water Quality Management Planning	FDEP	66.454	395,589	230,662
Capitalization Grants for Clean Water State Revolving Funds	FDEP	66.458	38,984,298	38,984,298
Nonpoint Source Implementation Grants	FDACS/ FDEP/ SU	66.460	8,495,987	5,878,136
Regional Wetland Program Development Grants	FDEP	66.461	232,622	
Water Quality Cooperative Agreements	FDEP	66.463	44,864	
Wastewater Operator Training Grant Program (Technical Assistance)	SU	66.467	10,081	
Capitalization Grants for Drinking Water State Revolving Funds	FDEP	66.468	33,077,595	33,077,595
Beach Monitoring and Notification Program Implementation Grants	FDOH	66.472	503,541	
Water Protection Grants to the States	FDEP/ SU	66.474	185,395	
Gulf of Mexico Program	FDEP/ FDOH/ FFWCC/ SU	66.475	493,087	
Science To Achieve Results Research Program	SU	66.509	103,263	
Office of Research and Development Consolidated Research/Training	FDEP/ SU	66.511	95,466	
Science To Achieve Results Fellowship Program	SU	66.514	29,674	
Performance Partnership Grants	FDACS	66.605	754,766	
Environmental Information Exchange Network Grant Program and Related Assistance	FDEP	66.608	98,168	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	FDOH	66.707	84,451	19,506
Pollution Prevention Grants Program	FDEP	66.708	34,298	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	FDACS/ SU	66.716	69,862	
Hazardous Waste Management State Program Support	FDEP	66.801	2,876,740	
Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements	FDEP	66.802	752,137	
Solid Waste Management Assistance Grants	FDEP	66.808	3,500	
State and Tribal Response Program Grants	FDEP	66.817	631,107	
Other Federal Awards	FFWCC	66.999	8,725	
Subtotal - Direct Programs - Not Clustered			$105,378,826	$79,132,383
Indirect Programs - Clustered				
Research & Development Cluster:				

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Water Pollution Control State, Interstate, and Tribal Program Support	SU	66.419	7,531	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	SU	66.436	127,313	
Targeted Watersheds Grants	SU	66.439	1,904	
National Estuary Program	SU	66.456	25,324	
Wetland Program Grants - State/Tribal Environmental Outcome Wetland Demonstration Program	SU	66.479	4,499	
Science To Achieve Results Research Program	SU	66.509	39,428	
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development	SU	66.510	31,512	
Environmental Education Grants	SU	66.951	12,460	
Other Federal Awards	SU	66.999	91,198	
Subtotal - Indirect Programs - Clustered			$341,169	
Indirect Programs - Not Clustered				
Congressionally Mandated Projects	SU	66.202	188	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	SU	66.436	3,258	
National Estuary Program	FFWCC/ SU	66.456	93,509	
Subtotal - Indirect Programs - Not Clustered			$96,955	
Subtotal - U. S. Environmental Protection Agency			$109,674,110	$79,316,104
U. S. Nuclear Regulatory Commission				
Direct Programs - Clustered				
Research & Development Cluster:				
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	SU	77.008	29,553	
Subtotal - Direct Programs - Clustered			$29,553	
Subtotal - U. S. Nuclear Regulatory Commission			$29,553	
U. S. Department of Energy				
Direct Programs - Clustered				
Research & Development Cluster:				
State Energy Program	SU	81.041	36,588	10,400
Office of Science Financial Assistance Program	SU	81.049	8,870,581	50,670
University Coal Research	SU	81.057	137,561	
Nuclear Waste Disposal Siting	SU	81.065	1,634	
Conservation Research and Development	SU	81.086	1,268,596	762,836
Renewable Energy Research and Development	SU	81.087	4,466,545	495,434
Fossil Energy Research and Development	SU	81.089	452,680	
Office of Environmental Cleanup and Acceleration	SU	81.104	3,247,484	22,025
National Industrial Competitiveness through Energy, Environment, and Economics	SU	81.105	27,824	
Stewardship Science Grant Program	SU	81.112	485,548	140,993
Defense Nuclear Nonproliferation Research	SU	81.113	30,940	
University Reactor Infrastructure and Education Support	SU	81.114	412,423	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	SU	81.117	334,633	
State Energy Program Special Projects	SU	81.119	84,175	
Nuclear Energy Research, Development and Demonstration	SU	81.121	349,476	
Electricity Delivery and Energy Reliability, Research, Development and Analysis	SU	81.122	542	
Other Federal Awards	SU	81.999	1,183,627	
Subtotal - Direct Programs - Clustered			$21,390,857	$1,482,358
Direct Programs - Not Clustered				
State Energy Program	FDEP/ SU	81.041	2,601,233	392,785
Weatherization Assistance for Low-Income Persons	FDCA	81.042	1,967,620	1,717,436
Office of Science Financial Assistance Program	SU	81.049	12,450	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Office of Scientific and Technical Information	SU	81.064	6,213	
Regional Biomass Energy Programs	SU	81.079	111,557	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	FDEP	81.117	16,597	
State Energy Program Special Projects	FDEP	81.119	185,965	105,437
Subtotal - Direct Programs - Not Clustered			$4,901,635	$2,215,658
Indirect Programs - Clustered				
Research & Development Cluster:				
State Energy Program	SU	81.041	88,215	
Office of Science Financial Assistance Program	SU	81.049	523,885	
Renewable Energy Research and Development	SU	81.087	905,278	
Fossil Energy Research and Development	SU	81.089	202,263	
Nuclear Energy Research, Development and Demonstration	SU	81.121	93,556	
National Nuclear Security Administration Minority Serving Institutions Program	SU	81.123	75,401	
Other Federal Awards	SU	81.999	1,266,627	18,000
Subtotal - Indirect Programs - Clustered			$3,155,225	$18,000
Indirect Programs - Not Clustered				
Office of Science Financial Assistance Program	SU	81.049	31,655	
Subtotal - Indirect Programs - Not Clustered			$31,655	
Subtotal - U. S. Department of Energy			$29,479,372	$3,716,016
Federal Emergency Management Agency				
Direct Programs - Not Clustered				
Other Federal Awards	JAC	83.999	28,788	
Subtotal - Direct Programs - Not Clustered			$28,788	
Subtotal - Federal Emergency Management Agency			$28,788	
U. S. Department of Education				
Direct Programs - Clustered				
Research & Development Cluster:				
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	SU	84.015	3,487	
Overseas - Faculty Research Abroad	SU	84.019	48,185	
Overseas - Doctoral Dissertation	SU	84.022	47,691	
Special Education - Grants to States	SU	84.027	3,219	
TRIO - Upward Bound	SU	84.047	676,804	
Fund for the Improvement of Postsecondary Education	SU	84.116	221,689	
Rehabilitation Long-Term Training	SU	84.129	190,152	
National Institute on Disability and Rehabilitation Research	SU	84.133	153,946	32,467
Safe and Drug-Free Schools and Communities - National Programs	SU	84.184	609,414	
Safe and Drug-Free Schools and Communities - State Grants	SU	84.186	40,293	
Graduate Assistance in Areas of National Need	SU	84.200	423,921	
Fund for the Improvement of Education	SU	84.215	34,604	
TRIO - McNair Post-Baccalaureate Achievement	SU	84.217	75,296	
Twenty-First Century Community Learning Centers	SU	84.287	1,517,845	
State Grants for Innovative Programs	SU	84.298	372,536	
Education Research, Development and Dissemination	SU	84.305	5,080,459	1,232,705
Special Education - State Personnel Development	SU	84.323	419,461	
Research in Special Education	SU	84.324	4,395,879	1,631,064
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	SU	84.325	2,034,574	57,043
Reading First State Grants	SU	84.357	9,766,014	1,125,506
Voluntary Public School Choice	SU	84.361	209,274	
Improving Teacher Quality State Grants	SU	84.367	3	
Other Federal Awards	SU	84.999	12,109	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Special Education Cluster:				
Special Education - Grants to States	FDOC/ FDOE/ FDOH/ FSDB/ SCC/ SU	84.027	589,557,375	562,849,453
Special Education - Preschool Grants	FDOE/ FDOH/ FSDB/ SU	84.173	19,262,285	16,980,741
Student Financial Aid Cluster:				
Federal Supplemental Educational Opportunity Grants	SCC/ SU	84.007	16,625,003	
Federal Family Education Loans	SCC/ SU	84.032	939,406,962	
Federal Work-Study Program	SCC/ SU	84.033	19,766,672	
Federal Perkins Loan Program - Federal Capital Contributions	SCC/ SU	84.038	93,013,123	
Federal Pell Grant Program	SCC/ SU	84.063	465,520,207	
Federal Direct Student Loans	SCC/ SU	84.268	221,918,388	
Academic Competitiveness Grants	SCC/ SU	84.375	12,191,037	
National Science and Mathematics Access to Retain Talent Grants	SCC/ SU	84.376	6,340,773	
TRIO Cluster:				
TRIO - Student Support Services	SCC/ SU	84.042	5,480,028	
TRIO - Talent Search	SCC/ SU	84.044	2,846,832	
TRIO - Upward Bound	SCC/ SU	84.047	3,881,636	
TRIO - Educational Opportunity Centers	SCC	84.066	1,198,717	
TRIO - McNair Post-Baccalaureate Achievement	SU	84.217	668,749	
Subtotal - Direct Programs - Clustered			$2,424,014,642	$583,908,979
Direct Programs - Not Clustered				
Adult Education - State Grant Program	FDOC/ FDOE/ SCC/ SU	84.002	41,423,573	30,858,293
Civil Rights Training and Advisory Services	SCC	84.004	5,526	
Title I Grants to Local Educational Agencies	FDOE/ FSDB/ SU	84.010	628,919,164	622,443,651
Migrant Education - State Grant Program	FDOE/ SU	84.011	22,958,766	22,278,652
Title I Program for Neglected and Delinquent Children	FDOC/ FDOE	84.013	1,222,800	152,316
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	SU	84.015	2,012,261	344,502
Undergraduate International Studies and Foreign Language Programs	SU	84.016	2,652	
International Research and Studies	SU	84.017	49,822	
Overseas - Faculty Research Abroad	SU	84.019	2,337	
Overseas - Group Projects Abroad	SU	84.021	154,206	
Overseas - Doctoral Dissertation	SU	84.022	28,890	
Higher Education - Institutional Aid	SCC/ SU	84.031	20,722,897	
Federal Family Education Loans	FDOE	84.032	745,711,453	
Perkins Loan Cancellations	SCC/ SU	84.037	672,545	
Career and Technical Education - Basic Grants to States	FDOC/ FDOE/ FSDB/ SCC/ SU	84.048	72,005,726	45,672,855
Leveraging Educational Assistance Partnership	FDOE/ SCC	84.069	3,510,685	
Fund for the Improvement of Postsecondary Education	SCC/ SU	84.116	2,945,453	983,457
Minority Science and Engineering Improvement	SU	84.120	242,598	
Rehabilitation Services - Vocational Rehabilitation Grants to States	FDOE/ SCC/ SU	84.126	166,456,177	
Rehabilitation Services - Service Projects	FDOE	84.128	12,200	
Rehabilitation Long-Term Training	SU	84.129	349,132	
National Institute on Disability and Rehabilitation Research	SU	84.133	763,489	35,900
Migrant Education - High School Equivalency Program	SU	84.141	432,395	
Migrant Education - College Assistance Migrant Program	SU	84.149	9,418	
Business and International Education Projects	SU	84.153	80,444	
Independent Living - State Grants	FDOE	84.169	844,589	
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	FDOE/ SCC	84.177	1,947,097	
Special Education - Grants for Infants and Families with Disabilities	FDOE/ FDOH/ SU	84.181	20,276,283	17,005,943
Safe and Drug-Free Schools and Communities - National Programs	FDOE/ SU	84.184	268,366	
Byrd Honors Scholarships	FDOE/ SCC/ SU	84.185	2,299,831	
Safe and Drug-Free Schools and Communities - State Grants	FDLE/ FDOE/ FSDB/ SU	84.186	16,101,520	15,125,463
Supported Employment Services for Individuals with Severe Disabilities	FDOE	84.187	1,394,472	
Education for Homeless Children and Youth	FDOE	84.196	3,183,787	3,181,383
Graduate Assistance in Areas of National Need	SU	84.200	1,268,979	98,548

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Even Start - State Educational Agencies	FAWI/ FDOE/ SCC/ SU	84.213	3,996,949	2,817,646
Fund for the Improvement of Education	SCC/ SU	84.215	50,282	
Centers for International Business Education	SU	84.220	605,967	
Assistive Technology	FDOE	84.224	269,128	
Projects with Industry	SCC	84.234	9,069	
Rehabilitation Services Demonstration and Training Programs	SU	84.235	404,064	
Tech-Prep Education	FDOE/ SCC	84.243	5,051,843	3,092,948
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	FDOE	84.265	196,703	
Charter Schools	FDOE/ SCC/ SU	84.282	5,537,997	4,895,725
Twenty-First Century Community Learning Centers	FDOE/ SU	84.287	42,670,701	40,943,796
State Grants for Innovative Programs	FDOE/ FSDB/ SU	84.298	4,476,112	4,224,147
Education Research, Development and Dissemination	SU	84.305	488,717	
Parental Assistance Centers	SU	84.310	732,119	23,640
Education Technology State Grants	FDOE/ FSDB/ SU	84.318	14,364,938	12,694,208
Special Education - State Personnel Development	FDOE/ SCC/ SU	84.323	1,168,221	200,889
Research in Special Education	SU	84.324	318,699	121,017
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	SU	84.325	4,792,237	18,131
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SU	84.326	1,856,960	63,604
Special Education - Studies and Evaluations	SU	84.329	55,767	
Grants to States for Incarcerated Youth Offenders	FDOC	84.331	1,130,125	
Comprehensive School Reform Demonstration	FDOE/ SU	84.332	1,287,645	1,006,847
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	SCC	84.333	64,415	
Gaining Early Awareness and Readiness for Undergraduate Programs	SU	84.334	1,636,521	354,590
Child Care Access Means Parents in School	SCC/ SU	84.335	818,534	
International Education - Technological Innovation and Cooperation for Foreign Information Access	SU	84.337	76,742	
Transition to Teaching	FDOE/ SCC/ SU	84.350	2,549,020	520,278
Reading First State Grants	FDOE/ SU	84.357	52,698,438	44,278,370
Rural Education	FDOE	84.358	2,213,228	2,141,236
Voluntary Public School Choice	FDOE/ SU	84.361	1,958,131	1,484,342
School Leadership	SU	84.363	39,645	
English Language Acquisition Grants	FDOE/ SU	84.365	52,661,049	46,559,571
Mathematics and Science Partnerships	FDOE/ SCC/ SU	84.366	13,537,566	12,331,058
Improving Teacher Quality State Grants	FDOC/ FDOE/ FSDB/ SU	84.367	132,749,544	123,951,243
Grants for State Assessments and Related Activities	FDOE	84.369	17,216,064	
Statewide Data Systems	FDOE	84.372	263,455	
School Improvement Grants	FDOE	84.377	576,865	304,277
Other Federal Awards	FDOE/ SCC/ SU	84.999	3,933,612	116,061
Subtotal - Direct Programs - Not Clustered			$2,130,736,605	$1,060,324,587
Indirect Programs - Clustered				
Research & Development Cluster:				
Fund for the Improvement of Postsecondary Education	SU	84.116	5,895	
National Institute on Disability and Rehabilitation Research	SU	84.133	54,778	
Fund for the Improvement of Education	SU	84.215	618,644	
Assistive Technology	SU	84.224	101,292	
Comprehensive Centers	SU	84.283	611,667	
Twenty-First Century Community Learning Centers	SU	84.287	13,000	
Education Research, Development and Dissemination	SU	84.305	128,652	
Education Technology State Grants	SU	84.318	127,000	
Research in Special Education	SU	84.324	254,372	
Early Childhood Educator Professional Development	SU	84.349	91,084	
Arts in Education	SU	84.351	30,307	
English Language Acquisition Grants	SU	84.365	25,948	
Mathematics and Science Partnerships	SU	84.366	742,175	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	SU	84.999	10,000	
Special Education Cluster:				
Special Education - Grants to States	SU	84.027	9,007	
Student Financial Aid Cluster:				
Federal Family Education Loans	SU	84.032	47,457	
TRIO Cluster:				
TRIO - Upward Bound	SU	84.047	9,903	
Subtotal - Indirect Programs - Clustered			$2,881,181	
Indirect Programs - Not Clustered				
Adult Education - State Grant Program	SCC	84.002	292,663	
Title I Grants to Local Educational Agencies	SU	84.010	2,115	
Higher Education - Institutional Aid	SCC	84.031	133,918	
Career and Technical Education - Basic Grants to States	SCC	84.048	50,047	
Career and Technical Education - National Programs	SCC	84.051	25,345	
Fund for the Improvement of Postsecondary Education	SU	84.116	29,462	
Magnet Schools Assistance	SU	84.165	54,500	
Safe and Drug-Free Schools and Communities - National Programs	SU	84.184	231,445	
Adult Education - National Leadership Activities	SCC	84.191	5,454	
Fund for the Improvement of Education	SU	84.215	68,931	
Assistive Technology	SU	84.224	44,265	
Tech-Prep Education	SCC	84.243	116,854	
Charter Schools	SCC	84.282	175,656	
Comprehensive Centers	SU	84.283	1,779,786	
Ready-To-Learn Television	SU	84.295	7,113	
Civic Education - Cooperative Education Exchange Program	SCC/ SU	84.304	237,045	
Parental Assistance Centers	SU	84.310	35,373	
Education Technology State Grants	SU	84.318	161,596	
Research in Special Education	SU	84.324	190,061	
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	SU	84.325	76,688	
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SU	84.326	140,932	
Gaining Early Awareness and Readiness for Undergraduate Programs	SU	84.334	174,050	
Transition to Teaching	SCC	84.350	220,867	
Early Reading First	SU	84.359	33,828	
Voluntary Public School Choice	SU	84.361	61,703	
English Language Acquisition Grants	SU	84.365	15,605	
Mathematics and Science Partnerships	SCC/ SU	84.366	790,453	
Improving Teacher Quality State Grants	SCC/ SU	84.367	52,301	
Teacher Incentive Fund	SU	84.374	87,932	
Other Federal Awards	SCC/ SU	84.999	421,127	
Subtotal - Indirect Programs - Not Clustered			$5,717,115	
Subtotal - U. S. Department of Education			$4,563,349,543	$1,644,233,566
Scholarship Foundation				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	85.999	4,127	
Subtotal - Direct Programs - Clustered			$4,127	
Subtotal - Scholarship Foundation			$4,127	
National Archives and Records Administration				
Direct Programs - Not Clustered				
National Historical Publications and Records Grants	FDOS	89.003	3,419	
Subtotal - Direct Programs - Not Clustered			$3,419	
Subtotal - National Archives and Records Administration			$3,419	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Election Assistance Commission				
Direct Programs - Clustered				
Research & Development Cluster:				
Help America Vote College Pollworker Program	SU	90.400	6,355	
Subtotal - Direct Programs - Clustered			$6,355	
Direct Programs - Not Clustered				
Help America Vote College Pollworker Program	SU	90.400	83,999	
Help America Vote Act Requirements Payments	FDLE/ FDOS	90.401	34,168,864	17,598,751
Subtotal - Direct Programs - Not Clustered			$34,252,863	$17,598,751
Subtotal - Election Assistance Commission			$34,259,218	$17,598,751
U. S. Institute of Peace				
Direct Programs - Not Clustered				
Other Federal Awards	SU	91.999	2,204	
Subtotal - Direct Programs - Not Clustered			$2,204	
Subtotal - U. S. Institute of Peace			$2,204	
U. S. Department of Health and Human Services				
Direct Programs - Clustered				
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	FDOEA	93.044	32,002,168	27,098,918
Special Programs for the Aging - Title III, Part C - Nutrition Services	FDOEA	93.045	39,233,213	32,937,662
Nutrition Services Incentive Program	FDOEA	93.053	7,147,985	6,588,354
CCDF - Child Care Cluster:				
Child Care and Development Block Grant	FAWI/ FDCFS/ FDOE/ FDOH/ SCC/ SU	93.575	230,243,597	215,081,045
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	FAWI	93.596	153,062,537	153,062,537
Medicaid Cluster:				
State Medicaid Fraud Control Units	FDLA	93.775	15,366,997	
State Survey and Certification of Health Care Providers and Suppliers	FAHCA/ FDOH	93.777	18,853,324	
Medical Assistance Program	FAHCA/ FAPD/ FDCFS/ FDOEA/ FDOH/ SCC/ SU	93.778	8,597,609,566	28,451,667
Research & Development Cluster:				
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	SU	93.006	92,167	
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	SU	93.048	403,134	34,348
Innovations in Applied Public Health Research	SU	93.061	96,943	
Centers for Genomics and Public Health	SU	93.063	63,950	
Healthy Marriage Promotion and Responsible Fatherhood Grants	SU	93.086	851,272	
Food and Drug Administration - Research	SU	93.103	235,618	130,252
Maternal and Child Health Federal Consolidated Programs	SU	93.110	490,239	111,440
Environmental Health	SU	93.113	2,782,887	407,344
Oral Diseases and Disorders Research	SU	93.121	6,382,704	661,177
Nurse Anesthetist Traineeships	SU	93.124	21,816	
Injury Prevention and Control Research and State and Community Based Programs	SU	93.136	18,868	
NIEHS Superfund Hazardous Substances - Basic Research and Education	SU	93.143	423,712	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	SU	93.153	453,306	105,936
Health Program for Toxic Substances and Disease Registry	SU	93.161	38,753	
Research Related to Deafness and Communication Disorders	SU	93.173	3,998,513	138,754
Research and Training in Complementary and Alternative Medicine	SU	93.213	391,833	
Research on Healthcare Costs, Quality and Outcomes	SU	93.226	152,958	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
National Center on Sleep Disorders Research	SU	93.233	227,368	
Mental Health Research Grants	SU	93.242	5,748,645	829,979
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SU	93.243	130,657	5,237
Advanced Education Nursing Grant Program	SU	93.247	207,131	
Occupational Safety and Health Program	SU	93.262	1,252	
Alcohol National Research Service Awards for Research Training	SU	93.272	34,287	
Alcohol Research Programs	SU	93.273	4,438,130	118,887
Drug Abuse and Addiction Research Programs	SU	93.279	8,410,913	955,593
Mental Health Research Career/Scientist Development Awards	SU	93.281	14,350	
Mental Health National Research Service Awards for Research Training	SU	93.282	65,564	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	SU	93.283	222,052	
Discovery and Applied Research for Technological Innovations to Improve Human Health	SU	93.286	2,076,156	73,407
Minority Health and Health Disparities Research	SU	93.307	1,313,173	816,262
Trans-NIH Research Support	SU	93.310	167,362	
Advanced Education Nursing Traineeships	SU	93.358	133,738	
Nursing Research	SU	93.361	3,464,656	381,805
National Center for Research Resources	SU	93.389	8,605,249	1,604,321
Cancer Cause and Prevention Research	SU	93.393	3,556,974	183,572
Cancer Detection and Diagnosis Research	SU	93.394	812,710	82,946
Cancer Treatment Research	SU	93.395	1,699,961	85,369
Cancer Biology Research	SU	93.396	2,827,925	52,170
Cancer Centers Support Grants	SU	93.397	30,942	
Cancer Research Manpower	SU	93.398	661,833	13,011
Cancer Control	SU	93.399	1,219,747	46,271
Social Services Research and Demonstration	SU	93.647	220,134	130,394
Foster Care - Title IV-E	SU	93.658	1,148,470	
Family Violence Prevention and Services/Grants for Battered Womens Shelters - Grants to States and Indian Tribes	SU	93.671	387,563	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	SU	93.779	9,401	
Heart and Vascular Diseases Research	SU	93.837	10,112,071	724,880
Lung Diseases Research	SU	93.838	2,545,871	170,672
Blood Diseases and Resources Research	SU	93.839	3,622,646	101,217
Arthritis, Musculoskeletal and Skin Diseases Research	SU	93.846	3,237,967	282,372
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	16,915,115	2,819,913
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	15,006,023	1,465,096
Allergy, Immunology and Transplantation Research	SU	93.855	14,581,027	1,502,727
Microbiology and Infectious Diseases Research	SU	93.856	2,414,836	297,069
Biomedical Research and Research Training	SU	93.859	16,083,144	2,281,935
Child Health and Human Development Extramural Research	SU	93.865	6,853,493	611,888
Aging Research	SU	93.866	10,265,945	2,837,956
Vision Research	SU	93.867	6,132,791	238,096
Health Care and Other Facilities	SU	93.887	717,052	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	SU	93.925	413,197	
Assistance Programs for Chronic Disease Prevention and Control	SU	93.945	443,682	
Block Grants for Community Mental Health Services	SU	93.958	150,448	
Coal Miners Respiratory Impairment Treatment Clinics and Services	SU	93.965	8,372	
International Research and Research Training	SU	93.989	35,032	
Other Federal Awards	SU	93.999	6,351,009	55,517
Student Financial Aid Cluster:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	SU	93.342	5,064,274	
Nursing Student Loans	SCC/ SU	93.364	88,210	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Scholarships for Health Professions Students from Disadvantaged Backgrounds	SCC/ SU	93.925	1,657,746	
Subtotal - Direct Programs - Clustered			$9,280,954,354	$483,577,996
Direct Programs - Not Clustered				
Cooperative Agreements to Improve the Health Status of Minority Populations	SU	93.004	621	
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	FDOH	93.006	316,768	75,536
Medical Reserve Corps Small Grant Program	FDOH	93.008	26,004	
Community-Based Abstinence Education	FDOH	93.010	541,736	
HIV Prevention Programs for Women	SU	93.015	99,510	
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	FDOEA	93.041	396,144	180,400
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	FDOEA	93.042	1,600,587	
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	FDOEA	93.043	1,511,695	1,304,462
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	FDOEA/ FDOH	93.048	505,078	193,064
Alzheimers Disease Demonstration Grants to States	FDOEA	93.051	306,819	170,906
National Family Caregiver Support	FDOEA	93.052	12,753,306	9,544,043
Public Heatlh Emergency Preparedness	FDOH/ SU	93.069	33,360,870	1,030,000
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	FDCFS/ SU	93.104	24,356	
Model State-Supported Area Health Education Centers	SU	93.107	401,568	314,095
Maternal and Child Health Federal Consolidated Programs	FDOH/ SU	93.110	1,010,097	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	FDOH	93.116	6,360,543	35,589
Oral Diseases and Disorders Research	SU	93.121	687,100	
Nurse Anesthetist Traineeships	SU	93.124	2,952	
Emergency Medical Services for Children	FDOH	93.127	122,391	
Primary Care Services Resource Coordination and Development	FDOH	93.130	359,915	50,000
Centers for Research and Demonstration for Health Promotion and Disease Prevention	SU	93.135	853,703	116,212
Injury Prevention and Control Research and State and Community Based Programs	FDOH/ SU	93.136	2,542,758	1,240,643
Community Programs to Improve Minority Health Grant Program	SU	93.137	32,881	
AIDS Education and Training Centers	FDOH/ SU	93.145	2,336,880	744,499
Projects for Assistance in Transition from Homelessness	FDCFS/ SU	93.150	3,461,138	3,198,184
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	SU	93.153	1,844,272	689,758
Research Related to Deafness and Communication Disorders	SU	93.173	333,065	
Disabilities Prevention	SU	93.184	345,500	18,087
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	FDOH	93.197	959,718	
Surveillance of Hazardous Substance Emergency Events	FDOH	93.204	79,416	55,851
Family Planning - Services	FDOH	93.217	9,812,588	87,760
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	FDOH	93.224	9,279,646	
Consolidated Knowledge Development and Application Program	FDCFS	93.230	24,318	
Traumatic Brain Injury State Demonstration Grant Program	FDOH	93.234	100,000	100,000
Abstinence Education Program	FDOH	93.235	3,222,151	2,304,234
Grants for Dental Public Health Residency Training	SU	93.236	115,236	5,000
Policy Research and Evaluation Grants	SU	93.239	468,623	76,239
State Capacity Building	FDOH	93.240	491,849	
State Rural Hospital Flexibility Program	FDOH	93.241	616,284	
Mental Health Research Grants	SU	93.242	29,245	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	FDCFS/ SCC/ SU	93.243	7,121,054	2,513,248
Advanced Education Nursing Grant Program	SU	93.247	415,062	
Universal Newborn Hearing Screening	FDOH	93.251	313,685	12,700
Poison Control Stabilization and Enhancement Grants	SU	93.253	384,938	323,879
Rural Access to Emergency Devices Grant	FDOH	93.259	91,100	
Occupational Safety and Health Program	SU	93.262	626,792	13,653
Nurse Faculty Loan Program	SU	93.264	234,377	
Immunization Grants ((1))	FDOH	93.268	162,436,614	415,037
Alcohol National Research Service Awards for Research Training	SU	93.272	19,978	
Substance Abuse and Mental Health Services-Access to Recovery	FDCFS/ SU	93.275	3,141,956	31,825
Drug Abuse and Addiction Research Programs	SU	93.279	102,876	
Mental Health Research Career/Scientist Development Awards	SU	93.281	68,884	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	FDACS/ FDOH/ FFWCC/ SU	93.283	22,093,154	2,553,788
Small Rural Hospital Improvement Grant Program	FDOH	93.301	143,924	
Minority Health and Health Disparities Research	SU	93.307	621,739	
Advanced Education Nursing Traineeships	SU	93.358	345,302	
Nurse Education, Practice and Retention Grants	SCC/ SU	93.359	716,842	
Nursing Research	SU	93.361	415,299	62,885
National Center for Research Resources	SU	93.389	3,032,308	
Cancer Research Manpower	SU	93.398	564,145	
Cancer Control	SU	93.399	64,539	
Food Safety and Security Monitoring Project	FDACS	93.448	535,207	
Ruminant Feed Ban Support Project	FDACS	93.449	230,485	
Promoting Safe and Stable Families	FDCFS/ SU	93.556	18,264,392	17,414,275
Temporary Assistance for Needy Families	FAWI/ FDCFS/ FDLE/ FDMA/ FDOE/ FDOH/ SU	93.558	473,491,859	329,528,503
Child Support Enforcement	Courts/ FDOR/ JAC	93.563	219,122,674	24,520,753
Refugee and Entrant Assistance - State Administered Programs	FAHCA/ FDCFS/ FDOH/ SCC/ SU	93.566	81,526,597	19,085,904
Low-Income Home Energy Assistance	FDCA/ FDOEA	93.568	32,460,968	31,600,989
Community Services Block Grant	FDCA/ SU	93.569	18,667,795	18,405,814
Community Services Block Grant - Discretionary Awards	SU	93.570	44,231	
Refugee and Entrant Assistance - Discretionary Grants	FDCFS/ FDOE/ FDOH/ SCC/ SU	93.576	15,488,829	13,442,163
U.S. Repatriation	FDCFS	93.579	7,538	
Refugee and Entrant Assistance - Targeted Assistance Grants	FDCFS	93.584	12,862,909	12,751,593
State Court Improvement Program	Courts	93.586	1,454,332	
Community-Based Child Abuse Prevention Grants	FDCFS	93.590	1,471,727	648,153
Grants to States for Access and Visitation Programs	FDCFS	93.597	472,042	471,461
Chafee Education and Training Vouchers Program	FDCFS	93.599	1,878,260	1,878,260
Head Start	SU	93.600	1,632,049	208,200
Voting Access for Individuals with Disabilities - Grants to States	FDOS	93.617	315,133	315,133
Developmental Disabilities Basic Support and Advocacy Grants	SU	93.630	358,233	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	SU	93.632	543,905	
Childrens Justice Grants to States	FDCFS/ FDLE/ JAC/ SU	93.643	1,585,587	286,381
Child Welfare Services - State Grants	FDCFS/ SU	93.645	15,114,846	9,816,200
Foster Care - Title IV-E	FDCFS/ FDJJ/ SU	93.658	160,835,480	131,876,857
Adoption Assistance	FDCFS/ SU	93.659	69,878,000	64,737,278
Social Services Block Grant	FAHCA/ FAPD/ FAWI/ FDCFS/ FDJJ/ FDOEA/ FDOH	93.667	185,710,783	49,356,262
Child Abuse and Neglect State Grants	FDCFS	93.669	1,373,522	1,372,712
Family Violence Prevention and Services/Grants for Battered Womens Shelters - Grants to States and Indian Tribes	FDCFS	93.671	3,474,846	3,389,935
Chafee Foster Care Independence Program	FDCFS	93.674	6,074,897	6,055,863

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
State Childrens Insurance Program	FAHCA/ FDCFS/ FDOH/ SU	93.767	312,196,808	197,415,668
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	FAPD	93.768	513,274	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	FAPD/ FDOEA/ SU	93.779	2,476,299	1,012,212
Medicaid Transformation Grants	FAHCA	93.793	1,046,160	
Heart and Vascular Diseases Research	SU	93.837	243,416	
Lung Diseases Research	SU	93.838	64,977	
Blood Diseases and Resources Research	SU	93.839	7,570	
Arthritis, Musculoskeletal and Skin Diseases Research	SU	93.846	205,339	
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	155,247	
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	179,815	
Allergy, Immunology and Transplantation Research	SU	93.855	78,777	
Biomedical Research and Research Training	SCC/ SU	93.859	591,082	
Child Health and Human Development Extramural Research	SCC/ SU	93.865	597,692	
Aging Research	SU	93.866	385,394	
Vision Research	SU	93.867	175,901	
Grants for Training in Primary Care Medicine and Dentistry	SU	93.884	674	
Health Care and Other Facilities	SCC/ SU	93.887	3,441,591	
National Bioterrorism Hospital Preparedness Program	FDOH/ SU	93.889	20,586,807	425,833
Grants to States for Operation of Offices of Rural Health	FDOH	93.913	143,231	72,000
HIV Care Formula Grants	FDOH/ SU	93.917	120,595,585	16,444,180
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	FDOH/ SU	93.918	3,243,394	257,225
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	FDOH	93.919	4,417,030	2,521,699
Healthy Start Initiative	FDOH/ SU	93.926	2,378,472	197,131
Native Hawaiian Health Systems	SU	93.932	141,799	70,000
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	FDOE/ FDOH/ SU	93.938	601,348	
HIV Prevention Activities - Health Department Based	FDOC/ FDOH/ SU	93.940	22,305,109	5,576,384
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome and Human Immunodeficiency Virus Infection in Selected Population Groups	FDOH/ SU	93.943	237,461	
Human Immunodeficiency Virus/Acquired Immunodeficiency Virus Syndrome Surveillance	FDOH	93.944	4,384,575	41,202
Assistance Programs for Chronic Disease Prevention and Control	FDOH	93.945	5,597	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	FDOH	93.946	113,679	
Block Grants for Community Mental Health Services	FDCFS	93.958	24,756,657	24,149,953
Block Grants for Prevention and Treatment of Substance Abuse	FDCFS/ FDOH/ SU	93.959	94,664,503	89,765,773
Public Health Traineeships	SU	93.964	46,926	
Geriatric Education Centers	SU	93.969	260,682	59,081
Preventive Health Services - Sexually Transmitted Diseases Control Grants	FDOH	93.977	4,423,884	6,406
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	FDOH/ SU	93.978	537,990	
Mental Health Disaster Assistance and Emergency Mental Health	FDCFS	93.982	816,231	505,632
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	FDOH/ SU	93.988	600,720	
International Research and Research Training	SU	93.989	143,009	
Preventive Health and Health Services Block Grant	FDOH	93.991	3,572,966	232,643
Maternal and Child Health Services Block Grant to the States	FDOH	93.994	22,300,076	11,197,126
Other Federal Awards	FFWCC/ SU	93.999	1,027,438	
Subtotal - Direct Programs - Not Clustered			$2,279,834,210	$1,114,574,414
Indirect Programs - Clustered				

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
CCDF - Child Care Cluster:				
Child Care and Development Block Grant	FDOH/ SU	93.575	490,583	
Medicaid Cluster:				
Medical Assistance Program	FDOH/ SU	93.778	1,289,889	29,662
Research & Development Cluster:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	SU	93.104	360,102	
Model State-Supported Area Health Education Centers	SU	93.107	341	
Maternal and Child Health Federal Consolidated Programs	SU	93.110	43,071	
Environmental Health	SU	93.113	34,469	
Oral Diseases and Disorders Research	SU	93.121	497,267	
Community Programs to Improve Minority Health Grant Program	SU	93.137	28,995	
Rural Health Research Centers	SU	93.155	25,786	
Centers of Excellence	SU	93.157	1,500	
Human Genome Research	SU	93.172	262,245	
Research Related to Deafness and Communication Disorders	SU	93.173	75,786	
Allied Health Special Projects	SU	93.191	17,978	
Research and Training in Complementary and Alternative Medicine	SU	93.213	4,857	
Research on Healthcare Costs, Quality and Outcomes	SU	93.226	83,137	
National Center on Sleep Disorders Research	SU	93.233	50,039	
Policy Research and Evaluation Grants	SU	93.239	1,579	
Mental Health Research Grants	SU	93.242	749,585	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SU	93.243	100,800	
Alcohol Research Programs	SU	93.273	55,104	
Drug Abuse and Addiction Research Programs	SU	93.279	112,465	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	SU	93.283	308,249	
Discovery and Applied Research for Technological Innovations to Improve Human Health	SU	93.286	161,535	
Nursing Research	SU	93.361	52,217	
National Center for Research Resources	SU	93.389	251,182	
Cancer Cause and Prevention Research	SU	93.393	106,659	
Cancer Detection and Diagnosis Research	SU	93.394	111,368	
Cancer Treatment Research	SU	93.395	506,239	3,156
Cancer Centers Support Grants	SU	93.397	90,680	
Cancer Research Manpower	SU	93.398	2	
Cancer Control	SU	93.399	75,616	
Early Learning Fund	SU	93.577	30,206	
Developmental Disabilities Basic Support and Advocacy Grants	SU	93.630	4,940	
Heart and Vascular Diseases Research	SU	93.837	55,028	
Lung Diseases Research	SU	93.838	219,110	
Blood Diseases and Resources Research	SU	93.839	324,961	
Arthritis, Musculoskeletal and Skin Diseases Research	SU	93.846	413,415	
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	318,802	
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	748,739	
Allergy, Immunology and Transplantation Research	SU	93.855	632,050	
Microbiology and Infectious Diseases Research	SU	93.856	285,835	
Biomedical Research and Research Training	SU	93.859	596,461	
Child Health and Human Development Extramural Research	SU	93.865	1,364,100	
Aging Research	SU	93.866	466,384	
Vision Research	SU	93.867	206,223	102,331
Preventive Health and Health Services Block Grant	SU	93.991	91	
Other Federal Awards	SU	93.999	511,871	
Student Financial Aid Cluster:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	SU	93.342	27,511	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Subtotal - Indirect Programs - Clustered			$12,155,052	$135,149
Indirect Programs - Not Clustered				
Medical Reserve Corps Small Grant Program	FDOH	93.008	5,000	
Community-Based Abstinence Education	FDOH	93.010	32,625	
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	SU	93.043	28,236	
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	SU	93.048	11,224	
National Family Caregiver Support	SU	93.052	110,323	
Healthy Marriage Promotion and Responsible Fatherhood Grants	SU	93.086	46,804	
Health Disparities in Minority Health	FDOH	93.100	102,213	
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	FDOH/ SU	93.104	764,800	
Model State-Supported Area Health Education Centers	SU	93.107	96	
Maternal and Child Health Federal Consolidated Programs	SU	93.110	26,326	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	FDOH	93.135	12,698	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	SU	93.153	476,003	43,615
Nursing Workforce Diversity	SCC	93.178	53,216	
Health Education and Training Centers	SU	93.189	204	
Allied Health Special Projects	SU	93.191	211	
Research on Healthcare Costs, Quality and Outcomes	SU	93.226	1,701	
Consolidated Knowledge Development and Application Program	SU	93.230	23,204	
Mental Health Research Grants	SU	93.242	33,069	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SU	93.243	497,814	
Occupational Safety and Health Program	SU	93.262	5,661	
Drug Abuse and Addiction Research Programs	SU	93.279	864,215	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	SU	93.283	14,323	
Discovery and Applied Research for Technological Innovations to Improve Human Health	SU	93.286	33,345	
Nursing Research	FDOH	93.361	43,019	
Cancer Detection and Diagnosis Research	SU	93.394	3,054	
Cancer Treatment Research	SU	93.395	48,121	
Cancer Biology Research	SU	93.396	12,477	
Temporary Assistance for Needy Families	FDOH/ SCC/ SU	93.558	1,691,665	
Refugee and Entrant Assistance - State Administered Programs	SU	93.566	5,803	
Community Services Block Grant - Discretionary Awards	SU	93.570	12,575	
Early Learning Fund	SCC	93.577	848	
Community-Based Child Abuse Prevention Grants	SU	93.590	153,026	
Head Start	SCC/ SU	93.600	140,954	
Developmental Disabilities Basic Support and Advocacy Grants	SCC/ SU	93.630	6,217	3,840
Child Welfare Services Training Grants	SU	93.648	125,534	
Adoption Opportunities	SU	93.652	91,360	
Foster Care - Title IV-E	SU	93.658	1,008,927	
Child Abuse and Neglect Discretionary Activities	FDCFS	93.670	138,667	
State Childrens Insurance Program	FDOH/ SU	93.767	49,420	
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	2,173	
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	1,674	
Biomedical Research and Research Training	SCC	93.859	11,929	
Child Health and Human Development Extramural Research	SU	93.865	131,475	
Medical Library Assistance	SU	93.879	8,131	
HIV Emergency Relief Project Grants	FDOH	93.914	9,956,850	
HIV Care Formula Grants	FDOH	93.917	56,420	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	FDOH	93.918	218,512	
Healthy Start Initiative	FDOH/ SU	93.926	363,989	
HIV Prevention Activities - Health Department Based	FDOH/ SU	93.940	55,303	
Block Grants for Prevention and Treatment of Substance Abuse	SU	93.959	95,161	
Preventive Health and Health Services Block Grant	SU	93.991	26,812	
Maternal and Child Health Services Block Grant to the States	FDOH	93.994	1,395,941	
Bioterrorism Training and Curriculum Development Program	SCC	93.996	205,930	
Other Federal Awards	SCC/ SU	93.999	395,187	
Subtotal - Indirect Programs - Not Clustered			$19,600,465	$47,455
Subtotal - U. S. Department of Health and Human Services			$11,592,544,081	$1,598,335,014
U. S. Corporation for National and Community Service				
Direct Programs - Clustered				
Foster Grandparent/Senior Companion Cluster:				
Senior Companion Program	FDOEA	94.016	327,426	221,808
Subtotal - Direct Programs - Clustered			$327,426	$221,808
Direct Programs - Not Clustered				
Retired and Senior Volunteer Program	FEOG/ SCC	94.002	298,123	
State Commissions	FEOG	94.003	595,853	
Learn and Serve America - School and Community Based Programs	FDOE/ SCC/ SU	94.004	1,485,017	1,041,884
AmeriCorps	FEOG/ SCC	94.006	4,150,783	3,653,400
Planning and Program Development Grants	FEOG/ SCC	94.007	225,805	
Training and Technical Assistance	FEOG	94.009	226,777	
Volunteers in Service to America	FEOG/ SU	94.013	152,695	
Subtotal - Direct Programs - Not Clustered			$7,135,053	$4,695,284
Indirect Programs - Clustered				
Research & Development Cluster:				
AmeriCorps	SU	94.006	11,072	
Subtotal - Indirect Programs - Clustered			$11,072	
Indirect Programs - Not Clustered				
Learn and Serve America - School and Community Based Programs	SU	94.004	24,348	
AmeriCorps	FDEP/ FDOEA/ SU	94.006	752,603	81,211
Planning and Program Development Grants	SCC	94.007	16,573	
Volunteers in Service to America	SU	94.013	2,089	
Subtotal - Indirect Programs - Not Clustered			$795,613	$81,211
Subtotal - U. S. Corporation for National and Community Service			$8,269,164	$4,998,303
U. S. Social Security Administration				
Direct Programs - Clustered				
Disability Insurance/SSI Cluster:				
Social Security - Disability Insurance	FDLE/ FDOH	96.001	96,146,916	
Subtotal - Direct Programs - Clustered			$96,146,916	
Subtotal - U. S. Social Security Administration			$96,146,916	
U. S. Department of Homeland Security				
Direct Programs - Clustered				
Homeland Security Cluster:				
State Domestic Preparedness Equipment Support Program	FDACS/ FDCA/ FDFS/ FDLE/ FDMS/ SU	97.004	8,154,347	905,567
Homeland Security Grant Program	FDACS/ FDCA/ FDFS/ FDHSMV/ FDLE/ FDMS/ FDOE/ FDOH/ FFWCC/ SCC/ SU	97.067	50,373,505	31,168,562
Research & Development Cluster:				
Hazard Mitigation Grant	SU	97.039	60,197	

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Competitive Training Grants	SU	97.068	2,084,564	482,555
Other Federal Awards	SU	97.999	31,384	
Subtotal - Direct Programs - Clustered			$60,703,997	$32,556,684
Direct Programs - Not Clustered				
Homeland Security Preparedness Technical Assistance Program	SCC	97.007	262,246	
Urban Areas Security Initiative	FDCA	97.008	1,078,426	1,060,769
Boating Safety Financial Assistance	FFWCC	97.012	8,770,860	
Flood Mitigation Assistance	FDCA	97.029	3,192,140	2,933,265
Crisis Counseling	FDCA/ FDCFS	97.032	77,786	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FDACS/ FDCA/ FDEP/ FDHSMV/ FDMA/ FDOC/ FDOE/ FDOH/ FDOT/ FEOG/ FFWCC/ SCC/ SU	97.036	526,491,069	318,310,323
Hazard Mitigation Grant	FDACS/ FDCA/ FDOH/ SU	97.039	76,054,927	26,477,580
National Dam Safety Program	FDEP	97.041	24,187	
Emergency Management Performance Grants	FDCA	97.042	8,139,850	2,622,236
Fire Management Assistance Grant	FDCA/ FDOH/ FDOT	97.046	4,452,619	4,059,245
Pre-Disaster Mitigation	FDCA	97.047	240,714	240,714
Law Enforcement Terrorism Prevention Program	FDLE/ FDOT	97.074	4,851,662	1,473,236
Rail and Transit Security Grant Program	FDCA	97.075	1,957	1,957
Homeland Security Testing, Evaluation, and Demonstration of Technologies	FDOT	97.077	120,797	1,794,510
Buffer Zone Protection Plan	FDLE	97.078	1,239,158	1,239,158
Repetitive Flood Claims	FDCA	97.092	1,613,157	1,610,449
Other Federal Awards	FDCA/ FDLE	97.999	6,348,542	6,323,941
Subtotal - Direct Programs - Not Clustered			$642,960,097	$368,147,383
Indirect Programs - Clustered				
Homeland Security Cluster:				
Homeland Security Grant Program	FDOH/ SU	97.067	240,755	
Research & Development Cluster:				
Other Federal Awards	SU	97.999	16,363	
Subtotal - Indirect Programs - Clustered			$257,118	
Indirect Programs - Not Clustered				
Urban Areas Security Initiative	SU	97.008	43,182	
Subtotal - Indirect Programs - Not Clustered			$43,182	
Subtotal - U. S. Department of Homeland Security			$703,964,394	$400,704,067
U. S. Agency for International Development				
Direct Programs - Clustered				
Research & Development Cluster:				
USAID Foreign Assistance for Programs Overseas	SU	98.001	6,558,861	1,933,122
John Ogonowski Farmer-to-Farmer Program	SU	98.009	311,680	
Subtotal - Direct Programs - Clustered			$6,870,541	$1,933,122
Indirect Programs - Clustered				
Research & Development Cluster:				
USAID Foreign Assistance for Programs Overseas	SU	98.001	69,102	
Cooperative Development Program	SU	98.002	80,141	
John Ogonowski Farmer-to-Farmer Program	SU	98.009	196,658	
USAID Development Partnerships for University Cooperation and Development	SU	98.012	57,656	2,906
Subtotal - Indirect Programs - Clustered			$403,557	$2,906
Indirect Programs - Not Clustered				
USAID Foreign Assistance for Programs Overseas	SU	98.001	4,582	
Cooperative Development Program	SU	98.002	313,607	990

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2008

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008 EXPENDITURES	2007-2008 TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	SCC	98.999	617,431	
Subtotal - Indirect Programs - Not Clustered			$935,620	$990
Subtotal - U. S. Agency for International Development			$8,209,718	$1,937,018
Other Federal Grants				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	99.999	8,201	
Subtotal - Direct Programs - Clustered			$8,201	
Direct Programs - Not Clustered				
Other Federal Awards	SU	99.999	11,564	
Subtotal - Direct Programs - Not Clustered			$11,564	
Indirect Programs - Not Clustered				
Other Federal Awards	SCC	99.999	293,865	
Subtotal - Indirect Programs - Not Clustered			$293,865	
Subtotal - Other Federal Grants			$313,630	
Program Totals				
Direct Total Federal Awards Expenditures			**$24,428,227,283**	**$5,006,419,316**
Indirect Total Federal Awards Expenditures			**$77,416,389**	**$1,355,105**
Total Expenditures of Federal Awards			**$24,505,643,672**	**$5,007,774,421**

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

(1) These items include non-cash assistance.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2008

NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards has been prepared in accordance with the United States Office of Management and Budget (OMB) Circular A-133 and presents Federal awards expended by the State of Florida. The Single Audit Act Amendments of 1996 (Public Law 104-156) and the OMB Circular A-133 define Federal awards as Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. Federal financial assistance is defined as assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance.

The following summary of the State of Florida's significant accounting policies and related information is presented to assist the reader in interpreting the Schedule of Expenditures of Federal Awards and should be viewed as an integral part of the accompanying schedule.

- ***Reporting Entity***

The reporting entity for the purposes of the accompanying schedule is the State of Florida primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, including Volunteer Florida, commissions, boards of the Executive Branch, and various offices relating to the Judicial Branch), the State Universities (SU), and the State Community Colleges (SCC), exclusive of any component units of the State Universities and Community Colleges.

- ***Catalog of Federal Domestic Assistance***

The Catalog of Federal Domestic Assistance is a government-wide compendium of individual Federal programs. A five-digit program identification number (CFDA No.) is assigned to each program included in the catalog. Those programs that have not been assigned a CFDA number by the Federal Government and those programs for which CFDA numbers could not be identified are listed as CFDA No. XX.999 entitled "Other Federal Awards" and are on the accompanying schedule. Note 5 further identifies these awards by a required agency-specific identifier.

- ***Expenditures***

The column on the accompanying schedule captioned "2007-2008 Expenditures" includes amounts using different bases of accounting. The reporting entities also include transfers from other State agencies, universities, and community colleges in this column.

Amounts reported on the accompanying schedule consist of amounts expended from Federal programs by those entities determined in accordance with the accrual, modified accrual, and cash basis of accounting.

The State agencies reported expenditures in accordance with the modified accrual basis of accounting except for amounts for the Unemployment Insurance (UI) Program (CFDA No. 17.225) and the Federal Family Education Loans (FFEL) Program (CFDA No. 84.032). Expenditures for the UI Program and payments to lenders under the FFEL Program are reported using the accrual basis of accounting.

Expenditures reported for the majority of State Universities consist of amounts expended from Federal programs by the applicable institutions determined in accordance with the modified accrual and cash basis of accounting. Florida Atlantic University reported expenditures on the accrual basis of accounting.

Expenditures reported for the majority of State Community Colleges consist of amounts expended in accordance with the modified accrual and accrual basis of accounting. Gulf Coast Community College reported expenditures on the cash basis of accounting.

Appropriate adjustments have been made to the expenditures reported on the accompanying schedule to preclude reporting both the transfers of Federal awards pursuant to subrecipient relationships between the various State agencies, universities, and community colleges, and the subsequent expenditures.

- ***Transfers to Subrecipients Column***

The column on the accompanying schedule captioned "2007-2008 Transfers to Subrecipients" represents the amounts transferred by the State agencies, universities, and community colleges to subrecipients that are not included in the State's Schedule of Expenditures of Federal Awards. The amounts in this column are also included in the column captioned "2007-2008 Expenditures". Transfers between the State agencies, universities, and community colleges pursuant to subrecipient relationships are not included in this column.

- ***Administering Agency***

The agencies and institutions reported as the administering agencies on the accompanying schedule represent the entities that expended and/or administered the respective Federal awards programs.

- ***Noncash Assistance***

The State participates in several Federal awards programs in which noncash benefits are provided through the State to eligible program participants. The programs that report noncash benefits [e.g., Supplemental Nutrition Assistance Program (CFDA No. 10.551), School Breakfast Program (CFDA No. 10.553), School Lunch Program (CFDA No. 10.555), Nutrition Program for Women, Infants and Children (CFDA No. 10.557), Food Commodities (CFDA No. 10.569), Immunization Grants (CFDA No. 93.268), and Surplus Property (CFDA No. 39.003)] are identified on the accompanying schedule by a superscript (1) next to the applicable grantor/program. All programs identified with a superscript (1) report 100% of their expenditures as noncash benefits with the exception of Immunization Grants, (CFDA No. 93.268), School Breakfast Program (CFDA No. 10.553) and School Lunch Program (CFDA No. 10.555). The State distributed vaccine valued at $149 million during the fiscal year. The State distributed noncash benefits in the amount of $9,159 through the School Breakfast Program and $56,955,935 through the School Lunch Program. The State uses the Electronic Benefit Transfer system to issue Supplemental Nutrition Assistance Program – Food Stamp Benefits (CFDA No. 10.551) to eligible recipients.

NOTE 2. LOANS AND LOAN GUARANTEES

The State of Florida participates in several Federal loan programs in which funds are provided through the State to eligible program participants.

- ***Higher Education Loans***

The current year loan disbursements administered by the State Universities and State Community Colleges for the loan programs Federal Family Education Loans (CFDA No. 84.032) and Federal Direct Student Loans (CFDA No. 84.268) are $939,454,419 and $221,918,388, respectively. Florida State University (FSU) and University of Central Florida (UCF) both made or originated loans totaling $20,243,875 and $7,731,919, respectively, under the Federal Family Education Loans – Lender – Program (CFDA No. 84.032). All loans made as lenders under the Federal Family Education Loan – Lender – Program were sold prior to June 30, 2008. Additionally, the SU and SCC reported having a value of loans outstanding for programs Federal Perkins Loan Program – Federal Capital Contributions (CFDA No. 84.038), Nurse Faculty Loan Program (CFDA No. 93.264), Health Professions Student Loans - Including Primary Care Loans/Loans for Disadvantaged Students (CFDA No. 93.342), and Nursing Student Loans (CFDA No. 93.364) in the amounts of $93,013,123, $234,377, $5,091,785, and $88,210, respectively.

- ***State Infrastructure Bank (CFDA No. 20.205)***

The Federal State Infrastructure Bank (SIB) for the Highway Planning and Construction Program (CFDA No. 20.205) is an investment fund from which loans and other forms of credit assistance are provided for highway construction, transit capital, or other surface transportation projects. The Federal share (80 percent) of SIB disbursements made during the 2007-08 fiscal year totaled $30,415,508. This amount is included on the accompanying schedule with other expenditures from the Highway Planning and Construction Program. The balance of SIB loans outstanding at June 30, 2008, totaled $136,009,302.

- ***Capitalization Grants for Clean Water State Revolving Funds (CFDA No. 66.458)***

A revolving loan trust fund is used by the State to provide loans to eligible recipients for the construction of wastewater treatment facilities and implementation of other water quality management activities. The current year activity is shown on the accompanying schedule. The value of loans outstanding at June 30, 2008, totaled $1,468,055,691 of which $798,874,369 is pledged to the Florida Water Pollution Control Financing Corporation (Corporation). The Corporation was created pursuant to State law for the purpose of financing or refinancing water pollution control projects and other activities in the State. The Corporation issued debt obligations that were secured by loan repayments and related interest from loans pledged to it from the revolving loan trust fund accounts.

- ***Capitalization Grants for Drinking Water State Revolving Funds (CFDA No. 66.468)***

A revolving loan trust fund is used by the State to provide loans to eligible recipients for infrastructure improvements to drinking water systems and for other eligible activities. The current year activity is shown on the accompanying schedule and the value of loans outstanding at June 30, 2008, totaled $281,608,215.

- ***Federal Family Education Loans – Guaranty Agency (CFDA No. 84.032)***

Under the Federal Family Education Loans (FFEL) Program, the U.S. Department of Education guarantees the repayment of loans made to students by participating financial institutions. The Florida Department of Education is a guarantee agency for the FFEL Program (CFDA No. 84.032). During the 2007-08 fiscal year, payments made to lenders to cover student loans in default totaled $205,065,610 and the value of new net loan guarantees totaled $540,645,843 and are shown on one line of the accompanying schedule. The value of loan guarantees outstanding at June 30, 2008, totaled $4,110,805,234.

NOTE 3. UNEMPLOYMENT INSURANCE

The Unemployment Insurance (UI) Program (CFDA No. 17.225) is a unique Federal-State partnership, founded upon Federal law but implemented primarily through State law. Pursuant to this Program, unemployment benefits are paid to eligible unemployed workers for periods of involuntary unemployment. Benefits are paid from Federal funds and from State unemployment taxes that are deposited into the State's account in the Federal Unemployment Trust Fund (FUTF). The State's administrative expenditures incurred under this Program are funded by Federal grants. Expenditures reported on the accompanying schedule for the UI Program include those made from Federal funds of $110,283,745 and State funds of $1,446,428,885 disbursed during the 2007-08 fiscal year from the State's account in the FUTF.

Note 4. Pass-Through Awards

In accordance with OMB Circular A-133, Section .310(b)(2), the following identifies in detail the expenditures relating to Federal awards provided by pass-through entities to State agencies, universities, and community colleges. These amounts are included in the Schedule of Expenditures of Federal Awards under the amounts reported for indirect programs (clustered or not clustered) under the respective CFDA numbers:

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Office of National Drug Control Policy				
Jacksonville Sheriffs Office	I1PNFP507	FDLE	07.999	16,169
St. Johns County	I3PNFP501	FDLE	07.999	123,639
Total - Office of National Drug Control Policy				$139,808
U. S. Department of Agriculture				
Auburn University	2003-06169	SU	10.200	76
Florida Citrus Packer	N/A	SU	10.999	2,771
Florida Trail Association	N/A	SU	10.999	7,004
Floridas Great Northwest	N/A	SU	10.446	4,976
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	10.551	22,143
North Carolina State University	2005-1763-02	SU	10.200	5,000
North Carolina State University	2006-0457-37	SU	10.500	135,011
Pacific University	N/A	SU	10.206	19,926
Partners of America	EDH-A-00-3-00020-00	SU	10.443	11,185
Rutgers State University	USDA/RUTGERS STATE U	SU	10.200	999
South Carolina State University	04-443620-FCS-FSU-FL	SU	10.216	17,960
Southern United States Trade Association	SUSTA/EMO 01-03 flm, E06MXERT02mdc, E07MXMET01mdc	SCC	10.603	70,166
Texas A&M University	412020-00001	SU	10.025	35
University of Georgia	RD309-067/3500968	SU	10.200	4,000
University of Georgia	2003-47001-01583/ 2004-47001-01844/ 2005-47001-03184/ 2006-47001-03368/ 2007-47001-03776	SU	10.500	13,356
University of Hawaii Research Corporation	Z792686	SU	10.303	19,285
University of Missouri	C00006883-1	SU	10.217	2,982
University of Virgin Islands	2006-34135-16957	SU	10.200	17,029
Walton County Grants Deparment	M0215/M8003	SCC	10.561	93,518
Total - U. S. Department of Agriculture				$447,422
U. S. Department of Commerce				
Clemson University	SC94775582272004113	SU	11.113	86
Consortium for Ocean Research & Education	Check #: 6241/ Ck. #7333	SU	11.481	13,038
Earth and Space Research	07-80 07-134/ P.O. 06-73 03-104	SU	11.473	27,945
Florida Sea Grant	SUBUF 08021	SU	11.417	3,800
Gulf of Mexico Fishery Management Council	NAO6NMF4410082	FFWCC	11.441	106,250
Gulf of Mexico Foundation	4002/ 5003	FDEP	11.463	50,400
Gulf States Marine Fisheries Commission	BULLFISH-2005-12	SU	11.454	74,473
Louisiana State University	10546	SU	11.478	46,582
Mississippi State University	191001-363558-01	SU	11.432	497,217
Mote Marine Laboratory	MML-186321	SU	11.478	115,271
National Fish and Wildlife Foundation	2005-0003-018	SU	11.436	40,204
National Fish and Wildlife Foundation	2006-0103-001/ 2006-0104008/ FAF-4070	FDEP	11.463	20,202
National Fish and Wildlife Foundation	2006-0103-001/ 2006-0104008/ FAF-4070	SU	11.463	113,044
National Fish and Wildlife Foundation	2006-0087-004	FFWCC	11.481	24,673
National Fish and Wildlife Foundation	2006-0001-009, 2006-0093-007, 2007-0083-023,	FFWCC	11.999	27,182
National Marine Sanctuary Foundation	Check #5880	SU	11.429	23,361
National Science Foundation	NSU 331038	SU	11.460	12,921
Nature Conservation Global Marine Institute	1981483943-0001	FFWCC	11.463	105,841
Nature Conservation Global Marine Institute	NA05NMF4741087	FFWCC	11.474	79,641

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
South Atlantic Fishery Management Council	02-07020/ SA (06-08) 12/ SA-07/09-14/ SA-07-08-13	FFWCC	11.441	141,059
South Carolina Sea Grant Consortium	Agreement S355/ N/A	FFWCC	11.417	13,867
South Carolina Sea Grant Consortium	Agreement S355/ N/A	SU	11.417	34,638
Texas A&M Research Foundation	N/A	SU	11.473	5,845
The Nature Conservancy	FCO-070706	SU	11.419	9,547
The Nature Conservancy	FLIRLUCF110107	SU	11.463	3,539
The Nature Conservancy	NA04NMF4630233	SU	11.999	13,340
University Corporation for ATM	S04-44696/ S06-58381/ S07-66809	SU	11.467	46,553
University of Georgia	RE676-224/9036277	SU	11.417	3
University of Hawaii	NOAA#NA 17RJ 1230/PO Z748818	SU	11.432	10,510
University of Maryland	CA0203	SU	11.417	592
University of Maryland	CA 02-14/07525464373/ CA 07-13	SU	11.473	98,684
University of Maryland	S131073	SU	11.999	18,319
University of Miami	P773464	SU	11.432	34,740
University of Michigan	3000829521/ 3000953143/ Contract	SU	11.432	22,093
University of New Hampshire	06-033/ 07-092	SU	11.419	211,539
University of New Hampshire	P7URM48	SU	11.426	1,566
University of North Carolina	2007-13 A/B/ 2007-14	SU	11.430	23,921
University of North Carolina	UNC#: 515180-08-02	SU	11.473	15,469
University of North Carolina	507440-06-01-FLEWELLING	FFWCC	11.478	1,213,032
University of Puerto Rico	R-USOF-10-07	SU	11.430	20,309
University of Puerto Rico	NA05NOS4261159	SU	11.440	674
University of Southern Mississippi	USM-GR02903-001/ USM-GR02903-002	SU	11.432	43,756
University of Tennessee	OR8634-001.01	SU	11.417	4,945
University of Wisconsin	G073242	SU	11.440	61,733
Woods Hole Oceanographic Institute	A100386	SU	11.431	85,295
Total - U. S. Department of Commerce				$3,517,699
U. S. Department of Defense				
Academy of Applied Sciences	05-81/ 06-12/ 07-55	SU	12.431	3,434
Academy of Applied Sciences	07-51/ 07-52/ 08-01/ 08-02	SU	12.999	9,973
Alakai Consulting & Engineering, Inc.	N/A	SU	12.116	19,690
AlionScience and TechnologyY/M	800505910/TO#59/ 800506610/SUB1183658/ CON1181072/ SUB1183690/ SUB1183958SH / TO#1	SU	12.999	521,568
American Superconductor	037339-00/ 41343-00/ 41751-00	SU	12.999	228,838
Anteon Corporation	F33601-03-F-0060	SU	12.800	13,239
Apecor	AIR FORCE PHASE II	SU	12.800	5,701
Aptima, Inc.	4291357	SU	12.999	10,000
Blackbird Technologies, Inc.	Project Order #1/ Project Order #2	SU	12.630	7,639
Boeing Company	118219/ 1662694/ 176936/ 902105/ 902106/ 902107/ N00019-03-D-0004	SU	12.800	363,728
Boeing Company	208493	SU	12.999	6,680
Boulder Nonlinear Systems, Inc.	N61339-05-C-0144	SU	12.999	19,787
Caci Technology Inc.	C07-073899	SU	12.999	14,356
Caracal, Inc.	N/A	SU	12.300	57,162
Ch2m Hill	6137/ 907378	SU	12.300	5,279
ChemImage Corporation	TSR-SHIELD PHASE-II	SU	12.114	10,856
CHI Systems, Inc.	CHI-06022-001	SU	12.999	86,159
Clemson University	96975582012005000	SU	12.431	345,709
Combustion Research & Flow Technology, Inc.	07-C-3710.004/C297	SU	12.999	38,380
Constellation Technology Corporation	F3-0262	SU	12.300	21,530
Cornell University	482238003	SU	12.431	5,923
Custom Manufacturing & Engineering, Inc.	P13460/ P15853	SU	12.300	111,521
Design Interactive, Inc.	TEE-FAST	SU	12.999	21,000
Du Pont Merck Pharmaceutical Corporation	LOTF-69708	SU	12.910	1,560
E I Du Pont De Nemours and Company	LOX484610	SU	12.910	64,569
Eclipse Energy Systems	20040135	SU	12.300	1,457
Edgewood Chemical Biological Center	W911SR-07-C-0099	SU	12.999	263,986
Elizabeth City State University	W912HN-07-C-0034	SU	12.999	767
Emory University	526650G2	SU	12.999	90,689
Etrema Products, Inc.	05CO165	SU	12.999	47,645

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Florida Institute of Technology	DACW42-03-C-0003/P0-/ PO028456	SU	12.300	5,575
Fractal Systems, Inc.	N/A	SU	12.910	51,920
Garrett College	N/A	SU	12.999	4,303
GCS Systems, Inc.	SBIR PHASE I TASKING	SU	12.999	26,000
General Dynamics	DAAD19-01-2-0012	SU	12.300	623,620
General Technical Services	06-1-415/ 07-1-485	SU	12.999	45,018
George Mason University	N00244-08-2-0002	SU	12.999	3,387
Georgia Institute of Technology	G33B45G1/ R7473G1	SU	12.300	132,484
Georgia Institute of Technology	E-21-6RT-6	SU	12.431	24,693
H Lee Moffitt Cancer Center	12-14328-99-01-S1/ W81XWH-06-1-0295	SU	12.420	7,169
Harris Corporation	6823831	SU	12.910	23,108
Harris Corporation	5819851/6823831	SU	12.999	215,954
Hyper Tech Research, Inc.	1030621	SU	12.999	15
Intelligent Automation, Inc.	3551	SU	12.910	496
Intelligent Automation, Inc.	499-1/ 5991	SU	12.999	28,248
Jacobs Engineering Group	35-CV58-00-T05-0003	SU	12.800	12,047
Johns Hopkins University	2000056589/ 2000056592/ 2000056596/ 2000056661/ 2000061356/ 8611-16548-X/ N00014-06-1-0991/ SUBAWARD 2000310200	SU	12.300	381,692
Junior Engineering Technology	N/A	SU	12.431	22,440
JXT Applications, Inc.	JXT-06-S-1001	SU	12.999	143,669
Kent Ootronics, Inc.	HQ0006-05-C-7265	SU	12.999	65,605
Kent State University	444286P061715	SU	12.800	30,270
Laser Fare Advanced Technology Group	25845/HD123/F2960103	SU	12.910	27,734
LGS Innovations, LLC	GS1208061	SU	12.999	57,599
Light Processing & Technology	N00014-03-C-0474	SU	12.910	24,233
Lockheed Martin Advanced Technologies	8100001649	SU	12.999	1,903
Marstel Day	FA6648-06-C-0003	SU	12.800	1,187
Microanalysis and Design, Inc.	DAAD190120009	SU	12.431	108,843
Microanalysis and Design, Inc.	800506510/0065/ DAAD19-01-2-0009	SU	12.999	661,268
Microcontinuum, Inc.	W31P4Q-04-C-R365	SU	12.910	7,981
MTC Technologies, Inc.	S12007FS38	SU	12.999	126,481
MWH Americas, Inc.	DOS-84692-OF/ FA8901-05-C-0012/ MP-ANO DOS-84692-OF	SU	12.800	81,766
Nantero, Inc.	N/A	SU	12.910	28,535
National Composite Center	05-S568-15-C1/ NCC 2956	SU	12.999	268,921
Northrop Grumman Corporation	8200076269/ PO 8200083877	SU	12.910	51,997
Ohio State University	RF01065213	SU	12.800	108,971
Optigrate	FA9451-07-C-0199	SU	12.800	15,342
Pennsylvania State University	0275-SC-0145/ G011SA0146	SU	12.300	82,977
Pennsylvania State University	DTRA 01-03-D-0010	SU	12.910	3,461
Pennsylvania State University	S03-36: DTRA0001	SU	12.999	537
Percep Technology	W34P1Q05CR026	SU	12.910	66,263
Praxis, Inc.	PO20080004	SU	12.999	14,908
Prentice Thomas & Associates Inc.	220317	SU	12.999	12,566
Purdue University	4104-18066	SU	12.800	54,390
Raytheon Company	N/A	SU	12.300	8,570
RINI Technologies, Inc.	82475	SU	12.910	173
Rockwell Scientific	B3U506471	SU	12.300	51,431
SAIC	4400137548	SU	12.999	40,389
Science Applications International Corporation	4400150544	SU	12.999	8,790
Scientific Systems Company, Inc.	1423-1	SU	12.800	15,448
Sciperio, Inc.	01049-UCF	SU	12.800	23,357
Sdfotonics, LLC	FA8750-07-C-0172	SU	12.800	63,040
Soar Technology, Inc.	10124.01	SU	12.999	18,813
Sonalysts, Inc.	05JMM0597	SU	12.999	163
Sporian Microsystem	200615	SU	12.300	12,488
SRI International	61-003002	SU	12.300	15,079
Stanford Research Institute	68-000055	SU	12.999	313,142
SVT Associates	70319884	SU	12.999	18,684
TASC, Inc.	UKC22574MO04	SU	12.910	6,425
Team Taclan	TACLAN-USF-07-16	SU	12.999	353,623
Tetra Technology	FA8901-06-C-0004	SU	12.800	16,619

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Texas A&M Research Foundation	S060022	SU	12.800	116,594
Tuskegee University	30-21530-054-62112	SU	12.300	44,353
Universal Technology Corporation	08-S587-015-01-C1	SU	12.800	12,664
Universal Technology Corporation	06-S530-0037-02-C6	SU	12.999	43,683
University of Alabama	016	SU	12.420	241
University of California	SA447132446	SU	12.999	7,882
University of Colorado	SPO31608	SU	12.300	153,290
University of Massachusetts	6081532/RFS800018	SU	12.420	22,773
University of Miami	66057G/ N00014-06-1-0931/ P768732/ P793774	SU	12.300	168,022
University of Miami	M109449	SU	12.420	32,396
University of Minnesota	DAAD19-01-2-0014	SU	12.431	1,685
University of Mississippi	UM 08-01-064	SU	12.420	1,563
University of Nevada Las Vegas	05-655K-0000	SU	12.431	11,614
University of New Hampshire	4897	SU	12.300	216
University of New Orleans	06-692-S1	SU	12.910	4,492
University of North Carolina	3-12110-10	SU	12.300	203,755
University of Technology Corporation	F33615-03-D-5204/ FA8650-04-C-5711	SU	12.800	181
University of Texas	W911NF-07-1-0283	SU	12.431	6,858
Vanderbilt University	18131-S2	SU	12.800	182,080
Virginia Tech	CR-19030-430132	SU	12.300	24,799
Virtual Reality Medical Center	N61339-07-C-0035	SU	12.999	8,635
Windermere Information Technology System	PO 0702N-0406	SU	12.630	20,629
Woolpert, Inc.	C-05-030 DO #0003	SU	12.999	501
WYLE Laboratories	19041.OD.33-209-S	SU	12.999	26,794
Yobotics, Inc.	DAAE07-03-C-L070	SU	12.630	18,969
Total - U. S. Department of Defense				$8,135,304
U. S. Department of Housing and Urban Development				
ABT Associates, Inc.	20056	SU	14.875	24,799
City of Tampa	N/A	SU	14.218	42,275
Hillsborough County Board of County Commissioners	DPAH07952006/ DPAH08952032	SU	14.218	84,995
Manufacture Housing Research	023305/PTM5	SU	14.171	2,021
Miami Dade County	80036	FDOH	14.218	378,109
Total - U. S. Department of Housing and Urban Development				$532,199
U. S. Department of the Interior				
Architecture Technology Corporation	F01-004-01	SU	15.812	2,180
Continental Shelf Associates, Inc.	CSA Job #2093	SU	15.423	34,529
Florida Institute of Technology	P0034496	FFWCC	15.634	2,220,387
National Fish and Wildlife Foundation	2005-0281-000	SU	15.608	8,519
National Geographic Society	8328-07	SU	15.999	10,001
Tampa Bay Estuary Program	PO 6334	SU	15.810	10,682
University of Miami	P790177/ P798677	SU	15.999	60,260
Watereuse Foundation	WRF-04-012	SU	15.504	12,873
Total - U. S. Department of the Interior				$2,359,431
U. S. Department of Justice				
ABT Associates, Inc.	14480	SU	16.560	20,995
Bay Area Legal Services	N/A	SU	16.560	5,609
Brevard County Sheriff	2007-CK-WX-0233	JAC	16.609	66,613
Hillsborough County	08052015	SU	16.726	14,410
Hillsborough County	2006-DJ-BX-0495	JAC	16.738	149,730
Hillsborough County Board of County Commissioners	DPCL08052009	SU	16.738	71,392
Hillsborough County Board of County Commissioners	P.O.-DPCL07052026	SU	16.745	19,922
Miami-Dade Juvenile Assessment Center	2002-RG-CX-0011	SU	16.999	24,745
Orange County Sheriffs Department	311 MOU	SU	16.999	33,414
Palm Beach County	2008-JACG-PALM-7-P3-141	JAC	16.738	89,518
Palm Beach County	2007-DJ-BX-1153	JAC	16.999	200,000
Panhandle Area Educational Consortium	7828011	SU	16.540	17,160
Police Executive Research Forum	N/A	SU	16.734	4,987
Thurston Group	No Award # assigned	SU	16.200	38,515
Urban Institute	07895-000-00-FSU-01	SU	16.560	25,328
Urban Institute	08161-000-00-FSU-01	SU	16.999	6,876

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Weed & Seed of St. Lucie County, Florida	2006-WS-Q6-0226	SCC	16.595	31,000
Total - U. S. Department of Justice				$820,214
U. S. Department of Labor				
Alachua/Bradford Regional Workforce	SFCC Construct:06-07	SCC	17.259	46,972
First Coast Workforce Development	N/A	SCC	17.259	136,684
Floridas Great Northwest	N/A	SU	17.261	18,683
Greater Northwest Florida	N/A	SCC	17.261	93,076
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	17.207	14,468
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	17.225	103,082
Gulf Coast Workforce Development Board, Inc.	08-A-GC	SCC	17.258	345,565
Gulf Coast Workforce Development Board, Inc.	08-Y-GC	SCC	17.259	137,220
Gulf Coast Workforce Development Board, Inc.	08-DW-GC	SCC	17.260	54,371
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	17.999	78,550
Heartland Workforce	N/A	SCC	17.259	262,653
Hospital Corporation of America, Inc.	AN-13980-04-60	SCC	17.260	108,441
Ohio Board of Regents	HG157670606	SCC	17.261	45,594
Okaloosa County School Board	PO 70004702	SU	17.261	7,008
Southwest Florida Workforce Development Board	#06 WIA09	SU	17.260	15,789
Workforce Alliance, Inc.	WDB04-1280/ WDB04-1281	SCC	17.260	1,142
Workforce Alliance, Inc.	WDB04-1280/ WDB04-1281	SU	17.260	135,561
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.207	3,553
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WT-2007-2008-01	SCC	17.225	190,636
Workforce Escarosa, Inc.	WIA-2006-2007-01/ WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.258	308,131
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WIA-2007-2008-02	SCC	17.259	3,095
Workforce Escarosa, Inc.	220700/ WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.260	83,344
Workforce Escarosa, Inc.	220700/ WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SU	17.260	6,617
Workforce Escarosa, Inc.	WIA-2007-2008-01	SCC	17.801	5,325
Workforce Escarosa, Inc.	WIA-2007-2008-01	SCC	17.804	3,688
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.807	269
Workforce Escarosa, Inc.	WIA - 2006-2008-01	SU	17.999	198
Workforce Florida	07/0842B/ N/A	SCC	17.258	263,677
Workforce One	2007-2008-UP-15280	SU	17.258	37,902
Workforce One	2003-04-CR-WIA-WTP-2610-IBT/OJT	SCC	17.260	193,538
Workforce Plus	N/A	SU	17.258	12,669
WorkNet Pinellas	N/A	SCC	17.207	9,318
WorkNet Pinellas	N/A	SCC	17.225	79,221
WorkNet Pinellas	N/A	SCC	17.258	9,054
WorkNet Pinellas	N/A	SCC	17.259	3,772
WorkNet Pinellas	N/A	SCC	17.260	37,724
Total - U. S. Department of Labor				$2,856,590
U. S. Department of State				
City of Miami	MOU	FDLE	19.999	58,585
Educational Development Center	14-5132	SU	19.999	221,726
Georgetown University	AEG-A-00-05-00007-00	SCC	19.418	39,414
Institute of International Education	N/A	SCC	19.418	135,006
Institute of International Education	N/A	SU	19.999	18,607
International Research	N/A	SU	19.999	4,749
Total - U. S. Department of State				$478,087
U. S. Department of Transportation				
Aecom Consult, Inc.	Letter Agreement	SU	20.514	18
Battelle Memorial Institute	Subcontract 216691	SU	20.514	9,323
City of Key West	PO 045970	SU	20.514	683
Community Trans Assoc of America	N/A	SU	20.200	58,884
Embry-Riddle Aeroneuatical University	PO 123895	SU	20.108	34,881
Hennepin Corporation Minnesota Community Works	A020089	SU	20.515	4,341
Kittelson & Associates	TCRP G-11 #8645	SU	20.514	17,833

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
LDA Consulting	Agt dated 10/10/06	SU	20.514	9,257
Lynx Central Florida Regional Transport	PO #0701215	SU	20.514	2,462
Miami-Dade Transit Authority	2005-5/ WO 2005-4	SU	20.507	16,450
Pinellas City Metropolitan Planning Organization	Res. Agt. of 10/9/06	SU	20.205	2,697
Professional Services Industries	DTFH61-04-C-00029	SU	20.200	42,329
South Florida Regional Transportation Authority	FL-90X372-07	FDOT	20.500	3,695,536
Susquehanna Regional Transportation Partnership, Inc.	04242007	SU	20.999	16,248
Tindale-Oliver & Associates, Inc.	C-8L87 - W/O #7/ Work Order #25	SU	20.514	52,823
Transportation Research Board	NCHRP-128	SU	20.205	28,158
Transportation Research Board	TRANSIT-52	SU	20.514	8,654
Tulane University	Subaward #50037	SU	20.701	30,595
University of Oklahoma	2007-16	SU	20.999	217,724
University of Tennessee	07-USF-R-3/ DTRS-99-G-0004/ Task Order No. E1	SU	20.514	43,410
University of Tennessee	102392	SU	20.761	23,923
Urbitran Associates, Inc.	DOT-5423-099	SU	20.205	93
URS Corporation	664883/ 676247	SU	20.205	22,502
Vanus, Inc.	C-8M31/ C-8M31 W/O # 3/ Task Work Order # 16/ Task Work Order 18/ Task Work Order 19	SU	20.514	44,767
Total - U. S. Department of Transportation				$4,383,591
Library of Congress				
Emory University	5-29915-C2	SU	42.999	56,856
Total - Library of Congress				$56,856
National Aeronautics and Space Administration				
Analex	7002	SU	43.999	7,863
Applied Sensor Research And Development	NNK06OM24C	SU	43.002	6,857
ASRC Aerospace Corporation	N/A/ UCFFY04/Lines9&10	SU	43.002	1,154
ASRC Aerospace Corporation	KS50395/ KS50396/ UCFFY04/ UCF-FY-04/ UCFFY04 LINE 36	SU	43.999	553,824
Boeing Company	AE91-B130-WTS-L08001	SU	43.001	41,139
California Institute of Technology Jet Propulsion Lab	1274020/ CIT 1264530	SU	43.999	83,784
California Institute of Technology	CIT 1264148	SU	43.999	4,235
California Space Grant Foundation	CSGF 002-034-02	SU	43.999	15,000
Cornell University	46834-8111	SU	43.002	31,290
Florida Space Grant Consortium	B07484/ D06861	SU	43.001	434
Florida Space Grant Consortium	UCF01-0000029716	SU	43.002	8,632
Florida Space Research Institute	21303441949	SU	43.002	6,178
George Mason University	600168	SU	43.002	3,608
Georgia Institute of Technology	NCC3-982	SU	43.001	115,931
Georgia Institute of Technology	G-35-C56-G2	SU	43.999	42,276
Harris (Bernard) Foundation	73609	SU	43.001	50,854
Jet Propulsion Lab	1267977	SU	43.002	3,151
Jet Propulsion Lab	1247709/ 1277716/ 1277733/ 1277736/ 1277781/ 1279012/ 1284244/ 1284245/ 1289132/ 1298243/ 1309297	SU	43.999	311,495
Lockheed Martin Advanced Technologies	QPR0891	SU	43.001	12,339
Lockheed Martin Advanced Technologies	A422898	SU	43.999	3,342
Micro Sensor, Inc.	NNK05OB31C	SU	43.002	41,076
Mnemonics, Inc.	4463	SU	43.002	3,238
Portland State University	N/A	SU	43.001	73,996
Roffers Ocean Fishing Forecasting Service	CHECK #: 8750	SU	43.002	28,651
Space Telescope Science Institute	HSTGO0915712A	SU	43.001	871
Space Telescope Science Institute	HSTGO0983108A/ HST-GO-09871.02-A/ HST-GO-09873.01A/ HST-GO-10118.07-A/ HST-GO-10182.76-A/ HST-GO-10568.04-A/ HST-GO-10604.01-A/ HST-GO-10775.01-A/ HST-GO-10861.10-A/ HST-GO-10863.01	SU	43.999	235,739
University of Alabama	SUB2006-226	SU	43.999	216,106
University of Colorado	UCB #154-0920/ UCB REF 154-1570	SU	43.002	84,992
University of Illinois	2007-00132-01	SU	43.999	17,864
University of Maryland	Z621601	SU	43.999	38,360

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
University of North Dakota	UND01-0000005468	SU	43.999	1,011
Total - National Aeronautics and Space Administration				$2,045,290
National Foundation on the Arts and the Humanities				
ARTS Midwest	#27619	SCC	45.024	20,000
Columbia Universtiy	AZ5001207	SU	45.163	1,299
Corporation for Public Broadcasting	1354 FY2007/ 1354 FY2008	SU	45.164	165,724
Drexel University	N/A	SU	45.313	35,544
Floida Humanities Council	1100-2615-1520	SU	45.129	420
Florida Humanities Council	1006-3263-1930	SCC	45.129	19,825
Morikami, Inc.	CONTRACT# 05-240	SU	45.312	16,851
New England Foundation for the Arts	N/A	SU	45.999	17,000
Southwest Florida Library Network	N/A	SU	45.310	58,190
Tallahassee Museum of History and Natural Sciences	N/A	SU	45.999	292
University of Illinois	0411	SU	45.999	5,566
Total - National Foundation on the Arts and the Humanities				$340,711
National Science Foundation				
Agiltron, Inc.	FA9550-06-C-0136	SU	47.049	62,436
Alabama State University	HRD-0734232	SU	47.076	2,190
American Association of Community Colleges	AACC-NSF-0506	SCC	47.076	2,045
American Educational Research	N/A	SU	47.076	9,800
American Educational Research	N/A	SU	47.999	13,794
Arkansas State University	N/A	SU	47.076	18,565
Association for Institutional Research	AIR Grant No. 523	SU	47.075	10,231
Association for Institutional Research	N/A	SU	47.999	8,557
Boston University	GC198383NGA	SU	47.076	3,212
California Institute of Technology	42B-1084345	SU	47.041	3,529
California Institute of Technology	427110	SU	47.070	27,750
Clemson University	1151-7557-2062004971/ 801-7557-206-2004160	SU	47.076	17,806
Colorado State University	G-3359-1	SU	47.050	5,429
Cosci Technologies, Inc.	N/A	SU	47.049	30,000
Duke University Medical Center	01-SC-NSF-1018	SU	47.070	109
Elion Systems, Inc.	N/A	SU	47.041	18,699
Faraday Technology, Inc.	PO 3060	SU	47.049	28,268
Florida Institute of Technology	P0032770	SU	47.041	2,870
Harvard University	133119-01	SU	47.050	8,225
Harvard University	5015180-00 (144-459)	SU	47.074	4,877
Idaho State University	Subcontract # 07-205	SU	47.041	8,157
Illinois State University	04D35401	SU	47.074	102,184
Innovation Scheduling	0450504/ OII 054866	SU	47.041	157,893
Iowa State University	420-60-83	SU	47.041	4,870
Iowa State University	DMR0603644/ DMR-0603644	SU	47.049	158,188
Johns Hopkins University	2000091017	SU	47.049	402,100
Joint Oceanographic Institute	N/A/ T.O. NUMBER: T306A19/ T306A33/ T308A33	SU	47.050	23,917
Joint Oceanographic Institute	N/A	SU	47.999	13,785
Kirkwood Community College	DUE-0434405	SCC	47.076	554
LS Optimal, Inc.	450552	SU	47.076	44,812
Marquette University	23	SU	47.070	23,879
Masscal Corporation	N/A	SU	47.041	26,507
Miami University	USF-NSFBretz-01	SU	47.076	6,835
Michigan State University	61-2076	SU	47.076	23,814
Michigan State University	61-8337-1001	SU	47.999	8,374
Mississippi State University	038400 362411-01	SU	47.079	26,904
Montana Technology of the University of Montana	CMS-055812	SU	47.041	6,730
Nanopharma Technologies, Inc.	1 R41 AI061901-01	SU	47.041	174,075
National Institute of Aerospace	C08263UCF	SU	47.041	7,674
New York University	F6109-01	SU	47.049	95,844
New York University	F 5865-01	SU	47.070	14,493
North Dakota State University	10915	SU	47.041	214,509
Northern Arizona University	BIO325M-01/ Bio325M-03	SU	47.074	57,530
Ohio State University Research	RF01020619-60002999	SU	47.999	3,236

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Old Dominion University	07-156-320341	SU	47.050	9,850
Pennsylvania State University	2535-UF-NSF-3279	SU	47.049	61,991
Purdue University	NSF PDUNIV 501082261	SU	47.074	187,920
San Diego State University	E0003188	SU	47.078	46,163
Seattle University	N/A	SU	47.076	8,814
SOL Gel Solutions	61174/ 740718	SU	47.041	3,706
Stanford University	13485530-30428-A	SU	47.050	48,676
Tennessee State University	PO 179237	SU	47.076	40,997
Texas A&M Research Foundation	S060027	SU	47.041	45,166
Texas A&M Research Foundation	F001856-Leg 207	SU	47.050	1,493
The Scripps Research Institute	P.O. 5-75466/ PO- 5-75477/CCF05292	SU	47.070	10,296
Tuskeegee University	34-21530-038-62112	SU	47.076	40,430
Tuskegee University	3421530 056 62112	SU	47.076	9,979
U.S. Civilian Research & Development	ARP2-3229-AS-04/ RUE2-2684-ST-05	SU	47.075	11,961
U.S. Civilian Research & Development	RUC2-2656-MO-05	SU	47.999	2,450
Universal Data Consultants	N/A	SU	47.041	2,518
Universidad Metropolitana	N/A	SU	47.041	2,652
Universidad Metropolitana	CK#: 20187867	SU	47.050	122
University of Arkansas	SA0408119/ SA0810246	SU	47.041	13,337
University of California	2007-1900/ SA5618-18081	SU	47.041	60,786
University of California	10268616/ 10280492	SU	47.050	119,603
University of California	II-RR 014195-UFL/ S-000207	SU	47.074	213,955
University of Connecticut	5497	SU	47.074	47,838
University of Hawaii	CHE-0627854	SU	47.049	62,649
University of Iowa	0-502354	SU	47.049	25,417
University of Kansas	FY2002-022	SU	47.076	2,684
University of Kentucky Research Foundation	4-67262-04-183	SU	47.074	26,918
University of Maryland	ESI-0455752	SU	47.076	9,277
University of Miami	66270X/ P50 ES012736/ P771049	SU	47.050	168,041
University of Michigan	F012351	SU	47.041	228
University of Minnesota	X4039076101	SU	47.076	1,921
University of Nebraska	415421	SU	47.049	56,871
University of Nebraska	25-0511-0057-002	SU	47.070	51,099
University of Nebraska	25-0550-0001-003/ 25-0550-0001-130	SU	47.078	174,131
University of Nevada	15BB146376	SU	47.041	38,604
University of New York	EEC-9701471	SU	47.050	228
University of North Carolina	#2975-05-0520-USFL/ 2975-05-0520-FSU/ CNS-0540523	SU	47.070	107,641
University of North Carolina	5-59052	SU	47.999	2,685
University of Notre Dame	N/A	SU	47.049	3,600
University of Pittsburgh	9002153	SU	47.041	70,760
University of Southern California	068834	SU	47.076	287,575
University of Tennessee	OR6177-001.01	SU	47.049	4,796
University of Texas	26-1006-9254	SU	47.070	97,712
University of Vermont	20394-Univ Florida	SU	47.074	68,852
University of Virginia	GA10543-124790	SU	47.050	60,442
University of Washington	138109	SU	47.070	57,539
University of Washington/Seattle	404663	SU	47.049	24,166
University of Wisconsin	316H691	SU	47.074	42,199
University of Wisconsin	K057631	SU	47.076	20,874
Virtual Reality Medical Center	637178/ FA8650-07-M-6829	SU	47.041	68,745
Washington University in St. Louis	29821P	SU	47.076	105,690
Wayne State University	WSU07075	SU	47.049	12,918
Woods Hole Oceanographic Institution	A100455/OCE-0327448/ Agreement #: A100547	SU	47.050	8,231
Zyberwear, Inc.	Contract	SU	47.041	45,891
Total - National Science Foundation				$4,584,343
U. S. Environmental Protection Agency				
Alaska Department of Fish and Game	COOP 08-063	SU	66.951	12,460
City of Miami	BF-96412504	SU	66.202	188
Columbus State University	Subagreement	SU	66.439	1,904
Northwest Florida Water Management District	02-012	SU	66.479	4,499
Osceola County	US EPA X7-96433105-1	SU	66.436	130,571

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Pegasus Technical Services, Inc.	PEGSUB00010	SU	66.999	40,628
Science Applications SAIC	4400105430	SU	66.999	49,378
St. Johns River Water Managemnt District	SJ46212/ SK429AA	SU	66.456	25,324
St. Johns River Water Managemnt District	SJ46212/ SK429AA	FFWCC	66.456	29,003
Tampa Bay Estuary Program	P.O. Number 6381/ Purchase Order 6433	SU	66.456	64,506
Tampa Bay Estuary Program	N/A	SU	66.510	31,512
Trax International	N/A	SU	66.419	7,531
University of New Orleans	99-0335-S3-A1	SU	66.999	1,192
University of Tennessee	OR5458-001.01	SU	66.509	39,428
Total - U. S. Environmental Protection Agency				$438,124
U. S. Department of Energy				
Alameda Applied Sciences Corporation	25239	SU	81.049	4,839
American Superconductor	42742-00	SU	81.049	33,306
Argonne National Laboratory	5F-00497/ 6F-00037	SU	81.999	51,580
Battelle Energy Alliance, LLC	00047554/ 00065037/ 00075400/ 71334/ 72455	SU	81.999	248,756
Battelle Memorial Institute	38184	SU	81.999	20,147
Black Laboratories, LLC	N/A	SU	81.999	63,983
Carnegie Institution	DE-FC03-03NA00144	SU	81.121	74,166
Clemson University	0501SR118	SU	81.089	49,385
Duke University	06-SC-NICCR-1062/ 07-SC-NICCR-1059	SU	81.049	169,589
Duke University Medical Center	06-SC-NICCR-1067	SU	81.049	44,045
Fermi National Accelerator Lab	554581	SU	81.049	31,655
Fermi National Accelerator Lab	570362/ 578638	SU	81.999	17,776
Florida Hydrogen Initiative, Inc.	200505	SU	81.087	72,596
Fluor Federal Services, Inc.	65300175-9-K10932	SU	81.999	9,462
General Motors Company	TCS75068	SU	81.087	99,409
Georgia Institute of Technology	E-256PO-SI	SU	81.087	27,162
Howard University	DE-FC02-02-EW15254	SU	81.049	22,995
Howard University	633254-H010005	SU	81.123	49,901
Idaho National Engineering & Environmental Laboratory	62267	SU	81.999	36,962
Iowa State University	SC-08-315	SU	81.049	12,708
Jefferson Science Associates, LLC	06-P0701/ 06-P2481	SU	81.999	10,317
Los Alamos National Laboratory	50030-001-07/ TBD	SU	81.999	32,473
Los Gatos Research, Inc.	N/A	SU	81.999	14,745
Medical University of South Carolina	N/A	SU	81.999	58,266
Mesolight	DE-FG02-07ER84750	SU	81.999	14,200
National Association of State	DE-FC36-03GO13026	SU	81.041	88,215
National Renewable Energy Lab	XXL54420508/ ZDJ33360002	SU	81.087	250,601
Northern Arizona University	MPC35TB-A3	SU	81.049	83,284
Oak Ridge Associated Universities	N/A	SU	81.999	52,160
Prairie View Agricultural & Mechanical University	SC10042	SU	81.123	25,500
Rollins College	SUB#250317.2	SU	81.087	13,119
Sandia National Laboratories	N/A	SU	81.049	49,771
Sandia National Laboratories	523695/ 577809/ 612515/ 680275/ 705747/A0346/ 730469/ 768304/ 795719/ N/A/ PO 765393	SU	81.999	127,406
Science Applications International Corporation	4400150160	SU	81.087	254,028
Siemens Westinghouse Power Corporation	4500511279	SU	81.999	56,851
Southeastern Universities Research Association	SURA-011789-401	SU	81.121	19,390
Sporian Microsystem	2004UCF200501	SU	81.087	1,917
Sporian Microsystem	200610	SU	81.089	49,058
Supercon, Inc.	100312	SU	81.999	53,631
Texas State Energy Office	CM718	SU	81.999	12,958
Tulane University	TUL-544-06/07	SU	81.049	36,606
University of Alabama	SUB2004-191	SU	81.999	8
University of California	SA5862-11880	SU	81.049	66,742
University of Illinois	20030532804	SU	81.087	4,401
University of Mississippi	05-10-033/ 07-11-036	SU	81.089	103,820
University of Nevada Desert Research Institute	N/A	SU	81.999	24
University of Notre Dame	N/A	SU	81.999	12,015

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
University of Wisconsin	X252383	SU	81.087	182,045
UT-Battelle, LLC	4000006057/ 4000057939/ 4000058790/ 4000058800/ 4000060996/ 4000062415	SU	81.999	372,907
Total - U. S. Department of Energy				$3,186,880
U. S. Department of Education				
ABT Associates, Inc.	N/A	SCC	84.191	5,454
Association for Institutional Research	N/A	SU	84.999	29,968
Bay County Public Schools	N/A	SU	84.999	226,386
Center for Civic Education	CC07-08-5809	SU	84.999	40,831
Chicago Arts Partnerships	08-184	SU	84.287	13,000
Chicago Arts Partnerships	07-307/ 08-251	SU	84.351	30,307
Childrens Forum, Inc.	N/A/ S349AO50126	SU	84.349	91,084
Childrens Services Council	CONTRACT/MOA#06-478	SU	84.359	10,899
Clemson University	733-7558-210-2093861	SU	84.116	3,540
Corporation for Public Broadcasting	11749	SU	84.295	7,113
Daemen College	P116J040052	SU	84.116	11,768
Duval County Public Schools	P334A020187/ P334A060164/ P334A990090-04	SU	84.334	174,050
Duval County School Board	1602986A7C201	SCC	84.282	120,276
Duval County School Board	1602357A7CF01	SCC	84.366	7,007
Educational Testing Service	N/A	SU	84.283	255,289
Escambia County School Board	PO 292918	SU	84.366	454,872
Family Network on Disabilities of Floirda, Inc.	N/A	SU	84.310	35,373
Flagler County	180-1518A-8CR01	SCC	84.048	50,047
Florida Alliance Assistive Service & Technology	08-ARDC/ 08-SFRDC	SU	84.224	145,557
Florida Campus Compact	R000644	SU	84.116	3,150
Gadsden County Public Schools	590-1226A-6CD01	SU	84.318	11,000
Georgia State University	GLC62-01	SU	84.324	12,119
Hendry School District	590-1226A-6CD01	SU	84.318	8,500
Hillsborough County School District	290-1918A-8CG04	SCC	84.002	292,663
Hillsborough County School District	Q304C070025	SCC	84.304	613
Hillsborough County School District	U350A040011	SCC	84.350	129,231
Jefferson County School Board	U351D030179	SU	84.999	272
Lake County School Board	N/A	SCC	84.243	10,000
League for Innovation in the Community College	V051B0200001	SCC	84.051	25,345
Lee County District School Board	PO D50844	SU	84.027	9,007
Lee County District School Board	N/A	SU	84.165	25,454
Leon County School Board	526580	SU	84.010	2,115
Madison School District	590-1226A-6CD01	SU	84.318	10,750
MDRC	1890-0004	SU	84.215	618,644
Miami University	USF-USDOE07-01	SU	84.365	15,605
Miami University of Ohio	UCF-USDOE07-01	SU	84.365	25,948
Middle Tennessee State University	C08-0663	SU	84.366	23,574
National Writing Project Corporation	004-FL08/ 01-FL06/ 99-FL05	SU	84.999	125,042
New England Conservatory	CONTRACT #06-188	SU	84.116	2,355
Nova Southeastern University	068-2993B-7R001	SU	84.361	9,871
Ohio Board of Regents	HG157670606	SCC	84.366	48,499
Orange County School District	480-2246A-6CT01	SCC	84.367	15,208
Oseola County Public Schools	490-2357A-7CF01	SU	84.366	287,303
Panhandle Area Educational Consortium	7619148	SU	84.184	215,750
Panhandle Area Educational Consortium	07-239/ 07-270/ 08-040/ 08-136A	SU	84.366	203,920
Pennsylvania College of Optometry	57201	SU	84.325	16,218
Pinellas County School Board	Agreement	SU	84.215	10,000
Polk Community College	PO 2007-00001912	SU	84.047	9,903
Polk District School Board	530-2986A-7C202/ 530-2986A-8C304	SCC	84.282	55,380
Putnam County School Board	756-07-084/ 756-08-175	SU	84.359	22,929
Putnam County School Board	750-07-002-8607	SU	84.367	37,093
Putnam County School Board	727-07-001	SU	84.999	4
RMC Research Corporation	N/A	SU	84.283	2,136,164
School Board of Broward County	N/A	SCC	84.243	83,761
School Board of Miami Dade County	590-1226A-6CD01	SU	84.318	12,000
School Board of Pinellas County	590-1226A-6CD01	SU	84.318	12,000

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
School Board of St. Johns County	39357	SU	84.318	161,596
School District of Escambia County	590-1226A-6CD01	SU	84.318	25,500
School District of Hillsborough County	590-1226A-6CD01	SU	84.318	12,000
School District Of Manatee County	590-1226A-6CD01	SU	84.318	12,000
Seminole County Public Schools	590-1226A-6CD01	SU	84.318	11,750
St. Thomas University	N/A	SCC	84.031	133,918
Stevens Institute of Technology	527226-04	SCC	84.999	8,624
Syracuse University	21301-S3732-01108	SU	84.305	9,075
Taylor County School District	590-1226A-6CD01	SU	84.318	11,500
Texas A&M Research Foundation	S060053	SU	84.324	242,253
Texas Guaranty	N/A	SU	84.032	47,457
The School Board of Hillsborough County	N/A	SU	84.165	29,046
The School Board of Hillsborough County	N/A	SU	84.215	58,931
The School Board of Hillsborough County	N/A	SU	84.304	236,432
The School Board of Hillsborough County	N/A	SU	84.361	51,832
The School Board of Hillsborough County	290-2357A-7CF01/ 290-2357A-7CM01	SU	84.366	346,926
The School Board of Hillsborough County	N/A	SU	84.374	87,932
The School Board of Miami-Dade County	R02397397	SCC	84.350	91,636
The School District of Osceola County	N/A	SU	84.184	15,695
Union County School Board	PO# 800319	SU	84.366	111,950
University of Arizona	PO Y413737	SU	84.116	730
University of California	10277539-001/ PO 10242925	SU	84.305	119,577
University of North Carolina	ADMIN FUNDING/ SUB AWARD# 550341-02-FAU	SU	84.116	13,814
University of Oregon	No. 222471A	SU	84.324	6,526
University of Oregon	222841A	SU	84.326	140,932
University of Pittsburgh	0001220/ 2755	SU	84.133	54,778
University of Washington	374080	SU	84.325	60,470
Vanderbilt University	19231	SU	84.324	183,535
Volusia County School Board	640-1578A-8CT01	SCC	84.243	23,093
Washington County School Board	670-2357A-7CF03 #07-272	SU	84.366	48,577
Total - U. S. Department of Education				$8,598,296
U. S. Department of Health and Human Services				
ACS Government Healthcare Solutions	N/A	SU	93.778	33,383
Advocates for Human Potential	No Award # assigned	SU	93.959	41
Agency for Community Treatment Services	N/A	SU	93.243	1
All Childrens Hospital	N/A	SU	93.110	24,726
All Childrens Research Institute	ACH PCRC PGP 4002	SU	93.110	1,600
AME Ministerial Alliance-East Florida Conference	CPIMP041005-01-00	SU	93.137	28,995
American College of Radiology	U10 CA21661	SU	93.395	84,996
American Institutes for Research	280-2003-00042/ Project No 02054.001	SU	93.104	37,761
American Institutes for Research	00143-02054-001	SU	93.243	67,786
American Institutes for Research	00015-1888.001/ 00302-02279.001	SU	93.279	54,632
American Institutes for Research	SG-03-1830.001-02	SU	93.865	1
American Psych Association	333375	SU	93.859	24,737
Anteon Corporation	OPM-SC-0004	SU	93.243	1,474
Area Agency on Aging	IA 006-19/ IA 007-19	SU	93.052	21,233
Area Agency on Aging for Southwest Florida, Inc.	OAA 333.07-HM107	SU	93.043	28,236
Area Agency on Aging for Southwest Florida, Inc.	OAA333.08	SU	93.052	25,466
Arizona State University	03-069/P.O.-SC19103M/ 07-727/ 07-830/ 08-933	SU	93.242	129,010
Association for Prevention Teaching and Research	N/A	SU	93.283	2,951
Association of American Medical Colleges	MM-0942-06/06/ RMPHEC-GME 08-009	SU	93.283	14,267
Association of Schools of Public Health	S3026-23/24	SU	93.283	45,390
Association of Schools of Public Health	S3591-24/24	SU	93.999	23,649
Baylor College of Medicine	4600463774	SU	93.999	5,100
Beth Israel Medical Center	R01 CA 86826	SU	93.393	8
Beth Israel Medical Center	1 R01 CA100029-04	SU	93.399	6,785
Big Bend Community Based Care	0105-0	SU	93.590	88,076
Boston Medical Center	0216503	SU	93.856	214,833
Boston University	R25CA91958	SU	93.398	2
Brandeis University	4-01202	SU	93.855	23,883
Brandeis University	4-01155	SU	93.859	40,300

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Broward County Board of County Commissioners	06SAHCS8346RW	FDOH	93.914	5,997,863
Brunel University West London	7 R01 EB001640-05/ N/A	SU	93.286	34,200
Burnham Institute	R01 AI066244	SU	93.855	74,597
Butler Hospital	9071-8343	SU	93.242	128,580
Case Western Reserve University	267038480301	SU	93.389	2,605
Case Western Reserve University	N01-DK-6-2203	SU	93.859	278,398
Center for Research to Practice	1 RO1 MH076158	SU	93.242	73,698
Chapel Hill Training Outreach Project	N/A	SU	93.590	64,950
Child Abuse Council, Inc.	N/A	SU	93.778	159,140
Childrens Home Society	N/A	SU	93.652	91,360
Childrens Home Society of Florida	N/A	SU	93.243	41,712
Childrens Hospital and Regional Medical	413390244601	SU	93.389	158,361
Childrens Hospital New Orleans Research for Children	CHILDREN'S HOSPITAL	SU	93.999	19,714
Childrens Hospital of Los Angeles	8039-RGP000323-05/ RGP000323-04	SU	93.273	7,074
Childrens Hospital of Philadelphia	N/A	SU	93.393	16,084
Childrens Services Council - Broward County	08-4103	SU	93.243	185,112
Chiles (Lawton) Foundation	N/A	SU	93.999	11,307
City of Cleveland	66811	SU	93.926	14,888
City of Jacksonville	AGR-2008-066-A1	FDOH	93.914	616,507
Columbia Universtiy	540353	SU	93.172	262,245
Community Based Care of Volusia	D12-05-USF-TRN/ D12-07-USF-TRN	SU	93.658	311,064
Constella Group, LLC	200-2003-01925/0007	FDOH	93.940	35,424
Cornell University	41880-8545	SU	93.395	82,224
CRP, Inc.	280-02-0601	SU	93.243	23,370
Dartmouth College	500499.5000.L00203/ 530676577	SU	93.242	7,013
DB Consulting Group	Contract # 280-02-01	SU	93.243	5,387
Deschutes Research & Applied Behavior Science Press	N/A	SU	93.242	39,042
DeSoto School Board	80000957	FDOH	93.767	42,125
Duke University Medical Center	05-SC-NIH-1054	SU	93.273	48,030
Duke University Medical Center	06-SC-NIH-1015	SU	93.866	41,409
Duke University Medical Center	141069 / 134730	SU	93.867	7,884
Duval County School Readiness Coalition	AGR-2008-040	FDOH	93.575	215,583
Eastern Corporation Oncology Group	539-2001 Training Grant/ CDR0000069274, E-E1A00/ CDR0000349450, ECOG-E2A02, NCT00075881/ E2902/ Eastern Coop Onc/ EASTERN COOP ONCOLOG/ NCT00075881	SU	93.999	49,720
Emory University	5-21865-G1/ 5-21866-G1	SU	93.859	7,480
Escambia County Healthy Start Coalition	COSQ2-R1A1/ COSQ3-R1A1	FDOH	93.778	387,074
Escambia County Healthy Start Coalition	COSQ4-R1A1	FDOH	93.994	131,376
Evanston Northwestern Healthcare Research Institute	EH06-201-S13	SU	93.999	56,857
Everglades Area Health Education Center	03-277/ None	SU	93.107	437
Everglades Area Health Education Center	None	SU	93.189	204
Family Support Services of North Florida	USF061	SU	93.558	105,851
First Step of Sarasota, Inc.	N/A	SU	93.243	14,695
Florida Coalition Against Dome	N/A	SU	93.999	28,486
Florida Development Disabilities Council, Inc.	692IP08C	SU	93.630	4,940
Florida Developmental Disabilities Council	64P0IP06/ 700CD08	SU	93.630	5,332
Florida Developmental Disabilities Council	64P0IP06/ 700CD08	SCC	93.630	885
Florida Healthy Kids Corporation	N/A	SU	93.767	7,295
Florida Immigrant Advocacy Center	N/A	SU	93.566	5,803
Fred Jutchinson Cancer Research Center	N/A	SU	93.856	17,757
George Washington University	06-N17/ G61975/ S-TRN0708-NL17	SU	93.847	21,903
Goodwill-Suncoast Industries	N/A	SU	93.243	50,063
Gulf Coast South Area Health Education Center	1S11AR47455-01A1	SU	93.846	355,815
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	93.558	187,264
H Lee Moffitt Cancer Center	10-13852-99-01-G3/ 2005-009	SU	93.393	90,567
H Lee Moffitt Cancer Center	10-14025-04-05-C1	SU	93.394	3,054
H Lee Moffitt Cancer Center	10-14288-02-01-C2/ 10-14288-02-03-C1/ 10-15048-02-07-C1	SU	93.395	48,121
H Lee Moffitt Cancer Center	10-13512-99-01-G2	SU	93.399	3
H Lee Moffitt Cancer Center	60-14599-02-01-G3	SU	93.879	5,804
Health Planning Council of Southwest Florida	COAYQ	FDOH	93.917	56,420
Healthy Families Florida	HF-07-08-33	FDOH	93.558	478,703

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Healthy Start Coalition	HSDMO0708/ HSHRN0708	FDOH	93.994	794,335
Healthy Start Coalition of Sarasota	COSR1-R1A1 (07-08), COSQ9-R1-A1 (07-08), COHSZ-R2 (07-08)	FDOH	93.778	710,292
Hemophilia of Georgia	5 H30 MC 00011-18	SU	93.110	43,071
Hillsborogh Board of County Commissioners	DPHS06252009/ DPHS07252003/ DPHS08252013	FDOH	93.914	579,592
Hillsborough County Board of County Commissioners	N/A	SU	93.153	155,073
Hillsborough County Board of County Commissioners	06-1386	SU	93.243	58,907
Hillsborough County Commisioners	DPHS07252001	FDOH	93.100	102,213
Hillsborough Kids, Inc.	N/A	SU	93.658	12,182
Hippy United States of America	SR935	SU	93.658	65
Hospice Institute of Florida Suncoast	N/A	SU	93.048	11,224
HUG ME	M171-08	FDOH	93.918	27,040
Human Resources Research Organization	07-09	SU	93.104	29,292
Informed Families	N/A	SU	93.999	87,060
Intelligent Hearing Systems	2R44DC008022-02	SU	93.173	49,749
Iowa State University	430-17-02	SU	93.865	24,510
Jacksonville Childrens Commission	7595-24/ 90LO0182	SCC	93.577	848
Jacksonville Childrens Commission	7595-24/ 90LO0182	SU	93.577	30,206
Jewish Family and Childrens Services	N/A	SU	93.086	46,804
Johns Hopkins University	290-01-0012/ JHU PO # 2000061399	SU	93.226	83,137
Johns Hopkins University	2000009977/ 8402-13099-4	SU	93.866	29,017
Johns Hopkins University	7823;96248;14268/ P. O. # 2000011624/ U01EY014660-02	SU	93.867	196,914
Johns Hopkins University	8603-66661-X	SU	93.999	40
Justice Resource Institute	Ck No 147976	SU	93.243	7,746
Kaiser Permanente Center for Health Research	03CGree-01-02	SU	93.242	6,372
Keck Graduate Institute of Applied Life	N/A	SU	93.837	24,320
Lakeview Center - Baptist Health Care	06-1601	SU	93.658	27,592
Lee County District School Board	PO D04007	SU	93.600	1,016
Lovelace Biomed & Environmental Research Institution	JK0700172	SU	93.853	197,110
Macro International	35126-3S-545/ 35168-6S-757	SU	93.104	243,956
Macro International	35126-4S-626	SU	93.243	48,779
Magellan Bioscience Group Inc.	1R43A1076051-01	SU	93.855	54,175
Magna Systems, Inc.	N/A	SU	93.230	23,204
Manila Consulting Group, Inc.	277-04-6099/ N/A	SU	93.243	22,027
Mayo Clinic and Foundation	1R01NS052741-01A2	SU	93.853	5,138
Mayo Foundation for Medical Education and Research	04-104879-02-S1068	SU	93.853	12,599
Medical College of Georgia	U01 DK063865	SU	93.847	52,333
Mental Health Care, Inc.	H79 T116630-01	SU	93.243	43,035
Miami-Dade Community Action Agency	N/A	SCC	93.600	9,098
Miami-Dade County	N/A	SCC	93.999	197,885
Mid-Florida Center	N/A	SU	93.940	19,879
Minority Health Professions Foundation	U50/ATU473408-01/ U50/ATU473408-02/ U50/ATU473408-03/ U50/ATU473408-04/ U50/ATU473408-05	SU	93.283	259,908
National Association of County and City Health Officials	MRC080259	FDOH	93.008	5,000
National Childhood Cancer Foundation	U10 CA98543-05	SU	93.395	644
National Childhood Cancer Foundation	16458/ U10CA098413-02	SU	93.395	62,342
National Childhood Cancer Foundation	NCCF 11165/U10 CA98543	SU	93.999	93,859
National Development & Research Institute	U01 DA016201	SU	93.279	40,397
National Initiative for Children	Contract Agreement	SU	93.226	1,701
National Institute for Healthcare Research	1R21-AI073501-01	SU	93.855	119,652
National Youth Sports Corporation	None	SU	93.570	12,575
Nautilus Biosciences	NB03	SU	93.395	27,938
Nebraska Health and Human Services	N/A	SU	93.283	56
NeoCytex Biopharma, Inc.	1R43NS060471-01	SU	93.853	53,100
New York Universtiy School of Medicine	06-0329	SU	93.846	46,224
North Broward Hospital District	2H76HA00210-07-00	FDOH	93.918	191,472
North Dakota State University	46791	SU	93.859	5,729
Northeast Florida Healthy Start Coalition	AGR-2006-060	FDOH	93.926	149,290
Northeast Florida Healthy Start Coalition	AGR-2008-026	FDOH	93.994	470,230
Northeast Florida Healthy Start Coalition, Inc.	2 H49 MC 00051 05 00	SU	93.926	91,552
Nova Southeastern University	TOIHP06411	SCC	93.996	205,930

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Oak Ridge Associated Universities	N/A	SU	93.999	21,307
Ohio State University Research	GRT00007380/60011063	SU	93.865	4,258
Orange County Government	Y7-154J/Y6-154I	FDOH	93.914	762,019
Oregon Health Sciences University	12341A/ ABIMO0132_9000612/ ABIMO0134_9000717/ GBIMO0127A(B)	SU	93.859	156,695
Palm Beach County	PURCHASE ORDER 0001010574	SU	93.600	2,628
Palm Beach County Board of County Commissioners	R-2006-0625	FDOH	93.914	2,000,869
Palm Healthcare Foundation, Inc.	20060231	SCC	93.178	53,216
Pennsylvania State University	R01MH062547/ R21MH063721	SU	93.242	36,207
Pennsylvania State University	PENNSYLVANIA STATE U	SU	93.286	132,376
Pennsylvania State University	3057-USF-DHHS-1542	SU	93.865	136,841
Pregnancy Center for Pinellas County	MOA-Pinellas County	FDOH	93.010	32,625
Prevention Partnership for Children, Incorporated	07-P136	FDOH	93.926	108,259
Reactive Innovations, LLC	N/A	SU	93.262	5,661
Research Foundation of the Suny	02-19	SU	93.865	49,848
Retirement Research Foundation	2003-233	SU	93.191	506
Saneron CCEL Therapeutics	1 R41 HL077012-01	SU	93.839	7,984
Saneron CCEL Therapeutics	R41 AG031586-01	SU	93.866	2,372
Sarasota County Board of County Commissioners	County Core Contract 2008-228	FDOH	93.104	453,413
Sarasota County Government	Contract No 2007-277/ N/A	SU	93.104	220,170
Sarasota Family YMCA, Inc.	N/A	SU	93.658	658,024
School District of Palm Beach County	2008012109	SU	93.600	11,351
Social & Scientific Systems	G62371	SU	93.855	78,706
Social & Scientific Systems	CPCR2.23.09	SU	93.856	25,155
Society for the Arts in Healthcare	Soc for the Arts in	SU	93.999	470
South Florida Workforce Investment Board	WS-TS-PY'06-03-00, WS-TS-PY'07-02-00 WDS-TS-PY'05-02-00	SCC	93.558	127,238
Southern Coast Addiction Technology Transfer	n/a	SU	93.959	14,341
St. Jude Childrens Research Hospital	7245945	SU	93.855	93,178
Supercon, Inc.	100030/ 100325	SU	93.395	230,919
Temple University	36-1835-121/CC014698	SU	93.279	74,781
Texas Tech University	N/A	SU	93.213	4,857
The Riddle Institute	R01 MH073402	SU	93.242	55,461
The University of Iowa	1000606813	SU	93.104	116,146
The Wistar Institute	P01 HL078810-03	SU	93.839	316,977
TKC Integration Services, LLC	300614101-01	SU	93.991	26,812
TransGenex Nanobiotech, Inc.	TGN-W81XWH-06-C-0015	SU	93.838	102,677
Treatment Research Institute	USF20542-02	SU	93.279	66,831
U.S. Civilian Research & Development	RUB 2-2704-MO-05	SU	93.856	7,172
Unigene Laboratories, Inc.	N/A	SU	93.847	160,224
Universidad del Norte	AI075523	SU	93.855	735
University of Alabama	U01 DE016747	SU	93.121	442,945
University of Alabama	270863/T0705220030	SU	93.153	320,930
University of Alabama	048/ 2 U01 HD0400533-07/ 5 U01 HD040533-08	SU	93.242	85,238
University of Alabama	T0506010028	SU	93.853	38,218
University of Alabama	257071/ T0609060039	SU	93.865	23,943
University of California	1581 G JB151	SU	93.389	90,216
University of California	4562sc	SU	93.395	1,495
University of California	0980 G GH894	SU	93.853	300,215
University of California	SA5565-11466	SU	93.859	10,085
University of Chicago	5 R01 HD034157-05	SU	93.865	142
University of Cincinnati	17164/ P021-040-K663-1105	SU	93.853	54,561
University of Colorado	FY07.339.001	SU	93.999	42,326
University of Georgia	RR274-333/3840488	SU	93.242	10,266
University of Hawaii	N/A	SU	93.104	24,164
University of Illinois	2006-06706-01-01	SU	93.242	20,923
University of Illinois	2005368901JH	SU	93.859	73,037
University of Kentucky	5U01PE000002-06	SU	93.239	1,579
University of Kentucky	PJZH1	FDCFS	93.670	138,667
University of Louisville	R01 DE014605	SU	93.121	32,525
University of Maryland	Z 182802	SU	93.242	50,242
University of Maryland	Z195301	SU	93.865	7,360

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
University of Maryland	Contract	SU	93.879	2,327
University of Maryland	S00896	SU	93.991	91
University of Maryland	N/A	SU	93.999	4,759
University of Miami	P50ES12736	SU	93.113	34,469
University of Miami	M774869	SU	93.121	21,797
University of Miami	DA013720	SU	93.279	20,624
University of Miami	660198	SU	93.286	28,304
University of Miami	HHSN261200511007C	SU	93.397	90,680
University of Miami	5 U01 DK061041-06/ 5 U01 DK061041-07	SU	93.847	86,515
University of Miami	5U01NS046295-02/ 5U01NS46295-04/ U01 NS046295-01	SU	93.853	52,805
University of Miami	2 R25 GM050083-04, 5 R25 GM050083-06	SCC	93.859	11,929
University of Miami	66260C/ 66367T	SU	93.866	222,470
University of Miami	66158L	SU	93.959	80,779
University of Minnesota	M6426130102	SU	93.173	26,037
University of Missouri	CG004726-3	SU	93.399	68,828
University of Missouri	C00000302-3	SU	93.853	1,674
University of New Jersey Medical School	GAFA064333	SU	93.395	15,681
University of New Mexico	3R29H	SU	93.394	111,368
University of North Carolina	508280-06-01	SU	93.846	11,376
University of North Dakota	761	SU	93.233	50,039
University of North Florida	AGR 2006-005-A1	FDOH	93.361	43,019
University of North Texas Health Science Center	71079-2006-001/ 71084-2005-001	SU	93.866	171,116
University of Oklahoma	5 U79 SM57278-02	SU	93.243	28,520
University of Oklahoma	RS20070334-01	SU	93.867	1,425
University of Pittsburgh	00003074 / 113614-1/ 0000456/ 0004811	SU	93.837	16,512
University of Pittsburgh	1010	SU	93.855	172,554
University of Rochester	412505-G	SU	93.242	9
University of Rochester	P.O. 413970-G/ PO 413648-G	SU	93.342	27,511
University of Rochester	413153-G	SU	93.856	20,918
University of South Florida	Sub-agreements 6416-1001-00 A & 6416-1006-F	FDOH	93.135	12,698
University of Texas	20289/98010420	SU	93.396	12,477
University of Texas	0005130 (Core A)	SU	93.865	1,077,397
University of Texas Health	SUBAWARD #0005532A	SU	93.242	16,955
University of Texas Health Science Center Houston	SUB AWARD #0004387	SU	93.279	37,209
University of Texas Health Science Center Houston	SUBAWARD# 0004977 (B)	SU	93.853	34,993
University of Utah	10005103/ 5103	SU	93.648	125,534
University of Vermont	20343-FSU	SU	93.242	110,408
University of Virginia	GC11451.126464/ GC11572.128506	SU	93.999	220,136
UTICA College	D37HP00892	SU	93.191	17,683
Vanderbilt University	R25GM060190	SU	93.157	1,500
Vanderbilt University	18085-S1	SU	93.242	13,230
Vanderbilt University	Sub 19247	SU	93.600	116,861
Vanderbilt University	16997-S1	SU	93.865	39,800
Volunteer Florida Foundation	N/A	SU	93.999	44,383
Washington University	2905745A	SU	93.837	14,196
Wayne State University	WSU08015	SU	93.361	52,217
West Central Florida Area Agency on Aging	2008 OAA Title III-E/ OAA 333.03	SU	93.052	63,624
Westat	7887-S001/ 7887-S002/ 8530-S041	SU	93.279	682,206
Westat	G61948	SU	93.865	131,475
Western Interstate Commission for Higher Education	44.00.63R	SU	93.155	25,786
Western Kentucky University Research Foundation	544167-08-01	SU	93.575	275,000
Workforce Escarosa, Inc.	WIA-2007-2008-01, WT-2006-2007-04/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	93.558	714,143
WorkNet Pinellas	N/A	SCC	93.558	78,466
Wright State University	5 R01 HL056683-10	SU	93.838	116,433
Yale University	A05473(M-08-066)	SU	93.855	14,570
Total - U. S. Department of Health and Human Services				$31,755,517
U. S. Corporation for National and Community Service				
American Association of Community Colleges	05DSHDC002	SCC	94.007	16,573

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
AmeriCorps	2007-2007 STANDARD CONTRACT	SU	94.006	128,089
Clarkson Aerospace	FA8650-05-D-1912	SU	94.006	11,072
Corporation for National and Community Service	07VSSFL019	SU	94.013	2,089
Florida Commission on Community Services	06AFHFL0010011/ 07AC077367	FDEP	94.006	329,685
Hippy United States of America	n/a	SU	94.006	43,923
Jumpstart	300200/ CFDA-94.006-JS-SITE/ TBD	SU	94.006	89,106
The School Board of Hillsborough County	290-2327A-7C001/ 290-2328A-8C002	SU	94.004	24,348
University of Maryland	05NDHMD0010004	FDOEA	94.006	98,771
Volunteer Florida Foundation	06AFHFL0010026	SU	94.006	63,029
Total - U. S. Corporation for National and Community Service				$806,685
U. S. Department of Homeland Security				
City of Tampa	P. O. # POFD08100646/ POFD07100268	SU	97.008	43,182
City of Tampa	N/A	SU	97.067	21,022
Menon Associates	NNK06OM24C	SU	97.999	121
Miami Dade Fire-Rescue	07DS-5S-11-23-02	FDOH	97.067	219,733
Silicon Power Corporation	705466	SU	97.999	16,242
Total - U. S. Department of Homeland Security				$300,300
U. S. Agency for International Development				
Georgetown University	USF-RX2050-852-07-Q6/ USFRX205085207R6	SU	98.002	313,607
Georgetown University	HCC-RX2050-852-06-C/ HCC-RX2050-867-07-D	SCC	98.999	301,328
Kirkwood Community College	S-ECAAS-07-CA-039(CS) 07-1002-1D/ S-ECAAS-07-CA-039(CS) 07-1002-1N	SCC	98.999	316,103
National Academy of Sciences	HR 10-59B/ PGA-7251-05-06	SU	98.002	80,141
Oregon State University	RD010A-20	SU	98.012	43,071
University of Georgia	RC710-013/4183387	SU	98.012	14,585
University of Rhode Island	030907/0001381	SU	98.001	62,442
Virginia Tech	EPP-A-00-04-00013-00/ EPP-A-00-04-00016-00	SU	98.001	11,242
Winrock International	1310917	SU	98.009	196,658
Total - U. S. Agency for International Development				$1,339,177
Other Federal Grants				
Academy for Educational Development	3649-01-15	SCC	99.999	259
Georgetown Universtity	FCCJRX205085204B/ FCCJRX205085207B	SCC	99.999	293,606
Total - Other Federal Grants				$293,865
Total Pass-Through Awards				**$77,416,389**

Note 5. Other Federal Awards

In accordance with OMB Circular A-133, Section .310(b)(3), the following further identifies in detail the expenditures relating to direct and indirect Federal awards that do not have a CFDA number. These amounts are included in the Schedule of Expenditures of Federal Awards under the amounts reported as CFDA XX.999 entitled Other Federal Awards.

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Office of National Drug Control Policy			
Central & South Florida Hidta Grants	Florida Department of Law Enforcement	07.999	16,169
Central & South Florida Hidta Grants	Florida Department of Law Enforcement	07.999	66,756
Central & South Florida Hidta Grants	Florida Department of Law Enforcement	07.999	123,639
Total - Office of National Drug Control Policy			$206,564
U. S. Department of Agriculture			
00029539	University of Florida	10.999	1,800
00036153	University of Florida	10.999	3,771
00037870	University of Florida	10.999	901
00038324	University of Florida	10.999	103
00038578	University of Florida	10.999	2,086
00041405	University of Florida	10.999	77,264
00054277	University of Florida	10.999	55,840
00058086	University of Florida	10.999	13,080
00058206	University of Florida	10.999	133
00058209	University of Florida	10.999	8,581
00059453	University of Florida	10.999	1,174
00061158	University of Florida	10.999	1,811
00061188	University of Florida	10.999	126,420
00062467	University of Florida	10.999	348
00063265	University of Florida	10.999	2,101
00063405	University of Florida	10.999	4,992
00063805	University of Florida	10.999	7,749
00063806	University of Florida	10.999	32,098
00064114	University of Florida	10.999	1,452
00064282	University of Florida	10.999	7,222
00064283	University of Florida	10.999	1,202
00064284	University of Florida	10.999	3,206
00064318	University of Florida	10.999	7,895
00064430	University of Florida	10.999	6,102
00064946	University of Florida	10.999	7,500
00065377	University of Florida	10.999	2,000
00065379	University of Florida	10.999	1,094
00065381	University of Florida	10.999	2,000
00066617	University of Florida	10.999	12,758
00066824	University of Florida	10.999	24,241
00066890	University of Florida	10.999	4,661
00066893	University of Florida	10.999	2,625
00066894	University of Florida	10.999	3,938
00066981	University of Florida	10.999	2,771
00067831	University of Florida	10.999	6,642
00067860	University of Florida	10.999	10,000
00068090	University of Florida	10.999	16,764
00068107	University of Florida	10.999	38,107
00068160	University of Florida	10.999	8,456
00068166	University of Florida	10.999	31,388
00068306	University of Florida	10.999	23,757
00068451	University of Florida	10.999	66,065
00068911	University of Florida	10.999	11,730

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00069910	University of Florida	10.999	900
00070091	University of Florida	10.999	8,490
00070097	University of Florida	10.999	4,745
00070104	University of Florida	10.999	4,598
00071834	University of Florida	10.999	28,814
00074182	University of Florida	10.999	669
00074209	University of Florida	10.999	458
00074218	University of Florida	10.999	23,700
087005520022416	Florida State University	10.999	20,947
148000520019676	Florida State University	10.999	970
148000520019678	Florida State University	10.999	1,037
167000524021912	Florida State University	10.999	7,004
KA0003	Miami-Dade Community College	10.999	28,476
Total - U. S. Department of Agriculture			$774,636
U. S. Department of Commerce			
00057907	University of Florida	11.999	13,960
00062977	University of Florida	11.999	30,630
059000520019363	Florida State University	11.999	1,188
091004523019118	Florida State University	11.999	3,378
1227100800	University of South Florida	11.999	18,319
2006-0001-009, 2006-0093-007, 2007-0083-023,	Florida Fish and Wildlife Conservation Commission	11.999	27,182
NA04NMF4630233	University of Central Florida	11.999	13,340
Total - U. S. Department of Commerce			$107,997
U. S. Department of Defense			
00055847	University of Florida	12.999	537
00059860	University of Florida	12.999	605
00062495	University of Florida	12.999	295
00063066	University of Florida	12.999	38,937
00063067	University of Florida	12.999	66,121
00065239	University of Florida	12.999	43,378
00066545	University of Florida	12.999	9,797
00067396	University of Florida	12.999	105,810
00068752	University of Florida	12.999	26,794
00072011	University of Florida	12.999	81,595
00073318	University of Florida	12.999	124,524
05JMM0597	University of Central Florida	12.999	163
067000524020421	Florida State University	12.999	86,397
067000524022762	Florida State University	12.999	99,309
06-S530-0037-02-C6	University of Central Florida	12.999	43,683
081003520014957	Florida State University	12.999	54,866
084009540010870	Florida State University	12.999	15
087005520008325	Florida State University	12.999	568
087005520022728	Florida State University	12.999	33,069
088004524021133	Florida State University	12.999	3
088004524021138	Florida State University	12.999	2,293
088004524024135	Florida State University	12.999	7,232
088004524024137	Florida State University	12.999	445
1001100100	University of South Florida	12.999	3,366,675
10124.01	University of Central Florida	12.999	18,813
10930	Florida Department of Education	12.999	18,924
1099A	Florida Department of Education	12.999	575
1209103500	University of South Florida	12.999	804,289
1209107500	University of South Florida	12.999	8,790
1209107700	University of South Florida	12.999	3,087
148000520016895	Florida State University	12.999	141
148000520022425	Florida State University	12.999	60,908
186000524019878	Florida State University	12.999	143,669
210124	University of North Florida	12.999	4,475
210211	University of North Florida	12.999	263,986
210230	University of North Florida	12.999	767

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
2103101700	University of South Florida	12.999	172,539
2103101701	University of South Florida	12.999	66,826
2103101702	University of South Florida	12.999	56,877
2103101703	University of South Florida	12.999	57,381
211201	University of West Florida	12.999	659,852
216000524019699	Florida State University	12.999	33,431
216000524019985	Florida State University	12.999	49,623
216000524021199	Florida State University	12.999	14,356
216000524022415	Florida State University	12.999	11,587
216000524023106	Florida State University	12.999	76,858
217000520010767	Florida State University	12.999	1,330,972
217000520021482	Florida State University	12.999	26,431
217000524021272	Florida State University	12.999	14,071
217000524022444	Florida State University	12.999	254,850
218000524020172	Florida State University	12.999	47,645
218000524020818	Florida State University	12.999	6,680
218000524021771	Florida State University	12.999	38,380
220317	University of West Florida	12.999	12,566
225000520015604	Florida State University	12.999	4
227000540017278	Florida State University	12.999	17,721
227011524021284	Florida State University	12.999	81,076
227011524021286	Florida State University	12.999	130,041
2500004100	University of South Florida	12.999	1,266,219
2500119300	University of South Florida	12.999	959,369
250061	Brevard Community College	12.999	10,306
250062	Brevard Community College	12.999	10,696
302000520015670	Florida State University	12.999	817
302000524024234	Florida State University	12.999	4,303
4291357	University of Central Florida	12.999	10,000
4400137548	University of Central Florida	12.999	40,389
499-1	University of Central Florida	12.999	248
526650G2	University of Central Florida	12.999	90,689
5819851/6823831	University of Central Florida	12.999	215,954
5991	University of Central Florida	12.999	28,000
6401-6131	University of Central Florida	12.999	681,383
6415101200	University of South Florida	12.999	67,469
6415101210	University of South Florida	12.999	112,756
6415101220	University of South Florida	12.999	453,731
6415101221	University of South Florida	12.999	6,875
6415101230	University of South Florida	12.999	13,460
6415101240	University of South Florida	12.999	319,039
6415101250	University of South Florida	12.999	519,812
6415101260	University of South Florida	12.999	7,933
6415101290	University of South Florida	12.999	219,293
68-000055	University of Central Florida	12.999	313,142
70319884	University of Central Florida	12.999	18,684
800505910/TO#59	University of Central Florida	12.999	699
800506510/0065	University of Central Florida	12.999	1
800506510/0065	University of Central Florida	12.999	1,415
800506610/SUB1183658	University of Central Florida	12.999	219,617
8100001649	University of Central Florida	12.999	1,903
C-05-030 DO #0003	University of Central Florida	12.999	501
CHI-06022-001	University of Central Florida	12.999	86,159
CON1181072	University of Central Florida	12.999	8,898
DAAD190310260	University of Central Florida	12.999	199,525
FA2521-06-P-0130	University of Central Florida	12.999	3,114
FA252107P0048	University of Central Florida	12.999	4,015
FA2521-07-P-0076	University of Central Florida	12.999	35,499
FA865005C6651	University of Central Florida	12.999	409
FA871806C0076	University of Central Florida	12.999	7,118
FA871807C0036	University of Central Florida	12.999	33,273
FA945106D0015/0002	University of Central Florida	12.999	191,735

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
FA95500710349	University of Central Florida	12.999	31,873
GS1208061	University of Central Florida	12.999	57,599
HHM402-07-C-0079	University of Central Florida	12.999	105,049
HQ0006-05-C-0023	University of Central Florida	12.999	56,001
HQ0006-05-C-0023	University of Central Florida	12.999	21,498
HQ0006-05-C-7265	University of Central Florida	12.999	65,605
IPA	University of Central Florida	12.999	35,758
IPA	University of Central Florida	12.999	200,182
IPA	University of Central Florida	12.999	184,467
IPA	University of Central Florida	12.999	150,255
IPA	University of Central Florida	12.999	124,416
IPA	University of Central Florida	12.999	119,863
IPA	University of Central Florida	12.999	111,973
IPA	University of Central Florida	12.999	82,403
IPA	University of Central Florida	12.999	62,451
IPA	University of Central Florida	12.999	22,513
IPA	University of Central Florida	12.999	39,120
N0001407M0154	University of Central Florida	12.999	49,096
N0001408C0186	University of Central Florida	12.999	554,666
N00173061G036	University of Central Florida	12.999	15,820
N00244-08-2-0002	University of Central Florida	12.999	3,387
N6133904C0034	University of Central Florida	12.999	500,817
N6133904C0034	University of Central Florida	12.999	790,583
N6133904C0034	University of Central Florida	12.999	20,495
N61339-05-C-0144	University of Central Florida	12.999	19,787
N6133905D0014	University of Central Florida	12.999	81,587
N6133906D0011	University of Central Florida	12.999	1,316
N6133906D0011/0002	University of Central Florida	12.999	18,972
N61339-07-C-0035	University of Central Florida	12.999	8,635
N6133907C0045	University of Central Florida	12.999	844,401
N6133907C0071	University of Central Florida	12.999	220,934
N6133907C0107	University of Central Florida	12.999	630,279
N6133907C0107	University of Central Florida	12.999	11,992
N6133907C0107	University of Central Florida	12.999	11,477
N6133907C0107	University of Central Florida	12.999	11,193
N6600103D0018/0005	University of Central Florida	12.999	2
NNG07EK01C	University of Central Florida	12.999	541,849
PO20080004	University of Central Florida	12.999	14,908
SA447132446	University of Central Florida	12.999	7,882
SBIR PHASE I TASKING	University of Central Florida	12.999	26,000
SUB1183690	University of Central Florida	12.999	108,947
SUB1183958SH / TO#1	University of Central Florida	12.999	183,407
TCN07162	University of Central Florida	12.999	29,970
TEE-FAST	University of Central Florida	12.999	21,000
W74V8H06P0315	University of Central Florida	12.999	1,721
W900KK07C0006	University of Central Florida	12.999	128,148
W91CRB07C5011	University of Central Florida	12.999	246,503
W91CRB08C0019	University of Central Florida	12.999	84,962
W91CRB08C0029	University of Central Florida	12.999	39,031
W91CRB08C0029	University of Central Florida	12.999	52,687
W91CRB08D0015	University of Central Florida	12.999	219
W91CRB08D0015	University of Central Florida	12.999	133,414
W91CRB08D0015	University of Central Florida	12.999	92,793
W91CRB08D0015	University of Central Florida	12.999	22,691
W91CRB08D0015	University of Central Florida	12.999	10,986
W91CRB08D0015	University of Central Florida	12.999	2,639
W91WAW07C0070	University of Central Florida	12.999	185,460
W91WAW08C0008	University of Central Florida	12.999	22,788
W91WAW08C0028	University of Central Florida	12.999	24,081
W91WAW08C0072	University of Central Florida	12.999	334
Total - U. S. Department of Defense			$22,094,635

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
U. S. Department of Housing and Urban Development			
00055703	University of Florida	14.999	30,450
167000520010331	Florida State University	14.999	13,693
167000520018282	Florida State University	14.999	3
220007	Brevard Community College	14.999	3,105
230510/230511/230512	Florida Community College at Jacksonville	14.999	106,097
Y-06-IM-FL-0019	Pensacola Junior College	14.999	303,206
Total - U. S. Department of Housing and Urban Development			$456,554
U. S. Department of the Interior			
00049119	University of Florida	15.999	23,420
00057282	University of Florida	15.999	6,812
00058323	University of Florida	15.999	5,925
00064133	University of Florida	15.999	17,563
00070260	University of Florida	15.999	4,946
00070462	University of Florida	15.999	45,347
00072535	University of Florida	15.999	5,086
059000520020734	Florida State University	15.999	30
091004520020733	Florida State University	15.999	3,996
120702535	Florida International University	15.999	16,074
158000520017532	Florida State University	15.999	11,141
158000520021858	Florida State University	15.999	17,446
202200522	Florida International University	15.999	2,028
202601551	Florida International University	15.999	4,615
202601586	Florida International University	15.999	12,422
204500526	Florida International University	15.999	18,673
205000544	Florida International University	15.999	19,302
205000546	Florida International University	15.999	16
205000565	Florida International University	15.999	5,554
205000587	Florida International University	15.999	2,476
205000590	Florida International University	15.999	6,298
205000594	Florida International University	15.999	924
205000597	Florida International University	15.999	56,783
205001500	Florida International University	15.999	96,752
205001503	Florida International University	15.999	97,114
205001504	Florida International University	15.999	13,700
205001505	Florida International University	15.999	493,808
205001506	Florida International University	15.999	59,958
205001514	Florida International University	15.999	1,749
205001516	Florida International University	15.999	21,805
205001517	Florida International University	15.999	10,259
205001519	Florida International University	15.999	76,847
205001520	Florida International University	15.999	27,319
205001521	Florida International University	15.999	60,825
205001522	Florida International University	15.999	7,256
205001529	Florida International University	15.999	64,034
205001531	Florida International University	15.999	64,689
205001532	Florida International University	15.999	528
205001533	Florida International University	15.999	20,982
205001534	Florida International University	15.999	28,729
205001535	Florida International University	15.999	14,160
205001539	Florida International University	15.999	3,876
205001541	Florida International University	15.999	36,456
205001542	Florida International University	15.999	67,817
205001547	Florida International University	15.999	11,528
205001548	Florida International University	15.999	52,446
205001551	Florida International University	15.999	47,009
205001553	Florida International University	15.999	24,880
205001569	Florida International University	15.999	183,648
205001596	Florida International University	15.999	31,174
205001597	Florida International University	15.999	5,127

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
205001598	Florida International University	15.999	5,048
205002506	Florida International University	15.999	3,084
205002507	Florida International University	15.999	865
205002508	Florida International University	15.999	1,534
212200554	Florida International University	15.999	43,658
8328-07	University of Central Florida	15.999	10,001
E-7-SEG 18	Florida Fish and Wildlife Conservation Commission	15.999	4,064
H5000020504	University of Central Florida	15.999	23,999
Total - U. S. Department of the Interior			$2,003,605
U. S. Department of Justice			
00058962	University of Florida	16.999	49,102
00065142	University of Florida	16.999	173,974
080003520017568	Florida State University	16.999	20,294
080003520017572	Florida State University	16.999	113,178
080003520019674	Florida State University	16.999	270,463
083	State Courts System	16.999	27,885
1221100200	University of South Florida	16.999	24,745
141000520017347	Florida State University	16.999	318,060
141000524023413	Florida State University	16.999	6,876
1801	Florida Executive Office of the Governor	16.999	236,084
18658001	University of Central Florida	16.999	33,414
2006DNBXK036	University of Central Florida	16.999	68,953
2007-DJ-BX-1153	Justice Administrative Commission	16.999	200,000
2007DNBXK148	University of Central Florida	16.999	78,473
2007DNBXK209	University of Central Florida	16.999	7,260
2007DNBXK235	University of Central Florida	16.999	76,122
2007DNBXK237	University of Central Florida	16.999	156,934
2007DNBXK241	University of Central Florida	16.999	7,757
2007DNBXK304	University of Central Florida	16.999	38,859
80-72-00-00-080	Florida Department of Juvenile Justice	16.999	174,237
80-72-00-00-080	Florida Department of Juvenile Justice	16.999	522,432
814016	Florida Atlantic University	16.999	361
OCDEFT, Cargo, DEA, US Marshall, DMD	Florida Department of Law Enforcement	16.999	161,862
SDIS	Florida Department of Law Enforcement	16.999	987
Total - U. S. Department of Justice			$2,768,312
U. S. Department of Labor			
22069B	University of West Florida	17.999	198
254126080000	Gulf Coast Community College	17.999	11,800
254143080000	Gulf Coast Community College	17.999	45,000
254150080000	Gulf Coast Community College	17.999	21,750
Total - U. S. Department of Labor			$78,748
U. S. Department of State			
00061481	University of Florida	19.999	18,607
00073534	University of Florida	19.999	24,460
00073541	University of Florida	19.999	49,494
00073597	University of Florida	19.999	28,017
00073631	University of Florida	19.999	106,006
113000524021925	Florida State University	19.999	4,749
144000520006669	Florida State University	19.999	3,585
1728100700	University of South Florida	19.999	44,673
186000524020105	Florida State University	19.999	221,726
FTAA	Florida Department of Law Enforcement	19.999	58,585
SOPROS07GR264	University of Central Florida	19.999	17,282
Total - U. S. Department of State			$577,184
U. S. Department of Transportation			
114000523020880	Florida State University	20.999	75,796
114000524021579	Florida State University	20.999	16,248
167000520021629	Florida State University	20.999	1,500

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
212210502	Florida International University	20.999	119
215000524023316	Florida State University	20.999	17,096
216000524019967	Florida State University	20.999	217,724
228010523021681	Florida State University	20.999	69,738
25003009, 25003015	Tallahassee Community College	20.999	606,326
25003024	Tallahassee Community College	20.999	448,964
25003031	Tallahassee Community College	20.999	84,985
25003032	Tallahassee Community College	20.999	21,060
25003034	Tallahassee Community College	20.999	202,755
25003036	Tallahassee Community College	20.999	18,910
Total - U. S. Department of Transportation			$1,781,221
U. S. Department of the Treasury			
FLSMS048	Florida Department of Military Affairs	21.999	66,936
Total - U. S. Department of the Treasury			$66,936
U. S. General Services Administration			
39.011	Florida Department of State	39.999	284,021
Total - U. S. General Services Administration			$284,021
Library of Congress			
066000540015889	Florida State University	42.999	56,856
210205	University of North Florida	42.999	38,981
Total - Library of Congress			$95,837
National Aeronautics and Space Administration			
0000000443	Florida A & M University	43.999	30,354
00002313	University of Florida	43.999	27,876
00002723	University of Florida	43.999	7,956
00002870	University of Florida	43.999	70,094
00004498	University of Florida	43.999	6,997
00004917	University of Florida	43.999	184
00005564	University of Florida	43.999	30,460
00005579	University of Florida	43.999	13,317
00005581	University of Florida	43.999	2,449
00005711	University of Florida	43.999	48,694
00005808	University of Florida	43.999	57,467
00025568	University of Florida	43.999	198
00025569	University of Florida	43.999	902
00025618	University of Florida	43.999	2,099
00025631	University of Florida	43.999	4,404
00025952	University of Florida	43.999	581
00025953	University of Florida	43.999	22
00030955	University of Florida	43.999	17
00034882	University of Florida	43.999	2,982
00036661	University of Florida	43.999	3,465
00043161	University of Florida	43.999	53,880
00043220	University of Florida	43.999	1,005
00048300	University of Florida	43.999	135
00050658	University of Florida	43.999	4,235
00050820	University of Florida	43.999	33,905
00053151	University of Florida	43.999	36
00053167	University of Florida	43.999	8,668
00053170	University of Florida	43.999	1,185
00053171	University of Florida	43.999	5,665
00053172	University of Florida	43.999	14,355
00053179	University of Florida	43.999	10,155
00053181	University of Florida	43.999	20,774
00053185	University of Florida	43.999	25,057
00053190	University of Florida	43.999	2,693
00053191	University of Florida	43.999	153
00053193	University of Florida	43.999	7,106

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00053234	University of Florida	43.999	22,108
00053235	University of Florida	43.999	73,429
00054052	University of Florida	43.999	52,019
00054168	University of Florida	43.999	49,879
00054173	University of Florida	43.999	124,463
00054282	University of Florida	43.999	10,800
00054283	University of Florida	43.999	4,448
00054284	University of Florida	43.999	2,454
00054286	University of Florida	43.999	4,911
00054428	University of Florida	43.999	9,444
00054523	University of Florida	43.999	231,952
00055576	University of Florida	43.999	316,456
00055767	University of Florida	43.999	260,432
00055974	University of Florida	43.999	3,228
00056801	University of Florida	43.999	25,709
00056802	University of Florida	43.999	47,480
00056851	University of Florida	43.999	19,814
00057906	University of Florida	43.999	16,600
00058474	University of Florida	43.999	618
00058475	University of Florida	43.999	9,005
00058480	University of Florida	43.999	2,299
00058481	University of Florida	43.999	2,276
00058483	University of Florida	43.999	8,590
00058485	University of Florida	43.999	18,739
00059329	University of Florida	43.999	98,692
00059988	University of Florida	43.999	99,402
00060121	University of Florida	43.999	7,731
00060442	University of Florida	43.999	10,486
00060506	University of Florida	43.999	32
00060996	University of Florida	43.999	86,563
00062753	University of Florida	43.999	9,979
00063062	University of Florida	43.999	15,015
00063142	University of Florida	43.999	43,998
00063362	University of Florida	43.999	2,829
00063416	University of Florida	43.999	25,153
00064281	University of Florida	43.999	2,427
00064584	University of Florida	43.999	35,174
00064828	University of Florida	43.999	17,864
00065892	University of Florida	43.999	30,998
00065908	University of Florida	43.999	15,000
00065909	University of Florida	43.999	145
00066138	University of Florida	43.999	20,808
00066252	University of Florida	43.999	23,591
00066374	University of Florida	43.999	82,746
00066885	University of Florida	43.999	158,131
00066886	University of Florida	43.999	26,273
00067015	University of Florida	43.999	15,000
00067163	University of Florida	43.999	20,427
00067528	University of Florida	43.999	85,360
00068171	University of Florida	43.999	26,650
00068878	University of Florida	43.999	39,270
00069076	University of Florida	43.999	2,674
00069095	University of Florida	43.999	6,994
00069360	University of Florida	43.999	45,576
00069438	University of Florida	43.999	24,302
00070379	University of Florida	43.999	30,888
00070576	University of Florida	43.999	3,342
00072948	University of Florida	43.999	13,447
00073176	University of Florida	43.999	1,884
00074155	University of Florida	43.999	5,695
059000520019581	Florida State University	43.999	33,754
059000524020010	Florida State University	43.999	126,197

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
071003520017038	Florida State University	43.999	20,183
071003520018491	Florida State University	43.999	38,385
071003520019726	Florida State University	43.999	95,715
071003540017486	Florida State University	43.999	42,276
080003524022074	Florida State University	43.999	3,000
084009524021189	Florida State University	43.999	22,587
084009524021190	Florida State University	43.999	11,658
084009524021924	Florida State University	43.999	13,816
085002520009635	Florida State University	43.999	27,576
087005520010450	Florida State University	43.999	35,142
087005520015810	Florida State University	43.999	52,177
087005520016010	Florida State University	43.999	135,012
087005520017149	Florida State University	43.999	129,741
087005520017324	Florida State University	43.999	128,262
087005520017336	Florida State University	43.999	22,746
087005520017337	Florida State University	43.999	80,274
087005520018590	Florida State University	43.999	22,121
087005520019511	Florida State University	43.999	24,876
087005520020515	Florida State University	43.999	43,690
087005520021069	Florida State University	43.999	39,434
087005520021134	Florida State University	43.999	139,763
087005520021289	Florida State University	43.999	65,757
087005520021442	Florida State University	43.999	28,594
087005520022214	Florida State University	43.999	32,506
087005520023334	Florida State University	43.999	18,748
087005520023656	Florida State University	43.999	13,420
087005540009994	Florida State University	43.999	652
087005540018409	Florida State University	43.999	38,360
091004520010071	Florida State University	43.999	472
091004520021488	Florida State University	43.999	64,231
091004520023189	Florida State University	43.999	6,155
1213102600	University of South Florida	43.999	329
1277716	University of Central Florida	43.999	2,082
1277733	University of Central Florida	43.999	13,343
1277736	University of Central Florida	43.999	14,110
1277781	University of Central Florida	43.999	5,596
1279012	University of Central Florida	43.999	3,724
1284244	University of Central Florida	43.999	94,276
1289132	University of Central Florida	43.999	21,891
1298243	University of Central Florida	43.999	15,808
137000520021096	Florida State University	43.999	129,890
137000520021097	Florida State University	43.999	130,171
16266038	University of Central Florida	43.999	74,484
16266038	University of Central Florida	43.999	98,389
16266038	University of Central Florida	43.999	84,203
16266038	University of Central Florida	43.999	79,918
16266038	University of Central Florida	43.999	42,441
16266038	University of Central Florida	43.999	38,634
16266038	University of Central Florida	43.999	21,625
16266038	University of Central Florida	43.999	16,550
210075	University of North Florida	43.999	1,500
210225	University of North Florida	43.999	1,011
2108101000	University of South Florida	43.999	5,798
213000524019318	Florida State University	43.999	1
218000524021236	Florida State University	43.999	82,153
225000524021402	Florida State University	43.999	78,350
227000520015292	Florida State University	43.999	153,930
227000520018473	Florida State University	43.999	88,861
227000520021109	Florida State University	43.999	10,629
227000540009230	Florida State University	43.999	7,167
2500104200	University of South Florida	43.999	190,951
7002	University of Central Florida	43.999	7,863

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
HSTGO0983108A	University of Central Florida	43.999	5,550
KS50395	University of Central Florida	43.999	118,468
KS50396	University of Central Florida	43.999	84,772
NNC06GA17G	University of Central Florida	43.999	1,200,561
NNG06GG62G	University of Central Florida	43.999	23,473
NNG06GI94G	University of Central Florida	43.999	75,274
NNGO5GK00H	University of Central Florida	43.999	20,283
NNJ07HG22P	University of Central Florida	43.999	94,901
NNK06EB39G	University of Central Florida	43.999	2,381
NNK06EB47G	University of Central Florida	43.999	61,839
NNK07MA60P	University of Central Florida	43.999	8,474
NNX07AR19G	University of Central Florida	43.999	40,347
SUB2006-226	University of Central Florida	43.999	216,106
UCFFY04	University of Central Florida	43.999	2,848
UCFFY04	University of Central Florida	43.999	1,734
UCFFY04	University of Central Florida	43.999	45,700
UCFFY04	University of Central Florida	43.999	69,523
UCFFY04	University of Central Florida	43.999	128,137
UCF-FY-04	University of Central Florida	43.999	6,300
UCF-FY-04	University of Central Florida	43.999	2,600
UCF-FY-04	University of Central Florida	43.999	34,000
UCFFY04 LINE 36	University of Central Florida	43.999	44,597
UFIFAS00072133	University of Central Florida	43.999	12,091
Y2-16296041	University of Central Florida	43.999	4,855
Y2-16296041	University of Central Florida	43.999	4,147
Total - National Aeronautics and Space Administration			$8,333,143
National Foundation on the Arts and the Humanities			
138000540017094	Florida State University	45.999	292
189000540017563	Florida State University	45.999	5,566
194000524021445	Florida State University	45.999	17,000
Total - National Foundation on the Arts and the Humanities			$22,858
National Science Foundation			
00031639	University of Florida	47.999	967,804
00057209	University of Florida	47.999	13,785
00074643	University of Florida	47.999	377
0343268	University of Central Florida	47.999	27,059
075000540015983	Florida State University	47.999	2,450
126000540014291	Florida State University	47.999	13,794
129000540018537	Florida State University	47.999	8,362
129000540018780	Florida State University	47.999	195
163000540010096	Florida State University	47.999	2,685
186000524023638	Florida State University	47.999	8,374
212005540015841	Florida State University	47.999	3,236
DMS 0505566	University of Central Florida	47.999	9,982
DMS0704341	University of Central Florida	47.999	15,220
ECCS-0621715	University of Central Florida	47.999	5,625
IOB-0608636	University of Central Florida	47.999	14,542
IPA	University of Central Florida	47.999	189,695
Total - National Science Foundation			$1,283,185
U. S. Small Business Administration			
026122067	Central Florida Community College	59.999	44,233
21237A	University of West Florida	59.999	508,499
Total - U. S. Small Business Administration			$552,732
U. S. Environmental Protection Agency			
00049491	University of Florida	66.999	1,192
00051451	University of Florida	66.999	3,770
00069532	University of Florida	66.999	9,785
087005540015133	Florida State University	66.999	49,378

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
211705	University of West Florida	66.999	43,447
2176-10276	New College of Florida	66.999	34,430
CR-83256001-1	Florida Fish and Wildlife Conservation Commission	66.999	8,725
JFBI05177	University of Central Florida	66.999	31,606
PEGSUB00010	University of Central Florida	66.999	40,628
Total - U. S. Environmental Protection Agency			$222,961
U. S. Department of Energy			
00003490	University of Florida	81.999	98,992
00005883	University of Florida	81.999	98,311
00006059	University of Florida	81.999	137,932
00051755	University of Florida	81.999	69,787
00052030	University of Florida	81.999	10,638
00057391	University of Florida	81.999	358,337
00066072	University of Florida	81.999	58,266
00070987	University of Florida	81.999	14,200
00071720	University of Florida	81.999	20,097
00072194	University of Florida	81.999	18,354
00074897	University of Florida	81.999	2,593
071003524020623	Florida State University	81.999	6,869
071003524022550	Florida State University	81.999	11,591
071003524023325	Florida State University	81.999	14,013
075000524019242	Florida State University	81.999	835
075000524021239	Florida State University	81.999	20,147
078006540015543	Florida State University	81.999	24
084009524019212	Florida State University	81.999	196
084009524021113	Florida State University	81.999	10,121
084009524023104	Florida State University	81.999	8,237
084009540018925	Florida State University	81.999	12,015
087005540015127	Florida State University	81.999	8
087005540018076	Florida State University	81.999	6,211
091004524022042	Florida State University	81.999	168,584
091004524022407	Florida State University	81.999	14,745
137000524021266	Florida State University	81.999	30,294
137000524021513	Florida State University	81.999	9,462
137000524024130	Florida State University	81.999	29,694
137000540018315	Florida State University	81.999	30,133
210000524021548	Florida State University	81.999	52,160
2105102200	University of South Florida	81.999	7,049
2112006500	University of South Florida	81.999	7,439
214000524022165	Florida State University	81.999	8,328
218000524022889	Florida State University	81.999	4,378
218000540017212	Florida State University	81.999	63,983
219000540008081	Florida State University	81.999	4,667
225000524021651	Florida State University	81.999	90,238
225000524022242	Florida State University	81.999	36,896
225000524023685	Florida State University	81.999	46,572
225000540016858	Florida State University	81.999	37,902
227000524021679	Florida State University	81.999	112,369
227000540016455	Florida State University	81.999	45,369
227011524019191	Florida State University	81.999	9,539
227011524022280	Florida State University	81.999	53,631
4.50051e+009	University of Central Florida	81.999	56,851
612515	University of Central Florida	81.999	28,747
62267	University of Central Florida	81.999	36,962
651200	University of Central Florida	81.999	88,928
680275	University of Central Florida	81.999	15,306
705747/A0346	University of Central Florida	81.999	8,094
71334	University of Central Florida	81.999	44,350
775359	University of Central Florida	81.999	13,183
CM718	University of Central Florida	81.999	12,958
DEFG0206CH11446	University of Central Florida	81.999	188,859

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
DEFG0207ER15842	University of Central Florida	81.999	82,184
DEFG0207ER46354	University of Central Florida	81.999	32,626
Total - U. S. Department of Energy			$2,450,254
Federal Emergency Management Agency			
CSPM2	Justice Administrative Commission	83.999	28,788
Total - Federal Emergency Management Agency			$28,788
U. S. Department of Education			
00073515	University of Florida	84.999	40,831
1046A	Florida Department of Education	84.999	116,061
1097A	Florida Department of Education	84.999	166,059
1185A	Florida Department of Education	84.999	1
121310288, 121310294	Daytona Beach Community College	84.999	122,529
123005540010312	Florida State University	84.999	272
124000523021268	Florida State University	84.999	12,109
124000524021937	Florida State University	84.999	10,000
125000540010651	Florida State University	84.999	46,665
129000540010697	Florida State University	84.999	19,968
14800	Florida Department of Education	84.999	1,668
1724011800	University of South Florida	84.999	48,785
20027	Florida Gulf Coast University	84.999	429
20121	Florida Gulf Coast University	84.999	3,946
20152	Florida Gulf Coast University	84.999	243
20154	Florida Gulf Coast University	84.999	92
20211	Florida Gulf Coast University	84.999	6,714
20212	Florida Gulf Coast University	84.999	1,094
20233	Florida Gulf Coast University	84.999	852
20234	Florida Gulf Coast University	84.999	3,288
20251	Florida Gulf Coast University	84.999	12,934
211370	Indian River Community College	84.999	187,115
213202320030308	Seminole Community College	84.999	106,579
228010524020100	Florida State University	84.999	4
24700000002006	Polk Community College	84.999	24,481
2580000080005310	Palm Beach Community College	84.999	162,715
302000540018816	Florida State University	84.999	226,386
40130	Florida Department of Education	84.999	32,241
4023B	Florida Department of Education	84.999	104,986
580095	Florida Atlantic University	84.999	146,264
7603F18108	University of Florida	84.999	116,085
DQKRA2	Miami-Dade Community College	84.999	297,551
DQS101	Miami-Dade Community College	84.999	8,624
Housing Loans	Florida State University	84.999	2,075,000
Housing Loans	University of Florida	84.999	170,000
IQ0007	Miami-Dade Community College	84.999	104,277
Total - U. S. Department of Education			$4,376,848
Scholarship Foundation			
00068505	University of Florida	85.999	4,127
Total - Scholarship Foundation			$4,127
U. S. Institute of Peace			
00034396	University of Florida	91.999	2,204
Total - U. S. Institute of Peace			$2,204
U. S. Department of Health and Human Services			
	Florida State University	93.999	158,581
00000863	University of Florida	93.999	2,696
00002329	University of Florida	93.999	120,635
00004839	University of Florida	93.999	320,199
00006252	University of Florida	93.999	24
00010990	University of Florida	93.999	83,598

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00011293	University of Florida	93.999	52,295
00011827, 00028990	University of Florida	93.999	802
00011828	University of Florida	93.999	2,600
00017791	University of Florida	93.999	1,193
00019144	University of Florida	93.999	98,895
00019887	University of Florida	93.999	19,714
00020910	University of Florida	93.999	13
00020932	University of Florida	93.999	34
00020977	University of Florida	93.999	17,961
00034092	University of Florida	93.999	2,926
00034106	University of Florida	93.999	1,986
00034115	University of Florida	93.999	2,060
00048261	University of Florida	93.999	112,570
00049155	University of Florida	93.999	5,888
00049411	University of Florida	93.999	33,129
00050583	University of Florida	93.999	198,045
00051432	University of Florida	93.999	261
00051802	University of Florida	93.999	15,057
00051980	University of Florida	93.999	217,344
00052070	University of Florida	93.999	392,430
00052101	University of Florida	93.999	10,731
00052299	University of Florida	93.999	346,327
00054505	University of Florida	93.999	3,153
00055044	University of Florida	93.999	9,055
00055225	University of Florida	93.999	22,751
00055607	University of Florida	93.999	317
00056320	University of Florida	93.999	234,259
00056345	University of Florida	93.999	212,926
00056950	University of Florida	93.999	279,246
00057053	University of Florida	93.999	58,076
00057242	University of Florida	93.999	101,168
00057244	University of Florida	93.999	4,298
00057605	University of Florida	93.999	162,901
00057715	University of Florida	93.999	264,592
00057841	University of Florida	93.999	194,352
00057842	University of Florida	93.999	46,439
00058175	University of Florida	93.999	125,801
00059928	University of Florida	93.999	12,835
00060421	University of Florida	93.999	303,969
00060422	University of Florida	93.999	3,772
00060934	University of Florida	93.999	394,780
00060935	University of Florida	93.999	14,582
00061416	University of Florida	93.999	16,814
00061919	University of Florida	93.999	20,929
00062350	University of Florida	93.999	470
00062621	University of Florida	93.999	93,859
00063077	University of Florida	93.999	129,353
00063144	University of Florida	93.999	519
00063171	University of Florida	93.999	9,315
00063381	University of Florida	93.999	197,027
00063885	University of Florida	93.999	7,115
00064468	University of Florida	93.999	326,452
00064541	University of Florida	93.999	44,190
00064792	University of Florida	93.999	8,033
00065105	University of Florida	93.999	64,360
00067452	University of Florida	93.999	355,482
00067521	University of Florida	93.999	257,552
00067992	University of Florida	93.999	40
00068245	University of Florida	93.999	20,399
00068514	University of Florida	93.999	35,654
00069075	University of Florida	93.999	21,307
00069804	University of Florida	93.999	32,998

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00070579	University of Florida	93.999	5,551
00073066	University of Florida	93.999	1,472
00073067	University of Florida	93.999	9,656
00073554	University of Florida	93.999	21,648
073002524019820	Florida State University	93.999	32,209
073002524022547	Florida State University	93.999	187,927
1213100700	University of South Florida	93.999	14,186
142001540018820	Florida State University	93.999	28,486
156000524021307	Florida State University	93.999	87,060
157000523019430	Florida State University	93.999	4,783
157000523019431	Florida State University	93.999	3,257
159000524023204	Florida State University	93.999	44,383
18208017	University of Central Florida	93.999	5,100
202002524022389	Florida State University	93.999	4,759
204000520010101	Florida State University	93.999	7,342
208000524022070	Florida State University	93.999	42,326
210218	University of North Florida	93.999	56,857
6111100100	University of South Florida	93.999	45,525
6112100000	University of South Florida	93.999	82,450
6119104400	University of South Florida	93.999	678,361
6144102100	University of South Florida	93.999	157,838
6414007600	University of South Florida	93.999	11,307
6414102300	University of South Florida	93.999	23,649
69016010	University of Central Florida	93.999	216,015
DO548919	Florida Fish and Wildlife Conservation Commission	93.999	6,339
I30232	Miami-Dade Community College	93.999	197,885
Total - U. S. Department of Health and Human Services			$8,285,505
U. S. Department of Homeland Security			
020502	Florida Atlantic University	97.999	23,397
225000524023309	Florida State University	97.999	16,242
623751831	Florida A & M University	97.999	7,987
FMFST Secret Service	Florida Department of Law Enforcement	97.999	3,946
NNK06OM24C	University of Central Florida	97.999	121
XF064	Florida Department of Community Affairs	97.999	6,344,596
Total - U. S. Department of Homeland Security			$6,396,289
U. S. Agency for International Development			
11109236	Hillsborough Community College	98.999	293,992
11505328	Hillsborough Community College	98.999	210,058
31022437	Hillsborough Community College	98.999	7,336
31022728	Hillsborough Community College	98.999	106,045
Total - U. S. Agency for International Development			$617,431
Other Federal Grants			
138000520020971	Florida State University	99.999	5,416
147000520020972	Florida State University	99.999	2,785
167000520022251	Florida State University	99.999	11,564
212610	Florida Community College at Jacksonville	99.999	15,729
212811	Florida Community College at Jacksonville	99.999	277,877
DA4002	Miami-Dade Community College	99.999	259
Total - Other Federal Grants			$313,630
Total Other Federal Awards			**$64,186,205**

EXHIBIT
OTHER REPORTS

The Auditor General reports listed below include findings and information that may enhance the reader's understanding of the State of Florida's administration of Federal awards:

Report Type/Number	Report Title	Date of Report
Operational Audit No. 2009-100	*Department of Children and Family Services* *Licensing and Fee Collection* *Child Care Facilities and Homes and Substance Abuse Service Providers*	January 2009
Operational Audit No. 2009-095	*Department of Children and Family Services* *Community-Based Care Pilot Program* *Fiscal and Administrative Monitoring*	January 2009
Operational Audit No. 2009-093	*Department of Transportation* *State Financial Assistance, Innovative Construction Techniques, and Prior Audit Follow-Up*	January 2009
Information Technology Audit No. 2009-086	*Department of Community Affairs* *Division of Emergency Management* *Florida Public Assistance System*	January 2009
Information Technology Audit No. 2009-070	*Agency for Workforce Innovation* *Department of Revenue* *Department of Management Services* *Unemployment Insurance Program*	December 2008
Operational Audit No. 2009-039	*Department of Children and Family Services* *Contract Monitoring and Other Selected Administrative Activities*	November 2008
Operational Audit No. 2009-018	*Department of Health* *Information Technology and Selected Administrative Matters*	October 2008
Information Technology Audit No. 2009-017	*Department of Transportation* *TRNS*PORT System SiteManager Module, Laboratory Information Management System, and Consultant Invoice Transmittal System*	October 2008
Information Technology Audit No. 2008-197	*Department of Children and Family Services* *Florida On-Line Integrated Data Access System*	June 2008
Operational Audit No. 2008-180	*Agency for Persons with Disabilities* *Administrative Activities and Contract Management*	May 2008
Operational Audit No. 2008-179	*Department of Community Affairs and Division of Emergency Management* *Administrative Issues*	May 2008
Operational Audit No. 2008-177	*Department of Community Affairs and Division of Emergency Management* *Procurement and Asset Management*	May 2008

EXHIBIT
OTHER REPORTS

Operational Audit No. 2008-119	*Department of Children and Family Services* *Community-Based Care Lead Agencies - Tangible Personal Property and Information Technology Security*	March 2008
Operational Audit No. 2008-104	*University of Central Florida* *Operational Audit*	February 2008

Audit reports prepared by the Auditor General can be obtained through our Web site (www.myflorida.com/audgen).

Additionally, the State's Office of Program Policy Analysis and Government Accountability's issued a program review of the Florida Retirement System Pension Plan, dated April 2008 (report No. 08-30). A copy of this report can be obtained online at (www.oppaga.state.fl.us).

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FS 08-002	Long-term liabilities, Expenses, Receivables, net, Deferred
FS 08-003	Accounts Receivable Uncollectible Allowance
Florida Agency for Workforce Innovation	
FA 08-006	Employment Service Cluster
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FA 08-007	Unemployment Insurance
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FA 08-049	Child Care Cluster
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	WIA Cluster
FA 08-050	Child Care Cluster
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FA 08-002	Community Development Block Grants/State's Program
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FA 08-031	Schedule of Expenditures of Federal Awards
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FA 08-066	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
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FA 08-067	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
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	Public Health Emergency Preparedness
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FA 08-034	Child and Adult Care Food Program
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FA 08-013	Highway Planning and Construction
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FA 08-068	Homeland Security
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Florida International University	
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10.025		FA 08-001								
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10.551 **10.561**		FA 08-035		FA 08-035				FA 08-035		FA 08-035
10.558		FA 08-034						FA 08-034		
United States Department of Defense										
12.300		FA 08-107* FA 08-108*								FA 08-112*
12.300 **12.999**		FA 08-106*								
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United States Department of Labor										
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84.032 **84.063** **84.375**			FA 08-092							

* CFDA number is included within the Research and Development Cluster

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84.032 **84.268**										FA 08-104
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84.375 **84.376**				FA 08-094						
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84.126		FA 08-020		FA 08-021				FA 08-022 FA 08-023		
84.181		FA 08-024 FA 08-033 FA 08-034						FA 08-034	FA 08-024	
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84.366							FA 08-111*			
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* CFDA number is included within the Research and Development Cluster

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CFDA Number	*Activities Allowed or Unallowed*	*Allowable Costs/Cost Principles*	*Cash Management*	*Eligibility*	*Matching Level of Effort, Earmarking*	*Period of Availability of Federal Funds*	*Procurement and Suspension and Debarment*	*Reporting*	*Subrecipient Monitoring*	*Special Tests and Provisions*
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* CFDA number is included within the Research and Development Cluster

STATE OF FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SUBMITTED IN ACCORDANCE WITH
OMB CIRCULAR A-133

FOR THE FISCAL YEAR ENDED
JUNE 30, 2008

STATE OF FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SUBMITTED IN ACCORDANCE WITH
OMB CIRCULAR A-133

FOR THE FISCAL YEAR ENDED
JUNE 30, 2008

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STATE OF FLORIDA

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FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-059	State Children's Insurance Program CFDA No. 93.767	FAHCA expended administrative costs at a rate higher than the established threshold.	Partially Corrected	Based on the current projections this issue will be resolved in the Federal fiscal year ending September 30, 2009. The 10% cap was first exceeded during the federal fiscal year ending September 30, 2004. The main reasons for this were: • In March 2003 the Department of Health began claiming comprehensive school health services under title XXI as approved by the Legislature. These have been changed to another source effective July 1, 2007. • In 2004 a Senate bill was passed putting increased requirements on required documentation support, as well as other changes for Florida Healthy Kids corporation applicants. These changes resulted in enrollment dropping from 284,948 in July 2004 to 178,997 by June 2005. • In 2003 it was discovered that the system the fiscal agent was using to determine whether funds should come from Title XIX or Title XXI had a flaw. This flaw was the result of the programming not taking into account the fact that the 15 to 19 year olds that had been included based on the SOBRA law were to be phased out under Title XXI. The corrections were made back to 1998 when the Kidcare program began. This caused an approximately 20 million dollar swing in the allowable services previously used for the cap.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				The procedures currently being used were presented verbally in a CMS training session by a CMS staff member. This process has been discussed with CMS analysts as recently as the fall of 2007 and made neither objections nor suggestions.
FA 07-060	Medicaid Cluster CFDA Nos. 93.775, 93.776, 93.777, 93.778	FAHCA procedures did not effectively ensure the timely recoupment of overpayments made to HMOs on behalf of deceased clients.	Partially Corrected	The Medicaid Third Party Liability Vendor continues to conduct the date of death project on a quarterly basis. Each project cycle encompasses five years of Medicaid paid claims data.
FA 07-062 FA 06-066 FA 05-053	Medicaid Cluster CFDA Nos. 93.775, 93.776, 93.777, 93.778	FAHCA did not review and release audits of Intermediate Care Facilities for the Developmentally Disabled cost reports on a timely basis. Additionally, FAHCA had not resolved issues relating to ICF-DD facilities for which the independent auditors disclaimed an opinion on the cost reports.	Partially Corrected	FAHCA continues to review and issue audits of Intermediate Care Facilities for the Developmentally Disabled cost reports with attention to the older audits. FAHCA continues to work on the unresolved issues for the audits which the independent audits disclaimed an opinion.
FA 05-049 FA 04-071 FA 03-70	Medicaid Cluster CFDA Nos. 93.775, 93.776, 93.777, 93.778	Internal controls were not adequate to prevent payments in excess of allowable amounts for certain types of claims.	Partially Corrected	System edits have been put into place to prevent unallowable claims. The agency is still in the process of recouping the erroneous claims.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Dyke Snipes, Deputy Secretary for Medicaid

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA AGENCY FOR WORKFORCE INNOVATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-009 FA 06-009 FA 05-011	Unemployment Insurance CFDA No. 17.225	Although FAWI implemented some corrective actions, deficiencies reported in the prior audit regarding the implementation of adequate FAWI management security control procedures for the Unemployment Compensation System continued to exist during the 2006-07 fiscal year. Also, improvements were needed in certain cross-match application processes and the FAWI Benefit Accuracy Measurement Unit was not independent of the areas it evaluated.	Partially Corrected.	Audit Finding #1- On June 26, 2007, the Agency Director adopted and began implementation of FAWI Policy No. 1.08, Positions of Special Trust. In accordance with this policy, Agency staff identified Information Technology (IT) positions that met the definition of "special trust" due to their sensitive location and/or ability to access and alter confidential data. On October 9, 2007, the Agency Director designated these identified IT positions as those of special trust, and the Agency subsequently notified the affected personnel. On January 29, 2008, the Agency finalized and executed a criminal history information sharing agreement with the Florida Department of Law Enforcement (FDLE). This agreement allowed FDLE to obtain State and Federal background screenings (Level 2) and share the resulting information with the Agency. Level 2 screenings have been completed for all designated staff. The purchase order with ISOCORP, Inc. needs to be amended to require level 2 background screening. Audit Finding #2 - FAWI has identified the mainframe reports and settings necessary to eliminate this audit finding. FAWI is currently working collaboratively with the Florida Department of Management Services (DMS) staff to modify current settings and reports to provide appropriate access privileges and provide necessary monitoring. Testing and implementation were completed in May 2008. Audit Finding #3 - After extensive testing of settings in the UC mainframe, the appropriate controls required to address the audit finding were implemented on March 21, 2008.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA AGENCY FOR WORKFORCE INNOVATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				Audit Finding #4 - On March 11, 2008 the UC Operations Manager issued Procedural Instruction 08-02, which replaces earlier instruction issued with respect to the handling of the HSMV cross-match data. The UC Operations manager has also worked with the managers of the Tallahassee and Ft. Lauderdale claims hubs to ensure that procedures are established for supervisors to adequately review the work of the individuals assigned to work the mismatched claims to ensure timeliness and accuracy. Audit Finding #5 - On March 11, 2008, the UC Operations Manager issued Procedural Instruction 08-02, which replaces earlier instruction issued with respect to the handling of the Social Security Administration cross-match data. The UC Operations manager has also worked with the managers of the Tallahassee and Ft. Lauderdale claims hubs to ensure that procedures are established for supervisors to adequately review the work of the individuals assigned to work the mismatched claims to ensure timeliness and accuracy. Audit Finding #6 - The Agency has reorganized the Office of UC Services to provide for the separation of functions as recommended by the AG. Audit Finding #7 - Effective March 10, 2008, the Unemployment Tax program has been fully converted to the SUNTAX system operated by the Department of Revenue. The calculation of the tax rate parameters affecting the 2009 rates for Florida employers will occur after September 30, 2008. The Agency has been working with the Department of Revenue to ensure that,

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGENCY FOR WORKFORCE INNOVATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				where key decisions are required, documentation is available. Audit Finding #8 - The FAWI Application Development Group has developed a change control process and approval tracking system to manage developmental changes for all applications within its domain. This effort included the Mainframe, PowerBuilder, and all web applications. The change control policy was updated to include the following fundamental change management processes: Change Authorization Change Testing Change Customer Approval Change Implementation The revised procedures have been documented and testing of the process has been completed. To complete the implementation process, the Change Control Board held its inaugural meeting on March 28, 2008.
FA 07-010	Unemployment Insurance CFDA No. 17.225	FAWI charged a Federal grant award for obligations that did not occur during the award's funding period.	Corrected.	As recommended in the audit finding, correcting entries were made in October 2007. The final correcting entries moved the questioned charges to grant UCB06, for which the expenditures were both allowable and within the period of availability. FAWI will continuously emphasize the importance of following established procedures to ensure all charges to Federal grant awards are the result of obligations incurred during the applicable funding periods.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA AGENCY FOR WORKFORCE INNOVATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-012 FA 06-011 FA 05-013 FA 04-014 FA 03-024 02-023	Unemployment Insurance CFDA No. 17.225	Although FAWI took measures to more accurately report amounts on the quarterly ETA 227 Overpayment Detection and Recovery Activities reports, certain amounts continued to be misstated.	Corrected.	Revised computer programs for creating the ETA 227 were moved into production in April 2007. This resulted in the agreement of Sections C and E of the report created for the quarter ending March 31, 2007. This corrected a prior focus area. Programming changes that were moved to production have also resulted in proper recording of third party payments made in the recovery process. Application development staff analyzed problems that caused the report to become out of balance and modifications have been implemented.
FA 07-013 FA 06-012 FA 05-015	Unemployment Insurance CFDA No. 17.225	The FAWI and FDOR unemployment insurance tax rate calculation process did not promote the assessment of UI taxes in a manner that is accurate and consistent with Florida law.	Partially corrected. Automated adjustments to individual employer accounts for benefit overpayments will be completed by December 31, 2008.	Effective March 10, 2008 the Unemployment Tax program has been fully converted to the SUNTAX system operated by the Department of Revenue. The calculation of the tax rate parameters affecting the 2009 rates for Florida employers will occur after September 30, 2008 in the SUNTAX system. The Agency believes that concerns addressed by the auditor with respect to accuracy and completeness of the data used in the rate calculation process will be addressed by the unemployment tax application in SUNTAX. In addition, documentation of the methodology of the experience rating process in SUNTAX will be available for the auditor. FAWI continues to analyze the manner by which it can automate the adjustment of employer benefit charges when overpayment determinations are redetermined. The Agency's goal is to complete this work by December 31, 2008.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA AGENCY FOR WORKFORCE INNOVATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 04-018 FA 03-027 02-028 01-036 00-17 SA 99-95/100	Unemployment Insurance CFDA No. 17.225	FAWI use of noncharge benefit payments in the calendar year contributory employers' experience-based tax rate calculation was not always consistent with statutory provisions.	Partially corrected. Automated adjustments to individual employer accounts for benefit overpayments will be completed by December 31, 2008.	Effective March 10, 2008, the Unemployment Tax program has been fully converted to the SUNTAX system operated by the Department of Revenue. The Agency's (AWI's) tax system is now obsolete. The calculation of the tax rate parameters affecting the 2009 rates for Florida employers will occur in SUNTAX after September 30, 2008. The Agency will continue to work with the Department of Revenue to ensure that, where key decisions are required, documentation is available.
FA 07-014 FA 06-013 FA 05-008	Workforce Investment Act Cluster CFDA Nos. 17.258, 17.259, and 17.260	Although FAWI continued to implement corrective actions, deficiencies reported in prior audits regarding the One Stop Management Information System continued to exist during the 2006-07 fiscal year.	Corrected.	In October 2007, all remaining work orders were completed to eliminate the noted security deficiencies and close this audit finding.
FA 07-015	Workforce Investment Act Cluster CFDA Nos. 17.258, 17.259, and 17.260	FAWI did not ensure Regional Workforce Board compliance with WIA local area earmarking requirements.	Corrected.	Adjustments made by the boards have corrected the non-compliance with no resulting questioned costs. Copies of all correspondence to and from the boards have been provided to the Office of the Auditor General. Additional steps were added to the close-out process to ensure the future compliance with earmarking requirements.
FA-07-054 FA 06-055	Child Care and Development Fund Cluster CFDA Nos. 93.575 and 93.596	FAWI did not adequately oversee subrecipient-established eligibility data system security policies and controls.	Partially Corrected.	FAWI will continue to include the required contract language in the ELC grant agreements. This language has also been enhanced for the 2008-09 grant agreement. FAWI will review the agency's 2008-09 annual programmatic monitoring plans to perform risk assessment analyses and focus agency resources and monitoring efforts. The risk assessment results will be used to determine and implement the appropriate methods of oversight, including preventive and detective internal controls and enhanced programmatic monitoring. These plans will

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGENCY FOR WORKFORCE INNOVATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				be coordinated with financial monitoring tasks (as needed) and will include procedures to analyze EFS access controls, application controls, system change management, data integrity, data confidentiality and data recovery controls. In February 2008, FAWI coordinated with outside consultants to schedule a training workshop open to all ELCs. Training topics offered included Internal Controls for IT and Information Technology Risk Management. The estimated completion date is July 31, 2008.
FA 05-064	Temporary Assistance for Needy Families CFDA No. 93.558	Information reported in the Separate State Program – Maintenance of Effort (SSP-MOE) Data Report was not always accurate.	Partially Corrected	Back-up of the data utilized in the SSP-MOE report are being archived as each report is generated. It is anticipated that selected fields will become locked after a specified amount of time in order to resolve data issues and to reconcile federal reports. As a result of the new Interim Final Regulations required under the Deficit Reduction Act, Florida developed and implemented a work verification plan that includes monitoring the data entry of participation hours and requirements by local providers. The plan has been fully implemented; however, we are still awaiting DHHS approval.

Note: (1) Paragraph/Finding No(s). refer to audit findings in Section 3 of report No. 13690 (SA 99-), report No. 01-134 (00-), report No. 02-192 (01-), report No. 03-167 (02-), report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: James F. Mathews, C.I.G.
Inspector General

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-001	Plant and Animal Disease, Pest Control, and Animal Care CFDA 10.025	FDACS did not always comply with the provisions of OMB Circular A-87 related to semiannual certifications for employees expected to work solely on a single Federal award or cost objective.	Partially Corrected	The Division of Plant Industry is requiring that certifications are completed every six months, in January and July, for career service and select exempt employees funded from Federal Grants Trust Funds in accordance with OMB Circular A-87.
FA 07-002	Plant and Animal Disease, Pest Control, and Animal Care CFDA 10.025	FDACS did not always retain manually prepared records to document surveys of commercial citrus groves.	Fully Corrected	An email notice was sent by Connie Riherd, Assistant Director, on January 30, 2008, to all Division of Plant Industry employees reminding them to comply with record retention policies.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Joseph R. Martelli, Inspector General

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF CHILDREN AND FAMILY SERVICES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-043 FA 06-047 FA 05-041 FA 04-040 FA 03-50	Temporary Assistance for Needy Families CFDA No. 93.558 Refugee and Entrant Assistance – State Administered Programs CFDA No. 93.566 Adoption Incentive Payments CFDA 93.603 Foster Care – Title IV-E CFDA No. 93.658 Adoption Assistance CFDA No. 93.659 Social Services Block Grant CFDA No. 93.667 Medical Assistance Program CFDA No. 93.778	FDCFS did not always notify subrecipients of all required Federal award information within a reasonable period.	Fully Corrected	The Department provides an automated application on the Provider Audit Unit web site to assist contract managers in the preparation of the Post Award Notice (PAN) for contracts. The application instructions specify when a notice must be prepared and amended for the contract. The application generates the notice and a transmittal letter. The grand total of the notice is then compared to the contract to ensure all funding sources have been included. Since contracts are funded and written at the Circuit level, the PANs must be prepared in the Circuits. Preparation of the PAN is a step included on Contract Administration checklists when contracts are executed. In 2007, we implemented a new PAN process for the Community-Base Care contracts. A completed PAN is sent to the contract manager from an automated system when any change in funding occurs. This automated process has greatly enhanced our compliance rates, as contract managers only have to forward an already completed document to their provider. We continued to conduct quality reviews of this activity during the past Fiscal Year and have seen a continuing increase in our compliance rates. Central Office emphasized the importance of the PAN process to the Regions during the March and July 2008 Contract Administrators conference call. We emphasized the importance of reviewing amendments as well as original contracts.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-046	Temporary Assistance for Needy Families CFDA No. 93.558	Fraudulent TANF cash assistance benefit payments my have been made.	Fully Corrected	As a result of the final reports issued by the Florida Department of Law Enforcement (FDLE) and the Department's Office of Inspector General, the following measures were taken to ensure program and system integrity: Several ad hoc reports were developed that are reviewed on a monthly basis by a team comprised of fraud prevention and policy staff. Also, on a monthly basis, an Internal Controls Workgroup meets to discuss the results of the team's findings and any related issues. In addition, on a quarterly basis, the workgroup expands to include staff from FDLE/Public Assistance Fraud (PAF) and the Department's Inspector General's office to share information. An on-line ACCESS Security Training Package was developed, and all ACCESS Florida staff completed this required training by July 11, 2008. Effective 5/15/08, a FLORIDA system enhancement was implemented to no longer allow the same worker to create and approve a fiat. Fiats still require supervisor approval.
FA 07-047 FA 06-050 FA 05-063	Temporary Assistance for Needy Families CFDA No. 93.558	TANF cash assistance benefits were not always calculated correctly and eligibility for TANF benefits was not always adequately documented.	Fully Corrected	The Department examines areas affecting accuracy through Quality Management System (QMS) On-line and Management Evaluation (ME) reviews to ensure proper documentation is maintained to support client benefit levels. In addition, the cases related to this audit finding were corrected, reconstructed, or referred to Benefit Recovery. Claims were established on those cases referred to Benefit Recovery.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF CHILDREN AND FAMILY SERVICES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-049 FA 06-053 FA 05-069 FA 04-055 FA 03-57 02-058 01-074 00-64 SA 99-276/278 SA 98-278/281 SA 97-195/199 SA 96-426/428	Refugee and Entrant Assistance – State Administered Programs CFDA No. 93.566	FDCFS provided REAP benefits to individuals for whom FDCFS could not provide documentation supporting eligibility.	Fully Corrected	The audit findings were isolated incidents, and Circuit 11 staff was contacted about the errors found in these cases. No further action is necessary.
FA 07-050 FA 04-056 FA 03-58	Refugee and Entrant Assistance – State Administered Programs CFDA No. 93.566	The ORR-6 Quarterly Performance Report was not always accurately prepared in accordance with applicable instructions.	Fully Corrected	The Office of Refugee Resettlement (ORR) issued State Letter 08-02, dated December 20, 2007 regarding Revisions to the ORR-6 Performance Report. Based on the ORR State Letter, the Department of Children and Families has implemented procedures to comply with the new instructions and discontinued the previous allocation method.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF CHILDREN AND FAMILY SERVICES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-055 FA 06-054 FA 04-057 FA 03-60 02-059	Child Care and Development Fund Cluster CFDA Nos. 93.575 and 93.596	FDCFS did not always maintain documentation to support the eligibility of children to receive Federally funded child care services.	Partially Corrected	A document imaging program has been incorporated in the statewide automated child welfare system, Florida Safe Families Network (FSFN), and staff will be required to scan the completed Child Care Application and Authorization forms that are sent to the Agency for Workforce Innovation. Although the document imaging function was added to FSFN as a part of Release 2a in May 2008, it is not yet available for use by staff due to an identified need to establish additional policy and design features that assure confidentiality. It is anticipated this capacity will become available to staff within the next 9-12 months. On an ongoing basis, the administrative rules will be reviewed to identify areas of improvement in the requirements for documenting completed subsidized child care referral forms, as needed.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-056 FA 06-058 FA 05-071 FA 04-063 FA 03-67	Adoption Assistance CFDA No. 93.659	FDCFS made payments on behalf of children for which Adoption Assistance eligibility was not properly documented or who were not eligible.	Partially Corrected	Questioned cost paid on behalf of children whose "error" cases were identified during the audit has been recouped. Title IV-E Adoption Subsidy Operating Procedures were reviewed and revised, as necessary. The Adoption Program Manager and Rev Max Specialist conducted three regional trainings (June 2, 4, and 6, 2008) on adoption subsidy eligibility. A memorandum was sent to the regions requesting local processes for Title IV-E adoption subsidy eligibility determination. A review of local processes was completed and included in the regional training sessions. Two ad hoc monitorings for children with subsidies and age 18 or older were completed on several counties. Statewide annual monitoring for all children with subsidies and age 18 or older has been established. Child Welfare Legal Services completed a review of case file court orders and the established model court orders in the statewide automated child welfare system. In addition, during regional trainings completed in June, the Assistant General Counsel trained staff and attorneys regarding model court orders.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-061	Medicaid Cluster CFDA Nos. 93.775, 93.776, 93.777, 93.778	In some instances, FDCFS was unable to provide documentation that data exchange requests had been performed. In addition, data exchange responses were not timely processed which, in some instances, resulted in ineligible individuals remaining undetected by FDCFS.	Partially Corrected	The cases cited in the audit finding were sent to Benefit Recovery. The training managers were advised to ensure that Pre-service and In-service trainings include data exchange processing. A service request to redesign the data exchange archive retrieval process was completed on 2/28/08. It is in the pending programming changes queue.

Note: (1) Paragraph/Finding No(s). refer to audit findings in Section 2 of report No. 12983 (SA 96-), Section 3 of report No. 13256 (SA 97-), Section 3 of report No. 13490 (SA 98-), Section 3 of report No. 13690 (SA 99-), report No. 01-134 (00-), report No. 02-192 (01-), report No. 03-167 (02-), report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Jerry Chesnutt, Director of Auditing

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-004	Community Development Block Grant/State's Program CFDA 14.228	FDCA did not ensure that subgrantees timely expended advances or made timely refunds to FDCA. Additionally, FDCA did not properly record CDBG advances in the State's accounting system.	Fully Corrected	Additional monitoring procedures have been put into place to ensure that refunds are timely obtained from subgrantees. As of August 1, 2008 advance payments will be identified as advances on the request for payment form that is submitted to Finance and Accounting.
FA 07-005	Community Development Block Grant/State's Program CFDA 14.228	FDCA made payments to subgrantees without the appropriate approvals. Additionally, FDCA lacked documentation at the time of payment authorization showing that a subgrantee payment was made for services performed within the period of availability.	Fully Corrected	The established approval process for subgrantee payments follows the Department's delegation of authority. The Program Administrator's delegation of authority and position description gives final authority to attest to the completeness, accuracy, and legitimacy of payments and to approve them. No payments will be made without complete and accurate supporting documentation.
FA 07-006	Community Development Block Grant/State's Program CFDA 14.228	FDCA did not have appropriate controls in FloridaPAPERS (Process Automation and Paperless Electronic Routing System) to ensure that requests for payment were properly approved. Additionally, access system documentation and change management controls in the Grants Records Information Tracking System were not sufficient.	Partially Corrected	FloridaPAPERS was designed to automate and expedite the workflow of documents and is being utilized as designed. As of November 28, 2007 system documentation has been completed for GRITS. No enhancements are being made as CDBG is in the process of migrating to a new Grants Management System that will replace GRITS.
FA 07-007	Community Development Block Grant/State's Program CFDA 14.228	FDCA did not prepare the Section 3 reports required annually for periods beginning in 2001.	Partially Corrected	The current Section 3 report has been completed and submitted as required. However, the first opportunity to submit a corrected report was September 30, 2008, which fell outside the timeline for this review.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-008	Community Development Block Grant/State's Program CFDA 14.228	FDCA did not prepare an annual monitoring plan or quarterly schedules, which should include the subgrantees to be monitored and the projected date of the monitoring visit. Additionally, FDCA did not always follow its established procedures for providing monitoring reports to subgrantees, receiving quarterly status reports, and approving and tracking environmental reviews.	Not Corrected	As of August 1, 2008, the documented monitoring plan has been implemented. CDBG currently follows its established procedures for subgrantee monitoring.
FA 07-051	Low-Income Home Energy Assistance CFDA 93.568	FDCA did not ensure that subgrantees timely expended advances, properly invested advances, and timely remitted earned interest to FDCA.	Fully Corrected	The Department has implemented revised agreement language and additional monitoring procedures as stated in the Corrective Action Plan.
FA 07-052	Low-Income Home Energy Assistance CFDA 93.568	FDCA was not able to support some reported obligations for the 2005 grant award.	Partially Corrected	As of June 30, 2008, the Department only reports documented obligations on the SF-269 report. However, the first opportunity to submit a corrected report was September 30, 2008 which fell outside the timeframe of this review.
FA 07-053	Low-Income Home Energy Assistance CFDA 93.568	FDCA did not have procedures in place to ensure that monitoring checklists were properly completed.	Fully Corrected	As stated in the Department's Corrective Action Plan, procedures that include a random supervisory sampling of monitoring checklists have been implemented.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-066	Community Development Block Grant/State's Program CFDA 14.228 Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036 Hazard Mitigation Grant CFDA 97.039 Homeland Security Cluster CFDA Nos. 97.004 and 97.067 Low-Income Home Energy Assistance CFDA 93.568	FDCA procedures for granting access to the accounting system, the Florida Accounting Information Resource Subsystem (FLAIR), were not adequate to ensure that access was properly approved and appropriate given the employee's job duties. Additionally, FDCA did not ensure that terminated employees' access to FLAIR was timely removed upon termination.	Fully Corrected	As of the 2007-2008 fiscal year, Finance and Accounting is following the established guidelines to monitor FLAIR access. Also, quarterly reviews are done to ensure that terminated employees are removed and proper access is maintained according to the need of the position.
FA 07-067 FA 06-072	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036 Hazard Mitigation Grant CFDA 97.039 Homeland Security Cluster CFDA Nos. 97.004 and 97.067	FDCA did not verify that vendors had not been debarred or suspended from receiving Federal funds.	Partially Corrected	As of 6/30/2008, all requisitions are reviewed by the FDCA purchasing office staff to verify that the vendor is not on the Excluded Party List System [www.epls.gov]. A statement to that effect is added to each purchase/direct order. DCA Policy and Procedure 1008.1-Routing of Grants, Subgrants, Contracts and Loan Agreements is being revised at this time to reflect current policy. A subsection is being added to the Policy and Procedure which requires that the purchasing office verify that the vendor is not on the Excluded Party List System. This revised procedure should be effective by October 31, 2008.
FA 07-068 FA 06-069	Homeland Security Cluster CFDA Nos. 97.004 and 97.067	FDCA did not apply the correct indirect cost rates when calculating indirect costs charged to one grant.	Partially Corrected	The approved rates in the indirect cost plan for the 2007-2008 fiscal year were applied to the applicable base for all eligible programs.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-069 FA 06-075	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036	Florida Division of Emergency Management again did not obtain required documentation from subgrantees to support advances and provide such documentation to FDCA for payment processing. Additionally, FDCA did not always ensure that subgranted advance payments were properly coded in FLAIR.	Partially Corrected	F&A Grant Accounting staff is now required to record payments submitted as advances on their internal accounting ledgers. This ledger is reconciled to FLAIR to ensure accuracy. According to DFS guidelines, an advance must be the first payment processed with justification supporting the advance request. However, if a waiver has been approved by DFS, the program may process multiple advances to a subrecipient. The accounting office has not been notified that the PA program has received this approval. Therefore, any advance request received that is not the first payment is not processed as an advance unless an approved waiver request has been provided.
FA 07-071 FA 06-070 FA 05-081 FA 04-082	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036	FDCA charged payments for unused leave as direct costs to various Federal programs, contrary to Federal regulations.	Partially Corrected	Federal leave payments are now immediately redistributed to the Administrative Trust Fund by way of the Department's Enterprise System. This automation was created to ensure that all leave associated to employees paid from federal funds would be accurately posted to the appropriate account.
FA 07-072	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036	FDCA could not provide documentation to support some charges to Federal awards.	Fully Corrected	Guidelines have been established to better secure the agency voucher files. The room is no longer accessible to all department staff. Any one requesting vouchers, with the exception of F&A staff, must now fill out the proper paper work to receive their request. A copy of the request is now given rather than the original file leaving the file room. An employee was relocated to permanently reside in the file room and to fulfill requests as they occur.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-076 FA 06-071 FA 06-079 FA 06-080 FA 05-086	Hazard Mitigation Grant CFDA 97.039	Significant deficiencies regarding the adequacy of supporting documentation for subgrantee payments, including documentation for matching amounts, continued to exist during the period July 1, 2006 through March 31, 2007.	Fully Corrected	FDEM continues to follow the corrective actions implemented on 4/1/07. Corrective actions are as follows: (1) A Request for Reimbursement/Advance Payment Checklist is being used to ensure all appropriate documentation is included for payment approval. (2) The Grant Management Tools have been placed on floridadisaster.org website so that agencies receiving program funding will know what documentation is to be provided. All payments regardless of the project start date are now following the new procedures. (3) Procedures will be reviewed annually to determine any improvements needed. (Currently there are no improvements to the process). The accounting office received supporting documentation, however, it was sent to the DFS without retaining a copy for our voucher files. We have retrieved the support from the contract file and placed a copy with the original voucher. It is current departmental policy that the request for payment along with an approved document from the program office is sufficient for payment processing in the accounting office. All supporting receipts are the responsibility of the program staff and the subrecipient and are not required to be submitted to DCA accounting or to the DFS for payment processing.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Candace M. Fuller, Acting Inspector General

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DIVISION OF EMERGENCY MANAGEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-069 FA 06-075	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036	FDEM again did not obtain required documentation from subgrantees to support advances and provide such documentation to FDCA for payment processing. Additionally, FDCA did not always ensure that subgranted advance payments were properly coded in FLAIR.	Not Corrected	State requirement eliminated in State Funding Agreement requiring RFR/SOD within 90 days of advance payment. FLAIR coding errors to be avoided by separating "Requests for Reimbursement/Advance" into two separate request processes for the reimbursements and advances.
FA 07-070	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036	FDEM was unable to document that a subgrantee payment was allowable, reasonable, and incurred within the period of availability. Additionally, there was no evidence FDEM had adequately monitored the subgrantee or submitted required status reports to FEMA.	Partially Corrected	All Large Projects completed. Final inspections expedited to adjust project funding to eligible cost. Many final PWs are pending FEMA approval. Remaining finals scheduled. Approved Finals/funding adjustments to be reported in Grantee's Quarterly Reports due 9/30/08 and thereafter as necessary.
FA 07-074 FA 06-078 FA 05-084	Disaster Grants - Public Assistance (Presidentially Declared Disasters) CFDA 97.036	Reportable conditions disclosed in the prior audit regarding the completion of final inspections continued to exist during the 2006-07 fiscal year.	Significantly different corrective action taken than previously planned	Lack of FEMA advance SMAC funding prevented hiring additional staff. FY 08 Administrative Plan approved to return the final inspection responsibility to Grantee as per traditional FEMA procedures which will reduce administrative burden, accelerate completions without sacrifice in quality, and provide more timely relief intended by the Stafford Act.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DIVISION OF EMERGENCY MANAGEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-075	Hazard Mitigation Grant CFDA 97.039	FDEM made a payment to a subgrantee without sufficient documentation to evidence that services were received.	Fully Corrected	FDEM concurs with the findings and recommendations and the following actions were implemented: Timesheet procedures have been implemented for all interns to document their work attendance (through the FSU Personnel system and copies provided to the State). Each intern will complete an Individual Task Summary Report that will identify all assigned tasks (at the end of each quarter). Upon completion of their internship, a performance evaluation will be conducted by the specified DEM supervisor utilizing this task.
FA 07-076 FA 06-071 FA 06-079 FA 06-080 FA 05-086	Hazard Mitigation Grant CFDA 97.039	Significant deficiencies regarding the adequacy of supporting documentation for subgrantee payments, including documentation for matching amounts, continued to exist during the period July 1, 2006 through March 31, 2007.	Partially Corrected	FDEM continues to follow the corrective actions implemented on 4/1/07. Corrective actions are as follows: (1) A Request for Reimbursement/Advance Payment Checklist is being used to ensure all appropriate documentation is included for payment approval. (2) The Grant Management Tools have been placed on floridadistaster.org website so that agencies receiving program funding will know what documentation is to be provided. All payments regardless of the project start date are now following the new procedures. (3) Procedures will be reviewed annually to determine any improvements needed. (Currently there are no improvements to the process).

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DIVISION OF EMERGENCY MANAGEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-077	Hazard Mitigation Grant CFDA 97.039	One of FDEM's Quarterly Reports disclosed errors in the reporting of project status and completion dates.	Partially Corrected	FDEM concurs with the findings and recommendations and the following actions will be taken immediately: (1) The Division secured consulting services that assisted in closing out projects and indicated the proper project status on the FEMA Quarterly Reports. The current databases used to collect the Quarterly Report information were redesigned to ensure users of the databases would not inadvertently enter dates into a project's status that belong to a different project. There was also a lack of understanding by the staff as to who was and when to ensure the proper dates were entered. This has been addressed by additional training and instruction on the operating procedures for the proper staff. (2) The Division currently has a consultant to assist in the process of testing a new and all encompassing project management system that will consolidate management of the status and completion dates into one system.
FA 07-078 FA 06-082	Hazard Mitigation Grant CFDA 97.039	Significant deficiencies regarding FDEM's subgrantee monitoring continued to exist during the period July 1, 2006 through March 31, 2007. Additionally FDEM could not provide documentation to evidence that monitoring that should have occurred subsequent to March 31, 2007, had been conducted for one subgrantee.	Partially Corrected	State concurred with the findings and recommendations and implemented the following actions: Procedures have been modified to include the same monitoring process for all Hazard Mitigation Grant Projects. The employee assigned to the planning projects is now operating under these procedures to ensure planning projects are managed and monitored properly.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DIVISION OF EMERGENCY MANAGEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-079 FA 06-074	Homeland Security Cluster CFDA Nos. 97.004 and 97.067	FDEM did not timely obtain and review subgrantee programmatic status reports.	Fully Corrected	Quality assurance has been completed on all files. Missing reports have been obtained and new procedures adopted.
FA 07-080 FA 06-073 FA 05-083 FA 04-084	Homeland Security Cluster CFDA Nos. 97.004 and 97.067	Deficiencies disclosed in the prior audit, regarding the communication of required information including applicable CFDA numbers, to subgrantees for equipment distributions and the implementation of adequate procedures for monitoring subgrantees, continued to exist during the 2006-07 fiscal year.	Fully Corrected	Finding no longer valid. Effective with the 2007-2008 fiscal year FDEM is no longer distributing equipment.
FA 06-071 FA 05-086	Homeland Security Cluster CFDA Nos. 97.004 and 97.067 Disaster Assistance – Public Assistance (Presidentially Declared Disasters) CFDA No. 97.036 Hazard Mitigation Grant CFDA No. 97.039	Weaknesses existed in FDCA and FDEM procedures to prepare and review required reports for completeness and accuracy. FDEM did not accumulate and provide to FDCA actual local and global match portions of the recipient share outlays for HMG. Additionally, FDEM did not fairly state the status of a similar finding in the Summary Schedule of Prior Audit Findings.	Partially Corrected	The HMGP section has implemented the following procedures to ensure the matching requirements are met and properly documented. The process is as follows: --The Grant Schedule report for the project grant will be printed from SAMAS no later than two weeks after the end of the Quarterly Reporting period. --A comparison will be made between the Quarterly Report in FERS with the Grant Schedule from SAMAS. The Grant Schedule will have a federal disbursement amount greater than the Quarterly Report due to subgrantee allowable administrative costs being disbursed from the project grant. The FERS database segregates federal disbursements from administrative costs --The difference will be taken between the two figures and will reflect the administrative payments. If the difference does not equal the administrative payments, then a consultation with Finance and Accounting will occur to resolve the issue.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DIVISION OF EMERGENCY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				--If the difference equals the administrative payments, then the federal disbursements on the FERS Quarterly Report will be divided by 75% to determine the total amount paid and multiplied by 25% to determine the appropriate match. --The process of how the match is determined is entered on a copy of the FERS Quarterly Report and submitted to Finance and Accounting. This process was in place during the July 1, 2007 through June 30, 2008, fiscal year. A separate spreadsheet was developed to assist staff with tracking global match, which is a tracked separately from the tracking of local match as provided above. The Global Match Project Spreadsheet documents the FEMA approved Global Match projects. This Spreadsheet will include all FEMA approved Global Match projects and the corresponding required FEMA approved project Match, starting with the 2004 events

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Candace M. Fuller, Acting Inspector General

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-018	Rehabilitation Services – Rehabilitation Grants to States CFDA No. 84.126	FDOE did not have procedures in place to ensure that amounts were accurately reported in the Cash Management Improvement Agreement (CMIA) Annual Report to the Florida Department of Financial Services (FDFS).	Fully Corrected	FDOE's procedures were enhanced to include multiple supervisory reviews and the automation of collecting the fiscal data prior to the submission of the CMIA.
FA 07-019	Adult Education – Grant Program CFDA No. 84.002 Career and Technical Education – Basic Grants to States CFDA No. 84.048	FDOE did not complete its scheduled monitoring of subgrantees for the 2006-07 fiscal year.	Partially Corrected	Due to a major organizational change in the Fall of 2006, Workforce Education previously included as a subdivision of the Division of Community Colleges, became a separate Division and in March 2007, a Chancellor was appointed to head the Division. Additionally, other personnel shifts within the newly created Division led to the curtailment of on-site compliance visits when members of the compliance team were reassigned to other job responsibilities. Other compliance monitoring activities continued such as in-depth grant application reviews, desk top audits, review of single audits, and the provision of technical assistance and training. Program managers continue to communicate with individual agencies regarding the progress of the implementation of grant awards. A Director of Quality Assurance was hired in August, 2007. The Quality Assurance Policies, Procedures, and Protocols are now complete. Risk Assessments are being conducted. The document and system was reviewed by Advisory Councils and Division Leadership; and is currently being distributed to providers. On-site visits are scheduled to begin in FY 08-09.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-020 FA 06-022 FA 05-027 FA 04-021 FA 03-31 02-041 01-046	Title I Grants to Local Educational Agencies CFDA No. 84.010 Improving Teacher Quality State Grants CFDA No. 84.367	The results of FDOE's monitoring visits were not timely communicated to the LEAs.	Partially Corrected	During the 2007-08 monitoring cycle, eight LEAs were monitored on-site. FDOE provided six of the eight preliminary on-site reports for all NCLB programs, including Title I, within 30 working days. The remaining two reports were provided within 53 working days. In 2007-08 a new on-line monitoring reporting system was instituted as a means of assuring that preliminary feedback from monitoring visits is provided to LEAs within the specified timeframe. We have refined the monitoring system for 2008-09 and anticipate that all on-site preliminary reports will be provided to LEAs within 30 working days.
FA 07-021 FA 06-023 FA 05-029 FA 04-025	Title I Grants to Local Educational Agencies CFDA No. 84.010	FDOE had not fully resolved the issues reported in the prior audit regarding comparability reports.	Fully Corrected	The FDOE has taken significant measures to strengthen the procedures for monitoring compliance with all requirements related to comparability. FDOE developed and disseminated a technical assistance paper regarding comparability of Title I services in November 2007 to provide guidance and assistance regarding the process for making determinations of comparable state and local resources. The Department required all LEAs to conduct comparability calculations and report to the Department by December 3, 2007, via an online reporting system. Department staff reviewed the comparability reports for all LEAs and provided feedback regarding compliance. Based on the review, Department staff determined that all LEAs had demonstrated compliance with all comparability requirements by March 12, 2008, for the 2007-2008 school year. Department staff will continue to review and approve LEA comparability reports via the online reporting system and monitor

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				compliance via the Department's NCLB monitoring system on an annual basis.
FA 07-022	Special Education – Grants to States CFDA No. 84.027	FDOE did not accurately account for capacity building and improvement expenditures.	Not Corrected	The FDOE disagreed with this finding. As noted in the audit report, the final allowability of the transfer of expenditures will be determined by the grantor agency. The grantor agency has not yet made a determination.
FA 07-023	Special Education Cluster CFDA Nos. 84.027 and 84.173	The results of monitoring reviews were not communicated to subrecipients in a timely manner. In addition, FDOE did not have an effective system in place to track the status of monitoring efforts and subrecipient corrective actions.	Fully Corrected	A Web-based self-assessment system was implemented in 2007-08 in an effort to establish a comprehensive monitoring system that would be effective both in timely identification and correction of noncompliance. The self-assessment is designed to ensure: – Timely notification of identified noncompliance to districts – Timely correction of noncompliance in accordance with IDEA (i.e., as soon as possible but in no case longer than one year from identification – Effective tracking of corrective actions A timeline of 60 days for correction of individual findings of noncompliance was established, with 10-month systemic corrective action plans required for those findings that were evident in ≥ 25% of records reviewed. All districts in the state, including developmental research laboratory schools, the Florida School for the Deaf and the Blind, and the Department of Corrections, participated in the process in 2007-08. Results of the self-assessment were submitted to the Bureau of Exceptional Education and Student Services on January 31, 2008.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				The Preliminary Report of Findings was provided to districts on February 22, 2008. Correction of each individual finding of noncompliance was required from the district by April 23, 2008, with documentation provided to the Bureau by April 30, 2008. The corrective action plan, if needed, was required by that date as well. Results of the self-assessment were validated by Bureau staff in March and April 2008. In the event of a discrepancy between the district's self-report and the Bureau finding, the district was required to reassess targeted items and resubmit its results. A Final Monitoring Report that included the status of correction completed thus far (target goal of 100%) was provided to districts on June 20, 2008. Documentation of corrective action plans is due to the Bureau on December 22, 2008. The system has been effective in allowing for timely notice to districts and effective tracking of corrective actions. The next step of development will include a Web-based corrective action planning process to allow for real-time review and tracking of district submissions by Bureau staff.
FA 07-025	Career and Technical Education – Basic Grants to States CFDA No. 84.048	FDOE did not maintain documentation of the labor force summary data that was used to allocate funding for the Carl D. Perkins, Rural and Sparsely Populated Areas Career and Technical Education Programs.	Fully Corrected	Workforce Education has strengthened its compilation and review procedures to ensure that proper documentation is maintained that evidences the data used in the allocation process is complete and accurate. Operational procedures have been implemented to save the specific data in electronic format and a hard copy on an annual basis. Business rules for calculating the formula have been developed and are available for review.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-026 FA 06-026 FA 05-035	Career and Technical – Basic Grants to States CFDA No. 84.048	FDOE had not resolved issues in the prior audit relating to allotments and expenditures for Nontraditional Training and Education.	Not Corrected	Although discussions have been conducted with the USED relative to these findings, the grantor agency has not yet issued a Program Determination Letter.
FA 07-027 FA 06-027 FA 05-034 FA 04-031 FA 03-40 02-045 01-055 00-42	Career and Technical Education – Basic Grants to States CFDA No. 84.048	FDOE had not resolved issues disclosed in a prior audit regarding its ability to demonstrate compliance with the matching and maintenance of effort requirements and the reporting of amounts expended toward those requirements.	Partially Corrected	On May 27, 2008, FDOE received a Program Determination Letter from the USED relative to FA 04-031. FDOE has appealed the monetary determination in this PDL and is submitting appropriate corrective action plans for the remainder of the determination.
FA 07-028	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No. 84.126	The Division of Blind Services did not obtain price or rate quotations prior to procuring contractual services related to an Independent Living Summer Transition Program.	Fully Corrected	Additional training has been provided to DBS staff working with procurement to ensure that all federal and state purchasing laws and rules are adhered to.
FA 07-029	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No. 84.126	The Division of Blind Services had not established adequate policies and procedures to ensure that client service payments were authorized, processed, and recorded properly within the Division's Accessible Web-based Activity and Reporting Environment (AWARE) System and the State's Accounting System (FLAIR).	Partially Corrected	The Division of Blind Services conducted training of all staff responsible for completing the data entry process for client authorizations during the months of April, May and June of 2008. Written procedures are in the review phase and will be implemented by August 1, 2008. The proposed design for the automated reconciliation process and electronic invoicing process is in the developmental phase and is on schedule to be completed by December 31, 2008. DBS is developing an automatic reconciliation application to reconcile AWARE and FLAIR. The initial phase of the application has provided transactions that are currently being researched. The first phase of the application will be fully

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				implemented by August 31, 2008 and the second (final) phase of the project will be implemented by September 30, 2008.
FA 07-030 FA 05-037 FA 04-033 FA 03-42	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No. 84.126	FDOE did not always authorize expenditures for client services in a timely manner. In addition, FDOE did not fairly state the status of a similar finding in the Summary Schedule of Prior Audit Findings.	Partially Corrected	The Division continues to address adherence to prescribed procedures at Quarterly Supervisor Meetings, New Counselor Training, through communication with area directors and counselor performance reviews. The activities are ongoing.
FA 07-031	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No. 84.126	FDOE did not always ensure that program regulations pertaining to eligibility determinations were met. In addition, FDOE had not resolved issues regarding the provision of adequate information to clients by referring them to other One-Stop delivery programs that might address the individuals' training or employment related needs. In addition, FDOE did not fairly state the status of a similar finding in the Summary Schedule of Prior Audit Findings.	Partially Corrected	The Division continues to address adherence to prescribed procedures at Quarterly Supervisor Meetings, New Counselor Training, through communication with area directors and counselor performance reviews. The activities are ongoing.
FA 07-032	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No.84.126	FDOE did not ensure that the Individualized Plan for Employment (IPE), a written document prepared on forms provided by the Divisions, was signed by both the counselor and eligible individual.	Partially Corrected	The Division of Vocational Rehabilitation continues to address adherence to prescribed procedures at Quarterly Supervisor Meetings, New Counselor Training, through communication with area directors and counselor performance reviews. The activities are ongoing.
FA 07-033	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No.84.126	Financial Status Reports (SF-269) indicated that the State matching requirements were not met, and FDOE did not always report all non-Federal expenditures incurred in carrying out State activities. In addition, amounts were not properly reported on the Division of Blind Services SF-269 reports.	Partially Corrected	FDOE is seeking additional guidance from USED in the proper reporting of matching expenditures and refunds in the Financial Status Reports (SF-269).

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-034 FA 06-029	Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No.84.126	FDOE did not accurately report data listed on the Annual VR Program/Cost Report (RSA-2). In addition, FDOE management did not document that a review was completed prior to submitting the report to USED.	Partially Corrected	The FDOE has assigned additional staff to perform the collection and preparation of the RSA-2. The procedures for completion of this report have been enhanced to include multiple management reviews and further reconciliations between Financial Status Reports (SF-269), FDOE trial balances, and RSA-2. Additionally, FDOE has sought technical assistance from USED in clarifying classification of expenditures and encumbrances with the RSA-2 report.
FA 07-037	Twenty-First Century Community Learning Centers CFDA No. 84.287	The results of monitoring reviews had not been timely communicated to subrecipents.	Fully Corrected	FDOE has created an improved tracking system with respect to the monitoring process and has revised the operational procedures. During 2007-08, 91 subrecipients completed self-assessment/monitoring workpapers. Of those 91, 25 were selected for desktop review. Of the 25, 2 received a more comprehensive desktop review and 6 were selected for onsite monitoring. As of July 30, 2008, 23 of the 25 have received preliminary reports and 18 have received final reports. The 2 pending preliminary reports and 7 pending final reports are dependent on further fieldwork. It is anticipated that all will be complete within the 45 working-day timeline.
FA 07-038	Reading First State Grants CFDA No. 84.357	FDOE did not always ensure that the State's accounting system (FLAIR) was timely updated for transactions originally recorded in FDOE's On-Line Disbursement Reporting (D503) Application.	Partially Corrected	DOE continues to provide ongoing training to all staff regarding the monthly reconciliation process.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-039 FA 06-036	Reading First State Grants CFDA No. 84.357	Significant deficiencies noted during the prior audit regarding the approval of subaward budgets that contained incorrect indirect cost rates continued to exist during the audit period.	Partially Corrected	FDOE and USED successfully negotiated the new indirect cost plan to be used by school districts for 2008-09 on May 7, 2008. Training for school district personnel was conducted on May 16, 19, 20, and 21, and July 12, 2008. Training for FDOE staff was conducted on June 12, 2008.
FA 07-040	English Language Acquisition Grants CFDA No. 84.365	As of June 30, 2007, moneys set aside for the Immigrant Children and Youth Program from the 2004, 2005, and 2006 grants had not been used for such purposes. Additionally, FDOE management did not have a system in place to ensure that subgrants pertaining to this funding would be uniquely identified and accounted for in the fiscal records.	Partially Corrected	During 2007-08, FDOE made immigrant children and youth subgrants to all eligible districts that applied during the year. Consistent with the Tydings period of availability for the 2007-08 grant award, FDOE is continuing to make subgrant awards consistent with the 2007-08 allocation. Of the 26 eligible districts, 19 districts have submitted applications and are in various stages of the approval process. One district has indicated that it does not intend to apply. Funds not used by eligible districts will be re-allocated to other districts within the funding period of availability. The announcement to eligible districts of the allocations application instructions 2008-09 has been distributed to districts and applications are being received. This information has been provided to USED as part of the required corrective action plan.
FA 07-041	English Language Acquisition State Grants CFDA No. 84.365	FDOE did not conduct subrecipient monitoring in the 2006-07 fiscal year.	Partially Corrected	FDOE revised and implemented procedures for monitoring all Title III, English Language Acquisition State Grants. Districts were notified on May 12, 2008 with self-evaluation workpapers to be submitted to the Department by June 30, 2008. As of July 30, all but 5 of the districts had submitted the completed workpapers. Staff members have been reviewing the submitted documents and all reviews are scheduled to be

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				complete by August 8, 2008 with written follow-up to the districts to be completed by August 11, 2008. Additional improvements for monitoring of these subrecipients will be implemented during 2008-09.
FA 06-024 FA 05-023	Adult Education – State Grant Program CFDA 84.002 Special Education – Grants to States CFDA 84.027 Career and Technical Education – Basic Grants to States CFDA 84.048	FDOE management had not resolved issues regarding unallowable costs noted in the prior audit. Absent prior approval as required by the State's budgetary process and Federal regulations of the U.S. Department of Education (USED), FDOE management incorrectly applied charges to various Federal programs for the purchase of an infrastructure project.	Fully Corrected	The FDOE received a Program Determination Letter (PDL) from USED on April 7, 2008. This PDL required an assurance from FDOE that in the future, the Florida Department of Education will seek prior approval for the purchase of equipment and other capital expenditures, as described in *Section 15 of Office of Management and Budget Circular A-87, Attachment B,* which applies to "Equipment and other capital expenditures." This assurance was provided.
FA 05-039	Twenty-First Century Community Learning Centers CFDA No. 84.287	FDOE incorrectly classified a vendor as a subrecipient.	Not Corrected	The FDOE received a Program Determination Letter (PDL) from USED. The finding has not yet been corrected due to pending communication about what is required.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 01-134 (00-), report No. 02-192 (01-), report No. 03-167 (02-), report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Ed W. Jordan, Inspector General

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF HEALTH

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-003	Child and Adult Care Food Program CFDA No. 10.558	FDOH's policies were not sufficient to ensure that user access to the Management Information and Payment System (MIPS) and changes to the MIPS application program files were appropriate. Additionally, user access to MIPS did not automatically expire after a specified period of inactivity.	Fully corrected	DOH information security and privacy policies and practices ensure that access is granted to MIPS and other systems only by authorized individuals whose access is compatible with assigned job duties. Also, MIPS user access is automatically terminated for contractors when they are terminated from the Child Care Food Program.
FA 07-036 FA 06-030	Special Education – Grants for Infant and Families with Disabilities CFDA No. 84.181	Significant deficiencies disclosed in the prior audit, regarding the absence of reconciliation of amounts paid to subrecipients to amounts expended by the subrecipients at the end of the contractual budget period, continued to exist during the 2006-07 fiscal year.	Fully Corrected	All reconciliations completed, providers notified if there were unearned funds and a spending plan has been received from providers and approved. There were no returned funds as a result of the reconciliations. DOH CMS will continue to reconcile on an annual basis.
FA 07-044 FA 06-043 FA 05-058 FA 04-047	Centers for Disease Control and Prevention – Investigations and Technical Assistance CFDA No. 93.283	FDOH continued to utilize contracts to acquire staff to administer FDOH grant activities although the express statutory authority to do so was not clear.	Partially Corrected	Department of Health General Counsel maintains the opinion that its competitive procurement of contract services pursuant to Chapter 287, Florida Statutes, is in compliance with all applicable provisions of Florida law. The department's contracts are similar to the Temporary Employment Staffing state term contracts (commodity class 991/commodity group 460) negotiated by the Department of Management Services. Department of Health lawyers advise that an opinion of the Attorney General is not appropriate for several reasons, primarily because the department's attorneys are confident in their reading of the statutes. The department's attorneys will explore this issue further with counsel of the Department of Management Services.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF HEALTH

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-045 FA 06-044 FA 05-057 FA 04-044 FA 03-054	Centers for Disease Control and Prevention – Investigations and Technical Assistance CFDA No. 93.283	FDOH had not maintained time and effort records to support the basis for the allocation of employee salaries to multiple programs or cost objectives.	Fully Corrected	100% timekeeping rules are being followed as outlined in DOH Policy 57-03-07 for employees paid from more than one federal grant. The Division's Administrative Services Unit is responsible for gathering the timesheets bi-weekly and preparing the adjustments on a quarterly basis. Corrections were submitted for Quarters 1 (Oct-Dec 2007) & Quarter 2 (Jan-Mar 2008). Quarter 3 corrections will be submitted to the Office of Budget no later than July 20, 2008. Certifications are being completed as outlined in the same DOH Policy cited above. The certifications are completed semi-annually for employees 100% funded by the grants. The completed forms reside with the Office of Public Health Preparedness. The next series of certifications will be due after July 31, 2008.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF HEALTH

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-057 FA 06-061 FA 05-073 FA 04-065	State Children's Insurance Program CFDA No. 93.767	FDOH had not resolved issues noted during the prior audit regarding capitated payments charged to the Program.	Partially Corrected	As a result of our continued review of expenditures and cash balance CMS recommended that the KidCare Estimating Conference, which met in October of 2007, reduce the CMS cap rate from $518.24 to $446.52. The Conference adopted the proposed CMS rate. Current expenditure analysis estimates that CMS expenditures for 07-08 will be at approx $484.43 per enrolled child. At the new rate of $446.52 our current cash projections anticipate a cash balance reduction of approx. $10 million for FY 07-08 and an additional reduction of approx $8 million for FY 08-09. Ending cash balances for FY 07-08 would then be approx $21.5 million and FY 08-09 cash balance would be approx. $13.0 million. It should be noted that the Legislature transferred $7,000,000 from the beginning FY 07-08 balance to DOH School Health Services, this action contributes to the reduction of the 07-08 cash balance. In addition the 2008 Legislature appropriated an additional $7 million from the CMS cash balance to School Health for FY 08-09. To avoid reductions in the Healthy Start program, DOH budget moved $2 million from the CMS cash balance to these programs. This results in an additional $9 million reduction in the CMS title XXI cash balance ($7 million and $2 million). CMS has been advised by AHCA that the Federal HHS agency will withhold the dollar value of the funds previously identified by the Florida Auditor General as not being spent on Title XXI activities as a result of the legislature's appropriation of the cash balance for activities that were not authorized by the SCHIP program.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF HEALTH

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-058 FA 06-060	State Children's Insurance Program CFDA No. 93.767	FDOH procedures were not adequate to ensure that Children's Medical Services payments were accurate and adequately supported.	Partially Corrected	DOH Legal Council determined that an amendment to the primary care CMS contracts should be used rather than a Memorandum of Understanding. The contract amendment has been drafted and sent to the field offices and primary care agencies for review and comment. Comments have been received. Completion of the final contract amendment has been delayed due to the year end contract renewal and invoice activity associated with other CMS contracts.
FA 07-063 FA 06-044 FA 05-054 FA 04-076	HIV Care Formula Grants CFDA No. 93.917 Immunization Grants CFDA No. 93.268 Centers for Disease Control and Prevention – Investigations and Technical Assistance CFDA No. 93.283 HIV Prevention Activities – Health Department Based CFDA No. 93.940	FDOH had not fully implemented procedures to document the basis for the allocation of employee salaries to multiple programs or cost objectives in accordance with Federal regulations or to obtain a certification for employees working solely on one Federal program.	Partially Corrected	The Bureau of HIV/AIDS obtains 100% of the required certification letters for positions funded 100% from the grant and ensures that employees funded by multiple grants do 100% timekeeping. Budget analysts pull quarterly FIS reports to ensure that counties are charging correct salaries to the grant. To further promote accountability on this important issue, the bureau has incorporated a review of salary charges in its QI process. We will continue to monitor the status of this finding to achieve full correction.
FA 07-064 FA 06-067 FA 05-076 FA 04-077 FA 03-075 02-076 01-083 00-075; SA 99-316/318 SA 98-342/344	HIV Care Formula Grants CFDA No. 93.917	FDOH did not consistently maintain adequate documentation of client eligibility.	Partially Corrected	The Bureau of HIV/AIDS has conducted technical assistance trainings at multiple county health departments and will continue one-on-one trainings with ADAP staff. Bureau staff has also revised and refined training materials for clarity and usability. We will continue to monitor the status of this finding to achieve full correction.
FA 07-065 FA 06-068 FA 05-077	HIV Care Formula Grants CFDA No. 93.917	FDOH had not fully implemented automated controls in the Aids Drug Assistance Program database to prevent the distribution of drugs to individuals whose eligibility periods had expired.	Fully Corrected	The Bureau of HIV/AIDS has carefully monitored the automated controls to prevent the distribution of drugs to persons whose eligibility period has expired and has fully corrected this finding.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA DEPARTMENT OF HEALTH

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 05-040	Various	FDOH procedures for identifying accounting codes associated with Federal programs should be improved.	Partially Corrected	OCAMAN is being redesigned by the original developer (Cliff Knight) and is being tested currently.
FA 06-033	Special Education – Grants for Infant and Families with Disabilities CFDA No. 84.181 Centers for Disease Control – Investigations and Technical Assistance CFDA No. 93.283 HIV Care Formula Grants CFDA No. 93.917	FDOH did not maintain a listing identifying whether its contracts represent vendor or subrecipient relationships, and, except in a few instances, did not conduct on-site administrative monitoring for its subrecipients. Additionally, FDOH procedures were not effective to ensure the timely receipt and review of subrecipient audit reports.	Fully Corrected	In the department's 2007 fiscal year, the FLAIR Contract Information File was revised to ensure that vendor vs. subrecipient determinations were captured so that a listing could be readily generated. Internal operating procedures were finalized which address processes to ensure that the department receives all required Single Audits, that Management Decision Letters are timely issued, and that appropriate administrative monitoring is conducted.

Note: (1) Paragraph/Finding No(s). refer to audit findings in Section 3 of report No. 13490 (SA 98-), report No. 13690 (SA 99-), report No. 01-134 (00-), report No. 02-192 (01-), report No. 03-167 (02-), report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Lynn Riley, C.P.A., Director of Auditing

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-011 FA 06-010	Unemployment Insurance CFDA No. 17.225	Contrary to State law, FDOR processed a contract renewal without justification and adequate review and approval. Additionally, FDOR did not have procedures to determine whether or not contractors were suspended or debarred prior to entering into covered transactions. FA 07-011 Recommendation: "During the 2006-07 fiscal year, FDOR updated its *Purchasing and Contract Management Manual* to require that Contract Managers verify that the vendor is not debarred prior to expending Federal funds over the amount of $25,000, and subsequently designed a contract renewal template to provide criteria that, when followed, would document compliance with applicable laws. FDOR should continue its efforts to implement the updated *Purchasing and Contract Management Manual*. "	Partially Corrected	FDOR has fully implemented the Auditor General's recommendations as follows: On February 1, 2007, the Department updated its Purchasing and Contract Management Manual to require Contract Managers (when federal funds are used) to access the U.S. Government's Excluded Parties List System (EPLS) and verify that the contractor has not been debarred by any federal agency. This is required for federally-funded contracts that have a value of $25,000 or greater. It is required prior to the initial contract execution, renewal, extension or amendment when the amendment adds an additional $25,000 or greater to the contract value. On January 2, 2008, the Department revised its Purchasing and Contract Management Manual to require that Contract Managers provide a justification to document the renewal is in the best interest of the State. As of June 30, 2008, the Department considered this finding to be fully corrected. However, subsequent information was recently brought to the Department's attention by auditor general staff performing work on the Federal Awards Audit for FYE June 30, 2008. Auditor general staff indicated they identified two contracts for which possible debarrment of the contractors was not verified through the Excluded Parties List System, prior to contract execution. However, it should be noted that both contracts were processed prior to our implementation of an additional control to reduce the risk of this type of error from occurring. On September 4, 2007, the

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
				Department updated its Contract Routing Sheet to add a check box inquiring whether federal funds are used. If so, a printout from the Excluded Parties List System is required to be attached to the routing sheet. Nonetheless, we are now considering the status of this finding to be partially corrected until the effectiveness of the new Contract Routing Sheet is verified.
FA 07-013 FA 06-012 FA 05-015	Unemployment Insurance CFDA No. 17.225	The FAWI and FDOR unemployment insurance tax rate calculation process did not promote the assessment of UI taxes in a manner that is accurate and consistent with Florida law. FA 07-13 Recommendation: "To demonstrate the accuracy and completeness of the data used in the UI tax rate calculation, we continue to recommend that FAWI ensure that timely and complete reconciliations be performed between detail and summary wage and benefit data. We also continue to recommend that FAWI and FDOR enhance and document the methodology used in the tax rate calculation and make the necessary system programming changes to ensure that UI tax rates are calculated consistently with Florida Law."	Fully Corrected	The rate calculation process was enhanced and fully documented during the recent move into the SUNTAX system, March 10, 2008. Prior to implementation, the SUNTAX Business Management staff conducted a parallel test of the 2007 tax rates using converted data, and compared the results from SUNTAX with those obtained from TRAIN. Among other testing, staff interrogated 50 randomly selected accounts and reviewed the detailed records that were used in determining their tax rate in the SUNTAX system. FDOR and FAWI subject matter experts reviewed the test results and determined the calculations are accurate and consistent with Florida Law.
FA 07-048 FA 06-052 FA 05-068 FA 03-56 02-057 01-073 SA 99-271 SA 98-274 SA 97-188 SA 96-412	Child Support Enforcement CFDA No. 93.563	FDOR procedures were not adequate to ensure the completeness and accuracy of information reported in the Quarterly Reports of Collections (OCSE-34A).	Partially Corrected	Assessment and reconciliation of program component transactions are completed monthly. Requirements meetings to develop work flows for CAMS have recently started and will result in a comprehensive reconciliation component when CAMS Phase II is implemented.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA DEPARTMENT OF REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 04-052	Child Support Enforcement CFDA No. 93.563	An audit conducted by the U.S. Dept. of Health and Human Services identified questioned costs billed to FDOR by local Clerk of the Circuit Courts. The costs are being questioned because of inadequate documentation to demonstrate that costs were properly allocated.	Partially Corrected	During June 2007, the Department paid the amounts owed to four Clerks of the Circuit Court based upon the audit resolution results determined by the Department and the Clerks. OCSE disallowed the payments in their October 15, 2007 letter. In its May 9, 2008 letter, the Department requested the Acting Assistant Secretary for Children and Families to reconsider the OCSE decision. The Department has not yet received a response to this request.

Note: (1) Paragraph/Finding No(s). refer to audit findings in Section 2 of report No. 12983 (SA 96-), Section 3 of report No. 13256 (SA 97-), Section 3 of report No. 13490 (SA 98-), Section 3 of report No. 13690 (SA 99-), report No. 02-192 (01-), report No. 03-167 (02-), report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Sharon Doredant, Inspector General

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA OF TRANSPORTATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s). (1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-016 FA 06-014 FA 05-018 FA 04-019 02-035 01-040 00-24 SA 99-118/120 SA 98-123/125	Highway Planning and Construction Program CFDA No. 20.205	Conditions disclosed in the prior audit regarding obtaining and reviewing subrecipient audit reports continued to exist during the 2006-07 fiscal year.	Partially Corrected	As of June 30, 2008, FDOT has established a Single Audit Liaison in each district as a point of contact to resolve single audit issues.
FA 07-017	Highway Planning and Construction Program CFDA No. 20.205	FDOT personnel did not always obtain Federal Highway Administration approval for the award of design-build contracts.	Fully Corrected	Effective April 8, 2008, the Design-Build Guidelines (Procedure No. 625-020-010) was revised clarifying that a concurrence in award package shall be submitted to FHWA for review and approval on all federal-aid oversight projects.

Note: (1) Paragraph/Finding No(s). refer to audit findings in Section 3 of report No. 13490 (SA 98-), Section 3 of report No. 13690 (SA 99-), report No. 01-134 (00-), report No. 02-192 (01-), report No. 03-167 (02-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Joseph K. Maleszewski, Director of Audit

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-081 FA 06-083 FA 05-088 FA 04-089	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.033, 84.038, 84.063, and 84.268	The institution is not administering the Title IV HEA Federal programs in compliance with the Standards of Administrative Capability.	Fully Corrected	The mission of the Financial Aid Office (FAO) is to deliver financial resources to eligible students in accordance with Federal, State, and program regulations. In response to the current audit of Florida A&M University (FAMU), the FAO completed a reordering of priorities, processes, and personnel in order to improve the coherence of its delivery of financial aid. Over the years, leadership and staff turnover created a series of problems. State deadlines were missed and errors and omissions occurred because the FAO lacked technical expertise. However, this problem has been resolved; a new Financial Director was hired, job responsibilities are more clearly defined, and training issues have been addressed. Until the recent restructuring, the Financial Aid Director reported to the Special Assistant to the President. Currently, the Financial Aid Director reports to the Vice President of Student Affairs. The new director has 20 years of higher education experience, 14 in financial aid and 25 years of experience in management, oversees twenty-three staff and 12 student workers, including a newly hired Associate Director who has an extensive computer background and will help the office computerize its application processing and recordkeeping.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				There are several noteworthy strengths to FAMU financial aid delivery efforts. First, the student information system offers real-time financial aid information to all applicants. Numerous students view their financial aid accounts via the Internet. Second, efforts to publicize the financial aid resources are regular and emphatic. Student Financial Aid Guides, the FAMUAN, and correspondence from the financial aid office explain procedures and stress the importance of applying early for financial assistance. Third, the staff at FAMU provides intensive counseling services with clear and explicit procedures and conscientious financial aid advisors. Fourth, a new policies and procedures guide was developed to address the audit finding of administrative capability. The policies and procedures manual addresses administrative capability as defined by the Department of Education: • A capable individual responsible for administering all of the Title IV programs – A new Director of Financial Aid was hired on September 11, 2006 • A system of internal checks and balances for administering financial aid • A division of functions of determining student awards and disbursing funds that result from those award decisions • Frequent, periodic reconciliation of fiscal office and financial aid office

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				award data • A system to identify and resolve discrepancies in information • A satisfactory academic progress policy for recipients of Federal financial aid • A policy for refunding tuition when a student withdraws from classes • A process to notify the Department of Education within 10 days of any important changes • A process to use electronic processes • Procedures to ensure that requests for federal cash do not exceed the amount of funds FAMU needs to make disbursements to students The University's Financial Aid Program has been adequately staffed (in quality and quantity of personnel), and has implemented new policies and procedures to conform to the system of checks and balances required by law.
FA 06-084 FA 05-089 FA 04-092	SFA Cluster CFDA Nos. 84.007, 84.063, and 84.268	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable.	Partially Corrected	The University has timely identified the stale-dated checks with Title IV HEA funds. To insure the timely return of funds to Title IV HEA, the University has revised its procedure to return stale-dated checks at the end of each semester effective Fall 2008.
FA 06-085 FA 05-095	SFA Cluster CFDA No. 84.038	Interest earnings on FPL funds were not allocated to the FPL account.	Fully Corrected	The University Controller's Office, has prorated the interest earned and applied the amount for the Perkins Loan Fund. The University has calculated and recorded the interest earned. Further,

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				these calculations are prepared on an annual basis and have been posted to the FPL account.
FA 06-086 FA 05-090 FA 04-093	SFA Cluster CFDA Nos. 84.007, 84.033, 84.063, and 84.268	The institution did not perform comprehensive monthly reconciliations of their Title IV HEA accounts to GAPS, COD, and the institution's accounting records.	Fully Corrected	Reconciliations are performed monthly between financial aid records and the general ledger. SFA receives notices of funding from the USED. SFA Director, sends copies of the Notice of Awards to the Controller's Office to establish the various Federal program accounts. SFA forecasts cash needs for approximately two weeks at the beginning of every academic term. At all other times, cash needs are forecasted based on net check runs. The Controller's Office, makes requests to make the draw request, by using the EDGAPS System. (Draws for the FPELL, FSEOG, FWS) A draw is usually made when the cash-on-hand is negative or after the funds have been disbursed to students. The amount requested is usually equal to or less than the deficit. To prevent excess cash-on-hand: (1) the authorized amount, which is obtained via EDGAPS or the award notice, and the life-to-date draws are compared and (2) cash-on-hand from student pay-backs (returns from recipients) on expired FSEOG and FPELL accounts and 'R2T4' is considered in determining the amount of the draw request. The actual draws for all SFA Federal programs are made on the Fedwire

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				system. Only an authorized person having the applicable Payee Identification Number (PIN) and password can access the Fedwire system. The Fedwire Funds Request Information form is completed for the wire request. The person requesting the draw is assigned a code number (also called a control number) to facilitate tracing the wire in the event it is not received when anticipated. Draws are wired to the Wachovia Bank account. Disbursements for the program may be paid directly to the student by check or to the Rattler Card. The institution will conduct monthly audits to ensure that funds and resources are used and reported in accordance with the appropriate methods prescribed by USED. By the 20th day of each month , the Office of Fiscal Affairs will provide the Office of Student Financial Aid and Scholarships with a general ledger report that will summarize all journal entries posted up to the last day of each month. The reconciliations include G5 (formerly known as GAPS), COD, general ledger, and expenditures posted to the student information system (PEOPLESOFT). The University Controller or Assistant Controller will sign the final reconciliation report and submit it to the appropriate university personnel. All

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				discrepancies will be resolved by both offices.
FA 06-089 FA 05-096	SFA Cluster CFDA Nos. 84.033, 84.038, 84.063, and 84.268	The institution paid Title IV HEA aid to students that were not eligible for various reasons and did not pay some students that were eligible.	Fully Corrected	All Title IV accounts are audited on a monthly basis to determine student eligibility and monitor fund balances. On April 28, 2008, the University received a final determination letter from USED reflecting the amount of funds to be returned to Title IV HEA programs. A check for $476,775 was processed and remitted to USED on May 14, 2008. For Fall 2006 and Spring 2007, all Title IV fund accounts were reconciled and reported timely on the FISAP.
FA 06-094 FA 05-100	SFA Cluster CFDA Nos. 84.038 and 84.268	The institution did not document the required notification, of student or parent FDSL loan borrowers or FPL student loan borrowers, within 30 days before or after crediting a student's account with FDSL or FPL funds.	Partially Corrected	Student Financial Services followed the procedures for notifying students of their rights to cancel all or a portion of the Federal Loans (Federal Subsidized or Unsubsidized, PLUS or Federal Perkins) within 14 days of disbursement. The query used to create letters to the students was developed by Enterprise Information Technology (EIT) staff. During the 2007-08 academic year, the EIT staff reviewed the query and found a small group of borrowers who were omitted from the query because the address tables were not joining to other tables in the query correctly. In addition, another student did not have a mailing address in the OURFAMU system, or the loan disbursement date was not included in the query selection. The query is being reviewed and modified by EIT to pick up the students without addresses, and capture loan disbursement dates.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 06-095 FA 05-102 FA 04-099	SFA Cluster CFDA Nos. 84.063 and 84.268	The institution did not comply with return to Title IV regulations for students that officially withdrew.	Fully Corrected	On April 28, 2008, the University received a final determination letter from USED reflecting the amount of funds to be returned to (2005-06) Title IV HEA programs. A check for $476,775 was processed and remitted to USED for students that officially withdrew. There are no outstanding funds due to USED. To comply with 34 CFR 668.22, Section 668.173(b), return of Title IV funds, the Office of Student Financial Aid & Scholarships has developed a procedure to coordinate the timely return of the institutional portion of unearned funds to the Title IV programs when a student withdraws before completing the period of enrollment. On a weekly basis, financial aid will run (FAITVRTN) a program from the student information system PEOPLESOFT, which will compile a list of withdrawn students. A return of Title IV funds calculation will be performed to determine the institution's liability and if funds are required to be returned. Please note calculations are performed using software delivered by USED and uploaded to PEOPLESOFT. An audit of both 2006-07 and 2007-08, by internal and external auditors of the Return of Title IV funds process, found FAMU in compliance with the Federal rules and regulations.
FA 06-096 FA 05-103 FA 04-100	SFA Cluster CFDA No. 84.268	The institution did not comply with return to Title IV regulations for students that unofficially withdrew.	Fully Corrected	On April 28, 2008, the University received a final determination letter from USED reflecting the amount of funds to be returned to (2005-06) Title IV HEA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				programs. A portion of a check for $ 476,775 was processed and remitted to USED in a timely manner for students that unofficially withdrew. There are no outstanding funds due to USED. To comply with 34 CFR 668.22, Section 668.173(b), return of Title IV funds, the Office of Student Financial Aid & Scholarships has developed a procedure to coordinate the timely return of the institutional portion of unearned funds to the Title IV programs when a student unofficially withdraws before completing the period of enrollment. The Office of the Registrar will provide a list of students that received any combination of all F's, I's, U's, and W's at the end of the term. A return of Title IV funds calculation will be performed to determine the institution's liability and if funds are required to be returned. Please note calculations are performed using software delivered by the USED and uploaded to PEOPLESOFT An audit of both 2006-07 and 2007-08, by internal and external auditors of the Return of Title IV funds process, found FAMU in compliance with the Federal rules and regulations.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 06-097 FA 05-104	SFA Cluster CFDA No. 84.268	The institution did not comply with return to Title IV regulations for students that did not attend at least one class.	Fully Corrected	On April 28, 2008, the University received a final determination letter from the USED reflecting the amount of funds to be returned to (2005-06) Title IV HEA programs. A check for $476,775 was processed and remitted to USED in a timely manner for students that did not attend at least one class. There are no outstanding funds due to USED. To comply with 34 CFR 668.22, Section 668.173(b), return of Title IV funds, the Office of Student Financial Aid & Scholarships has developed a procedure to coordinate the timely return of the institutional portion of unearned funds to the Title IV programs for students that did not attend at least one class. A return of Title IV funds calculation will be performed to determine the institution's liability and if funds are required to be returned. Please note calculations are performed using software delivered by USED and uploaded to PEOPLESOFT. An audit of both 2006-07 and 2007-08, by internal and external auditors of the Return of Title IV funds process, found FAMU in compliance with the Federal rules and regulations.
FA 06-098 FA 05-105	SFA Cluster CFDA No. 84.268	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Partially Corrected	• The University enrollment status changes are currently being reported directly to the Clearinghouse in a timely manner. • The Edit Report is uploaded through the Clearinghouse and submitted to

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				NSLDS for review. If there are any errors in the report, NSLDS returns the report to the Clearinghouse, and the Clearinghouse returns the report to the University for correction. After the report is corrected, it is resubmitted to the Clearinghouse and then to NSLDS for acceptance. • The new University Registrar began July 2008. The new University Registrar will begin immediate action to train staff to observe, identify, and correct data prior to reporting enrollment status changes to the Clearinghouse. • The new University Registrar will also ensure an immediate turnaround time within the established ten (10) day window, and continuous communication with the Clearinghouse to correct any Edit Report discrepancies, by the end of Spring 2009. The new University Registrar will update the policy and procedures manual to reflect the Clearinghouse enrollment status process effective by the end of Fall 2008.
FA 06-099 FA 05-106 FA 04-103	SFA Cluster CFDA No. 84.268	Exit counseling was not completed or exit counseling materials were not provided timely.	Partially Corrected	Exit counseling workshops are conducted the week prior to graduation each semester to include graduation rehearsal. Exit counseling materials are distributed at the workshops. Also, exit counseling materials are sent via U.S. Postal Service to students who do not

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				attend the workshops to ensure that each borrower has been provided counseling materials. Although, all graduating and withdrawn students received exit counseling materials, as required, students that officially withdrew from the University during the semester and unofficially withdrew from the University in the prior semester and did not reenroll were mailed the packet at the end of the semester. Procedures are updated and students that officially and unofficially withdraw from the University will receive exit loan counseling materials within thirty days from the official withdrawal notice to the University and thirty days from the University's determination of the student's unofficial withdrawal status for students who do not reenroll the following semester. This new process is incorporated with the Return of Title IV policies and procedures.
FA 06-100 FA 05-107 FA 04-104	SFA Cluster CFDA No. 84.038	Exit counseling was not completed or exit counseling materials were not provided for FPL student loan borrowers who ceased at least half-time enrollment.	Fully Corrected	Exit counseling workshops are conducted the week prior to graduation each semester to include graduation rehearsal. A packet of exit counseling materials are provided at the workshop. Exit counseling materials are sent via U.S. Postal Service to students who do not attend the workshop to ensure that each borrower has been provided counseling materials as required.
FA 07-094	Research and Development (R&D) Cluster	The institution was not administering the R&D grants in compliance with Federal requirements.	Fully Corrected	In January 2008, the University implemented the Payroll Module within the Financial PeopleSoft system. This implementation eliminated the need for

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				two financial systems used for financial reporting. The new process has improved the timeliness and accuracy of the invoice/billing process. The Office of Contracts and Grants will continue to identify strategies to enhance and further strengthen existing processes, policies, and procedures.
FA 06-112	Research and Development (R&D) Cluster CFDA Nos. 10.200; 43.001; 98.009	Indirect costs charged to grants were not adequately monitored to document charges were valid, reasonable, and necessary.	Fully Corrected	The Office of Contracts and Grants monitors indirect cost charges during the invoice/billing process. All charges are reviewed for accuracy and allowability to ensure validity, reasonableness and necessity. Procedures have been updated to support valid calculations of indirect cost charges. In addition, the University submitted to USDA a revised final financial status report for RBS-03-028. A copy of the Financial Cash Transaction Report procedure is available.
FA 06-115	R&D Cluster Various	The institution's did not determine and remit the amount of interest earned on Federal funds.	Fully Corrected	The Office of Contracts and Grants, Division of Fiscal Affairs developed a procedure for determining and remitting the amount of interest earned on Federal Awards, when applicable. Determination and calculation of interest on Federal grants procedure is available. The Division of Fiscal Affairs developed a procedure for determining and remitting the amount of interest earned on Federal awards. The Determination

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				and Calculation of Interest on Federal awards procedure is available. However, the majority of R&D Cluster awards receive Federal funding on a reimbursable basis.
FA 06-120 FA 05-130	R&D Cluster CFDA Nos. 10.200; 43.001; 98.009	SF-269 and SF-272 reports submitted to Federal agencies contained incorrect information.	Fully Corrected	Revised SF-269 and SF-272 reports were submitted to the granting agency. In August 2008, the billing/invoice process will be enhanced via the implementation of the PeopleSoft 9.0 Billing Module. The University enhanced its monitoring procedures to ensure the accuracy of the financial information reported to Federal agencies. Prior year reports that contained incorrect information have been corrected. A copy of the Financial Cash Transaction Report Procedure is available.
FA 06-122 FA 05-119	R&D Cluster Various Programs	Closeout procedures were not adequate for expired contract and grant accounts still open or active dating back to 1986.	Fully Corrected	Additional staff and consultants were hired to assist in the closeout process. Expired projects for the period 1986 to 2004 were closed during FY 2007-08. The closeout procedures were refined to ensure the reviewing and monitoring of expired projects for proper closeout in accordance with award terms and conditions.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Dr. James H. Ammons, President

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA ATLANTIC UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 06-104 FA 04-107	R&D Cluster Various	The frequency of grants claiming CAS exemptions (approximately 60 percent) does not appear to qualify as unlike circumstances.	Partially Corrected	Last year, FAU contracted with a consulting firm to conduct a Compliance Risk Assessment study. As a result of this assessment, the Division of Research drafted several new policies related to sponsored projects/programs. One of these policies specifically addresses the issue of direct versus indirect costs. FAU expects that the draft policies will be fully vetted and ready for rollout by Fall 2008. Once the policies are approved for implementation, FAU will submit a copy of the policy related to direct versus indirect cost to USDHHS to seek an interpretation from them regarding compliance of the policy to OMB Circulars. Upon their approval, FAU will implement the policy.
FA 07-099	R&D Cluster CFDA Nos. 15.364, 20.514, and 66.468	The institution did not comply with time-and-effort requirements.	Partially Corrected	Throughout 2007-08, FAU has actively evaluated alternative systems to handle the University's time-and-effort reporting. A committee has determined the needs of the University and has issued an Invitation to Negotiate (ITN) for vendor systems. As of June 2008, the committee formulated a short list of vendors capable of providing the University with systems that will comply with time-and-effort requirements. Complicating this selection is the need for new systems to interface effectively with FAU's payroll and timekeeping software, SCT Banner. A final decision and

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA ATLANTIC UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				recommendation will be made by Fall, 2008 for the selected vendor. Upon selection of the vendor, planning and implementation of a new time-and-effort system will begin. Concurrently, implementation of new policies and procedures will be issued to assure A-21 compliance. It is expected that full integration will take as long as 9 months to a full year to implement. As an interim measure, FAU is exploring the use of stopgap options and processes to assure A-21 compliance.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Kenneth A. Jessell, Vice President for Financial Affairs

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA GULF COAST UNIVERSITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-090 FA 06-098	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Partially Corrected	The Office of Financial Aid will take a more proactive approach with the Office of the Registrar to comply with enrollment reporting. The Office of Financial Aid will work with the Registrar's Office to ensure that a thorough review of the data takes place before the roster is submitted. Additionally, Financial Aid will pursue further technical modifications (i.e. Appworx) to the process in order to report students timely and accurately.
FA 06-099	SFA Cluster CFDA No. 84.032	Exit counseling was not completed or exit counseling materials were not provided timely.	Partially Corrected	The Office of Financial Aid continues its efforts to achieve 100% compliance with this regulation. As a result, exit counseling materials have been converted to an electronic format (e-mail) to make sure students are notified in a timely manner as required by USED regulations.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Jorge E. Lopez, Director Student Financial Services

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA INTERNATIONAL UNIVERSITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-082 FA 06-084 FA 05-089	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.032, and 84.063	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable.	Fully Corrected	Effective March 31, 2008, procedures were implemented to provide the financial aid department with outstanding checks on a monthly basis subsequent to the reconciliation of the bank accounts. Upon receipt, financial aid staff review the items on the Federal Title IV programs and take the appropriate action including returning funds.
FA 07-090 FA 06-098 FA 05-105	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Fully Corrected	Effective October 2007, enhanced processes were established to ensure that Florida International University reports student enrollment and graduation data to the National Student Clearinghouse on an accurate and timely basis. Enrollment-status files are extracted from the student information system and transmitted to NSC at intervals of at least once-per-month. In similar fashion, Degree Verify files are transmitted at least once per semester. These processes have helped NSC respond properly to NSLDS data requests (SSCRs) at the beginning of each month, with one exception. NSC sent FIU official notification of a transmission error (to NSLDS) in February 2008. However, NSC assured the University (memorandum on file in the Office of the Registrar) that there was no impact to students or their student loan accounts. The enrollment data updates had already been reported directly to lenders, guaranty agencies and the Direct Loan servicer in compliance with Federal regulation § 682.610

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA INTERNATIONAL UNIVERSITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-096	Research and Development (R&D) Cluster	The institution had not filed a corrected DS-2 reporting the payroll distribution method used.	Fully Corrected	Effective May 14, 2008, the updated DS-2 was submitted to the Division of Cost Analysis, Department of Health and Human Services.
FA 06-113	Research and Development (R&D) Cluster CFDA Nos. 12.800 and 66.436	The institution does not have adequate procedures for charging Federal grants for leave payouts.	Fully Corrected	Effective April 03, 2008 a Fringe Benefit Rate was approved by the Division of Cost Analysis, Department of Health and Human Services. Terminal leave was a component of the fringe benefit rate that was approved. The University implemented the rate on July 1, 2008.
FA 06-117	R&D Cluster CFDA No. 93.048	The institution did not maintain adequate documentation to support matching charged to the grant.	Fully Corrected	The effort reporting system was under development in Fall of 2005 and may not have captured all graduate students at that time. The system currently captures the effort certification for graduate students and adheres to the following policy: An after-the-fact certification of effort is required of all individuals performing services on a sponsored project when all or a portion of their salary is charged to a sponsored project. Effort reports must be a reasonable estimate of the individual's time-and-effort during the time certified. Effort reports must be certified by either the individual whose time-and-effort is being certified or someone having first hand knowledge of the activities performed by the employee. The inclusion of graduate students in the Time-and-Effort reporting system was fully implemented in the spring semester 2006. The cost sharing tracking policy requires annual review of cost share documentation maintained by the department. The cost share tracking

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA INTERNATIONAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				policy was revised in February 2007 to include semi-annual reporting of cost share documentation.
FA 04-118 FA 03-092	R&D Cluster CFDA No. 81.999	The school did not comply with the matching requirements for the HCET grant.	Partially Corrected	FIU is currently working toward closing out this award with the U.S. Department of Energy (DOE) on or before the period of performance officially ends on November 20th, 2005. Pursuant to a mutual agreement between FIU and DOE, FIU has been performing under a follow-on Award (No.DE-FG01-05EW07033) since February 20, 2005. The follow-on award has no cost matching commitment. Because FIU has been performing under the follow-on agreement since February 20, 2005 and has not received funding under Award No. DE-FG26-00NT40806 since January 2003, DOE and FIU have agreed to close out Award No.DE-FG26-00NT40806 as soon as possible. FIU has agreed to submit an analysis to DOE demonstrating that it has met its cost matching commitment under this award. FIU's analysis will be based on the total reduced expenditures under Award No. DE-FG26-00NT40806, as adjusted downward by FIU's February 2005 Settlement Agreement with DOE, Department of Justice and Department of Health and Human Services. FIU provided a final invoice and the Match Analysis to DOE in August 2006. In June 2008 the Department of Health

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA INTERNATIONAL UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				Human Services, Inspector General's office initiated a final close out review DE-FG26-00NT40806, from which we anticipate the final report will be issued in August 2008. Once FIU and DOE reach an agreement on the match obligation, FIU will submit this agreement to the State Auditor.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2004-168 (FA 03-), report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Francisco Valines, Director of Financial Aid FA 07-082

Name and Title of Responsible Official: Izhar Haq, Associate Controller FA 07-082

Name and Title of Responsible Official: Steven Kelly, Director, Office of the Registrar FA 07-090

Name and Title of Responsible Official: Joseph Barabino, Associate Vice President, Office of Sponsored Research FA 07-096, FA 06-113, FA 06-117, FA 04-118

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA STATE UNIVERSITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-082 FA 06-084 FA 05-089	Student Financial Assistance (SFA) Cluster	The institution had not established procedures to identify the funding source of each uncashed student net check and establish an order of return to applicable Federal programs.	Fully Corrected	Florida State University has revised its procedures in order to comply with U.S. Department of Education regulations and meet the timeline for returning unclaimed funds to the applicable Federal programs.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Officials: Michael Williams, Controller

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

NEW COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-090	Student Financial Assistance Cluster CFDA No. 84.032 FFEL	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Fully Corrected	We are reporting to the Student Clearinghouse on a more frequent schedule; at least one time a month. Additionally, we have implemented a Change of Student Checklist to ensure all processes related to the change of student status is performed, including manually reporting the change to the Student Clearinghouse. Lastly, we have instructed the NSLDS to request enrollment data from the Student Clearinghouse monthly.

Note: (1) Paragraph/Finding No(s). refer to audit finding in report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Kathy Allen, Registrar

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNIVERSITY OF CENTRAL FLORIDA

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-090 FA 06-098 FA 05-105	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Partially Corrected	The problem with selection based on term withdrawal data was diagnosed prior to June 30. The modification was submitted to correct the status of withdrawn students. Final testing was completed and changes moved into production effective July 1, 2008.
FA 06-105 FA 05-115	Research and Development (R&D) Cluster CFDA Nos. 12.431 and 81.087	Indirect costs were charged as direct costs.	Partially Corrected	ORC is waiting for a formal letter from the DHHS Cost Allocation Office closing findings FA 06-105 and FA 05-115. The ORC Office of Compliance contacted the Deputy Chief of the Cost Allocation Group the week of July 1, 2008 for an update to the closure letter.
FA 04-119	R&D Cluster CFDA Nos. 47.076, 81.087, and 93.247	The institution incorrectly used indirect costs calculated on the matching funds, called "foregone overhead", as part of their matching requirements and some charges were not supported by signed after-the-fact employee certifications.	Partially Corrected	ORC is waiting for a formal letter from the DHHS Cost Allocation Office closing finding FA 04-119. The ORC Office of Compliance contacted the Deputy Chief of the Cost Allocation Group the week of July 1, 2008 for an update to the closure letter.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Dennis J. Dulniak, University Registrar, FA 07-090, FA 06-098, and FA 05-105

Name and Title of Responsible Official: Douglas Backman, Director, ORC Office of Compliance, FA 06-105, FA 05-115, and FA 04-119

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNIVERSITY OF FLORIDA

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-035 FA 06-032	Special Education – Grants for Infants and Families with Disabilities (IDEA) CFDA No. 84.181	Time-and-effort reports were not timely completed (FA 06-032) and the rates charged for mileage were not authorized (FA 06-032 and FA 07-035).	Fully Corrected	**Re: Time-and-Effort Reports** – Effective with the Summer 2007 term, the enhanced certification process was in place for all departments and being completed timely. **Re: Travel Rates** - The money received on the Federal award addressed in this finding was through the Florida Department of Health which had a contract provision requiring the use of the State of Florida travel rates specified in the Florida Statutes. The questioned costs totaling $16,322.16 for the period July 1, 2004, through June 30, 2007, (which included the $7,958.26 cited in audit report No. 2007-146) have been removed from the grant.
FA 07-082 FA 06-084 FA 05-089	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.063, and 84.268	The institution's procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat were not adequate.	Fully Corrected	As of October 1, 2006, the University began using check stock negotiable for up to 180 days. For the 2007-08 fiscal year, the new check stock has been used and the procedures to return the funds shortly after 180 days have been implemented; therefore, the University is current in regard to returning funds to the applicable Federal programs. The University completed work on the prior years' outstanding checks to return applicable funds to the appropriate Federal programs. The last student financial aid checks with a negotiable timeframe of one year ceased to be negotiable on September 30, 2007.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNIVERSITY OF FLORIDA

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-097	R&D Cluster CFDA Nos. 43.999, and 47.074	Federal grant expenditures were not monitored to ensure documentation was on file to support that expenditures were properly approved, valid, reasonable, and necessary. In addition, travel was charged at unauthorized rates.	Fully Corrected	The University has enhanced procedures to maintain documentation related to purchasing card charges to Federal grants by implementing a fax imaging system. Pursuant to a change in Florida Statutes effective July 1, 2007, the University changed its travel reimbursement rates to follow State reimbursement rates effective July 1, 2007.
FA 07-100 FA 06-114 FA 05-111	R&D Cluster Various	The institution did not comply with time-and-effort requirements.	Fully Corrected	The University implemented procedures to ensure that after-the-fact activity reports are certified by an individual with direct knowledge of the employee's work. All departments began using new certification forms signed by the principal investigator, employee, or responsible official with suitable means of verification in November 2007, for the Summer 2007 term (May 18 - August 15, 2007).
FA 07-101	R&D Cluster Various	The institution had not developed procedures for preparing reliable cost-share reports and was unable to ensure compliance with mandatory cost-share requirements.	Fully Corrected	The University has continued to improve the cost-share reporting system to enable accurate determination of the amounts of cost-share required and provide such amounts to the applicable grants. Regarding cost-share deficits addressed in this finding, departments are monitoring to ensure that required cost-sharing is met.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNIVERSITY OF FLORIDA

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-103	R&D Cluster Various	The institution did not adequately monitor grant subrecipients.	Fully Corrected	Effective January 2008, Contracts and Grants strengthened its procedures for monitoring subrecipients of Federal grants to ensure subrecipient compliance with OMB Circular A-133 audit requirements.

Note: (1) Paragraph/Finding Nos. refer to audit findings in report No. 2006-152 (FA 05-), report No. 2007-146 (FA06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Michael V. McKee, Asst. Vice President and University Controller

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
UNIVERSITY OF SOUTH FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-024 FA 06-034	Special Education Grants to States and Special Education – Grants for Infants and Families with Disabilities (IDEA) CFDA Nos. 84.027 and 84.181	The institution had not effectively implemented policies and procedures to monitor all Federal contracts entered into on the institution's behalf, by an affiliated organization.	Fully Corrected	USF has procedures to ensure that all Federal contracts, entered into on the institution's behalf by affiliated organizations, are monitored and have proper oversight.
FA 07-093	Research and Development (R&D) Cluster CFDA No. 12.999	Grantor approval was not obtained for the PI to continue work on a grant, subsequent to the PI's change in employment status from the institution to an outside entity.	Fully Corrected	DSR has procedures in place to request a change in PI when the grant will remain at USF and the PI changes its employment status to another institution.
FA 07-098	Research and Development (R&D) Cluster CFDA Nos. 12.300, 12.999, 81.087, 93.389, and 93.847	Federal grant expenditures were not monitored to ensure expenditures were properly approved, valid, reasonable, and necessary. In addition, unauthorized rates were charged to travel.	Partially Corrected	USF has procedures to monitor grant expenditures for proper approval and compliance with the cost principles prescribed in OMB Circular A-21. USF continually enhances internal controls in response to emerging business practices. Recent examples include; the implementation of the State of Florida travel regulations for all University travel, regardless of funding source (effective for travel beginning 7/1/07); the expansion of document imaging to include purchasing card supporting documentation; and the development and staffing of a purchasing card review team. USF continually promotes compliance with Federal, State and sponsor regulations. One of the ways this is done is through the regular issuance of Clarification or Change in Procedure (CCHIP) guidance. Recent CCHIPs include:

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
UNIVERSITY OF SOUTH FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
				• Accounting for Participant Costs on Sponsored Projects • Cashing-Out Unused Annual/Sick Leave Balances with Sponsored Project Funds Subsequent to the issuance of these CCHIP's, we expect significant progress to be made in the compliance related to these areas. Outstanding Item: USF has requested sponsor approval for the conference expenses that were questioned by the Auditor General based on our opinion that they are exempt from the per diem requirements of State law. We have not yet received a response from the Sponsor.
FA 06-107 FA 05-117 FA 04-113	Research and Development (R&D) Cluster CFDA Nos. 11.478, 12.114, 12.431, 12.910, 43.002, 43.999, 47.070, 84.133, 84.339, 83.853, 93.393, 83.556, 93.566 and 93.856	Indirect costs were charged as direct costs. It is not clear whether the Cost Accounting Standard (CAS) exemptions used by the institution met the criteria for "unlike circumstances" as contemplated by the cognizant agency United States Department of Health and Human Services.	Fully Corrected	The University has a process to review all CAS exceptions for conformance with the requirements established in OMB Circular A-21. In a letter dated, February 27, 2008 the Department of Health and Human Services Division of Cost Allocation (USF cognizant agency) provided approval of the University's process.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNIVERSITY OF SOUTH FLORIDA

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-102 FA 06-119 FA 05-129	R&D Cluster CFDA Nos. 12.300, 12.420, 12.431, 12.999, 47.070, 47.074 and 93.389	The institution did not always ensure certifications regarding suspension and debarment were obtained when contracting with vendors.	Fully Corrected	The University had been checking all new vendors to verify that they were not on the Federal Suspended and Debarred list. However, as a more complete review, the University has since changed this procedure to be a check of all requisitions and payment request forms of $25,000 or more to verify that they are not on the Federal Suspended and Debarred list. This new procedure was implemented 6/15/07.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Nick J. Trivunovich, University Controller

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

EDISON STATE COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-090	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Partially Corrected	Edison College has instituted new procedures to report currently enrolled students to the Clearinghouse at the end of the add/drop period, 15th and 30th of every month. Graduates will be reported in batch process and as determined every two weeks until the graduation process has been completed. This will ensure compliance with reporting rules concerning NSLDS student status.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Billee Silva, District Registrar

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FLORIDA COMMUNITY COLLEGE AT JACKSONVILLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-082 FA 06-084	Student Financial Assistance (SFA) Cluster	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable.	Fully Corrected	The College considers this finding fully corrected and has established procedures to return unclaimed Title IV funds to the Title IV HEA program or lender within 180 days. These procedures were changed to incorporate clarification and additional guidance on escheating time requirements received by the Auditor General's Office. The College does not currently have any checks resulting from unclaimed Title IV HEA funds that are more than 180 days old.
FA 05-097	SFA Cluster CFDA Nos. 84.007, 84.032, and 84.063	Three students did not meet SAP eligibility requirements. Recommended the institution ensure that all attempted and earned credit hours, including remedial credit hours, are included in its determinations of SAP.	Fully Corrected	The College considers this finding fully corrected and has procedures in place to ensure students meet the guidelines of the Satisfactory Academic Progress Policy as outlined in the College catalog.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Steve Bowers, Vice President, Administrative Services

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
MANATEE COMMUNITY COLLEGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 06-099	SFA Cluster CFDA No. 84.032	Exit counseling was not completed or exit counseling materials were not provided.	Partially Corrected	IT has created a program that will run every two weeks beginning on September 12, 2008. The program will capture those students who went below half-time since the last run and ever had an FFEL student loan while attending MCC. During the 07/08 FY MCC applied compliant procedures and when the program was implemented it was run against all 07/08 students as a back up.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2007-146 (FA 06-).

Name and Title of Responsible Official: Anders M. Nilsen, Director, Financial Aid, August 27, 2008

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

MIAMI DADE COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-082 FA 06-084 FA 05-089	Student Financial Assistance (SFA) Cluster CFDA No. 84.063	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable.	Fully Corrected	In accordance with Florida Statute, Section 717.001 and College procedures, no monies escheat and all stale-dated monies were returned to the appropriate program annually. Sample amounts reported as still outstanding October 31, 2007, were either cashed or returned to the fund. Effective July 1, 2008, the College modified procedures to include voiding and returning student checks on a more frequent basis (every four months) to ensure no disbursed monies are older than 240 days.
FA 07-091 FA 05-101	SFA Cluster	The institution did not inform NSLDS of the mid-year transfers.	Fully Corrected	Programs were modified and scheduled to run on a more frequent basis to ensure mid-year transfer students are timely identified and reported.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Gregory R, Knott, AVP – Business Affairs

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

PALM BEACH COMMUNITY COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-082 FA 06-084 FA 05-089	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.032, and 84.063	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable	Fully Corrected	Electronic, compliant procedures have been in place for several months, and the backlog eliminated.
FA 07-092 FA 06-099	SFA Cluster CFDA No. 84.032	Exit counseling was not completed or exit counseling materials were not provided.	Fully Corrected	Electronic, compliant procedures have been in place since Fall of 2007.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: David M. Bodwell, Director of Financial Aid

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
POLK COMMUNITY COLLEGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-088 FA 06-096 FA 04-100	SFA Cluster CFDA No. 84.063	The institution did not comply with return to Title IV regulations for students that unofficially withdrew.	Fully Corrected	The College has changed its Return to Title IV procedures to calculate only those students whose last date of active participation is prior to the 60% point in a given term regardless of the instructor designated withdrawal code. Those students who have a last date of active participation past the 60% point require no further calculation. The institution has made the appropriate adjustments for the amount of $1,249.54 to the Pell account and subsequent GAPS drawdown.
FA 07-089 FA 06-097	SFA Cluster CFDA No. 84.063	The institution did not comply with return to Title IV regulations for students that did not attend at least one class.	Fully Corrected	The College has modified its procedures to include reminders to College faculty prior to the disbursement of funds, emphasizing the importance to timely record a student's nonattendance. The financial aid staff reviews attendance reports weekly. Recalculations (based on last date of participation) of awards are performed as necessary based on the results of this review. The institution has made the appropriate adjustments for the amount of $1,114.39 to the Pell account and subsequent GAPS drawdown.
FA 07-090 FA 06-098 FA 05-105	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Fully Corrected	The College has updated its reporting schedule with NSLDS to increase the frequency of transmissions from NSC to monthly. The College has enhanced its transmissions' review procedure to ensure that data transmissions are accurate.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
POLK COMMUNITY COLLEGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-092	SFA Cluster CFDA No. 84.032	Exit counseling was not completed or exit counseling materials were not provided.	Fully Corrected	The College is now verifying the enrollment status of FFEL recipients on a weekly basis. As a result of this review, exit counseling documentation is mailed to applicable students, along with instructions to complete the document and return it to the Financial Aid Office within five business days. Additionally, beginning with Spring term 2008, Financial Aid has performed exit counseling beginning two weeks prior to the end of the term for all FFEL students scheduled to graduate.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Olivia Maultsby, Director of Financial Aid

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SANTA FE COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 05-102	SFA Cluster CFDA Nos.84.063 and 84.268	The institution did not comply with return to Title IV regulations for students that officially withdrew.	Finding does not warrant further action.	USED did not pursue matter.
FA 05-103	SFA Cluster CFDA Nos. 84.063 and 84.268	The institution did not comply with return to Title IV regulations for students that unofficially withdrew.	Finding does not warrant further action.	USED did not pursue matter.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2006-152 (FA 05-).

Name and Title of Responsible Official: Ginger Gibson, Vice President for Finance & ITS

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SEMINOLE COMMUNITY COLLEGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 06-084	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.063 and 84.268	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable	Corrected	The College revised its procedure for handling unclaimed property and now cancels checks at 150 days rather than 180 days as previously done. This ensures the Federal funds are returned before 180 days after the check is issued.
FA 07-087 FA 06-095 FA 05-102	SFA Cluster CFDA Nos. 84.032 and 84.063	The institution did not comply with return to Title IV regulations for students that officially withdrew.	Partially Corrected	All elements have been correct with the exception of a new added Fall Term Break and miscalculation in term length. The term length has been corrected beginning in the Fall of 08.
FA 07-090 FA 06-098 FA 05-105	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Significantly different corrective action taken than previously planned.	The College has changed internal processes and procedures regarding grade posting. This was done to ensure that reporting is done accurately and timely. The college has increased reports to the NSLDS to insure timeliness.
FA 07-092 FA 06-099 FA 05-106	SFA Cluster CFDA No. 84.032	Exit counseling was not completed or exit counseling materials were not provided.	Partially Corrected	The College is implementing procedures to ensure the notification of exit counseling is provided in a timely manner and student files are updated accordingly.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Robert E. Lynn, Direction, Student Financial Resources

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

ST. PETERSBURG COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-085	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.032, and 84.063	The institution disbursed Title IV HEA aid to ineligible students.	Partially Corrected	St. Petersburg College (SPC) strengthened our procedures regarding student eligibility. During the Spring term 2008, SPC began to implement a centralized process for student verification and student eligibility issues. Effective Spring term 2008, all faculty members were required to take attendance during the first two weeks of classes. The faculty is required to report in PeopleSoft if a student was not present in a class during the first two weeks of classes. This ensures that No Show information is being reported timely to the Financial Assistance Services office to ensure adjustments are made to a student's award package for the classes which attendance cannot be documented. SPC has created this new policy to ensure faculty members are accurately reporting students who do not attend at least one class during the first two weeks of classes. The new policy strengthens our prior policy for faculty reporting No Shows to the College Registrar. This will help ensure students who are not eligible for financial assistance due to No Shows are not disbursed financial assistance. The automatic nightly process was not put into production as expected in January 2008. In early February, this was discovered by SPC, and students were manually identified as a No Show during the time the automatic program did not run.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

ST. PETERSBURG COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-086	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.032, 84.033, 84.063, and 84.375	The institution's Satisfactory Academic Progress policies and procedures did not meet Federal regulations and ineligible students received Title IV HEA funds.	Partially Corrected	The SAP policy for SPC has been revised and approved by USED in February 2008. The new SAP policy is in place. The SAP review is done annually at SPC and it ran at the end of the Summer term in July 2008, for the 2008-09 award year. Based on guidance received from USED, we extended the review to include Summer instead of running it at the end of Spring term as we had in the past to include the entire academic year within the review.
FA 07-087 FA 06-095 FA 05-102 FA 04-099	SFA Cluster CFDA Nos. 84.032 and 84.063	The institution did not comply with return to Title IV regulations for students that officially withdrew. Policies and procedures were inadequate to ensure timely identification and return of Federal funds, because reporting of grades and attendance, by faculty, needed improvement.	Fully Corrected	Grade reporting and attendance records used by SPC for R2T4 calculations have been enhanced to ensure that all Federal deadlines are met. Changes were made within our system to identify a student who was an official or/ unofficial withdrawal so SPC would be in compliance with Federal guidelines regarding R2T4. These changes were implemented in Spring 2008.
FA 07-088 FA 06-096 FA 05-103	SFA Cluster CFDA Nos. 84.032 and 84.063	The institution did not comply with return to Title IV regulations for students that unofficially withdrew. Policies and procedures were inadequate to ensure timely identification and return of Federal funds, because reporting of grades and attendance, by faculty, needed improvement.	Fully Corrected	SPC's policies and procedures for R2T4 calculations have been enhanced to ensure that all Federal deadlines are met. In addition, SPC has changed its policy related to requiring of daily attendance reporting and revising the ability by the faculty members to access the system and to input grades. This has corrected the issues regarding faculty data, which was inconsistent with attendance records. The above changes were implemented in Spring 2008.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

ST. PETERSBURG COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 07-090 FA 06-098 FA 05-105 FA 04-102	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Fully Corrected	SPC implemented a new attendance policy in Spring 2008. This corrected the reporting issues for NSLDS.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2005-158 (FA 04-), report No. 2006-152 (FA 05-), report No. 2007-146 (FA 06-), or report No. 2008-141 (FA 07-).

Name and Title of Responsible Officials: Marcia R. McConnell, Director, Financial Assistance Services

Patrick Rinard, Associate VP for Enrollment Management

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

VALENCIA COMMUNITY COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Paragraph/Finding No(s).(1)	Program/Area	Brief Description	Status of Finding	Comments
FA 06-084	Student Financial Assistance (SFA) Cluster CFDA Nos. 84.007, 84.032, and 84.063	The institution did not implement procedures to timely identify stale-dated checks with Title IV HEA funds and return those funds to the Title IV HEA programs before the date the funds would otherwise escheat or no later than the date a check to the student would cease to be negotiable	Fully Corrected	Valencia Community College has tightened the monitoring of stale-dated checks by highlighting federally funded checks in our stale-dated check worksheet well in advance of the 180 days before monies may revert back to the Federal funding agency. Federally funded checks are reviewed on a weekly basis. Student Federal Assistance programs such as Pell, SEOG, and Stafford Loans are sent directly back to the funding agency, and are no longer applied to any future terms.
FA 07-090	SFA Cluster CFDA No. 84.032	Enrollment status changes reported to NSLDS for students who ceased at least half time enrollment were not accurate and/or timely reported.	Fully Corrected	Valencia has revised its procedures to report NSLC student data five times per term. Dates are selected to meet the 30 day reporting requirement. Valencia data is also available to NSLDS on a monthly basis should they request it. To ensure that NSLDS is aware of our submissions, Valencia e-mails NSLDS when the transmission is made. Also, Valencia has online access to NSLDS to monitor submission and receipt dates between NSLC and NSLDS.

Note: (1) Paragraph/Finding No(s). refer to audit findings in report No. 2007-146 (FA 06-) or report No. 2008-141 (FA 07-).

Name and Title of Responsible Official: Jacqueline Lasch, Assistant Vice President, Financial Services (Finding FA 06-084)

Name and Title of Responsible Official: Renee Simpson, Assistant Vice President, Admissions & Records (Finding FA 07-090)