

STATE OF TENNESSEE

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2007



COMPTROLLER OF THE TREASURY
DIVISION OF STATE AUDIT



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
State Capitol
Nashville, Tennessee 37243-0260
(615) 741-2501

John G. Morgan
Comptroller

March 31, 2008

The Honorable Phil Bredesen, Governor
and
Members of the General Assembly of Tennessee
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

We are pleased to submit the twenty-fourth *Single Audit Report* for the State of Tennessee. This report covers the year ended June 30, 2007. The audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996 and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

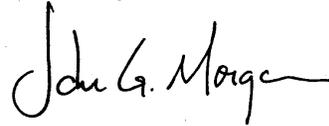
This *Single Audit Report* reflects federal expenditures of over \$10.5 billion. This report includes significant deficiencies and a material weakness relating to major federal programs and those instances of noncompliance that meet the criteria of OMB Circular A-133. The significant deficiencies, material weakness, and instances of noncompliance relating to major federal programs are described in Section III of the Schedule of Findings and Questioned Costs.

The *Comprehensive Annual Financial Report* of the State of Tennessee for the year ended June 30, 2007, has been issued under a separate cover. In accordance with *Government Auditing Standards*, we are issuing our report on our consideration of the State of Tennessee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. We noted significant deficiencies; however, none of the significant deficiencies noted are considered material weaknesses. We noted no instances of noncompliance that we considered material to the basic financial statements. The significant deficiencies arising from our audit of the financial statements are described in Section II of the Schedule of Findings and Questioned Costs.

The Honorable Phil Bredesen
March 31, 2008
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We would like to express our appreciation to the Department of Finance and Administration and other state agencies, universities, and community colleges, for their assistance and cooperation in the single audit process.

Sincerely,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

**State of Tennessee
Single Audit Report
For the Year Ended June 30, 2007**

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Selected Statistical Data

Total Federal Expenditures – Ten Year Summary

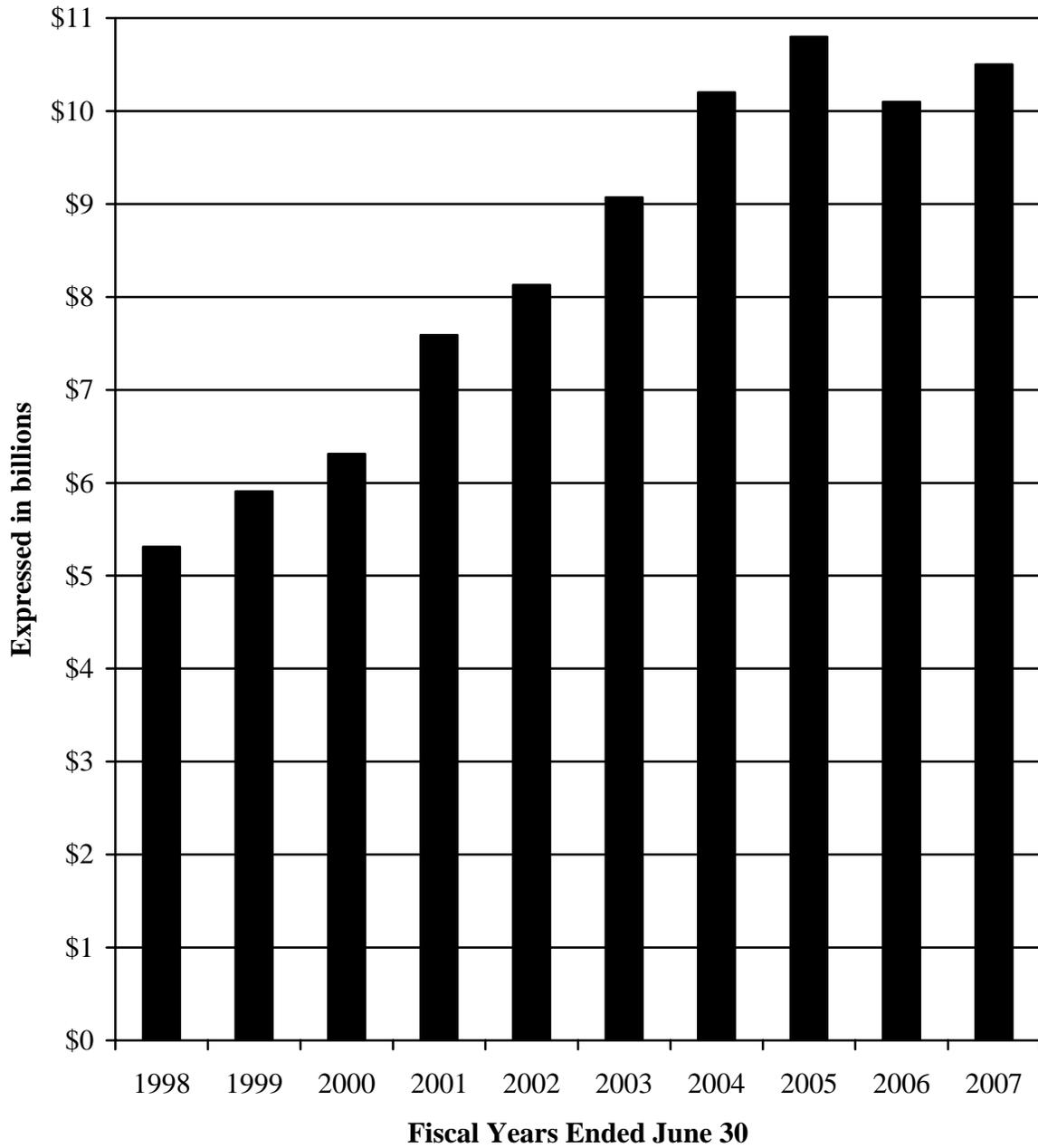
Expenditures by Awarding Agency

Number of Type A and Type B Programs

Type A and Type B Program Expenditures

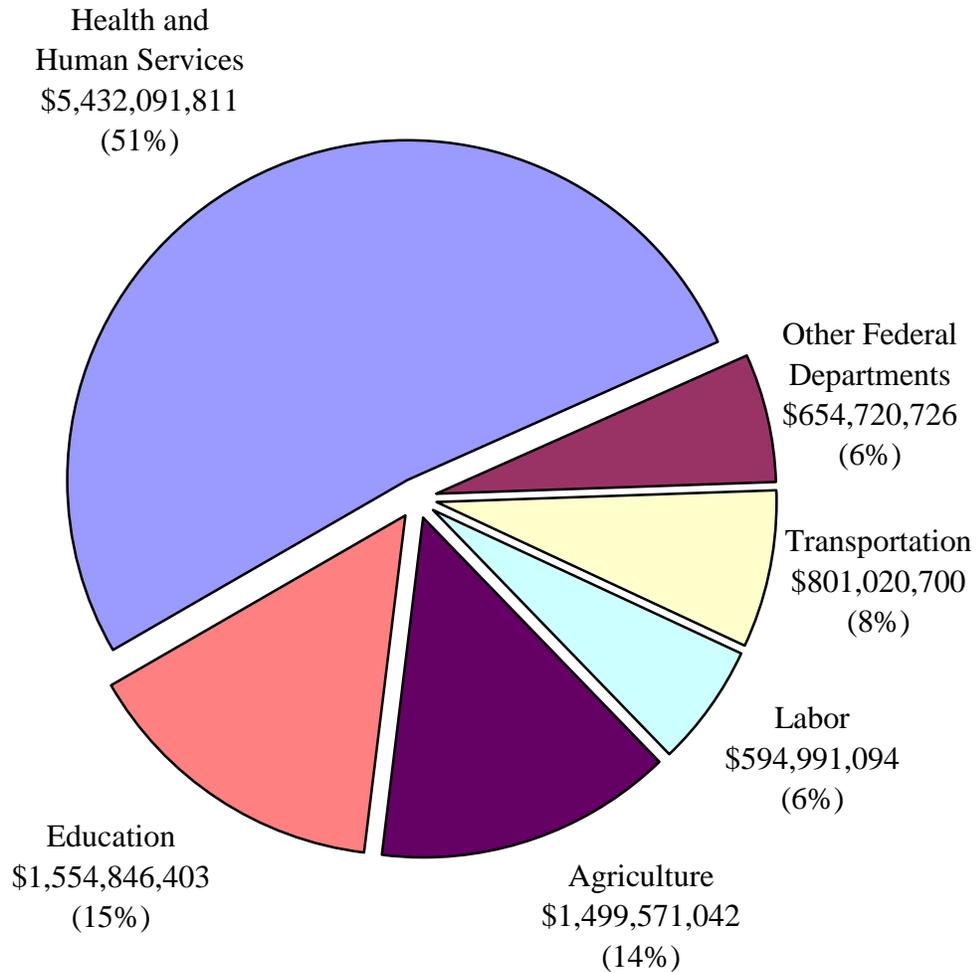
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Total Federal Expenditures - Ten Year Summary

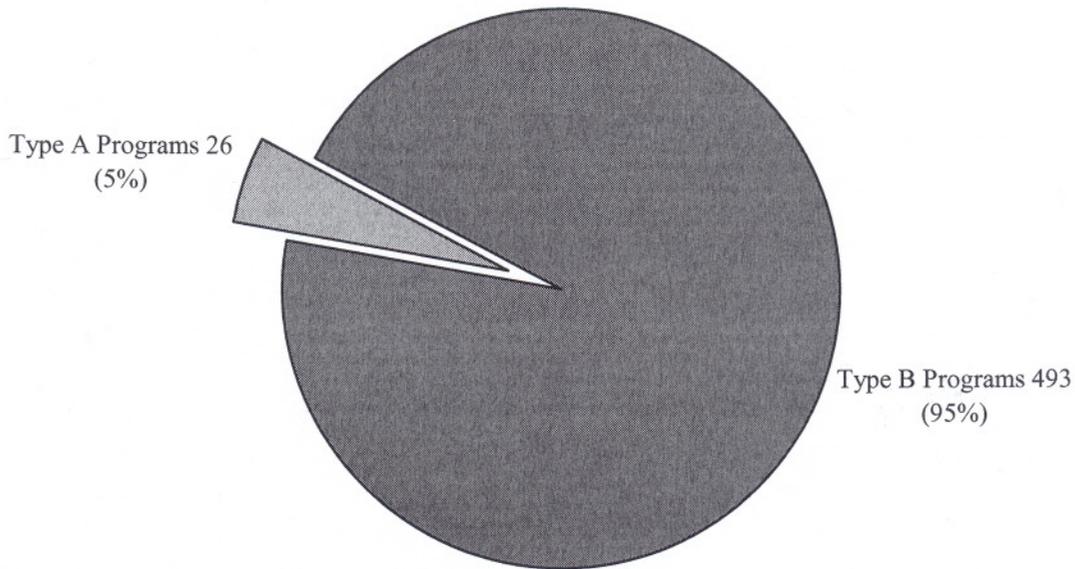


Expenditures by Awarding Agency

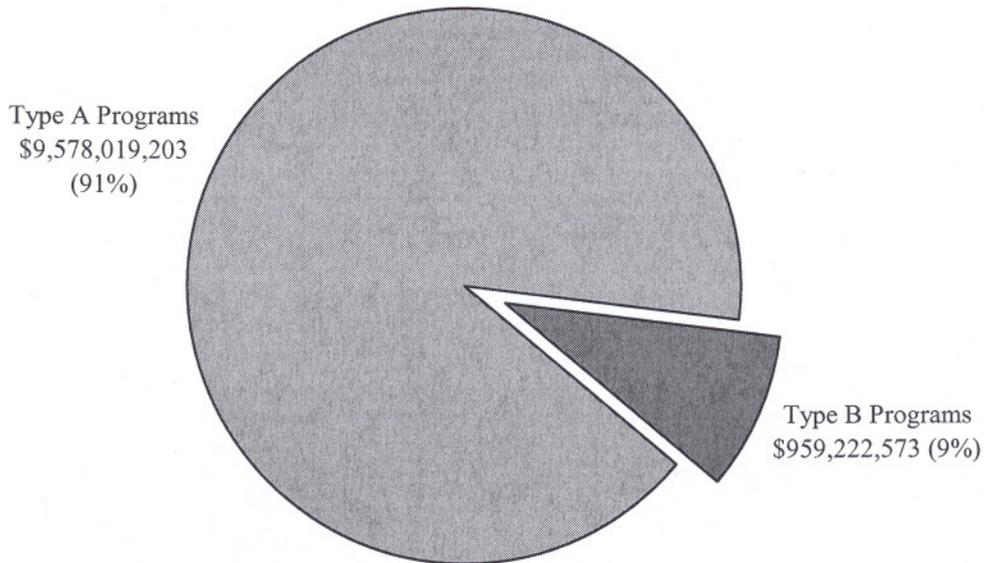
July 1, 2006 through June 30, 2007



Number of Type A and Type B Programs



Type A and Type B Program Expenditures



Type A programs for the State of Tennessee are defined as federal programs with expenditures exceeding the larger of \$30 million or fifteen hundredths of one percent (.0015) of total federal awards expended. For the fiscal year ended June 30, 2007, the Type A program threshold for the State of Tennessee was \$30 million. Those federal programs with expenditures below the Type A threshold are labeled Type B programs.

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Auditor's Reports

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*

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
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**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**

December 7, 2007

The Honorable John G. Morgan
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Morgan:

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 Tennessee as of and for the year ended June 30, 2007, which collectively comprise the State of Tennessee's basic financial statements and have issued our report thereon dated December 7, 2007. As discussed in Note 4 to the financial statements presented in the *Tennessee Comprehensive Annual Financial Report*, the State of Tennessee has implemented the Governmental Accounting Standard Board's Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Tennessee's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing and opinion on the effectiveness of the State of Tennessee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Tennessee's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 07-TDT-01 and 07-TSAC-01 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 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 above is a material weakness.

Compliance and Other Matters

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

However, we noted certain matters that we reported to management of the State of Tennessee in separate letters.

The Honorable John G. Morgan
December 7, 2007
Page Three

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

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

Sincerely,

A handwritten signature in black ink that reads "Arthur A. Hayes, Jr." with a stylized flourish at the end.

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/ras



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
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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 and on the
Schedule of Expenditures of Federal Awards**

March 27, 2008
except for the Schedule of Expenditures of Federal Awards,
as to which the date is December 7, 2007

The Honorable John G. Morgan
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Morgan:

Compliance

We have audited the compliance of the State of Tennessee with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The State of Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of Tennessee's management. Our responsibility is to express an opinion on the State of Tennessee's compliance based on our audit.

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 Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State of Tennessee's compliance with those requirements.

In our opinion, the State of Tennessee complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07-DCS-01 through 07-DCS-03, 07-DFA-01, 07-DFA-03, 07-DOT-02, 07-DOT-03, 07-LWD-01, 07-TSAC-02, 07-TTU-01 through 07-TTU-03, and 07-UTH-01.

Internal Control Over Compliance

The management of the State of Tennessee 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 Tennessee'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 Tennessee'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 State of Tennessee's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 07-DCS-01, 07-DCS-02, 07-DFA-02, 07-DOT-01 through 07-DOT-03, 07-LWD-01, 07-TSAC-02, 07-TTU-01 through 07-TTU-03, and 07-UTH-01 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider 07-TSAC-02 to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Tennessee as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Tennessee'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 of Tennessee's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State of Tennessee's responses and, accordingly, we express no opinion on the responses.

The Honorable John G. Morgan
March 27, 2008
Page Four

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

Sincerely,

A handwritten signature in black ink, reading "Arthur A. Hayes, Jr." with a stylized, cursive script.

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/ras

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Auditor's Findings

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor's Results

Section II – Financial Statement Findings

Section III – Federal Award Findings and Questioned Costs

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**State of Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

Section I – Summary of Auditor’s Results

Financial Statements

- We issued an unqualified opinion on the basic financial statements.
- We identified significant deficiencies that are not considered to be material weaknesses.
- We noted no instances of noncompliance considered to be material to the basic financial statements.

Federal Awards

- We identified significant deficiencies and one material weakness in internal control.
- We issued an unqualified opinion on the state’s compliance with requirements applicable to its major federal programs.
- We disclosed audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- The State of Tennessee does not qualify as a low-risk auditee under OMB Circular A-133, Section 530.
- The dollar threshold used to distinguish between Type A and Type B programs, as prescribed in OMB Circular A-133, Section 520(b), was \$30,000,000.

State of Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007
(continued)

Section I – Summary of Auditor’s Results

<u>CFDA Number</u>	<u>Name of Major Federal Program</u>
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants
17.245	Trade Adjustment Assistance
20.509	Formula Grants for Other Than Urbanized Areas
84.032	Federal Family Education Loans (FFEL) – (Guaranty Agencies)
84.048	Vocational Education – Basic Grants to States
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
-	Research and Development Cluster
-	Student Financial Assistance Cluster
-	Food Stamp Cluster
-	Highway Planning and Construction Cluster
-	Medicaid Cluster
-	Disability Insurance/SSI Cluster

State of Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007
(continued)

Section II – Financial Statement Findings

Finding Number	07-TDT-01
CFDA Number	N/A
Program Name	N/A
Federal Agency	N/A
State Agency	Department of the Treasury
Grant/Contract No.	N/A
Finding Type	Significant Deficiency
Compliance Requirement	None
Questioned Costs	None

Controls over abandoned property records are inadequate, thus increasing the risk of fraudulent payments

Finding

Tennessee statutes set out several responsibilities for the Department of the Treasury regarding intangible property that has been abandoned and subsequently transferred to the custody of the department. Treasury is responsible for the safekeeping of abandoned property (Section 66-29-116, *Tennessee Code Annotated*). Treasury also has a responsibility to determine that claims for this property by apparent owners are valid before paying them (Section 66-29-123) and to notify the apparent owners of the property using the last known name and address (Section 66-29-114[a]). Each of these responsibilities requires that Treasury ensure the accuracy of records pertaining to all abandoned property, particularly with respect to key data such as owner name, address, social security number, and value of the property transferred. The amount of abandoned property in the custody of Treasury at June 30, 2007, exceeded \$346,000,000.

During the audit period, the Department of the Treasury, Division of Unclaimed Property, did not have controls pertaining to abandoned property that would be likely to prevent or detect unauthorized alterations of the files containing the original property data. The opportunity existed for individuals to make unauthorized changes to key elements of property records (such as owner name, address, social security number, and dollar value of property). Unauthorized changes made to property records could result in the payment of fraudulent claims and would hamper the division's efforts to locate the correct owners of the property.

Controls to prevent or detect tampering with the reports electronically submitted by holders of abandoned property have been inadequate. If an individual had made unauthorized changes to these reports, it is unlikely that controls would have detected them. Just as importantly, there was no control in place to secure the data contained in the original file sent by the reporting entity in such a way as to enable an individual to later compare the original data transmitted to the data that existed in Wagers, which is the system used to manage abandoned property data.

The lack of such a control is particularly important since there has been only limited control over changes which might be made later, after the data have been loaded into the Wagers system. On occasion, Treasury personnel receive corrections and revisions to the original reports submitted. As part of their normal duties, they will edit the property data that have already been entered into Wagers and revise it based on correcting documentation that has been submitted. Wagers does not, however, track changes made to property records. Thus, an individual could make unauthorized changes to the owner and address fields of property records without that change being recognized in Wagers as a change. Management is unable to generate any sort of report from the system which will identify changes made to records (such as all edits to owner names, addresses, and social security numbers).

During the audit period, management became aware of these control deficiencies from their own risk assessment. Management proceeded to take corrective measures to the extent practical at the time. Newly established procedures require that for any change made to data already loaded into Wagers, two individuals must be involved. Access to Wagers has been segregated such that no one individual has the ability to both “unclear” a record (make that record available for edit) and make the actual change. However, management has not yet been able to establish a control to prevent or detect unauthorized changes made to data prior to its entry into Wagers.

In response to the increased risks of fraud noted above, we performed a limited review of property records, searching for indications that ownership data had been altered. Specifically, we requested records from Wagers for the last three fiscal years and considered the reasonableness of any claim payments in which a single claimant received property from ten or more property holders. While there were numerous payments meeting this criteria, none stood out as particularly suspicious. We also chose a sample of original electronic property reports and compared selected records to data in Wagers. We did not encounter any records in Wagers that did not match original reports. As discussed above, however, such a review is unlikely to detect unauthorized changes made to the original property report files themselves. In an attempt to identify any owner or property value data that may have been changed from the original data file, we designed a test to confirm directly with the original property holder key owner data (name, tax ID number, property value, etc.) for selected paid claims. We requested and received assistance from Treasury’s Internal Audit staff in this confirmation process. No discrepancies were discovered.

Recommendation

Management identified these control weaknesses through its risk assessment process and subsequently began to remedy them. In order to address the potential for tampering with property data files, management has contacted the vendor for the Wagers database software and requested that a mechanism be developed that would allow property holders to submit encrypted or secured reports using a secure website. Although the data could be previewed before being loaded into Wagers, key data would not be accessible for editing. If numerous errors were detected in the file, the entire report would be rejected prior to being loaded into Wagers, and appropriate personnel would request a corrected version from the holder who submitted the report. Once this mechanism is in place, Unclaimed Property should require that all property reports submitted electronically be submitted via the website. We recommend that, whatever the mechanism, the division ensure the integrity of the original data submitted by property holders. This data should also be maintained so as to enable a reviewer to compare the information in Wagers to the information originally submitted.

Since Treasury personnel will sometimes need to edit property data that have already been loaded into the Wagers system, management has also contacted the software vendor with a request that a tracking system be implemented that will allow management to monitor all changes made to data. Management intends to use this tracking system to enable an individual not involved in the report receipting process to review all changes made to property records. We recommend that management continue its efforts to implement a tracking system and a procedure for review of changes to property data. However, we reiterate that the value of any procedure to match changes against source documentation will depend largely on the integrity of the source documentation. Management should ensure that the documentation supporting changes to property records—whether submitted electronically or not—is maintained securely.

Management's Comment

Management concurs. The Unclaimed Property Division completed an internal risk assessment in June 2007 and identified the internal control issues that were outlined in this audit report. Management immediately began the process of identifying possible solutions and evaluating the effectiveness of the various solutions. After determining the most effective set of solutions that would resolve the control issues, management submitted a request to implement the solutions to the third party vendor that developed the unclaimed property system we are using. This same system is used in a majority of state unclaimed property programs which are facing the same control issues. We have emphasized the urgency to implement these changes to our third party vendor and requested that these modifications be completed as quickly as possible. Once these modifications are made to the software, the internal control issues will be resolved.

Finding Number	07-TSAC-01
CFDA Number	N/A
Program Name	N/A
Federal Agency	N/A
State Agency	Tennessee Student Assistance Corporation
Grant/Contract No.	N/A
Finding Type	Significant Deficiency
Compliance Requirement	N/A
Questioned Costs	None

TSAC management and the audit committee have failed to carry out their respective responsibilities regarding adequate controls and oversight of entries to its accounting records and performance of documented risk assessment activities, increasing the risks of errors in financial statements and the possibility that fraud, waste, and abuse could occur and not be detected timely

Finding

As noted in the prior audit, management and staff of the Tennessee Student Assistance Corporation (TSAC) did not have adequate controls over its accounting records and accounting system. The prior audit revealed that there were inadequate reviews of the accounting records, there was no management oversight and approval of the accounting manager's journal entries, and the accounting manager did not perform periodic reconciliations between the corporation's general ledger and subsidiary records. As a result, management did not detect errors in account balances, incorrect adjustments made to the accounting records, or significant misstatements to the corporation's financial statements in a timely manner.

Management concurred with the prior finding and stated that corrective actions had been implemented by senior TSAC management to improve the internal controls of the agency in order to mitigate the risks of errors and misstatements in accounting records.

The response also stated that a management action plan for fiscal year 2006-2007 had been developed to address the observations in the finding. The plan included provisions calling for improved reviews of properly documented accounting records, monthly reconciling of general ledger balances with subsidiary account ledgers, and prior approval for any adjustments.

Finally, the response stated that TSAC management, working with staff, would ensure risks were adequately identified and assessed in its documented risk assessment activities in order to prevent and detect exceptions in a timely manner.

TSAC administers state-supported programs of student financial aid in conformity with Acts of the Tennessee General Assembly and applicable federal laws and regulations. TSAC personnel also perform such other duties as may from time to time be required by the General Assembly or the Governor.

TSAC's accounting system is designed to measure economic activities of the student financial aid programs and summarizes and reports information about these activities to internal and external decision makers. Management maintains the detailed financial aid records in the system's subsidiary ledgers which support the corporation's general ledger.

The results of this year's audit revealed that TSAC still did not have adequate controls over its accounting records and accounting system. Furthermore, reviews and approvals for adjustments still did not improve the effectiveness of control. Finally, management did not perform, as promised, their documented risk assessment activities.

Inadequate Controls Over Accounting Records and Accounting System

On March 16, 2007, the executive director reassigned the fiscal director to another position within the corporation, leaving the fiscal director position vacant. The associate executive director for business affairs retired on May 31, 2007, and was replaced at that time by the corporation's internal auditor, who had recently begun his employment with the corporation on January 1, 2006. The internal auditor position was vacant from June 1, 2007, to October 1, 2007. And, as of December 7, 2007, the corporation is still in the interview process to replace the fiscal director. During the engagement, the former internal auditor, now the current associate executive director for business affairs, was rarely able to answer our questions regarding processes and procedures under his supervision, and previously subject to his internal audits, referring us to his subordinates for answers.

As the engagement progressed, we noted several deficiencies in the corporation's internal control relative to processing transactions, timely and accurate reporting to the U.S. Department of Education, adequate review of account balances, and the overall supervision of the accounting function. On February 27, 2007, the corporation's external loan serving agent acknowledged its inadvertent billing for services on 66,977 loans which had been guaranteed by TSAC, but were subsequently transferred to another guaranty agency. According to the correspondence, the error had been going on since January 2005, and the excess billings totaled \$616,989.64. TSAC management did not detect the billing errors and paid the totals invoiced. TSAC recovered the overpayments by offset against the agent's December 2006 and January 2007 billings. Since the new associate executive director for business affairs did not assume his position until June 1, 2007, most of the above problems occurred prior to his tenure. However, at the end of the fiscal year, we had to request that the current associate executive director for business affairs make several adjustments to prepare accurate financial statements. The need for the adjustments and the adjustments themselves, should have been obvious to him, but were not. Based on our review, we noted:

- Revenue was recorded in the wrong fiscal year,
- There was a liability of nearly \$2,000,000 for three months of billings from one vendor which had not been recorded, and
- An accounts receivable was improperly recorded as cash before it had been collected.

Personnel Changes and Unfilled Positions

Although management had promised to improve controls, the incidences of errors and problems with the accounting function continued. The turnover and reassignment of personnel with accounting and internal control responsibilities made even more apparent management's lack of policies and procedures concerning the accounting function, and staff's and management's unfamiliarity with the workings of its overall accounting system. These conditions also revealed management's lack of planning for personnel changes and the lack of training and cross-training of the corporation's accounting staff. During the preparation of the financial statements, the accounting staff had to contact a former employee to ascertain how to make necessary, basic year-end adjustments. In addition, the corporation's accounting staff had to rely heavily on the assistance of a funds coordinator in the state's Department of Finance and Administration in preparing the financial statements.

The internal auditor's position was filled for eleven months of the fiscal year. However, only one audit report was produced during the year, and we found no evidence of the internal auditor's involvement in the development of the corporation's formal risk assessment. We also found no evidence that the corporation's audit committee provided any oversight or direction regarding the internal audit function or the risk assessment process. The audit committee's lack of oversight and supervisory involvement is further evidenced by the fact that the only record of the audit committee's meetings was attending the entrance and exit conferences of the annual external audit engagement.

Audit Committee Function

Because of the conditions noted in the prior finding and the turnover in accounting and internal audit personnel, it would seem that the audit committee would have taken a much more proactive posture in its oversight responsibilities to ensure that the corporation fulfilled its promises to improve controls and conduct formal risk assessment activities. Furthermore, it would seem that the executive director would have taken a much more proactive posture in his oversight of the corporation's day-to-day operations, especially in the review and supervision of the business affairs functions. However, we could find no discernable improvement in the financial records and related controls, the promised documented risk assessment activities remain undone, and he has allowed the fiscal director position to remain unfilled after nearly nine months.

As stated in the prior year's finding, the failure to properly assess risks and develop mitigating controls such as reviewing the accounting records, periodically reconciling the general ledger balances with subsidiary account ledgers, and requiring review of the accounting manager's adjustments to the accounting records increases the risk that errors in financial reporting could occur and not be detected timely. Furthermore, the lack of adequate risk assessments and mitigating controls increases the opportunities for fraud, waste, and abuse.

Recommendation

The audit committee should provide more guidance and oversight over the internal audit functions. The audit committee should request, review, and approve the corporation's internal

audit plans. Reports issued by the internal auditor should be reviewed and compared with the overall audit plan. Neither the audit committee nor the internal auditor should conduct the documented risk assessment or design and implement mitigating internal controls. This is the responsibility of top management. However, management should seek advice from the internal auditor while performing the risk assessment and designing and implementing effective mitigating internal controls. The committee should make inquiries and follow management's progress in the process.

It is the audit committee's responsibility to hold top management responsible for the risk assessment and the mitigating internal controls. The committee should require management to submit for review and approval by the committee documentation of the risk assessment and internal control sufficient for the members of the audit committee to understand the steps taken in the risk assessment, the results of the risk assessment and the nature of the internal controls implemented as a result of the risk assessment including how a control will mitigate its relevant risk. When satisfied with the documented risk assessment and internal controls, the audit committee should approve them, in writing.

In light of the continued problems with the corporation's overall accounting and reporting functions, the executive director should take a more hands-on approach to ensure that the corporation maintains an adequate system of internal controls in order to mitigate the risks of errors and misstatements in the accounting records. The executive director should ensure entries to the accounting records are supported by adequate documentation, and there should be formal written procedures developed to assign responsibility for reviewing general ledger balances, approving adjusting journal entries, and reviewing the financial statements for accuracy and completeness.

The associate executive director for business affairs should develop a comprehensive set of accounting policies and procedures for the accounting system. In order to do so, he must obtain a working knowledge of the chart of accounts, the relationship between the various accounts, and how the system handles each type of transaction. He should ensure that there are adequate, competent staff at all levels of responsibility within his area and that there is sufficient expertise to function in the absence of one or more employees. He must ensure that the subsidiary ledger account balances are reconciled with the general ledger on a periodic basis. The reconciliations should include reconciling the beginning balance, receipts, disbursements, cancellations and ending balance. Any resulting adjustments should be prepared, reviewed, and recorded promptly. By performing these tasks, management can mitigate the risks of errors and misstatements in the accounting records.

Top management should ensure that risks such as these noted in this finding are adequately identified and assessed in its documented risk assessment activities. Management should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. Management should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur. The Audit Committee, the Executive Director, and Senior Management take this audit finding and the corresponding recommendations very seriously.

The Audit Committee will fulfill its oversight responsibilities to ensure that TSAC Management remedies all deficiencies in a timely manner. The TSAC Board has approved the Charter of the Audit Committee which expressly gives the Committee the authority to undertake the oversight and supervisory roles with respect to the Internal Audit function.

The Audit Committee will meet with the Internal Auditor at least quarterly, and more frequently over the next several months as the agency addresses the findings in this audit report. The Audit Committee will also make inquiries of management and follow management's progress in resolving the deficiencies cited in this audit report. In that regard, with the assistance of the Internal Auditor, the Committee has already developed a matrix of nearly fifty individual deficiencies that were identified in the course of the audit to allow the Committee to monitor the progress of TSAC management and staff as they remedy those deficiencies.

The Audit Committee will perform a year-end review of its chartered roles and responsibilities to determine that they have been fulfilled and performed. Future Audit Committee meeting agendas will focus on these responsibilities, and the Committee's oversight will be documented in the signed Audit Committee meeting minutes.

TSAC's Executive Director will become personally involved in correcting the deficiencies, as follows:

- Staffing. By May 1, 2008, the Associate Executive Director for Business Affairs will review the personnel needs of the accounting staff and will identify opportunities for cross training and assigning or reassigning duties to improve internal controls. If additional staff is needed, the Executive Director will be supportive.
- Fiscal Director. A search is currently underway to fill the vacant Fiscal Director position. The position has been posted on the agency's website and on the website of the Association of Government Accountants. The state registry for fiscal directors has been reviewed, and potential candidates will be contacted by March 1, 2008. An individual with experience in Tennessee State accounting is being sought, and the Executive Director will provide the resources necessary to attract a qualified individual.
- Internal Controls. The Executive Director will personally review the comprehensive set of accounting policies and procedures as well as policies described elsewhere in this management response, and will seek assurance from the Internal Auditor that the appropriate controls are in place.

Management agrees with the need to better control the process by which the loan servicing agent bills TSAC for services it provides. TSAC has worked with the Contractor on the need for additional backup for certain billing documents since shortly after the current contract began. As part of an overall billing improvement process, TSAC has addressed this issue on a component-by-component basis and will continue to do so. There has been improvement and steady progress. TSAC expects significant additional progress by June 30, 2008.

The associate executive for business affairs and the fiscal section staff will review day-to-day activities and accounting transactions and develop a comprehensive set of policies and procedures for the accounting system. The policies and procedures will include guidelines for all accounting processes but will also include specific guidelines to address weaknesses in the audit report, such as:

- Properly review general ledger balances, approve adjusting journal entries, and review financial statements for accuracy and completeness;
- Provide NelNet Guarantor Solutions (NGS) the required documentation so that NGS can submit their monthly billings in a timely manner;
- Monitor billings from all sources at year-end closing so that the Accrued Liability account can be complete and accurate as possible;
- Record year-end expenditures and revenues in the appropriate fiscal year;
- Reconcile the subsidiary ledger account balances in the loan forgiveness programs under Grants and Scholarships on a monthly basis to the loan balances in the General Ledger; and
- Specify the individual positions responsible for each of these actions.

The comprehensive set of accounting policies and procedures will be developed and submitted to TSAC's Internal Auditor by May 15, 2008, for review. The Internal Auditor will certify the adequacy of the internal controls to the Executive Director and the Audit Committee. Management will provide training to the fiscal section staff to ensure that each individual understands his/her responsibilities and the guidelines are followed.

While a risk assessment was not performed during the time period of this audit, a risk assessment was performed in December 2007. It was submitted to the Department of Finance and Administration and also to the Comptroller's Office in December 2007. The Audit Committee did not review the risk assessment prior to submission. The Audit Committee will review the current risk assessment at the Committee's next meeting. In the future, an updated risk assessment will be conducted and reviewed by the Audit Committee every year.

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State of Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007
(continued)

Section III – Federal Award Findings and Questioned Costs

Finding Number	07-LWD-01
CFDA Number	17.245
Program Name	Trade Adjustment Assistance
Federal Agency	Department of Labor
State Agency	Department of Labor and Workforce Development
Grant/Contract No.	TA-14407-05-55, TA-15328-06-55, TA-15867-07-55-A-47
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Reporting
Questioned Costs	None

Supervisors did not maintain an audit trail for special federal reports or appropriately review the Trade Act Participant Report, which could result in the reports being materially misstated

Finding

The Trade Adjustment Assistance (TAA) program assists individuals who become unemployed due to the effects of foreign competition. This program provides participants either with training to enable them to enter a new trade or business, or provides participants with additional unemployment benefits when training is not practical. When the participants can benefit from training, the local community colleges provide the job skills training. If training is available but not within a normal commuting distance, the program staff will provide a travel and subsistence allowance in accordance with program guidelines. The program also provides participants with a job search allowance and a relocation allowance if needed.

Employment and Training Administration (ETA) 563 and the Alternative Trade Adjustment Assistance Activities Reports

Based on our review and testwork, we found that supervisors did not maintain an audit trail for two federal reports associated with the Trade Adjustment Assistance (TAA) federal program: Employment and Training Administration (ETA) 563, *Quarterly Determinations, Allowance Activities and Employability Services Under the Trade Act*; and the *Alternative Trade Adjustment Assistance Activities Report (ATAA Activities Report)*. Management is required to submit these reports in accordance with the special reporting requirements identified in the *Code*

of *Federal Regulations* (CFR), Title 20, Part 617, Section 57; CFR Title 29, Part 97, Section 40; and the Training and Employment Guidance Letter No. 2-03. The ETA 563 details quarterly activities for each mass layoff petition in the state, while the ATAA Activities Report details quarterly activities regarding ATAA participation in the state. We examined the ETA 563 for the quarter ending March 31, 2007, and the ATAA Activities Report for the quarter ending June 30, 2007.

The Assistant Director for Benefit Operations/Unemployment Insurance Technical Support, who is responsible for reviewing the ETA 563 before it is submitted to the United States Department of Labor (USDOL), stated that an audit trail of supporting documentation was not maintained because the USDOL changed the ETA 563 report format. In the past audit periods, the ETA 563 contained petition numbers; however, states are now only required to report a summary of activities. When transitioning to the new ETA 563 report format, the Assistant Director for Benefit Operations/Unemployment Insurance Technical Support compared the ETA 563 for the same quarter using both formats (detailed and summary) to ensure that the new format was reporting the correct amounts. Once the department began using the new format, the department did not maintain the historical information that supported the ETA 563 submitted to the USDOL. Also, the current review performed by the Assistant Director for Benefit Operations/Unemployment Insurance Technical Support is more analytical in nature, looking for abnormal trends, and not necessarily a review for accuracy.

An Unemployment Program Specialist III is responsible for preparing the ATAA Activities Report, which is a new requirement for this audit period. The information for these reports is generated from Employment Security Combined Online Technology (ESCOT) and enhanced Consolidated Management and Tracking System (eCMATS); however, the information maintained in these systems is current and does not include historical information. Therefore, the department's in-house Information Systems personnel could not generate the historical information to support the report for the audit period.

The *Code of Federal Regulations*, Title 20, Part 617, Section 57(a), states:

Each State agency will make and maintain records pertaining to the administration of the Act as the Secretary requires and will make all such records available for inspection, examination and audit by such Federal officials as the Secretary may designate or as may be required by law. Such recordkeeping will be adequate to support the reporting of TAA activity on reporting form ETA 563

...

In addition, the Employment and Training Administration of the USDOL issued a Training and Employment Guidance Letter No. 2-03 in August 2003 which instructed "that the state maintain a manual or automated benefit history for the ATAA recipient for a period of no less than three years for audit purposes."

On October 30, 2007, in reaction to our current testwork, the department's Administrator of Employment Security sent a request to the Information Systems personnel asking them to maintain an audit trail for these reports. The Employment Security Division IT Director

responded that this process would begin on January 4, 2008. We also found as part of our current testwork that management had improved supporting documentation for these reports which will be due for fiscal year ending June 30, 2008.

However, without an adequate audit trail for either report, we could not determine which petitions management had reported in the ETA 563 due March 31, 2007, or which participants that management had reported in the ATAA Activities Report due June 30, 2007. Without reliable documented information about program activities, management is unable to provide evidence to its grantor and/or its external and internal auditors that the department is achieving the required objectives of the program as reported. Furthermore, the risk of reporting inaccurate information to federal officials is increased.

Trade Act Participant Report

Also, as noted in two prior audits, we reported that the department had submitted the Trade Act Participant Report (TAPR) files to the U.S. Department of Labor without any supervisory review and that we could not verify information in the TAPR files.

Management concurred with the prior finding and stated

. . . that some Trade Act Participant Reports (TAPR) and ETA 563 Reports have contained incorrect information. We appreciate the fact that the auditors recognized steps the department has taken to improve the process that produces the TAPR. As of August 2006, there is a documented supervisory review in place. The 2006 TAPR data validation had fewer significant data element errors than the 2005 TAPR data validation, and the largest of these, 74.5%, was caused by the insertion of zeros in fields that the computer expected to be blank. (As only ones and twos represented valid outcomes—completed training or did not complete training, it did not matter whether a field contained a blank or a zero to indicate that the person was still in training or did not participate in training.) Since November 1, 2006, the TAA program has been running on eCMATS, which will provide a more integrated system for gathering the necessary information for the TAPR.

States are required to review the accuracy of their Trade Act Participation Report (TAPR) records through data validation software provided by the Employment and Training Administration. The TAPR is submitted quarterly to the U.S. Department of Labor, Employment and Training Administration, and provides information on services and benefits that program participants received and the outcome achieved. Validation of data contained in quarterly TAPR is performed annually. The *Employment and Training Administration TAA Data Validation Handbook* states:

Data element validation confirms the accuracy of key data elements in the TAPR by examining a sample of participant records to assess whether the data in the sampled records are correct. When a record is selected for validation, state staff compare specified data elements in the TAPR record to source documentation for

that participant. . . . Error rates are computed by determining the degree to which the accuracy of selected data elements is supported by evidence in the case files or by other sources (such as wage records).

Our current review found that management is performing supervisory reviews of the TAPR. However, we found that management has not yet been able to fully correct the TAPR data element errors. We reviewed the most recent federally mandated annual data validation (*TAA Data Validation Summary and Analytical Report*). This validation evaluated records of 150 participants that exited the TAA program between July 1, 2004, and June 30, 2005. These cases were selected at random by the U.S. Department of Labor. In determining the accuracy of the data used to complete the TAPR, the U.S. Department of Labor's validation worksheet lists 17 data elements. These data elements include information such as veteran status, dislocation date, and completion of training. The error rates for the Department of Labor and Workforce Development's review ranged from 0% to 82.6%. Specifically, eight data elements contained an error rate above 5%. In the prior audit, the error rates ranged from 0% to 74.5% with five data elements containing an error rate above 5%. The Director of Job Service Program Support stated that the errors were due to programming errors. For example, the computer was programmed incorrectly to use the "Date of Application" in one data element tested instead of the correct "Date of Program Participation." In order to address these high error rates, in August 2006 the Director of Job Service Program Support and his staff started examining data elements on a quarterly basis and began transitioning participant information into the enhanced Consolidated Management Activity and Tracking System (eCMATS). According to management, the programming errors noted above were fixed in the transition to the new eCMATS system. In a 2006 letter to the Commissioner of the Department of Labor and Workforce Development from the Employment and Training Administration, ETA stated that they "believe the actions taken by the state will help to ensure complete and accurate participant and outcome data are reported to ETA."

Although the department has begun corrective action by incorporating the participant reporting into eCMATS, management will not know for sure that corrective action has been successful until they perform the next annual data validation. Because of the large error rates (error rates above 5 %) resulting from the annual data validation, the Employment and Training Administration has not been provided accurate and critical performance data. These data are used to direct incentives and sanctions and to meet ETA's responsibilities under the Government Performance and Results Act. The next annual data validation must be completed by February 2008.

Recommendation

The Assistant Director for Benefit Operations/Unemployment Insurance Technical Support should maintain an adequate audit trail to support the amounts reported in the ETA 563, *Quarterly Determinations, Allowance Activities and Employability Services Under the Trade Act*, and the Unemployment Program Specialist III should maintain an adequate audit trail to support the amounts reported in the *Alternative Trade Adjustment Assistance Activities Report*. The Administrator for Employment Security should ensure that an adequate audit trail for both

reports is maintained. Also, the Administrator for Employment Security should monitor the process being implemented to correct the Trade Act Participant Report to ensure the accuracy of data elements tested in the data validation. Error rates exceeding 5% should be properly investigated.

In addition, the Commissioner should ensure that the management's risk assessment adequately identified the risk noted above. Management should implement effective controls to ensure compliance with applicable requirements, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur in part.

We concur that we did not maintain an audit trail during fiscal year 2007 that would have allowed the state auditors to determine which petitions management had reported in the ETA 563 due March 31, 2007, or which participants that management had reported in the ATAA Activities Report due June 30, 2007. **USDOL does not require this level of detail in these two reports.** We complied with USDOL requirements regarding the content, the format, and the deadlines for these two reports. The reports do not affect our funding streams and are not material in our view. USDOL does not require an audit trail.

We do not concur that the audit trail information requested by the auditors is necessary to provide evidence that the department is achieving the required objectives of the program since the ETA 563 and the ATAA reports do not show performance data. However, to assist the auditors, the Administrator for Employment Security requested the Information Technology Division to do the programming necessary to develop the requested audit trail. This information is now stored on a CD for the use of the auditors.

We concur that supervisory reviews have not fully corrected TAPR data element errors. As your report states, most of the data element errors are due to programming errors. The Information Technology Division continues to work to correct these errors. In addition, we continue to believe that the quality of the TAPR will improve as more and more data used in the TAPR is taken from eCMATS. We have already seen improvements this year as the TAA data validation submitted on February 1, 2008, contained only three elements with error rates above 5 percent.

Auditor's Rebuttal

The Office of Management and Budget (OMB) provides a compliance supplement as "an invaluable tool to both Federal agencies and auditors in setting forth the important provisions of Federal Assistance programs. This tool allows Federal agencies to effectively communicate items that they believe are important to the successful management of the program and legislative intent." While management may not view the ETA 563 and the *Alternative Trade*

Adjustment Assistance Activities Report as material reports, these reports are specifically listed in the reporting section of the Trade Adjustment Assistance program by the United States Department of Labor (USDOL). In addition, Part III of the compliance supplement suggests that for these types of reports, auditors “trace the data to records that accumulate and summarize data.” As stated in the finding, the department did not maintain an audit trail and we were unable to trace the report data as suggested by OMB’s compliance supplement. Again, management concurred with the finding that they did not maintain the audit trail.

Also, management states that while the “**USDOL does not require this level of detail in these reports**”, there is an expectation that the department maintain documentation to support information contained in any and all federally required reports. As stated in the finding:

The *Code of Federal Regulations*, Title 20, Part 617, Section 57(a), states:

Each State agency will make and maintain records pertaining to the administration of the Act as the Secretary requires and will make all such records available for inspection, examination and audit by such Federal officials as the Secretary may designate or as may be required by law. Such recordkeeping will be adequate to support the reporting of TAA activity on reporting form ETA 563
...

Although these federal reports may not directly affect funding streams, management is required to submit these reports in accordance with special reporting requirements to the United States Department of Labor. The USDOL uses this information to evaluate the state’s performance and project needs, perform comparative analysis, to assist with policy development, and to conduct statutorily required studies.

Finding Number	07-DOT-03
CFDA Number	20.509
Program Name	Formula Grants For Other Than Urbanized Areas
Federal Agency	Department of Transportation
Pass-Through Entity	N/A
State Agency	Department of Transportation
Grant/Contract No.	N/A
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Equipment and Real Property Management
Questioned Costs	None

The controls over the Formula Grants For Other Than Urbanized Areas program were weak, increasing the risks of the improper use of funds and the misappropriation of vehicles

Finding

The department's controls over the Formula Grants For Other Than Urbanized Areas (Formula Grants) program were weak. The Formula Grants program provides financial assistance for public transportation services to nonurbanized areas. The program's functions are carried out by the Division of Multimodal Transportation Resources. Allowable expenditures for Formula Grants funds include operating and administrative costs and the acquisition, construction, and improvement of facilities and equipment. Our testwork disclosed the following problems relating to lack of approval, segregation of duties, and vehicle management:

Lack of Approval and Segregation of Duties Over Payments to Subrecipients

A Request for State Reimbursement form is used by subrecipients to request reimbursement from the state for expenditures incurred while performing program functions. We tested 76 Request for State Reimbursement forms that we selected as significant items totaling \$11,490,614.99. We found the following problems:

- For 42 of the 76 Request for State Reimbursement forms tested (55%), program staff did not properly approve the request forms for payment. For 33 of the 42 request forms tested, interns employed by the department approved the forms for payment, but interns were not authorized to approve the forms. For the remaining 9 request forms, there was no approval signature.
- The division's management did not adequately segregate duties of employees responsible for authorizing payments to subrecipients during the audit period. For 32 of 76 Request for State Reimbursement forms (42%) tested, the same employee approved the Request for State Reimbursement form and approved the DT-0600 (Department of

Transportation) form. The DT-0600 form is used by the department's finance office to initiate payments to subrecipients for program expenditures. In addition, the DT-0600 form has separate lines for an employee to sign off as the person performing the "Coded By," "Approved By," and "Entered By" functions. We also noted that of the 76 DT-0600 forms tested, no employee completed the "Entered By" line on 9 forms. The division's program manager who approved the Request for State Reimbursement forms also prepared the subrecipient's contract from the subrecipient's application, served as the main contact person at the division for the subrecipient, and performed the required program monitoring. It is important that another employee also approve the payment to ensure proper segregation of duties so that more than one employee is monitoring the subrecipient's expenditures and compliance with the contract. When the division's procedures for segregation of duties are ignored, there is an increased risk that improper payments may occur.

The department paid subrecipients \$13,514,540.99 for the audit period ending June 30, 2007. Based on our testwork on the reimbursement payments, although division staff did not always follow the approval process, the reimbursements were for appropriate program expenditures.

Inadequate Oversight of Subrecipient Vehicles

The Division of Multimodal Transportation Resources uses Formula Grant funds to purchase vehicles for subrecipients who provide transportation services under the program. We reviewed the division's controls over these vehicles including the procedures for safekeeping vehicle titles, the recordkeeping procedures for the required inspections performed by division staff, and the process of staff reviews of vehicle records submitted by subrecipients. In addition, we performed testwork on all vehicle purchases and disposals by program subrecipients for the fiscal year ended June 30, 2007. We noted the following problems:

- The *State Management Plan* states that "TDOT [Tennessee Department of Transportation] staff conducts an annual inspection of all vehicles and other capital equipment purchased and/or operated with Section 5311 funds. All vehicles are inspected and photographed. TDOT maintains a computerized inventory of all Section 5311 equipment." However, according to the Assistant Director of Program Operations, the division's staff did not conduct an annual inspection of all vehicles for the fiscal year ended June 30, 2007. Per discussion with the Assistant Director and a Transportation Specialist in the division, the inspection was not completed for the fiscal year due to an employee not performing his job duties properly. The employee's duties have been reassigned.
- The division's staff did not perform the reconciliation between the division's vehicle records including vehicle titles and the computerized inventory mentioned above and the inventory control report submitted by subrecipients for the fiscal year ended June 30, 2007. The division requires subrecipients to submit vehicle titles to the division when vehicles are purchased. In addition, the department's contract with the subrecipient

requires the subrecipient to submit the inventory control report. The division staff should perform the reconciliation between these records to ensure that the subrecipients are properly reporting all vehicles as required.

- The division's staff did not maintain complete records of vehicle purchases and dispositions by subrecipients for the fiscal year ended June 30, 2007. Our review of the division's records revealed 10 vehicle dispositions that were not included in the listing of vehicle dispositions provided to us by the division's staff for the audit period. In addition, three vehicles purchased by subrecipients during the audit period were not included on a listing of purchased vehicles provided to us by the division's staff. According to discussions with the Transportation Specialist, these records were also the responsibility of the employee discussed earlier whose job duties have been reassigned.
- We found that 18 of 56 vehicles that were disposed of during the audit period (32%) were still listed on the active inventory listing submitted by subrecipients despite their disposal. The division's staff had not detected these differences because the proper reconciliation discussed above was not performed.
- In addition, the division's staff did not obtain a capital asset inventory form for 8 of 56 vehicles that were disposed of during the audit period (14%). Subrecipients who sell their vehicles for more than \$500 are required to prepare the capital asset inventory form which includes the sales price and submit the form to the division. The department's contract with the subrecipient requires proceeds from the sale of vehicles to be used as the subrecipient's required match for capital and/or operating expenses. Without this form, the division lacks the information to properly determine whether the proceeds from the sale were properly applied as matching funds.

As a result of the problems with vehicle oversight noted at the department, we visited three subrecipients. Our procedures included reviewing the subrecipients' vehicle inventory procedures, observing the inventory records, and observing vehicles. Other than the problems noted above, no further problems were noted during our visits to the three subrecipients.

Based on interviews, inquiries, and testwork performed, we determined that the deficiencies noted above were primarily due to a lack of segregation of duties, inadequate or nonexistent policies and procedures, and weak oversight by management. While performing our procedures, we learned that the Commissioner was already aware of problems in this division and had taken certain actions to correct the problems. These actions included the Commissioner appointing the new Director of Operations, who had already begun restructuring the division by replacing key employees in the program area and implementing new policies and procedures.

When program controls are weak, there is an increased risk that program objectives will not be realized and that assets of the program, including vehicles, may be improperly used or misappropriated. In addition, weak controls increase the risk that problems including fraud, waste and abuse, and noncompliance by subrecipients will occur and not be detected in a timely manner by the department.

Recommendation

Management should continue to be proactive in implementing new policies and procedures and ensuring that existing employees are held accountable for actions detrimental to the program. Management's actions should include steps to ensure:

- that division management properly segregate approval duties for all expenditures and prepare written procedures concerning who can approve expenditures for payment and initiate the process for reimbursement by the department;
- that division staff reconcile departmental vehicle inventory records with records submitted by subrecipients and accounting for any discrepancies and ensure that subrecipients submit the capital asset inventory forms as required; and
- that division staff conduct an annual inspection of all vehicles and ensure that all vehicles are inspected, photographed, and maintained in a computerized inventory.

The policies and procedures established by management should clearly assign responsibilities to a specific person or division. Management also needs to identify staff to be responsible for the ongoing monitoring for compliance with all program requirements. Management should include the risks noted in this finding in management's documented risk assessment.

The Commissioner should also continue to ensure that other risks of improper accountability, noncompliance, fraud, waste, or abuse are adequately identified and assessed in management's documented risk assessment. Management should implement effective controls to ensure compliance with applicable requirements and should assign staff to be responsible for ongoing monitoring of the risks and mitigating controls. Management should take appropriate action if deficiencies occur.

Management's Comment

We concur. On July 1, 2007, the workflow structure of the division operations was restructured and the requests for state reimbursements duties were segregated. The program management, contract and financial management roles have been separated and other controller and compliance functions have been established that did not previously exist.

The inspection of vehicles has been made a responsibility of the newly established Compliance Section. In addition, the State Management Plan was revised to show that the retention of vehicle titles is not a federal requirement and has been approved by the Federal Transit Authority (FTA).

Finding Number	07-TSAC-02
CFDA Number	84.032
Program Name	Federal Family Education Loans (FFEL) – (Guaranty Agencies)
Federal Agency	Department of Education
State Agency	Tennessee Student Assistance Corporation
Grant/Contract No.	N/A
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Reporting
Questioned Costs	None

Management’s lack of adequate procedures, controls, and oversight of federal reporting resulted in submitting its annual Guaranty Agency Financial Report for the Federal Family Education Loans program late and with significant errors

Finding

Management and staff of the Tennessee Student Assistance Corporation did not correctly prepare or review the federal Guaranty Agency Financial Report before it was submitted to the U.S. Department of Education (ED). Specifically, TSAC’s former Fiscal Director failed to accurately prepare the ED Form 2000 report (Guaranty Agency Financial Report) for the federal fiscal year ended September 30, 2006, based on the supporting accounting records. The U.S. Department of Education has developed a detailed instruction manual for report preparation; however, the corporation has never developed its own specific written instructions for preparing the report or developed internal control procedures to ensure reporting accuracy. Management apparently did not review the report prior to submission, and the corporation had to submit the report three times. The first two submissions were rejected by the U.S. Department of Education, and the third submission was not accepted until March 2007, almost three months late. The final submission still contained significant errors.

The U.S. Department of Education requires each guaranty agency to submit this report monthly, quarterly, and annually. Guaranty agencies such as the Tennessee Student Assistance Corporation use the report to request payments from and make payments to ED. In addition, ED uses the reported information to monitor the agencies’ financial activities, including its federal fund and operating fund. The report instructions state, “Guaranty agencies must maintain detailed records to support each entry on the Guaranty Agency Financial Report and be able to reconstruct the entries . . . back to specific guaranty agency level transactions.”

We reviewed the annual report for the federal fiscal year ended September 30, 2006, and found the following variances between the report and the amounts supported:

<u>Account Description</u>	<u>Report Total</u>	<u>Amount Supported</u>	<u>Variance</u>
Insurance Premiums	\$1,377,222	\$1,365,006	\$ 12,216
Maintenance Fee Expense	2,113,654	2,050,014	63,640
Account Maintenance Fees Earned	2,433,540	4,186,573	(1,753,033)
Account Maintenance Fees over Cap	2,113,564	645,724	1,467,840
Loan Origination Fees Earned	2,710,663	1,469,009	1,241,654
Investment Earnings	2,039,282	1,840,058	199,224

Based on our review and discussions with personnel, we believe that the fiscal director made these errors in the reported amounts as a result of using the wrong accounts in accumulating report data, making improper arithmetic calculations, and because he failed to post transactions timely to the accounting records.

Without management's commitment to develop and to communicate detailed instructions for report preparation to TSAC staff, such as identifying which accounts were to be included in each reported item, management cannot effectively mitigate the risk of reporting errors in their reports. If the former fiscal director had been more diligent in report preparation, arithmetic errors and reconciling items could have been detected. Furthermore, if the former associate executive director for business affairs had properly reviewed the report before it was submitted, these errors could have been detected.

Although these errors did not result in any inappropriate requests for payments, errors of this magnitude are a clear indication of a lack of attention to detail in preparation and inadequate management supervision over federal reporting. Without accurate report information, the U.S. Department of Education, management, or the auditors cannot properly determine if the corporation is in compliance with program requirements.

Recommendation

The corporation's risk of erroneous federal reporting is exacerbated by management's lack of procedures, controls, and oversight of federal reporting. This situation and unmitigated risk require the immediate attention of the audit committee to proactively oversee management's plan for risk mitigation. The audit committee should also obtain and review management's corrective action plan and any detailed policies and procedures to ensure accurate federal reporting.

The executive director should immediately request that a U.S. Department of Education representative visit the corporation to ensure that the fiscal staff understands how to prepare the report. Detailed preparation instructions should be developed and followed, and any reconciling items between the accounting records and the reported amounts should be documented. The associate executive director for business affairs should personally review the information on each report and send a certification to the executive director that the information on the report has

been reviewed and is correct. The internal auditor should periodically test the accuracy of the reports to determine if the revised procedures and controls are effective.

The corporation's management should ensure that the risks noted in this finding are adequately identified and assessed in their documented risk assessment activities. Management should identify specific staff to be responsible for the design and implementation of internal controls to adequately mitigate those risks and to prevent and detect exceptions timely. Management should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur. All controls and control activities, including monitoring, should be adequately documented.

Management's Comment

We concur with the audit finding. The Audit Committee, the Executive Director, and Senior Management take this audit finding and the corresponding recommendations very seriously.

The Associate Executive Director for Loan Programs is now searching for an outside consultant to provide appropriate training concerning the preparation of the ED Form 2000 report. (The U.S. Department of Education does not provide this training.) Management will use this training to develop written policies and procedures for the preparation of the ED Form 2000 report, including assignment of tasks to individual positions. Although the outside consultant has not yet been identified, management expects to complete this training well in advance of the next ED Form 2000 annual report submission. The Internal Auditor will certify the adequacy of the policies and procedures to the Executive Director and the Audit Committee.

The policies and procedures will provide the internal controls to assure that the ED Form 2000 is accurate and that all reports (monthly, quarterly, and annual) are submitted on time.

Finding Number	07-DCS-02
CFDA Number	93.658
Program Name	Foster Care – Title IV-E
Federal Agency	Department of Health and Human Services
State Agency	Department of Children’s Services
Grant/Contract No.	0101TN1401 through 0701TN1401
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Questioned Costs	None

Since 1999, children’s files have not always contained adequate documentation of case managers’ visitation with children and timeliness of case recordings for foster children as required by departmental policies, thereby increasing the risk that the foster children may not receive appropriate care or services

Finding

As noted in the prior eight audits covering the period July 1, 1998, through June 30, 2006, the Department of Children’s Services (DCS) did not always have adequate documentation in the children’s files showing case manager contact with the child, family, or other related individuals. DCS case managers also did not always maintain timely case note recordings.

Management concurred with the prior audit finding and stated,

Beginning in 2005, DCS produced monthly reports on visitation for each region. These reports include number and percentage of zero face to face contacts, one visit, two visits, etc. The summary report totals are forwarded to the regions along with child specific detail. A summary of the Brian A. Face to Face Contacts from April 2005 through January 2007 is attached. The regions have been and are expected to review these reports, identify areas of concern and work with their Executive Director of Regional Services to correct any issues identified. Since early 2005, the percentage of zero face to face contacts has declined from as much as 15% to less than 3% and has remained at that approximate level for the past 12 months. DCS is currently achieving a visitation rate of approximately 65% of all children receiving 2 or more visits per month. The agency has set a goal of increasing that to 80% while maintaining at the 95% rate or higher level of at least one visit. The current rate for one or more visits is 97%. Whenever a region shows any level of increase in zero contacts or a decrease in visitation percentages, they are asked to review each case, identify weakness and rectify the issues.

The Department is developing a report tracking trends in visits across children, highlighting on a quarterly basis, those children for whom visits appear to have been missed for more than one month. This report will become available every

quarter beginning the 4th quarter of Fiscal Year 2006–2007 (April 2007-June 2007). In tandem, with the development of this report, the Executive Directors of Regional Support will work with the regions to use this data to improve practice. .

To support this work, DCS has implemented a Case Process Review, which is a supervisory review of a child's case record (both the hard file and the TNKids file) to assure compliance with DCS policy. This supervisory review was fully implemented in FY 2005–2006. In 2006, DCS began a process of retraining regional staff on the use of the review process as a performance management and quality assurance tool. . . .

As stated in the above comments, DCS management generates face-to-face contact reports which are designed to serve as a control to ensure policy compliance by identifying children who lack the required case manager contacts. At the beginning of field work, we requested from management a compilation of all zero face-to-face contact reports for the audit period to determine if there were individual children who had not been contacted for extended periods of time. According to the report, there were 55 children, from a population of approximately 6,400 children (0.8%) who had not been seen by a case manager as required by policy for three or more monthly visits within the year.

We analyzed the report and followed up on all children listed who had missed a contact for three or more months within the year. After our analysis and adjustment for allowable exceptions to policy, there were 13 children who had not been seen by a case manager as required by policy for three or more monthly visits within the year. A total of 44 monthly visits were missed for these 13 children (5 visits for 2 children, 4 visits for one child, and 3 visits for 10 children). The information in the report was limited to the months the children were in state custody, and the above results did not necessarily represent consecutive months without a contact. However, DCS policy generally requires at least one face-to-face contact each month. The report was based on the capture of data entered into specific fields in the TNKids database. Management acknowledged that insufficient or erroneous case manager input could result in errors in the data.

DCS Policy 16.38-BA(A) regarding face-to-face visits with children in foster homes or other DCS residential facilities states,

If a child moves to a new DCS placement at any time following his/her initial placement, the child shall be visited as if he/she were just entering care and shall be visited and seen face-to-face: (a) Six (6) times during the first eight (8) weeks of the new placement, (b) Once every two weeks for the second eight (8) weeks, and (c) Not less than two (2) times per month thereafter. The Case Manager shall have face-to-face contacts with the foster parents or agency staff as often as necessary but no less than once each month.

We also tested a non-statistical sample of 129 children and reviewed their case recordings in the TNKids database to determine if there were time lapses in the face-to-face contacts between case managers and children. Our review of TNKids disclosed that 13 of the 129 children's case recordings (10%) did not contain documentation of monthly face-to-face contacts with case managers. These 13 children were not contacted face-to-face by the case managers in 20 of the 148 required monthly face-to-face contacts during the audit period. The time for which these children were not seen by the case managers ranged from 35 to 88 days. None of the 13 children noted in this sample missed at least 3 face-to-face contacts. Therefore, they are not included with the children noted above who missed at least 3 face-to-face contacts.

The prior audit finding disclosed inadequate documentation of case managers' face-to-face contacts in 11 of 128 case files examined (9%); the time for which these children were not contacted face-to-face by the case managers ranged from 35 to 64 days.

DCS Policy 31.14 states,

Each contact (successful or unsuccessful) with or on behalf of clients will be documented in TNKids case recordings within thirty (30) days from the date of the contact. Case recordings serve as the official record of efforts made to serve DCS client children/youth and families. . . . Regardless of whether or not TNKids case recordings are printed and placed in the child/youth's record, the official case recordings are those in TNKids.

In addition, we reviewed the above sample of case recordings to determine whether the case managers entered the children's casework activity into the TNKids database timely. When comparing the date of entry with the date of casework activity, we noted many instances of untimely entries. For the 129 children whose case recordings were tested, there were 54 instances (42%) in which the case notes in TNKids were recorded more than 30 days after the casework activity occurred. Time lapses between the case activity and the date that the information was entered into TNKids for the 54 children ranged from 3 to 291 days past the 30-day deadline, and averaged 39 days past the deadline.

The prior audit finding disclosed that for 128 children's case recordings tested, 31 (24%) had time lapses between the case activity and the date the information was entered into TNKids that ranged from 4 to 200 days past the 30-day deadline.

Without strengthening the procedures established to monitor the case managers and other staff overseeing the health and welfare of children in the state's custody, the risks to the safety and well-being of these children could be high.

Recommendation

The Commissioner should ensure that the case managers make the required face-to-face contacts and document those contacts for children in state custody. Proper documentation of the casework activity, as described by DCS policies and procedures, should be entered into TNKids

within 30 days of the casework activity. Quarterly monitoring of case files by field supervisors and case file reviews by Central Office staff from the Division of Program Operations should specifically address compliance with DCS policies and procedures. Regional administrators should insist on timely casework activity recordings. Individuals who exhibit a pattern of noncompliance with required contacts and timely documentation should be identified and appropriately disciplined. Also, management should strengthen the procedures established to monitor the case managers and other staff overseeing the health and welfare of the children.

In addition, management should ensure that risks such as these noted in this finding are adequately identified and assessed in their documented risk assessment activities. Management should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. Management should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur. DCS has initiated multiple strategies to ensure that caseworkers are making face to face contacts with children in state custody and documenting these contacts.

- DCS is producing monthly reports on visitation that include detail and summary data on the number and percentage of face-to-face visits between the DCS Family Service Worker (FSW) and children in custody during the reported month. These reports include data based on the number of contacts made during the month including children with no face-to-face contact, multiple contacts and two or more face-to-face contacts. Children on runaway status or placed out of state and not contacted are excluded from the summary data. Each Regional Administrator is responsible for using the data to inform and improve practice.
- Additional monthly reports on all face-to-face contacts are produced mid-month summarizing and providing child detail on face-to-face contacts made during the prior month and during the first half of the current month. These reports provide regions the opportunity to monitor current progress on documenting and scheduling face-to-face contacts and to ensure all children in custody at the mid-point of the current month are seen in that month.
- In addition to reports on face-to-face contacts between the FSW and all children in state custody, the regions receive monthly reports summarizing face-to-face contacts between the FSW and children in DCS placements or where the last placement in the month was a DCS non-contract type placement. Children in custody 5 days or less, on runaway status or placed out of state and not contacted are excluded from the summary data.
- Both DCS regions and Private Providers receive monthly reports on the status of face-to-face contacts made by the individual Private Providers and children in their care during that month.

- Each region also receives an aggregated report each month that is designed to track all face-to-face contacts for children in state custody by region and provider. The reports are monthly snapshots tracking face-to-face contacts made by either the DCS FSW or Private Provider caseworker for children during the reported month. Children on runaway status or placed out of state and not contacted by either the DCS FSW or Private Provider are excluded from the summary data.
- A report, 'Children with Zero Face to Face Contact Months', has been developed to track trends on a quarterly and yearly basis. This report summarizes all missed face-to-face contacts between the FSW and children in custody over a 12 month period and is updated each month. A graph indicating the total number of missed (no contact recorded) contacts during each month in the 12 month reporting period is provided for each region and statewide. A child must be in custody at least 15 days during a month to be considered eligible for a contact during that month. A 12-month client summary is provided to the regions indicating any months where a child did not receive a contact and was in custody at least 15 days during that month. Any consecutive months with no contact are highlighted and the case manager summary shows the number of children where contacts were missed in any of the 12 months in the reporting period. A child detail is also provided to the regions to assist in reviewing individual children. The Executive Directors of Regional Support and Regional Administrators use this information to monitor and improve practice around consistently visiting children in state custody.
- Whenever any of the above-mentioned reports reflect any level of increase in zero contacts or a decrease in visitation, the Executive Directors of Regional Support work with Regional Leadership to review each case, identify weaknesses and rectify the issues.
- The Program Accountability Review (PAR) unit monitors contract agencies providing placements for children (residential and foster home) for face-to-face visits between the FSW and children in state custody. If non-compliance is found, a Corrective Action Plan (CAP) is required and monitored by the Performance Quality Team.
- The Department completed its second round of Quality Service Reviews (QSR) in each region in May 2007, and the third round of statewide QSR is now underway. Additionally, central office has conducted several special, targeted QSR since July 2007. The trend is improving system performance. We have institutionalized monitoring.
- A feature of the new SACWIS (State Automated Child Welfare Information System) will provide the capability to generate system alerts based upon user actions taken (or not taken) in the system. The alerts will notify the user first and then progress through a pre-defined hierarchy of management staff to allow instant notification to supervisors. Visitation documentation alerts are included in the new system and should significantly improve timeliness of data entry and monitoring.

The most recent review of missed visits indicated that a common documentation error was occurring and accounted for a substantial portion of missed visits. This error involved visits

made with sibling groups. Caseworkers were entering the contact (visit) for one sibling but not taking the necessary data entry steps to ensure the information was entered for all siblings visited. This error was limited to a few caseworkers and additional data entry training is occurring. There were also several children who did not have a recorded visit who were in custody for five days or less during the month.

Visitation is being monitored closely by the agency. DCS now also is able to monitor the direct data entry from visits made by private providers. These data indicate that 86-88% of all children are having two or more visits per month.

Late data entry is also a chronic problem in child welfare. Staff focuses on direct work with families and children and struggle with consistent and timely data entry. DCS has copious monitoring processes in place and disciplinary action is taken when appropriate. Timely data entry will never be perfect in a child welfare system. We are committed to continuing to monitor, provide feedback, develop corrective action plans and take appropriate disciplinary action.

Finding Number	07-DCS-03
CFDA Number	93.658
Program Name	Foster Care – Title IV-E
Federal Agency	Department of Health and Human Services
State Agency	Department of Children’s Services
Grant/Contract No.	0101TN1401 through 0701TN1401
Finding Type	Noncompliance
Compliance Requirement	Eligibility
Questioned Costs	\$4,698

The department allocated non-reimbursable payments made on behalf of foster children to Title IV-E (Foster Care Program)

Finding

The Department of Children’s Services (DCS) allocated non-reimbursable payments made on behalf of foster children to the Title IV-E (Foster Care Program). The children’s files either contained evidence that the children were not Title IV-E reimbursable or did not contain adequate documentation to support the foster care maintenance payments to the foster parents and other services providers. The total federal share of the Foster Care Program for the fiscal year ended June 30, 2007, exceeded \$35,000,000.

During the current audit period of July 1, 2006, through June 30, 2007, we examined a non-statistical sample of expenditures for 137 foster children whose foster care payments were made to the foster parents and/or other service providers that were allocated to Title IV-E. The sample represented 137 foster care children’s files and 120 foster parents’ files, and represented approximately \$583,000 of expenditures charged to Title IV-E. Based on examination of these files, we noted that some did not contain sufficient documentation to support these payments, and some contained documentation that the children were not Title IV-E reimbursable. A total of \$7,369 was paid to foster parents and/or services providers and inappropriately allocated to Title IV-E. The federal questioned costs for these payments totaled \$4,698, with an additional \$2,671 in state matching funds.

The following discrepancies were noted in the children’s files that were examined:

- Four children’s files tested indicated that the children were on runaway status when the payments on their behalf were made. Therefore, these children’s expenses were not Title IV-E reimbursable. The total payment on behalf of these children was \$637. The federal questioned costs were \$407, and the state matching funds were \$230.
- One of the files tested did not contain a judicial determination that included ongoing reasonable efforts 12 months after the child entered state custody and every 12 months thereafter to finalize the child’s permanency plan. Therefore, the child’s expenses were not Title IV-E reimbursable. The total payment on behalf of this child

was \$1,445. The federal questioned costs were \$920, and the state matching funds were \$525.

- Four children's files tested indicated that the Permanency Plan hearing was not held timely before a judge to finalize the goal of the plan. The hearings were held between one and four months late. Although the children were otherwise eligible for Title IV-E participation, costs for the periods when the hearings were late were not eligible for Title IV-E reimbursement and were not charged to the program.
- One child left DCS custody; however, the parents continued to receive payments. Therefore, this child's payments were not Title IV-E reimbursable. The payments on behalf of this child totaled \$485. The federal questioned costs were \$309, and the state matching funds were \$176.

The following discrepancy was noted in the foster parents' files that were examined:

- One foster parent file did not contain adequate evidence that a criminal background check was performed on the family home provider. The payments on behalf of the child totaled \$4,802. The federal questioned costs were \$3,062, and the state matching funds were \$1,740. In addition, the file did not contain evidence that the annual reassessment of the foster home had been performed.

Office of Management and Budget Circular A-133 requires us to report all known questioned costs when likely questioned costs exceed \$10,000 for a federal compliance requirement. We believe likely questioned costs for eligibility would exceed \$10,000. In addition to the questioned costs, the welfare of the child is at risk in the absence of criminal background checks and progress towards a completed Permanency Plan.

Recommendation

The Executive Director of the Office of Child Permanency and the Director of Foster Care, Adoptions, & Kinship Care should ensure that responsible staff update the Children's Plan Financial System (ChiPFinS) with the proper children's status, work with judges to ensure children's court permanency hearings are held timely, and ensure that foster parents' files contain proper and complete documentation. Case file monitoring should specifically address and identify these matters. Individuals who exhibit a pattern of noncompliance with reporting children's proper status, and inadequate file maintenance for children and foster parents should be identified and appropriately disciplined.

In addition, management should ensure that risks such as these noted in this finding are adequately identified and assessed in their documented risk assessment activities. Management should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. Management should also identify staff to be

responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur. The total of \$7,369 (1.26% of \$583,000 of expenditures tested) paid to foster parents and/or service providers and inappropriately allocated to IV-E has been examined. The discrepancies indicated have been duly noted with the following corrective actions to be put in place with oversight provided by the Executive Director of Child Permanency, Executive Directors of Regional Support, Executive Director of Finance and Support, and other DCS management, accordingly:

Update to ChiPFinS, proper and complete documentation of files – child and resource home – scheduling court reviews

- Hold appropriate staff accountable for ensuring that ChiPFinS is updated with the proper child status (i.e. ensuring that policy is adhered to for children on runaway status allowing no more than the maximum number of days to reserve placements)
- Ensure that staff persons make every effort to coordinate accordingly with the appropriate staff internally, to schedule with the courts for timely reviews
- Provide guidance, oversight and monitoring of case files to ensure that home assessments of foster homes are completed timely, appropriate documentation to support approval of homes are in the files and when inappropriately maintained, disciplined as appropriate

Timeliness of Permanency Plan Hearings

- Work with judges and court systems to ensure that permanency hearings are held timely. With consideration to the fact that DCS does not manage or control the court dockets and though DCS encourages timeliness, there are limited corrective actions that can be put in place to address scheduling supervised by the courts.

Oversight of foster care payments

- Work to develop a report to validate that placement status in TNKids (child tracking system) is consistent and logical with payment type in ChiPFinS (payment system). The feature will also be addressed as a requirement in the new SACWIS (State Automated Child Welfare Information System) estimated implementation 2010. The new SACWIS will provide the capability to generate system alerts based upon user actions taken (or not taken) in the system. The alerts will notify the user first and then progress through a pre-defined hierarchy of management staff to allow instant notification to those who need to know. This will provide management the necessary tool to take the appropriate corrective actions where needed.

Private Provider Requirements

- In accordance with DCS and provider policy, private providers have full responsibility for ensuring the approval and continued eligibility of their resource homes. Providers also must adhere to all other applicable DCS policies, as well as the Provider Policy Manual, which outlines professional best practice. A provider's resource home is not considered approved and eligible to receive children for placement until all these State requirements are met.
- In addition to the approval requirements mandated by both Tennessee Code Annotated as well as DCS policy and procedure, resource homes must also meet all applicable Federal requirements for eligibility. DCS is implementing a new initiative, the Resource Home Eligibility Team (RHET). This initiative will allow the Department the ability to maintain all documents relating to the IV-E eligibility of provider resource homes in accordance with Federal statute surrounding the State's draw-down of IV-E funding. Adhering to the Federal guidelines outlined in the IV-E Plan allows the Department to assure providers continued payment for services rendered.
- The Resource Homes Eligibility Team (RHET) will be responsible for reviewing and maintaining IV-E eligibility documents of each provider resource home both initially (new homes) and annually through the re-evaluation process. In addition, RHET will review the home studies that are submitted as part of the eligibility and maintenance requirement.
- RHET will consist of a Program Coordinator and a Program Specialist. The positions will be a part of the Child Placement & Private Providers Division (CPPP). The Coordinator will supervise this process as well as the Program Specialist position. The team will provide oversight, management and confirmation of provider resource home eligibility.
- Providers will have 10 business days from the date they approved the home in the Web Application to submit the required eligibility documentation to RHET for review and maintenance. Documentation submitted to RHET is to be provided via email to CPPP or by mail.
- Monetary penalties will be assessed for non-compliance under the following provision. If a child (or children) is/are placed in a provider-approved home and that home is later found by RHET review to be ineligible, monetary penalties will be applied.

Finding Number	07-DCS-01
CFDA Number	93.659
Program Name	Adoption Assistance
Federal Agency	Department of Health and Human Services
State Agency	Department of Children's Services
Grant/Contract No.	0401TN1407 through 0701TN1407
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Questioned Costs	\$120,958

Since 2002, the department has not adequately mitigated the risks to prevent Adoption Assistance overpayments, the adopted children's files have not always contained adequate documentation to support the subsidies paid to adoptive parents, and payments that should have been made with state funds were sometimes made with federal funds

Finding

As noted in the five previous audits covering the period July 1, 2001, through June 30, 2006, the adoption assistance case files did not contain adequate documentation to support the adoption assistance subsidies paid to the adoptive parents. Also, as discussed below, our examination of adopted children's files disclosed that the Department of Children's Services (DCS) inappropriately paid at least \$189,853 to adoptive parents using federal and state funds. Adoptive parents were paid with federal funds for children whose files indicated that subsidies should have been paid with state funds, at rates exceeding the foster care maintenance payment rates, for children over 18, for children who had reentered state custody, and a child who was on runaway status. The total federal share of the Adoption Assistance Program for the current audit period exceeded \$30,000,000.

The Department of Children's Services has established certain policies and procedures to monitor the Adoption Assistance Program. According to DCS Policy 15.11, the adoptive families must renew their adoption assistance annually by completing a notarized renewal agreement. Adoption assistance is available until the child reaches age 18 or up to age 21 if the child has a mental or physical handicap condition that warrants the adoption assistance subsidy as established in the initial adoption assistance agreement.

Management concurred with the prior audit finding and stated,

To monitor the overpayments for those who are no longer in school and are between the ages of 18-20, DCS will begin to terminate any contract that does not have documentation of full-time school attendance. DCS will review these files on a quarterly basis and continue documentation of full-time school attendance. For any adoption completed after 1997, the school requirement is for high school attendance only and will terminate upon graduation. Adoptive parents will receive a letter from Central Office indicating these requirements and

the responsibility to continue payments will be on the adoptive parents. This letter will be sent to adoptive parents by the end of March 2007.

DCS does have some young adults that may not be able to meet the school requirements due to severe mental health issues or medical issues but may still qualify for adoption assistance. DCS will require current documentation from a mental health professional or a medical professional that indicates the severity of the mental and/or medical needs. The documentation will be gathered on a quarterly basis and will be the responsibility of the parent to provide the documentation. . . .

The Executive Director of Regional Support will have the primary responsibility for ensuring appropriate follow up regarding specific cases in non-compliance. Regional Support will ensure this finding is included in all of the Regional Administrator CQI [Continuous Quality Improvement] Team meetings.

In August 2006, management implemented changes to its policies as addressed above in management's response to the prior-year finding. Also, certain additional procedures were implemented in October 2007, and DCS management informed us that other procedural revisions to Policy 15.11 may occur. We did not evaluate policy revisions or implementation that occurred after the audit period.

During the current audit period of July 1, 2006, through June 30, 2007, we examined a non-statistical sample of federal adoption assistance subsidies for 150 adopted children and reviewed the related children's files. Our review found 20 adoption files (13%) where the department had improperly allocated non-reimbursable payments made on behalf of adopted children to Title IV-E. The total payments associated with these children were \$157,608, consisting of federal questioned costs of \$100,425, with an additional \$57,183 in state matching funds.

The following are the details of the exceptions noted:

- The adoption assistance annual renewals, required by DCS Policy 15.11, in five files were missing certain required signatures, were over 15 days late, or could not be located. Payments on behalf of these children during the periods without renewal documentation totaled \$20,076; the federal questioned costs were \$12,793, and the state matching funds were \$7,283.
- The adoption assistance agreements in five files indicate that case managers determined that the subsidy was to be paid with state funds. However, the subsidy was allocated to Title IV-E. Payments on behalf of these children totaled \$31,687; the federal questioned costs were \$20,196, and the state matching funds were \$11,491.
- The adoption assistance payments in four files exceeded the foster care maintenance payment rates. According to the U.S. Department of Health and Human Services

Adoption Assistance Program (IV-E) compliance requirements, adoption assistance subsidy payments cannot exceed the foster care maintenance payment the child would have received in a foster family home; however, the amount of the subsidy payments may be up to 100 percent of the foster care maintenance payment rate (42 USC 673[a][3]). Excess payments on behalf of these children totaled \$49,776; the federal questioned costs were \$31,725, and the state matching funds were \$18,051.

- The adopted children in three files were over 18 years of age and not physically or mentally handicapped to warrant Title IV-E assistance. U.S. Department of Health and Human Services Adoption Assistance Program (IV-E) compliance requirements and DCS Policy 15.11 state that adoption assistance is available until the child reaches age 18 or up to age 21 if the child has a mental or physical handicap condition that warrants the adoption assistance subsidy as established in the initial adoption assistance agreement. Payments on behalf of these children totaled \$10,685; the federal questioned costs were \$6,811, and the state matching funds were \$3,874.
- The adopted children in two files came back into the legal custody of the state. Also during the files review, it came to our attention that the adopted brother of one of these children was also in state custody. However, the adoptive parents continued to receive payments. According to the adoption agreement within DCS Policy 15.11, if the adoptive parents are receiving adoption assistance and their adopted child enters state custody, the adoption assistance subsidy will be reduced to three cents (\$0.03) per day until the child is reunited with the adoptive parents. Payments on behalf of these children (including the adopted brother) totaled \$38,321; the federal questioned costs were \$24,398, and the state matching funds were \$13,923.
- The adopted child in one file was a runaway from the adoptive parents' home and not supported by the adoptive parents. According to Section 473 of the Social Security Act, parents are required to inform the department of circumstances which would make them ineligible to receive payments. Not receiving support from the adoptive parents is one of the criteria for payment termination. Payments on behalf of this child while on runaway status totaled \$7,063; the federal questioned costs were \$4,502, and the state matching funds were \$2,561.

In addition to our sample testwork, we obtained information about other adopted children who reentered state custody during the audit period. Based on inquiries and review of DCS funding databases, during the audit period, 55 adopted children reentered state custody after their adoptions were finalized. Our review of this information identified seven additional adopted children who reentered state custody while DCS continued to pay the adoptive parents the full Title IV-E adoption assistance subsidy. Payments on behalf of these seven children totaled \$32,245. The total federal questioned costs were \$20,533, with additional state matching funds of \$11,712.

We discussed the information obtained on the reentry of adopted children into state custody with fiscal staff. Our discussion and inquiries disclosed that while the information had

been compiled and had been available, it had been used for other purposes and had not been communicated to fiscal staff for the purpose of identifying or controlling payments to adoptive parents.

We also reviewed DCS databases to determine the rate of assistance paid to the foster parents when the 55 adopted children noted above reentered state custody. We compared the adoption assistance subsidy rate paid to the adoptive parents with the foster care maintenance rate paid to the foster parents after the same adopted children reentered state custody. We noted that DCS placed four children in foster homes with a foster care maintenance rate considerably less than the adoption assistance subsidy paid to the adoptive parents. Differences in the rates ranged from \$5.98 to \$43.16 per day, averaging \$23.33 per day. Although payments for three of these children were not made with Title IV-E funds, the data indicate that the department's subsidies to adoptive parents exceed those to foster parents. The Title IV-E payments for the fourth child were included in the amount questioned in the second preceding paragraph because Adoption Assistance payments were made after the child reentered state custody.

We discussed the issues noted above with management. Management informed us that during the current audit period, the department has improved the transfer of custody children from foster homes into adoptive homes. The increase in the number of adopted children has resulted in a reduction of the number of children in foster homes or residential treatment facilities. With a higher number of adopted children, more errors in documentation may occur. Also, management informed us that the department has increased its efforts in adoption recruitment. As a result, there has been an increase in adoption from 891 children in 2004 to 1,225 children in 2007.

In summary, federal questioned costs for the current audit period totaled \$120,958. These expenditures should have been made with state funds or, in some cases, should not have been made at all.

Recommendation

The Executive Director of the Office of Child Permanency and the Director of Foster Care, Adoptions, & Kinship Care should evaluate the effectiveness of the current procedures to ensure that Adoption Assistance files are complete and that renewals and extensions of agreements are current and adequately supported. Also the Director of Foster Care, Adoptions, & Kinship Care should ensure adequate communication exists between Regional Office staff and fiscal personnel at the Central Office related to adopted children who reenter state custody. Any changes in the eligibility status for Adoption Assistance funding should be documented in the children's files and communicated to the fiscal staff at the Central Office. The related adjustments in funding should be made immediately.

Management should assess the design and implementation of the internal controls they referred to in their previous response and ascertain whether the controls prevent and detect exceptions timely. Staff responsible for the ongoing monitoring for compliance with all

requirements should take prompt action on issues addressed in the exceptions and propose additional controls if warranted.

In addition, management should ensure that risks such as these noted in this finding are adequately identified and assessed in their documented risk assessment activities. Specific controls should be implemented to ensure that federal Adoption Assistance payments do not exceed the applicable foster care maintenance rates. Management should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. Management should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur pending further conversations with the Administration for Children and Families (ACF). Based on our conversation with ACF on February 19, 2008, we believe that a critical rate issue is that the rate cannot exceed the foster care maintenance payment which would have been paid during the same period if the child for whom the payment is made had been in a foster family home, pursuant to Section 473 of the Social Security Act. The operative issue is using the DCS foster family home rate as the benchmark. The ACF indicated there were only three circumstances that were terminating events related to adoption assistance. They were the death of the adoptive parent, the termination of the adoptive parent's legal rights and the child reaching adult status. Absent one of these three terminating events, the family should receive the adoption assistance. However, the state agency can pursue child support or negotiate for a reduced rate. We will continue to work with both the Federal IV-E Staff and our state auditors to clarify these issues.

Immediately upon learning of adoption assistance overpayments for Fiscal Year 2006 - 2007, the Executive Director of the Office of Child Permanency convened a representative workgroup to assess the areas of vulnerability and develop an action plan for addressing these issues. This team includes a regional adoption assistance designee, regional fiscal director, regional permanency specialist as well as central office persons with responsibilities for fiscal, adoption, child welfare benefits, and IV-E claiming. The Commissioner is an active member of this ongoing workgroup.

Much has already been accomplished.

- The Department has initiated steps to ensure that adoption assistance payments are made based on eligibility for youth 18, 19 and 20 years old. First quarter verifications have already been received in Central Office and based on a review of required documentation, only 75 percent of these youth will continue to receive funding.
- The Department has entered into a contractual relationship with the Social Security Administration and negotiations are underway to explore a data sharing agreement to reduce duplicate payments.

- All twelve Regional Administrators will standardize the role and responsibilities for regional staff in the adoption assistance process. The expectation is that we will have statewide uniformity in the process.
- A protocol has been developed and went into effect on Feb. 1, 2008 mandating standardized organization for adoption assistance case records. In addition to regional monitoring, central office permanency staff will review a random sample of adoption assistance files annually.
- The “Protocol for Adoption Assistance for Children Who Reenter Care,” has been developed to guide the process related to a child reentering state custody who was previously adopted. This protocol will be mandatory March 1, 2008.
- The Department has developed a report to validate the data between the payment system and TNKids. This report is currently being used to clean up duplicate social security numbers or multiple name spellings. Once clean, this report will allow the Department to identify duplicate payments for the same child.
- The Division of Internal Audit has completed a review of adoption assistance files in three (3) regions and is on target to complete the remaining regions by June 30, 2008.
- Training has already begun for the primary persons responsible for adoption and guardianship assistance regarding the protocol for reentry, case file documentation and negotiation process. This will be complete by March 1.

Finding Number	07-TTU-02
CFDA Number	Various
Program Name	Research and Development Cluster
Federal Agency	Various
Pass-Through Entity	Various
State Agency	Tennessee Technological University
Grant/Contract No.	Various
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Questioned Costs	None

Management has not assessed and mitigated the risks of federal questioned costs associated with its failure to produce and maintain documentation to support academic salaries charged to federal grants as required in OMB Circular A-21

Finding

University management has not coordinated the efforts of the various departments to ensure that time and effort reports were generated when academic salaries were charged to federal Research and Development (R&D) programs. As a result, the process for time and effort reporting in place during the audit period did not include provisions for the reallocation of charges to federal R&D programs associated with delayed grant approval or correction of errors.

OMB Circular A-21, “Cost Principles for Educational Institutions,” allows university staff to document the salary charges for employees to the federal R&D programs in several ways. However, Circular A-21 specifically requires that the university staff, regardless of selected method of documentation used, include an after-the-fact confirmation or other such method of determining that salary costs charged to the federal program represent actual costs.

In order to comply with Circular A-21, the Department of Information Technology Services developed a program within the payroll system to generate Time Effort Reports when payroll expenses are charged directly to a federal R&D program. These Time Effort Reports itemize the dollar amount charged to each federal program. Staff from the Grant Accounting Office retrieve these reports from the Department of Human Resource Services and distribute the reports to the grant clerks in the applicable departments. The employee for whom the report was generated or another individual with firsthand knowledge of the federal project signs the Time Effort Report confirming that the dollar amount on the report represents “a reasonable estimate of effort on noted projects during this pay period.” The grant clerks then submit the signed reports to the Grant Accounting Office to serve as the support for payroll expenses for federal R&D programs.

Due to a lack of coordination between the Department of Human Resource Services and the Grant Accounting Office, management has not established the process to address situations in which the payroll expenses must be charged to the federal R&D program subsequent to the end

of the pay period. The reasons to charge payroll expenses to a federal R&D program subsequent to the end of the pay period vary, but may include delayed grant approval from the federal grantor or correction of errors.

Typically, when the university receives federal approval before the start date of the federal grant period, accounting staff are able to charge the salaries of employees working on the federal program directly to the applicable grant, and the payroll system automatically generates the Time Effort Reports for each employee. However, if the federal grantor delays its approval, at no fault of the university, the university staff cannot establish the proper grant accounting records, and faculty and staff working in departments seeking federal grants must charge their payroll costs to the applicable departmental budget. Ultimately, when the federal grant is approved, university staff must reallocate payroll charges which have already been paid from the departmental budget to the federal grant by manual journal voucher accounting entries. However, when university staff are forced to manually reallocate salaries, they bypass the payroll system and the automatic generation of the Time Effort Reports associated with any salaries that were charged to the federal grants.

We performed testwork to determine if the university maintained adequate after-the-fact time and effort reports to support academic salaries charged to federal R&D programs. We selected a sample of 25 academic salary transactions which represented 50 individual payroll expenses. Based on our testwork, we found that for 14 out of 25 academic salary transactions charged to federal R&D programs tested (56%), the Grant Accounting Office initially could not provide us with the required time and effort reports. These 14 problems represented 19 individual academic payroll expenses.

For 10 of the 14 academic salary transactions (representing 14 individual academic payroll expenses), university staff prepared journal entries to reallocate payroll expenses to the federal R&D programs. As a result, the payroll system did not generate Time Effort Reports, nor did university staff perform alternative procedures to support these payroll expenses.

For the other four academic salary transactions (representing five individual academic payroll expenses), the payroll system had generated Time Effort Reports; however, as of early November 2007, the employees had not signed and returned four Time Effort Reports to Grant Accounting. The fifth Time Effort Report had been submitted to Grant Accounting but had been signed inappropriately by a person without firsthand knowledge of the project. Section J, 10.c.(2)(c), of OMB Circular A-21, requires that the “. . . reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.” In addition, OMB Circular A-21, Section J, 10.b.(2)(b), requires an after-the-fact confirmation, in order to establish the allowability of cost for payroll distribution.

According to the Grant Accounting Manager, personnel within that office were recently transitioned into different functions due to the departure of the former manager. Also, the transition to the Banner information system caused the timely recovery of Time Effort Reports to be a low priority. She stated that the payroll system was programmed to generate a Time Effort Report when charges to the federal grant were processed through the normal payroll process. The Grant Accounting Manager also noted that the majority of these instances involved payroll

charges that were initially charged to a non-federal account and then reallocated subsequently to the federal grant outside the payroll process.

After we discussed these deficiencies and the potential questioned costs with the appropriate university personnel, the Manager of Grant Accounting obtained alternative confirmations of payroll expenses in the form of memoranda from the employees. We received these memoranda on November 15, 2007. Also on that date, the remaining outstanding Time Effort Reports were obtained fully signed, including the inappropriately signed Time Effort Report that was resubmitted for the employee's signature. The number of days between this date and the end of the applicable payroll periods ranged between 48 to 473 days. As the Grant Accounting Office eventually obtained these confirmations, we will not question the related costs.

The failure to obtain and maintain required documentation increases the risk that academic salaries charged to federal R&D programs are not representative of actual work performed, which can lead to potential federal questioned costs and reduce the likelihood of receiving future federal awards.

Recommendation

The Manager of Grant Accounting in conjunction with the Interim Director of Human Resource Services should ensure that Time Effort Reports or subsequently adopted alternative, after-the-fact confirmations are generated that are compliant with OMB Circular A-21. The Manager of Grant Accounting should also ensure signatures are obtained timely for all academic salaries charged to federal R&D programs. The Vice President of Business and Fiscal Affairs should facilitate the efforts of these two departments and ensure that the process is revised as necessary to include a method of confirming all academic salaries charged to federal R&D programs.

The Vice President of Business and Fiscal Affairs should ensure that the risks noted in this finding are adequately identified and assessed in management's documented risk-assessment activities. The Vice President of Business and Fiscal Affairs should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. The Vice President of Business and Fiscal Affairs should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur with the finding. The Office of Research is developing a Percentage Effort Report that is based on proposed as supported by the grant budget. The Percentage Effort Report will be distributed by the Office of Research to the Principal Investigators each semester for verification and/or adjustment as to actual effort expended between grant activities and other activities. The Percentage Effort Report will be signed by the employee or the Principal

Investigator (as a person with first-hand knowledge of the effort expended on grant and other activities) certifying the correctness of charges against the grant budget. The Percentage Effort Report will be returned to Grant Accounting for comparison of actual time and effort to proposed time and effort. Grant Accounting will process adjustments to grant expenditures to reflect actual grant-related costs. Grant Accounting is currently reviewing procedures to follow up with any documents not returned by employees in a timely manner and will immediately implement changes necessary to ensure compliance with time and effort requirements.

Grant Accounting will continue to distribute monthly Time Effort Reports that reflect salary paid on federal projects for Project Investigators' review. As of July 1, 2007, Human Resources is processing all reallocations through the Banner HR system. Grant Accounting is working with Human Resources and Information Technology to include reallocated salary on this report to make the information more comprehensive and useful to the Project Investigators and project bookkeepers as they monitor compliance with externally funded grants/contracts.

The formal risk assessments for the Financial Management areas of the university are currently scheduled to be completed in October 2008. However, the Vice President for Business and Fiscal Affairs and her staff are very cognizant of the risks involved with grants and human resources and remain committed to the internal controls necessary to minimize those risks.

Finding Number	07-TTU-01
CFDA Number	47.076; N/A; N/A
Program Name	Research and Development Cluster
Federal Agency	National Science Foundation; National Aeronautics and Space Administration; Department of Energy
Pass-Through Entity	N/A; University of Mississippi; UT-Battelle, LLC.
State Agency	Tennessee Technological University
Grant/Contract No.	DUE-0404911; 07-04-096; 4000051155
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Questioned Costs	\$9,434

Management has not assessed and mitigated the risks associated with its failure to ensure that faculty and staff charged academic salaries to federal grants in compliance with OMB Circular A-21, resulting in \$9,434 of federal questioned costs and the potential loss of future federal funding

Finding

University management has not ensured that faculty and staff working on federal research and development (R&D) grants, contracts, or cooperative agreements properly charged their academic salaries and hours worked to the federal programs in compliance with OMB Circular A-21, “Cost Principles for Educational Institutions.” We found that the university paid certain R&D faculty and staff at a higher salary rate while working on the federal R&D programs than it would have paid them for working in similar non-federal positions. We also found that faculty charged more work hours than allowed under Circular A-21. These discrepancies occurred when faculty worked beyond their normal nine-month academic year.

Our testwork consisted of discussions with the Grant Accounting Office management and staff and the Human Resource Services personnel to gain an understanding of the process related to R&D faculty salaries and charging these academic salaries to the applicable federal programs. We also selected sample transactions for detailed review. Based on our discussions, we determined the university process is as follows:

The university employs faculty through employment contracts for an academic year. The academic year is defined by Tennessee Technological University *Human Resource Services Policies and Procedures* as “nine months preceding spring commencement.” If faculty also choose to work more than nine months and work during the summer months, the university’s *Human Resource Services Policies and Procedures* requires faculty to prepare “Extra Pay and Summer Pay Time Sheets” which are maintained as the permanent payroll record for faculty receiving summer pay. These time sheets document the pay rate and number of hours worked by the employee. The Interim Director of Human Resource Services signs the Extra Pay and Summer Pay Time Sheet to indicate her approval. The payroll section of Human Resource Services then enters this information into the payroll system for the calculation of the next

payroll. In addition to the Extra Pay and Summer Pay Time Sheets, the federal program project director is required by the university's *Accounting Policies and Procedures* to sign a requisition which indicates that the instructional salaries are allotted to the proper federal R&D account and that funds are available. The approver then forwards this requisition to the Grant Accounting Office staff who maintain documentation as evidence to support academic salaries charged to federal R&D programs.

We selected a sample of 25 academic salary transactions for the period ended June 30, 2007, for our detailed review. The 25 sample transactions we selected represented 50 individual faculty academic payroll expenses. We found 6 sample transactions representing 11 individual faculty academic payroll expenses that were not allowable charges to the federal programs. Although the sample included transactions from the entire fiscal year, the six sample transactions included payroll periods during the summer months.

Faculty Working on Federal Programs Were Paid Higher Salary Rates Than Faculty Working in Non-federal Positions

Specifically, in 3 out of the 11 individual academic payroll expenses, we found that the university paid faculty and charged the federal R&D grants for salary rates which were higher than salary rates established for non-federal work. The difference between what these employees were paid for the work on the federal program compared to their non-federal pay rates resulted in \$904 of actual federal questioned costs.

OMB Circular A-21, Section J, 10.a., states that salary costs must conform to the university's established policies. Also, the Tennessee Technological University *Accounting Policies and Procedures*, 12.4.3, states that the rate of pay of salaries and wages "on grant projects shall not exceed the rate of pay paid on non-grant projects for comparable work performed."

Faculty Charged More Payroll Hours for Federal R&D Grants Than Allowed by Circular A-21 or by TTU's Internal Policy

The university's *Human Resource Services Policies and Procedures* states that for faculty who serve under sponsored contracts for research between academic years, compensation "shall not exceed the rate equivalent to one-ninth per month of the preceding academic year salary." According to discussions with the Interim Director of Human Resource Services, nine-month salaries are based on 162.5 hours per month for a total of 1,462.5 hours per academic year. As a result, faculty who charge more than 162.5 hours to a federal program for any one month would exceed the maximum allowable hours based on their yearly salary.

In addition, OMB Circular A-21, Section J, 10.d.(2)(a), states that salary rates for faculty members charged during the summer months may not exceed the proportionate share of their salary during the academic year.

Our testwork revealed that for the remaining 8 of the 11 individual academic payroll expenses tested, faculty members charged more than 162.5 hours for the summer months, which

was more than allowed under Circular A-21. We identified total excess hours for all faculty members tested of 165.46 hours, which resulted in \$8,530 of actual federal questioned costs.

When we discussed these issues with the Interim Director of Human Resource Services, she agreed that this was a problem. She stated that the current payroll manager, who is relatively new in her position, had not been properly instructed to review the pay rates prior to processing the requisition. Her predecessor, upon her separation, had removed the position-specific job manual, and as a result, the current payroll manager received only verbal instructions for her job from the interim director. The interim director stated she was aware of the missing manual and was aware of the need to update and replace the manual for all Human Resource Services employees; however, as of November 2007, the interim director had not replaced the manual. In addition, the interim director also explained that she only compared the total dollar amount charged on the time sheet to the dollar amount on the requisition, and as a result, she did not note that faculty were paid higher salary rates for the federal programs. The interim director also stated that she was not aware of the requirements in OMB Circular A-21, Section J, 10.d.(2)(a).

The total actual federal questioned costs for the deficiencies related to academic salaries was \$9,434 out of a total of \$413,392 of academic salaries tested. The total population of academic salaries was \$859,588. We believe likely questioned costs exceed \$10,000 for these conditions.

A lack of adequate controls to either ensure that federal academic salary rates are not greater than non-federal rates or that the hours charged to the federal R&D programs are not in excess of the allowable maximum hours could lead potentially to further federal questioned costs and possibly threaten the likelihood of future federal awards.

Recommendation

The Interim Director of Human Resource Services should promptly familiarize herself and staff with all federal requirements and immediately replace the missing manuals and tools staff need to perform their jobs. The Interim Director should train staff as needed to ensure these instances of noncompliance are corrected. The Interim Director of Human Resource Services should specifically ensure that the academic salary rate for federal work is not higher than rates for similar non-federal work, and that the salaries are not charged in excess of the maximum allowable. The Interim Director of Human Resource Services should also ensure that employees working outside the academic year follow the policies and procedures established by the Department of Human Resource Services. The Vice President for Business and Fiscal Affairs should monitor the roles and responsibilities of the Interim Director of Human Resource Services to ensure compliance with all federal regulations and university policies and procedures.

The Vice President of Business and Fiscal Affairs should ensure that the risks noted in this finding are adequately identified and assessed in management's documented risk-assessment activities. The Vice President of Business and Fiscal Affairs should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. The Vice President of Business and Fiscal Affairs should also identify staff to

be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur with the finding. Policies are currently being developed to ensure that Principal Investigators (PI) are properly trained on the applicable regulations governing funding received from external sources. The Office of Research will provide training for all PIs before activating new awards. The Business Office will not establish budget accounts until the Office of Research has provided written notification that the PI has completed the training and the PI has certified that they understand and will comply with all applicable federal regulations for their project funding source. Principal Investigators are responsible for the administration of their grant, including extra pay/summer pay. They are the most knowledgeable about total hours worked, funding restrictions, and rates that can be charged to the grant(s). The Principal Investigator and project bookkeeper will certify that all the charges made against external funding sources are in compliance with the grant contract and all applicable federal, state, or local regulations. The Extra Pay/Summer Pay Time Sheet will be modified to include certification by the PI that the employees' total hours worked during the time period do not exceed any hour restrictions on grant(s) involved. A copy of the missing manual is now available in Human Resources. Effective immediately, Human Resources will check the hourly rates on all extra pay requests to ensure compliance with federal guidelines as to pay rates and compliance with the 162.5 hours maximum per month during the summer.

The formal risk assessments for the Financial Management areas of the university are currently scheduled to be completed in October 2008. However, the Vice President for Business and Fiscal Affairs and her staff are very cognizant of the risks involved with grants and human resources and remain committed to the internal controls necessary to minimize those risks.

Finding Number	07-UTH-01
CFDA Number	84.032, 84.033, 84.038
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	University of Tennessee
Grant/Contract No.	None
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Questioned Costs	\$120,419

The management and staff of the University of Tennessee Health Science Center did not understand how to calculate students' financial aid when non-federal resources were available to students, resulting in numerous overawards and federal questioned costs totaling \$120,419

Finding

The financial aid staff at the University of Tennessee's Health Science Center (UTHSC) at Memphis did not make themselves aware of critical federal requirements related to their responsibility to properly coordinate student aid programs and establish controls to preclude the awarding of assistance in excess of students' financial needs. As a result, the financial aid staff did not correctly calculate students' financial aid need and made overawards to students totaling \$120,419.

According to the *Federal Student Aid Handbook*, Volume 2, Chapter 10, page 169:

A participating school must designate a capable individual to administer the FSA programs and to coordinate aid from these programs with all other aid received by students attending the school. To properly package and most effectively use the various types of student assistance (federal, school, state, private, etc.), the coordinating official must be aware of all aid received by students attending the school, regardless of the source. When creating a student's financial aid package, in order to ensure that a student's aid does not exceed his or her need, an aid administrator must include aid the student is receiving from external sources as well as institutional aid and FSA program assistance. Therefore, a school's operations must be administered in a way that ensures all the information the school receives that might affect a student's FSA eligibility is communicated to the coordinating official and to the financial aid office.

Page 174 further states:

In addition to having a well-organized financial aid office staffed by qualified personnel, a school must ensure that its administrative procedures for the FSA programs include an adequate system of internal checks and balances.

Regarding “specific need” calculation requirements, the *Federal Student Aid Handbook*, Volume 3, Chapter 6, page 101, states:

Except for Pell Grants, Federal Student Aid award amounts are also constrained by the other aid that a student receives, known as resources under the Campus-Based programs or as estimated financial assistance for Stafford/Plus loans. The general rule in [financial aid] packaging is that the student’s total financial aid and other resources may not exceed the student’s financial need (Need = Cost minus the EFC).

As noted above, except for Pell Grants, total aid of all types (federal and non-federal) awarded to students who receive any federal financial aid may not exceed the students’ need, as defined by the U.S. Department of Education. Financial need is simply defined as the difference between a student’s cost of attendance and the family’s ability to pay these costs, known as the expected family contribution (EFC). The only federal funds that are allowed to replace a student’s EFC in calculating need are unsubsidized Stafford and PLUS loans.

During our audit field work, we observed the financial aid office’s controls related to the FSA programs. We specifically observed the controls related to:

- segregation of responsibilities for authorizing FSA payments and for disbursing FSA funds;
- system processing of the students’ needs calculation; and
- monitoring efforts by supervisory personnel of critical financial aid processes.

Although management had the above mentioned critical controls in place, our interviews with the UTHSC Assistant Financial Aid Director and initial sample testwork revealed that management had not gained a clear understanding of the federal requirement that total need-based financial aid must not exceed the students’ need. Instead, management mistakenly thought that any financial aid that was non-federal “need-based” aid could be awarded up to the amount of the students’ EFC, and that calculated need imposed a limit only on federal “need-based” aid. As a result of this misinterpretation, management designed, implemented, and utilized controls which allowed awards of financial aid in excess of need. Indeed, we observed that most resources other than federal “need-based” aid were designated in UTHSC’s financial aid computer system as appropriate resources to replace the students’ EFCs, when financial aid regulations allow only unsubsidized Stafford and/or PLUS loans as replacements for the Expected Family Contribution. In effect, because of a programming logic error made by the financial aid staff, the system was incorrectly calculating and allowing awards in excess of need when a student had received non-federal aid. We tested all students’ aid calculations for the year ended June 30, 2007, and found that 35 of 1,809 students received overawards totaling \$120,419. This amount represents federal questioned costs.

In reaction to our testwork results, the Assistant Financial Aid Director met with all financial aid personnel and instructed them in the proper use of EFC substitution and proper

calculation of need. In addition, we observed that management had corrected the programming logic in order to correct the control deficiency regarding EFC substitution.

Recommendation

The Assistant Vice Chancellor for Student Affairs for the Health Science Center and other management, including the Vice Chancellor for Academic, Faculty, and Student Affairs for the Health Science Center, should ensure that the financial aid personnel at Memphis have the knowledge and expertise to award federal financial aid in accordance with federal regulations. At a minimum, additional training of current staff should be provided. The Assistant Vice Chancellor for Student Affairs should develop a process for ongoing monitoring of the controls over financial aid need calculations and awards to ensure that overawards are prevented or, at a minimum, identified and corrected before being disbursed to students.

Financial aid personnel at Memphis should continue to review the federal requirements and make any necessary modifications to the system software used to make financial aid awards.

The Assistant Vice Chancellor for Student Affairs should contact the U.S. Department of Education about the possible return of any overawards and the need to perform prior-year reviews to detect similar overawards.

Any audit can only examine a limited part of the operations of an entity. In this case, the failure of top management to understand the basic requirements of federal financial aid calls into question the extent to which management and staff understand programs they administer and, importantly, the risk to those programs from fraud, waste, or abuse.

As a result, management should ensure that risks such as those identified in this finding related to the programs noted in this finding as well as all the other programs the Financial Aid Office is responsible for are adequately identified and assessed in their documented risk-assessment activities. Management should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions in a timely manner. Management should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur. In recognizing the overall situation within the Health Science Center Financial Aid Office, the Vice Chancellor for Academic, Faculty, and Student Affairs recently hired a new Assistant Vice Chancellor for Student Affairs who, as part of his job duties, will oversee the rebuilding and restaffing of the Financial Aid Office. The new Assistant Vice Chancellor comes to UTHSC with over 12 years of financial aid experience. Since the Assistant Vice Chancellor's arrival, the Financial Aid Office has been in the process of hiring 4 additional full-time staff members. The Assistant Vice Chancellor is also working with regional loan guarantors to determine if in-house financial aid training can be provided. Along with in-house

training, local and regional training events are being considered, ones that will enhance the knowledge base of Financial Aid staff members.

In addition, the Financial Aid Office has already made changes in PowerFails (the system software used to make financial aid awards) so that external funds are viewed appropriately in “need-based” calculations. The Financial Aid Office will also begin using an exception report in PowerFails that identifies overawards. Appropriate testing will be done at the beginning of each aid cycle to ensure that the PowerFails system is set up correctly and that automatic packaging is being performed accurately. For the 2007-2008 academic year, the Financial Aid Office staff has re-reviewed the packaging plans of the students who were associated with this audit to make sure that their financial aid packages were accurate. Also, the overaward exception report in PowerFails was run to determine if the system identified any students who had been overawarded.

The Assistant Vice Chancellor for Student Affairs will contact the Department of Education about the possible return of any overawards and the need to go back two fiscal years to determine whether similar overawards were made.

Finding Number	07-TTU-03
CFDA Number	84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Tennessee Technological University
Grant/Contract No.	N/A
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Special Tests and Provisions
Questioned Costs	None

TTU management has not assessed and mitigated the risks associated with its failure to adequately reconcile the university's Direct Loan records with the Loan Origination Center's records as required by federal regulations

Finding

The Tennessee Technological University's Director of Financial Aid did not properly reconcile the university's direct loan records with the federal Loan Origination Center's records. According to Part 5 of the OMB *Circular A-133 Compliance Supplement*,

Each month, the COD [Common Origination and Disbursement] provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the school) Loan Detail records. The school is required to reconcile these files to the institution's financial records.

In addition, the U.S. Department of Education's *Direct Loan School Guide*, Chapter 9, states,

The school is required to reconcile the information on the DLSAS [Direct Loan School Account Statement] report to its internal records on a monthly basis.

The first step in monthly reconciliation is to compare the ending cash balance, cash receipts, excess cash, and disbursement totals from the DLSAS cash summary to each corresponding total in the school's Direct Loan System and business office system.

If the school's internal systems match all the totals on the DLSAS cash summary, the reconciliation has been successfully completed. If the cash balances do not match, the school must continue with the reconciliation process.

Based on our interviews with the Director of Financial Aid, we found that during the audit period, the Director did not fully perform these reconciliations. After reviewing each of the monthly reconciliations within the audit period, we determined that the Director of Financial Aid

reconciled the cash receipts per the business office system to the DLSAS summary but did not reconcile the ending cash balance, excess cash, and disbursement totals.

In response to the prior-year finding, TTU management did concur with the finding. Management also stated that the Director of Financial Aid created an all-inclusive reconciliation that reconciled the various components of the DLSAS summary instead of only the cash receipts. We were able to review the reconciliations for July, August, and September of 2007, and we determined that, subsequent to our audit period, the Director of Financial Aid did reconcile the ending cash balance, excess cash, and disbursement totals as well as the cash receipts.

Without adequate reconciliations, the university could lose its ability to offer Direct Loan funds because of errors recorded in the school's or Loan Origination Center's records. Performing monthly reconciliations and retaining all supporting documentation allow financial aid staff to continue to monitor and address outstanding loan issues every month and allow the staff to complete the year-end loan closeout much more efficiently.

Recommendation

The Director of Financial Aid in conjunction with the Executive Director of Enrollment Management should determine who will be responsible for preparing the reconciliations. If they determine that a member of the Financial Aid staff should prepare the reconciliation, the Director of Financial Aid should ensure that the staff member prepares the reconciliation as outlined in the *Direct Loan School Guide*, Chapter 9, which includes reconciling all cash items included on the Cash Summary Direct Loan School Account Statement report to the university's records. If any items on this report do not agree, financial aid staff should then investigate the differences by reconciling the Cash Detail records. If the Director of Financial Aid continues to prepare the reconciliation, the Executive Director of Enrollment Management should ensure that the staff member prepares the reconciliation outlined in the *Direct Loan School Guide*, Chapter 9.

The Director of Financial Aid in conjunction with the Executive Director of Enrollment Management should ensure that risks such as these noted in this finding are adequately identified and assessed in management's documented risk assessment activities. The Director of Financial Aid should identify specific staff to be responsible for the design and implementation of internal controls to prevent and detect exceptions timely. The Director of Financial Aid should also identify staff to be responsible for ongoing monitoring for compliance with all requirements and taking prompt action should exceptions occur.

Management's Comment

We concur with the finding. As stated in the response to the 2005-06 audit, an all inclusive reconciliation process was presented to State Auditors and was deemed appropriate for meeting this new interpretation of the Federal Regulations governing monthly reconciliations of the Direct Loan program in July 2007. That process is ongoing on a monthly basis.

In addition to a more inclusive reconciliation process, which includes a review of all data included on the monthly SAS reports, a risk assessment was completed by the Office of Financial Aid in fall 2007 to monitor this and other areas of concern that may present themselves in the future. A monitoring plan was also developed at that time that includes identifying who is responsible for monitoring compliance and taking action on exceptions.

Finding Number	07-DOT-01
CFDA Number	20.205
Program Name	Highway Planning and Construction Cluster
Federal Agency	Department of Transportation
Pass-Through Entity	N/A
State Agency	Department of Transportation
Grant/Contract No.	N/A
Finding Type	Significant Deficiency
Compliance Requirement	None
Questioned Costs	None

As noted in the prior audit, the Department of Transportation has still not fully developed and implemented a disaster recovery plan for certain vital system applications which run independently from the state’s data center, increasing the risk of extended interrupted service in the event of an emergency or disaster

Finding

In the prior audit, we noted that the Department of Transportation does not have a disaster recovery plan for applications which run independently from the Office for Information Resources (OIR) data center. A disaster recovery plan provides for the continuity of operational functions in case its applications are destroyed. The department’s management concurred with the prior audit finding. In response to the prior year finding, the department has worked on a disaster recovery plan, but the plan has not been fully implemented. As discussed below, the department in conjunction with OIR is in the process of “migrating” its application systems to the state’s data center.

Based on discussions with the Information Systems Director, the department runs its own applications, which are considered vital to the department and the state. These applications include the Tennessee Overweight/Overdimensional Permit System (TOOPS); Tennessee Roadway Information Management System (TRIMS); Program, Project, and Resource Management (PPRM); Construction Management System (CMS); Maintenance Management System (MMS); Transportal; Oracle; and In-house client/server applications. Each application is described below:

- TOOPS – Section 55-7-205, *Tennessee Code Annotated*, requires the Tennessee Department of Transportation to issue special permits for the movements of freight motor vehicles carrying gross weights or having dimensions in excess of normal legal limits. *Tennessee Code Annotated* also requires the collection of a permit fee to cover the administrative costs of issuing these permits. The TOOPS system aids in the issuance of these permits and the collection of the resulting fees.
- TRIMS – TRIMS is critical in determining the needs and funding for Local

Governments, Highway Safety, Local and State Bridge Replacement Programs, Federal Interstate Maintenance funds, and Highway Needs Analysis, as well as many other systems within the department. TRIMS interfaces/integrates with the department's Pavement Management System, Maintenance Management System, Advanced Traffic Data Analysis Management (ADAM), Evaluation of Roadway Efficiency (EVE), Highway Performance Monitor System (HPMS), and Crash High Hazard Elimination Program. Additionally, TRIMS provides data and access to the following users outside of the department: the Attorney General's Office, the Tennessee Emergency Management Agency, the Federal Highway Administration, the Department of Safety, the Department of Health, the Office of Homeland Security, County and City Roadway Agencies, universities, and other local government agencies.

- PPRM – PPRM is used to plan, schedule, and track the critical deadlines, tasks, resources, and budgets for the department's project development process. This system is the tool to ensure the project comes in on time and within budget. Also, the system facilitates the scheduling of department resources for workload projections and helps staff to determine when consultant services will be required, time phases for project development, and actual project commitments. PPRM was implemented in March 2001.
- CMS – CMS is a series of software applications that provide the following benefits to the department: improved project cost estimation from planning through construction phases; advanced bid letting processing with automated tracking and maintenance; management of construction projects via a centralized location for storing project information; and a means to capture, store, distribute, and analyze construction data. The software applications that make up CMS and their implementation dates are as follows: SiteManager (September 2007), Proposal and Estimates System (February 1, 2002), Letting and Award System (February 1, 2002), Expedite (February 1, 2002), Bid Express (July 2005), Decision Support System (April 2002), Final Records (1999), and FieldBook (1999).
- MMS – This is an Oracle-based system intended to enhance the department's effectiveness by taking advantage of maintenance management planning and execution and allowing tasks to be performed in an organized, systematic manner, so that predictable results and service levels can be achieved and so that the process can be better controlled. MMS was put into use on July 1, 2005.
- Transportal – Transportal is the department's intranet home page. It contains various information including menus with links to major applications, utility programs, and other useful sites. It also displays a department calendar, the users' phonebook information, and leave balances. This system was implemented in early 2003.
- Oracle – This serves as the database in which data are stored by most applications used by the department.

- In House Client/Server Applications – These are small applications that were developed in-house. According to the Information Systems Director, there are approximately 100 of these small applications.

According to the Information Systems Director, the department in conjunction with OIR is in the process of “migrating” its application systems to the state’s data center. The department’s data security increases from having its applications run in the same secure environment as the state’s other applications. The director estimated that the process of transferring all critical systems to the data center would take at least a year. In addition, the director stated that as noted in the prior year’s “Management’s Comment,” the long-term solution for the department would be the establishment and periodic testing of an “alternative recovery site,” which he estimated would be constructed by the state within two years. The “alternative recovery site” would be for all of the state’s applications run by OIR, not just the Department of Transportation’s systems. If a problem should occur at the primary site, the “alternate recovery site” can be used in the event of a disaster without a significant delay in reestablishing computer operations.

The potential for interrupted service and lost data increases significantly without an adequate recovery plan. In the event of an emergency or disaster, the department may not be equipped to carry out day-to-day operations which are supported by these applications.

Recommendation

As noted in our prior recommendation, the Commissioner of the Department of Transportation should ensure that a disaster recovery plan is fully developed and implemented for these in-house applications considered vital to the department and the state. Management’s action should include following through with its plan to “migrate” its application systems to the state’s data center. Top management and the Information Systems Director should determine if a disaster recovery plan is needed for any other applications not included in this finding. The plan should document specific processes and procedures and might include, but not necessarily be limited to,

- guidelines for damage assessment,
- guidelines for declaring a disaster,
- guidelines for reporting a disaster to the alternate recovery site,
- a current list of recovery team members and telephone numbers,
- procedures for assembling the disaster recovery team,
- a definition of recovery team members’ responsibilities,
- guidelines for press releases and media contacts,
- movement of backup files to the alternate recovery site,
- guidelines for recovering communication networks,
- detailed instructions for restoring disk files,
- detailed processing priorities, and
- restoration or relocation of the original processing site.

Management should continue to include the risks noted in this finding in management's documented risk assessment and reevaluate the mitigating controls identified in the plan for adequacy and completeness. The Commissioner should ensure effective controls are now in place with respect to disaster recovery and assign staff to be responsible for ongoing monitoring of this risk and the progress until completion of the plan. After the disaster recovery plan is completed, staff in the Information Technology Division should periodically review, test, and update the plan for changing conditions.

The Commissioner should also ensure that other risks of improper accountability, noncompliance, fraud, waste, or abuse are adequately identified and assessed in management's documented risk assessment. Management should implement effective controls to ensure compliance with applicable requirements and assign staff to be responsible for ongoing monitoring of the risks and mitigating controls. Management should take appropriate action if deficiencies occur.

Management's Comment

We concur. The Tennessee Department of Transportation (TDOT) is knowledgeable about the risks to the department's technology operations and the need to have appropriate disaster recovery/business resumption controls. As a result of these findings, TDOT has undertaken a concerted effort to more clearly analyze our Disaster Recovery (DR) needs and establish a comprehensive plan to address them.

TDOT backs up all of its systems nightly and stores them off-site with the state's backup vendor. Should there be any server failure or database corruption, backup files are retrieved promptly and the disabled application/database is restored to full working order. Likewise, TDOT retains spare servers on-site should the failure be caused by faulty hardware and require equipment replacement.

However, as the findings describe, this department acknowledges its risks should a more catastrophic event occur such as the loss of TDOT's computer room and/or inaccessibility to its computer room. Triggered by the Comptroller's findings, one of the first tasks to be undertaken was the development of a complete inventory of all TDOT systems. This has been accomplished.

The next initiative is a thorough Business Impact Analysis (BIA) which is currently underway. The BIA is targeted for completion in this calendar year. The BIA report will identify the maximum number of days for each system that it can be inoperable without having an undesirable effect on TDOT operations. This report will be used to establish priorities for addressing the migration and DR requirements of all other TDOT systems.

Early on in the BIA study, it was imperative to identify those systems that are considered highly critical to the daily operations of TDOT. It became evident that two systems stood out as being of such operational significance to the department that prompt attention must be given to

their DR needs. These two systems are TDOT-STARS and the Tennessee Overweight/Overdimensional Permitting System (TOOPS).

TDOT-STARS is a mainframe-based system that has a well-established disaster recovery plan. TOOPS is currently being migrated to the state's data center and is scheduled for completion on or before December 2008. Once this system has been successfully migrated, the disaster recovery plan for this system will be completed as well. TDOT will retain the TOOPS current operating environment in its computer room to serve as its alternate recovery site.

After the Permitting System is migrated, TDOT will utilize the results of the BIA to prioritize its continuing efforts, in partnership with OIR, to migrate its remaining systems to the State's data center (providing a safer server environment and mitigating current risks). Based on each system's level of criticality, a project plan will be created to identify target dates for migration and updated disaster recovery technical documentation. During this migration initiative, TDOT IT will retain its existing computer room to serve as an alternate recovery site for these remaining TDOT systems.

TDOT will work closely with OIR as they construct two new data centers with disaster recovery and fail-over capabilities for the State as a whole. Once these new data centers have become operational and their DR capabilities are fully functional, TDOT will no longer have a need to retain and maintain its own computer room.

The Tennessee Department of Transportation is fully committed to this and will continue its efforts to accomplish the above described objectives as quickly as possible and targeted to be completed within the next 2-3 years.

Finding Number	07-DOT-02
CFDA Number	20.205
Program Name	Highway Planning and Construction Cluster
Federal Agency	Department of Transportation
Pass-Through Entity	N/A
State Agency	Department of Transportation
Grant/Contract No.	N/A
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Subrecipient Monitoring
Questioned Costs	None

As stated in the prior audit, the department did not always comply with OMB Circular A-133 regarding the monitoring of subrecipients, increasing the risk of the department not detecting fraud, waste, abuse, and noncompliance problems with subrecipients

Finding

As stated in the prior audit, the Department of Transportation did not comply with certain Office of Management and Budget (OMB) Circular A-133 provisions regarding subrecipient monitoring for its subrecipients receiving Federal-Aid Highway Program and other federal funds. The department has resolved the parts of the prior audit finding related to notifying subrecipients of applicable CFDA [*Catalog of Federal Domestic Assistance*] numbers in the award document and monitoring the required number of subrecipients. However, we found that the department did not issue management decisions on audit findings within six months after receipt of the subrecipient’s audit report, and the department did not ensure that subrecipients pursued timely and appropriate corrective action on all audit findings.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* establishes requirements for the monitoring of subrecipients receiving federal monies from a pass-through entity. Part 3 of the *OMB Circular A-133 Compliance Supplement* states:

Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient’s fiscal year . . . as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

We tested 25 subrecipients with the largest amount of federal expenditures for the federal fiscal year ending September 30, 2006, to determine if the department was in compliance with the subrecipient audit requirements of OMB Circular A-133. All 25 subrecipients were audited as required by OMB Circular A-133. However, our testwork disclosed that of the 25 subrecipients tested, 3 subrecipients had findings concerning grants for which the department served as the pass-through entity. The audit reports for the remaining 22 subrecipients did not have findings. We found that for three findings tested for these three subrecipients (100%), DOT management did not issue a management decision on the findings or follow up to ensure subrecipients took timely corrective action as required by OMB Circular A-133. Since this has been brought to their attention, management has taken steps to follow up and issue a management decision on these findings. The Management's Comment from the prior-year finding stated that "a procedure will be developed so that the audited financial statements and reports of subrecipients will be reviewed and appropriate action will be taken for any reported findings."

Based on inquiry and observation, we found that the responsibility for complying with these requirements is not clearly assigned to a specific person or division. For example, the department has financial monitors that monitor the department's subrecipients. While reviewing the financial monitors' reports, we observed that although one of the financial monitors had identified one of these findings in their work papers, no follow-up was initiated and ultimately the management decision was never issued or additional follow-up performed. Again, the responsibilities in this area are not clearly defined so that the monitor would know who to contact in the department when a subrecipient audit finding is detected to ensure the subrecipient pursued the required corrective action. The External Audit Director, who is also in charge of subrecipient monitoring, informed us that this was the responsibility of the individual program areas, and the Director of Accounting reiterated that this was his understanding as well. However, our review of the program areas indicated that the areas were not performing this duty. The department does not have written policies and procedures clearly assigning these responsibilities to specific staff.

The Department of Transportation serves as a pass-through entity for the Federal-Aid Highway Program and other federal programs. During the fiscal year ending September 30, 2006, the 25 DOT subrecipients tested had federal expenditures in excess of \$80 million. When the department does not exercise proper oversight over subrecipients, there is an increased risk that problems including fraud, waste, abuse, and noncompliance by subrecipients will occur and not be detected and handled appropriately in a timely manner by the department.

Recommendation

The Commissioner should ensure that policies and procedures are developed and implemented which clearly assign the responsibilities for reviewing subrecipient audit reports for findings, issuing management decisions for any findings noted, and ensuring that subrecipients pursue timely and appropriate corrective action on all audit findings. In addition, these procedures should include a process where financial monitors know who to contact in the department if a subrecipient audit finding is detected during the monitoring process.

Management also needs to identify staff to be responsible for the ongoing monitoring for compliance with subrecipient monitoring requirements. Management should continue to include the risks noted in this finding in management's documented risk assessment.

The Commissioner should also continue to ensure that other risks of improper accountability, noncompliance, fraud, waste, or abuse related to subrecipient monitoring are adequately identified and assessed in management's documented risk assessment. Management should implement effective controls to ensure compliance with applicable requirements and should assign staff to be responsible for ongoing monitoring of the risks and mitigating controls. Management should take appropriate action if deficiencies occur.

Management's Comment

We concur. By March 31, 2008, we will revise our procedure for the review of A-133 Audits and the follow-up on findings. We plan to utilize the Comptroller's Data Base on grantees which are required to have an A-133 Audit and on February 20, 2008, we requested a report of grantees expending \$500,000.00 or more in Federal Funds. This information will be compared to our own internal list of grantees to determine grantees for which an A-133 audit is required.

The Detailed Review Guide (DRG), which monitors use in their review of grantees, will be revised to include guidance when findings are found in a grantee's audit. Also, when findings are discovered, the Finance Office will notify the Program Contact and the Director of the Program Area. Jointly, a determination will be made as to the appropriate actions to be taken concerning the finding.

Finding Number	07-DFA-01
CFDA Number	93.778
Program Name	Medicaid Cluster
Federal Agency	Department of Health and Human Services
State Agency	Department of Finance and Administration
Grant/Contract No.	05-0605TN5028, 05-0705TN5028
Finding Type	Noncompliance
Compliance Requirement	Eligibility
Questioned Costs	None

Although TennCare management continues to acknowledge its responsibility to take action in this matter, for the eighth consecutive year TennCare does not have a court-approved plan to redetermine or terminate the TennCare eligibility of SSI enrollees who become ineligible for SSI, thus increasing the costs of the TennCare program

FINDING

As noted in prior audit findings in the previous seven audits, TennCare does not redetermine or terminate the TennCare eligibility of Supplemental Security Income (SSI) enrollees who become ineligible for SSI. This is because TennCare still does not have a court-approved plan which would allow TennCare to make a new determination of the eligibility of these enrollees. According to 1200-13-13-.02(1)(c) of the *Rules of the Tennessee Department of Finance and Administration, Bureau of TennCare*, “The Social Security Administration determines eligibility for the Supplemental Security Income (SSI) Program. Tennessee residents determined eligible for SSI benefits are automatically eligible for and enrolled in TennCare Medicaid benefits.” However, when an individual enrolled in TennCare as an SSI enrollee is terminated from SSI, TennCare does not redetermine or terminate the enrollee’s eligibility. Currently, TennCare does not terminate SSI recipients unless the recipient dies, moves out of state and is receiving Medicaid in another state, or requests in writing to be disenrolled. This issue was first reported in the audit for year ended June 30, 2000. Management’s comment to the most recent prior finding is noted below.

In the audit finding for the year ended June 30, 2006, we reported that TennCare and the Plaintiff’s attorneys still have not reached an agreement for the Daniels’ class action lawsuit. Management concurred with that finding and stated:

The Deputy Commissioner will continue to work towards a court-approved proposal with Plaintiffs’ counsel. After consultation with Medicaid programs from neighboring states, a verification request form letter has been developed and implemented effective June 7, 2006, by the TennCare Director of Eligibility Services, to disenroll those persons who move out of state and receive Medicaid in another state. TennCare will continue to disenroll those persons who Plaintiffs’ counsel has agreed that we may disenroll.

The *Cluster Daniels et al. vs. the Tennessee Department of Health and Environment et al.* court order states,

. . . defendants are hereby ENJOINED from terminating Medicaid benefits without making a de novo [a new] determination of Medicaid eligibility independent of a determination of SSI eligibility by the Social Security Administration. The Court further ENJOINS defendants to submit to the Court and to plaintiffs, within thirty (30) days of entry of this Order, the plan by which defendants have implemented de novo determination of Medicaid eligibility. . . .

Furthermore, the court has required that the Medicaid program must determine whether or not the recipient's termination from SSI was made in error.

According to TennCare management, TennCare has approached Plaintiff's attorneys numerous times, and thus far, Plaintiff's attorneys have been unwilling to accept any plan dealing with de novo eligibility determinations for the SSI population. TennCare is in consultation with its attorneys to develop a new eligibility and disenrollment plan for the Daniels population. Until the time that a plan is approved by the court, TennCare plans to continue to abide by current court orders concerning who can be disenrolled.

By not having a court-approved plan that would allow TennCare to determine if terminated SSI recipients are still eligible for TennCare and to terminate ineligible enrollees, TennCare is allowing potentially ineligible enrollees to remain on TennCare until they die, move out of state and receive Medicaid in another state, or request in writing to be disenrolled.

According to the Director of TennCare Infomatics, there were approximately 160,369 non-dual SSI enrollees and approximately 166,032 dual SSI enrollees at June 30, 2007. Dual enrollees are enrollees receiving Medicaid (TennCare) and Medicare benefits. Of these, approximately 61,600 non-dual and 92,000 dual enrollees have lost SSI eligibility but remain on TennCare without a new determination of eligibility because TennCare does not have a court-approved plan. As a result, TennCare does not know how many of the approximately 153,600 would be currently eligible under existing eligibility guidelines.

According to a recent study concerning per capita costs for the TennCare program, the average estimated MCO cost per SSI enrollee for fiscal year 2007 was \$690.09 per month for non-dual enrollees and \$91.94 per month for dual enrollees. Based on these average costs per enrollee, the approximate cost for the 61,600 non-dual and 92,000 dual enrollees who have lost SSI eligibility but remain on TennCare without a new determination of eligibility was \$510 million and \$102 million, respectively. As a result, the total amount paid for these enrollees was approximately \$612 million for the year ended June 30, 2007.

Recommendation

The Director of TennCare, in consultation with the Office of the Attorney General and Reporter, should finalize a plan that would allow TennCare to determine if terminated SSI recipients are still eligible for TennCare and terminate ineligible enrollees, who are costing the state hundreds of millions of dollars. That plan should then be submitted to the court for approval.

The Director should continue to ensure that TennCare complies with all court orders and injunctions that relate to the eligibility of SSI enrollees.

Management's Comment

We concur that the state does not have a court-approved plan that has been agreed to by Plaintiffs' counsel in *Daniels*. The Deputy Commissioner will continue to work towards a court-approved proposal with Plaintiffs' counsel.

Until the *Daniels* lawsuit is resolved, TennCare will continue to disenroll those persons who Plaintiffs' counsel has agreed that we may disenroll, which include enrollees who move out of state and receive Medicaid in that state, upon notification of the enrollee's death, or upon written request by the enrollee.

Finding Number	07-DFA-02
CFDA Number	93.778
Program Name	Medicaid Cluster
Federal Agency	Department of Health and Human Services
State Agency	Department of Finance and Administration
Grant/Contract No.	05-0605TN5028, 05-0705TN5028
Finding Type	Significant Deficiency
Compliance Requirement	Other
Questioned Costs	None

TennCare management failed to provide adequate access controls over the interChange computer system, which increases the risk of fraud or error

Finding

TennCare management did not provide for adequate internal controls over access to its interChange computer system. InterChange, TennCare’s Medicaid Management Information System, contains extensive recipient, provider, and payment data files, processes a high volume of transactions, and generates numerous types of reports.

We observed conditions that were in violation of industry-accepted information security practices and bureau procedures. Failure to consistently apply proper access controls over the interChange system increases the risk of fraud, error, and improper access to electronic health records.

The wording of this finding does not identify specific vulnerabilities that could allow someone to exploit TennCare’s system. Disclosing those vulnerabilities could present a potential security risk by providing readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. We provided TennCare management with detailed information regarding the specific vulnerabilities we identified as well as our recommendations for improvement.

Recommendation

The Director of TennCare should ensure that these conditions are remedied through procedures that encompass all aspects of effective access controls. The Director should ensure that risks associated with this finding are adequately identified and assessed in the bureau’s documented risk assessment. The Director should implement effective controls to ensure compliance with applicable requirements, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur. In order to address this finding, TennCare has implemented a number of procedural and systematic changes, which we believe constitute effective controls to ensure compliance with applicable requirements. The Bureau will revise the documented risk assessment to reflect the specific risks associated with this finding. The Director has assigned responsibility for ongoing monitoring of risks and mitigating controls and will take appropriate action if deficiencies occur.

Finding Number	07-DFA-03
CFDA Number	93.778
Program Name	Medicaid Cluster
Federal Agency	Department of Health and Human Services
State Agency	Department of Finance and Administration
Grant/Contract No.	05-0605TN5028, 05-0705TN5028
Finding Type	Noncompliance
Compliance Requirement	Reporting
Questioned Costs	None

TennCare did not submit timely the CMS 372 Reports for the Home and Community-Based Waivers for the Mentally Retarded and Developmentally Disabled, thus hampering CMS’ ability to monitor the waivers’ effectiveness, which may result in the state losing the federal waivers to offer TennCare to the affected individuals

Finding

TennCare failed to timely submit the CMS 372 Reports to the Centers for Medicare and Medicaid Services (CMS) for the Home and Community-Based Services (HCBS) Waivers for the Mentally Retarded and Developmentally Disabled. Section 1915(c)(2)(E) of the Social Security Act requires the state to provide to the Secretary of the Department of Health and Human Services (HHS) an annual CMS 372 Report which provides information on the impact of the HCBS Waivers as to the type and amount of medical assistance provided under the state plan and on the health and welfare of the recipients, including TennCare’s assurances of health and welfare and of financial accountability under the waiver.

TennCare has three HCBS Waivers for the Mentally Retarded and Developmentally Disabled: the Statewide MR-DD Waiver, the Arlington Waiver, and the Self-Determination Waiver. Each waiver period ended on December 31, 2006. Based on our review, we found that TennCare did not submit the CMS 372 Reports within 181 days after the last day of the waiver period as required by the CMS *State Medicaid Manual*, Section 2700.6 E., “Submittal Procedures for Due Date” or in accordance with the Bureau’s policy entitled “Submission of 372 Initial and Lag Reports,” which states that reports are due on or before six months after the end of the waiver period. Although the reports for each waiver were due to CMS on June 30, 2007, TennCare submitted the CMS 372 Report for the Self-Determination Waiver on September 25, 2007, which was almost three months late. TennCare submitted the CMS 372 Reports for the Statewide MR-DD Waiver and the Arlington Waiver on November 16, 2007, which was almost five months late. The Director of Developmental Disability Services at TennCare stated staff planned to generate the reports through interChange, TennCare’s Medicaid Management Information System. However, the Utilization Manager at TennCare stated staff were in the process of changing the system to add edits for all of the new 200+ waiver services, which became effective January 2005, and that caused a delay in gathering the information needed for the CMS 372 Reports. There was a similar problem in the prior year, but they decided to complete the required reports manually.

When the bureau cannot submit timely federal reports as evidence that the state has met federal monitoring requirements of management's financial accountability and the health and welfare of waiver participants, the state may lose the federal waiver programs.

Recommendation

The Director of TennCare should ensure that CMS 372 Reports for HCBS Waivers for the Mentally Retarded and Developmentally Disabled are submitted timely to CMS. In the event that system generated reports are not feasible, the Director of TennCare should ensure another reasonable method is in place to prepare and submit these reports in a timely manner.

The Director should ensure that other risks of noncompliance, fraud, waste, or abuse are adequately identified and assessed in the bureau's documented risk assessment. The Director should implement effective controls to ensure compliance with applicable requirements, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

Management's Comment

We concur. As is noted above, the delay in submitting the 372 reports occurred because extensive amendments in these waivers multiplied the number of services available to eligible beneficiaries and commensurate rates of reimbursement, requiring extensive system modifications to the Medicaid Management Information System (MMIS) first, to generate payment to providers for services delivered under the new waiver definitions and rate reimbursement structures, and second, to ensure accurate reporting of these payments to CMS. (The system had earlier been programmed to generate the 372 reports based on the earlier, much smaller array of waiver services and service rates.) These programming changes have been completed and all 372 reports (including lag reports), **as stated in the finding**, have now been submitted to CMS.

The Bureau of TennCare has notified its Operating Agencies for HCBS waiver programs that, in the future, any modifications to HCBS waivers that require programming modifications to the MMIS must request a future effective date that allows sufficient time to ensure completion of system changes *prior to* the effective date of requested amendments. This will help ensure that all 372 reports are timely generated and submitted to CMS going forward.

Auditee's Section

Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

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State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Unclustered Programs				
Department of Agriculture				
Direct Programs				
Tennessee State University	Agricultural Research_Basic and Applied Research	10.001	\$ 2,971.68	
University of Tennessee	Agricultural Research_Basic and Applied Research	10.001	1,785,472.93	\$ 1,788,444.61
Agriculture	Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 1,128,325.20	
Tennessee Wildlife Resources Agency	Plant and Animal Disease, Pest Control, and Animal Care	10.025	56,320.04	
University of Tennessee	Plant and Animal Disease, Pest Control, and Animal Care	10.025	118,611.81	1,303,257.05
Agriculture	Conservation Reserve Program	10.069		48,407.00
Agriculture	Market Protection and Promotion	10.163		20,829.75
University of Tennessee	Cooperative Forestry Research	10.202		816,733.71
University of Tennessee	Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		6,430,222.22
Tennessee State University	1890 Institution Capacity Building Grants	10.216		255,960.34
University of Tennessee	Higher Education Challenge Grants	10.217		58,125.81
Tennessee State University	Higher Education Multicultural Scholars Program	10.220	\$ 4,700.00	
University of Tennessee	Higher Education Multicultural Scholars Program	10.220	32,500.00	37,200.00
University of Tennessee	Integrated Programs	10.303		191,093.96
Agriculture	Homeland Security_Agricultural	10.304		16,372.37
Tennessee State University	International Science and Education Grants	10.305		29,168.11
Tennessee State University	Cooperative Extension Service	10.500	\$ 2,706,647.51	
University of Tennessee	Cooperative Extension Service	10.500	9,578,828.87	12,285,476.38
Health	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		116,189,586.12
Human Services	Child and Adult Care Food Program	10.558		42,326,912.00
Agriculture	State Administrative Expenses for Child Nutrition	10.560	\$ 244,108.15	
Education	State Administrative Expenses for Child Nutrition	10.560	1,799,503.85	
Human Services	State Administrative Expenses for Child Nutrition	10.560	1,305,790.00	3,349,402.00
Health	Commodity Supplemental Food Program	10.565	\$ 1,165,819.35	
Health	Commodity Supplemental Food Program (Noncash Award)	10.565	3,012,727.00	4,178,546.35
Health	WIC Farmers' Market Nutrition Program (FMNP)	10.572		84,882.06
Education	Team Nutrition Grants	10.574		19,915.05
Health	Senior Farmers Market Nutrition Program	10.576		444,826.87
Education	Child Nutrition Discretionary Grants Limited Availability	10.579		10,296.53
Agriculture	Forestry Research	10.652	\$ 373,985.68	
University of Tennessee	Forestry Research	10.652	22,539.75	396,525.43
Agriculture	Cooperative Forestry Assistance	10.664	\$ 2,088,227.00	
University of Tennessee	Cooperative Forestry Assistance	10.664	75,710.99	2,163,937.99

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Agriculture	Urban and Community Forestry Program	10.675	\$ 506,567.00	
Tennessee State University	Urban and Community Forestry Program	10.675	(1,332.11)	505,234.89
Agriculture	Forest Legacy Program	10.676		641,627.00
Agriculture	Forest Land Enhancement Program	10.677		397,493.00
Agriculture	Forest Stewardship Program	10.678		608,594.00
Agriculture	Forest Health Protection	10.680		85,022.00
Austin Peay State University	Rural Business Enterprise Grants	10.769	\$ 17,723.51	
Dyersburg State Community College	Rural Business Enterprise Grants	10.769	12,531.38	
East Tennessee State University	Rural Business Enterprise Grants	10.769	3,385.60	
Economic and Community Development	Rural Business Enterprise Grants	10.769	4,000.00	
Southwest Tennessee Community College	Rural Business Enterprise Grants	10.769	17,963.07	
Tennessee State University	Rural Business Enterprise Grants	10.769	57,485.79	
University of Tennessee	Rural Business Enterprise Grants	10.769	138,032.01	251,121.36
University of Tennessee	Distance Learning and Telemedicine Loans and Grants	10.855		86,204.10
University of Tennessee	Public Television Station Digital Transition Grant Program	10.861		337,745.08
Tennessee State University	Soil and Water Conservation	10.902		(2,000.00)
Agriculture	Agricultural Statistics Reports	10.950		40,411.73
Tennessee State University	1890 Agroforestry Consortium-Shared Faculty Program	N.A. / 90-CSA-TN2-215		(2,389.62)
Tennessee State University	Cooperative Pesticide Recordkeeping Program	N.A. / 12-25-A-4709		1,650.00
Tennessee State University	Outreach and Assistance to Build Capacity for Small Town Rural Communities Limited Resource Farmers and Community-Based Organizations	N.A. / 04-EOMIS0120		47,682.10
Subtotal Direct Programs			\$ 195,444,517.35	
Passed Through University of Georgia				
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / RD309-055/8922687	\$ 4,503.71	
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / RD309-061/3500018	9,177.25	\$ 13,680.96
Tennessee State University	Cooperative Extension Service	10.500 / 2004-47001-01844	\$ 2,476.30	
University of Tennessee	Cooperative Extension Service	10.500 / RE675-109/7512057	9,839.43	
University of Tennessee	Cooperative Extension Service	10.500 / RD675-112/8922637	6,683.77	
University of Tennessee	Cooperative Extension Service	10.500 / RE675110/8920147	3,853.91	22,853.41
Passed Through Alabama Agricultural and Mechanical University				
Tennessee State University	1890 Institution Capacity Building Grants	10.216 / 2005-38820-16479		19,787.74
Passed Through North Carolina State University				
University of Tennessee	Integrated Programs	10.303 / 2003148617 AMD2		40,013.61
University of Tennessee	Cooperative Extension Service	10.500 / 2007037612	\$ 407.14	
University of Tennessee	Cooperative Extension Service	10.500 / 2006045737	31,258.47	31,665.61
Passed Through Texas Agriculture Extension				
University of Tennessee	Integrated Programs	10.303 / 450008	\$ 62,031.03	
University of Tennessee	Integrated Programs	10.303 / SUB 450025	2,307.74	

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Tennessee	Integrated Programs	10.303 / SUB 450028	2,158.28	66,497.05
University of Tennessee	Cooperative Extension Service	10.500 / TCE 622141	\$ 2,206.84	
University of Tennessee	Cooperative Extension Service	10.500 / TCE 622147	14,657.16	16,864.00
Passed Through University of Florida				
University of Tennessee	Homeland Security_Agricultural	10.304 / SC02062150-1-12 AMD7		76,092.33
Passed Through Auburn University				
University of Tennessee	Cooperative Extension Service	10.500 / 07SCES378525		1,396.55
Passed Through Louisiana State University				
University of Tennessee	Cooperative Extension Service	10.500 / PO# 10061		2,500.00
Passed Through Southern Forest Research				
University of Tennessee	Cooperative Extension Service	10.500 / 68-3A75-4-143		16,555.29
Passed Through Texas A&M Research Extension Center				
University of Tennessee	Cooperative Extension Service	10.500 / SUB 622099		5,079.33
Passed Through University of Arkansas				
University of Tennessee	Cooperative Extension Service	10.500 / UACES2345302		509.91
Passed Through Tennessee Urban Forestry Council				
University of Tennessee	Cooperative Forestry Assistance	10.664 / DG070201200&ED07022		11,869.71
Passed Through Mississippi State University				
University of Tennessee	Wildlife Habitat Incentive Program	10.914 / 3305440803005		2,720.92
Passed Through Alabama Agricultural and Mechanical University				
Tennessee State University	Southern Agbiotech Consortium for Underserved Communities	N.A. / 00-52100-9616		(17,175.49)
Passed Through Kentucky State University				
Tennessee State University	Safe Meat Production	N.A. / 43-3A94-0-8009		(1,261.01)
Passed Through National Crop Insurance Services				
University of Tennessee	NCIS Soybean Rust Edu Initiative-Gerloff	N.A. / 05-IE-0831-0077		1,500.00
Subtotal Pass-Through Programs			<u>\$ 311,149.92</u>	
Subtotal Department of Agriculture			<u>\$ 195,755,667.27</u>	
Department of Commerce				
Direct Programs				
University of Tennessee	Economic Development_Technical Assistance	11.303	\$	190,717.19
University of Tennessee	Public Telecommunications Facilities Planning and Construction	11.550		12,428.12

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	Technology Opportunities Program	11.552	113,177.83
University of Tennessee	Measurement and Engineering Research and Standards	11.609	80,901.71
University of Tennessee	Manufacturing Extension Partnership	11.611	2,795,493.91
University of Tennessee	US DOC IPA Agreement Assignment- Rotstein	N.A. / N.A.	106,395.56
Subtotal Department of Commerce			\$ 3,299,114.32

Department of Defense

Direct Programs

University of Tennessee	Procurement Technical Assistance for Business Firms	12.002	\$ 234,652.72
Finance and Administration	Payments to States in Lieu of Real Estate Taxes	12.112	637,457.27
Environment and Conservation	State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	317,576.43
East Tennessee State University	Basic and Applied Scientific Research	12.300	3,393.00
Military	Military Construction, National Guard	12.400	20,257,231.68
Military	National Guard Military Operations and Maintenance (O&M) Projects	12.401	23,087,890.67
Tennessee State University	Basic, Applied, and Advanced Research in Science and Engineering	12.630	674,409.26
Education	Troops to Teachers Memorandum of Agreement	N.A. / N.A.	110,239.70
Finance and Administration	Share of Forest Royalties Product Sales	N.A. / AAB00004	\$ 86,264.90
Finance and Administration	Share of Forest Royalties Product Sales	N.A. / REIMRA-07UTENN1445	22,584.51
Tennessee State University	AFROTC-Uniform Commutation Fund	N.A. / DET-790	17,914.14
University of Memphis	Navy - Student Workers	N.A. / N00189 03 D 0011	145,915.78
University of Tennessee	Army MIPR Army Readiness Office 2007	N.A. / MIR7ARRUTA016	29,559.42
University of Tennessee	Army MIPR Assistant/Outreach Office 2007	N.A. / MIR7ARRUTA001	21,605.55
University of Tennessee	Army MIPR Consumer Affairs/Fin Planning 2006	N.A. / MIPR6ARRUTA005	\$ 45,968.69
University of Tennessee	Army MIPR Consumer Affairs/Fin Planning 2007	N.A. / MIPR7ARRUTA005	144,887.10
University of Tennessee	Army MIPR Exceptional Family Member 2006	N.A. / MIPR6ARRUTA004	\$ 7,278.70
University of Tennessee	Army MIPR Exceptional Family Member 2007	N.A. / MIPR7ARRUTA004	16,959.54
University of Tennessee	Army MIPR Family Action Plan 2006	N.A. / MIPR6ARRUTA010	\$ 4,361.27
University of Tennessee	Army MIPR Family Action Plan 2007	N.A. / MIPR7ARRUTA010	12,248.78
University of Tennessee	Army MIPR Family Asst Outreach 2006	N.A. / MIPR6ARRUTA001	7,019.03
University of Tennessee	Army MIPR Family Employment Asst 2007	N.A. / MIPR7ARRUTA006	22,742.79
University of Tennessee	Army MIPR Family Member Employment 06	N.A. / MIPR6ARRUTA006	7,229.71
University of Tennessee	Army MIPR Family Readiness Center 2006	N.A. / MIPR6ARRUTA007	\$ 7,464.04
University of Tennessee	Army MIPR Family Readiness Center 2007	N.A. / MIPR7ARRUTA007	49,593.63

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Tennessee	Army MIPR Family Team Building 2006	N.A. / MIPR6ARRUTA009	\$ 7,278.70	
University of Tennessee	Army MIPR Family Team Building 2007	N.A. / MIR7ARRUTA009	23,307.58	30,586.28
University of Tennessee	Army MIPR Financial Readiness 2007	N.A. / MIR7ARRUTA017		2,702.04
University of Tennessee	Army MIPR Relocation Office 2006	N.A. / MIPR6ARRUTA002	\$ 23,682.18	
University of Tennessee	Army MIPR Relocation Office 2007	N.A. / MIPR6ARRUTA002	73,781.43	97,463.61
University of Tennessee	Army MIPR Soldier Mblztn/Deployment 2007	N.A. / MIR7ARRUTA018		535.58
University of Tennessee	Army MIPR Soldier Readiness 2006	N.A. / MIPR6ARRUTA016		14,557.41
University of Tennessee	Army MIPR Volunteer Coor Office 2006	N.A. / MIPR6ARRUTA008		7,278.70
University of Tennessee	Defense Supply Ctr Philly-Wiley	N.A. / SP010305D0012		44,185.41
University of Tennessee	DOD-Matheny 2004	N.A. / SP48000420389		229,816.46
University of Tennessee	IPA - USAMR&MC - GRIBOK	N.A. / IPA GRIBOK		124,108.54
Subtotal Direct Programs			\$ 46,523,682.34	
Passed Through Academy of Applied Sciences				
University of Tennessee	Basic Scientific Research	12.431 / 2006-2007	\$ 21,034.83	
Passed Through Auburn University				
University of Tennessee	Auburn UN Operation Military Kids-Moore	N.A. / 05ACEA539120UT		44,569.67
Passed Through Defense Equal Opportunity Management Institute				
Austin Peay State University	Defense Equal Opportunity Management Institute EO Climate Survey	N.A. / FA2521-06-P-0292		4,569.57
Passed Through The National Association of Child Care Resource and Referral Agencies				
Tennessee Technological University	Assist Operation Military Child Care with Enhanced Child Care Referrals	N.A. / MOA Ver1-05/12/06		581.64
Subtotal Pass-Through Programs			\$ 70,755.71	
Subtotal Department of Defense			\$ 46,594,438.05	

Department of Housing and Urban Development
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Direct Programs

Economic and Community Development	Community Development Block Grants/State's Program	14.228	\$ 25,110,295.72	
Human Services	Emergency Shelter Grants Program	14.231		1,372,352.00
University of Tennessee	Supportive Housing Program	14.235		206,012.63
Tennessee Housing Development Agency	HOME Investment Partnerships Program	14.239		20,430,651.73
Health	Housing Opportunities for Persons With AIDS	14.241		749,828.83
Human Rights Commission	Fair Housing Assistance Program_State and Local	14.401		286,103.00
University of Tennessee	Community Outreach Partnership Center Program	14.511		53,976.61
University of Memphis	Community Development Work-Study Program	14.512	\$ 49,046.45	
University of Tennessee	Community Development Work-Study Program	14.512	23,729.02	72,775.47

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Tennessee State University	Historically Black Colleges and Universities Program	14.520		415,512.09
Tennessee Housing Development Agency	Section 8 Housing Choice Vouchers	14.871		29,758,824.91
Middle Tennessee State University	Operation Lead Elimination Action Program	14.903		220,639.00
Middle Tennessee State University	Lead Outreach Grants	14.904		19,751.23
East Tennessee State University	Interest Subsidies	N.A. / CH-TENN-144D	\$ 49,526.00	
Tennessee Technological University	Interest Subsidies	N.A. / TN-139-D	34,586.00	84,112.00
Tennessee State University	Communications Enhancement Initiative	N.A. / B-04-SP-TN-0757		85,602.96
Subtotal Direct Programs			\$	78,866,438.18
Passed Through City of Knoxville				
Pellissippi State Technical Community College	Empowerment Zones Program	14.244 / C-05-0191	\$	389,747.54
Passed Through Heart of Knoxville Career and Resource Center				
University of Tennessee	Empowerment Zones Program	14.244 / PO NO. P034041		160,034.69
Passed Through Douglas Cherokee Economic Authority				
Tennessee State University	Rural Housing and Economic Development	14.250 / RH-00TN10184		224.80
Passed Through Metropolitan Development and Housing Agency				
Tennessee State University	Demolition and Revitalization of Severely Distressed Public Housing	14.866 / TN-43-URD-005-1102	\$ 10,907.82	
Tennessee State University	Demolition and Revitalization of Severely Distressed Public Housing	14.866 / TN-43-URD-005-1103	41,646.23	52,554.05
Passed Through Johnson City Housing Authority				
East Tennessee State University	Resident Opportunity and Supportive Services - Homeownership and Family	14.870 / TN002REL022A005		29,131.88
Passed Through Memphis Housing Authority				
University of Memphis	Public Housing Neighborhood Networks Grants	14.875 / N.A.		13,668.85
Subtotal Pass-Through Programs			\$	645,361.81
Subtotal Department of Housing and Urban Development			\$	79,511,799.99

Department of the Interior

Direct Programs

Environment and Conservation	Abandoned Mine Land Reclamation (AMLR) Program	15.252		\$ 901,621.10
Environment and Conservation	Cooperative Endangered Species Conservation Fund	15.615	\$ 67,117.62	
Tennessee Wildlife Resources Agency	Cooperative Endangered Species Conservation Fund	15.615	495,375.00	562,492.62
Tennessee Wildlife Resources Agency	Clean Vessel Act	15.616		253,039.32

**State of Tennessee
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For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Tennessee Wildlife Resources Agency	Administrative Grants for Federal Aid in Sport Fish and Wildlife Restoration	15.618		10,000.00
Tennessee Wildlife Resources Agency	Hunter Education and Safety Program	15.626		1,207,190.00
Tennessee Wildlife Resources Agency	Landowner Incentive	15.633		248,383.00
Environment and Conservation	State Wildlife Grants	15.634	\$ 7,080.81	
Tennessee Wildlife Resources Agency	State Wildlife Grants	15.634	499,045.00	506,125.81
Environment and Conservation	U.S. Geological Survey_Research and Data Acquisition	15.808		16,168.39
Environment and Conservation	National Cooperative Geologic Mapping Program	15.810		37,348.17
Environment and Conservation	Historic Preservation Fund Grants-In-Aid	15.904		716,533.05
Environment and Conservation	Outdoor Recreation_Acquisition, Development and Planning	15.916	\$ 210,662.82	
Middle Tennessee State University	Outdoor Recreation_Acquisition, Development and Planning	15.916	348,881.53	559,544.35
Middle Tennessee State University	National Center for Preservation Technology and Training	15.923		1.45
Tennessee Wildlife Resources Agency	Multi State Bobwhite Conservation	N.A. / M-2-P-1		62,500.00
Tennessee Wildlife Resources Agency	Big South Fork Gauges	N.A. / H5130050038		39,000.00
Subtotal Direct Programs			\$	5,119,947.26
Passed Through Mississippi State University				
University of Tennessee	Fish and Wildlife Management Assistance	15.608 / 331644080300-01	\$	10,500.00
Subtotal Pass-Through Programs			\$	10,500.00
Subtotal Department of the Interior			\$	5,130,447.26

Department of Justice

Direct Programs

Military	Urban Areas Security Initiative	16.011	\$	458,649.63
Children's Services	Prisoner Reentry Initiative	16.202		122,747.96
Commission on Children and Youth	Demonstration (Offender Reentry)			
Commission on Children and Youth	Juvenile Accountability Incentive Block Grants	16.523		989,343.41
University of Tennessee	Grants to Combat Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		86,523.63
Commission on Children and Youth	Juvenile Justice and Delinquency Prevention_Allocation to States	16.540		1,042,548.42
Commission on Children and Youth	Title V_Delinquency Prevention Program	16.548		65,344.02
Tennessee Bureau of Investigation	State Justice Statistics Program for Statistical Analysis Centers	16.550		53,491.09
Finance and Administration	National Criminal History Improvement Program (NCHIP)	16.554		226,223.59
Finance and Administration	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		47,646.27
Finance and Administration	Crime Victim Assistance	16.575		7,137,898.54
Treasury	Crime Victim Compensation	16.576		3,411,000.00

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Finance and Administration	Edward Byrne Memorial Formula Grant Program	16.579		1,238,058.90
Commerce and Insurance	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	\$ 392,599.99	
University of Tennessee	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	1,007,643.06	1,400,243.05
Court System	Drug Court Discretionary Grant Program	16.585		8,755.18
Correction	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586		61,301,717.33
Finance and Administration	Violence Against Women Formula Grants	16.588		2,632,743.37
Finance and Administration	Local Law Enforcement Block Grant Program	16.592		28,666.41
Finance and Administration	Residential Substance Abuse Treatment for State Prisoners	16.593		457,549.77
University of Memphis	Community Capacity Development Office	16.595		1,804.00
University of Tennessee	Motor Vehicle Theft Protection Act Program	16.597		680,134.16
Correction	State Criminal Alien Assistance Program	16.606		315,351.00
Tennessee Bureau of Investigation	Regional Information Sharing Systems	16.610		5,362,701.00
University of Tennessee	State and Local Anti-Terrorism Training	16.614		193,607.83
Tennessee Bureau of Investigation	Public Safety Partnership and Community Policing Grants	16.710	\$ 16,892.87	
Tennessee Technological University	Public Safety Partnership and Community Policing Grants	16.710	226,571.52	243,464.39
Commission on Children and Youth	Enforcing Underage Drinking Laws Program	16.727		348,778.79
Correction	Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735		1,076.26
Finance and Administration	Transitional Housing Assistance for Victims of Domestic Violence, Stalking, or Sexual Assault	16.736		55,486.16
Finance and Administration	Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 4,735,255.76	
University of Memphis	Edward Byrne Memorial Justice Assistance Grant Program	16.738	31,376.03	4,766,631.79
Tennessee Bureau of Investigation	Forensic DNA Capacity Enhancement Program	16.741		319,361.72
Finance and Administration	Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		142,200.60
Tennessee Bureau of Investigation	Forensic Casework DNA Backlog Reduction Program	16.743		1,407,685.29
Tennessee Bureau of Investigation	Governor's Task Force on Marijuana Eradication	N.A. / 2006-102	\$ 537,007.03	
Tennessee Bureau of Investigation	Governor's Task Force on Marijuana Eradication	N.A. / 2007-104	192,193.80	729,200.83
University of Tennessee	US DOJ-BJA-2006RPBXK005	N.A. / 2006-RP-BX-K005		102,752.92
Subtotal Direct Programs			\$	95,379,387.31
Passed Through Junior Achievement Worldwide				
University of Tennessee	Part E - Developing, Testing and Demonstrating Promising New Programs	16.541 / JA SUCCESS SKILLS	\$	28,500.00

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through Crichton College				
University of Memphis	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560 / 2006 WA AX 0027		28,261.55
Passed Through University of Illinois at Chicago				
University of Tennessee	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560 / 2004CKWX0408		23,411.52
Passed Through Hamilton County Sheriff's Office				
Tennessee Bureau of Investigation	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580 / 2005-DD-BX-1144	\$ 44,723.45	
Tennessee Bureau of Investigation	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580 / 2007-DD-BX-0002	96,135.05	140,858.50
Passed Through Rutherford County				
Middle Tennessee State University	Drug Court Discretionary Grant Program	16.585 / 2004-DC-BX-0012		5,981.35
Passed Through Knoxville Police Department				
University of Tennessee	Public Safety Partnership and Community Policing Grants	16.710 / 2004CKWXX015		12,182.49
Subtotal Pass-Through Programs			\$ 239,195.41	
Subtotal Department of Justice			\$ 95,618,582.72	

Department of Labor

Direct Programs				
Labor and Workforce Development	Labor Force Statistics	17.002	\$ 1,485,748.39	
Labor and Workforce Development	Compensation and Working Conditions	17.005		101,782.35
Labor and Workforce Development	Unemployment Insurance	17.225		482,288,270.16
Labor and Workforce Development	Senior Community Service Employment Program	17.235		1,623,544.94
Labor and Workforce Development	Trade Adjustment Assistance	17.245		32,586,083.53
Chattanooga State Technical Community College	WIA Pilots, Demonstrations, and Research Projects	17.261	\$ 271,532.94	
Cleveland State Community College	WIA Pilots, Demonstrations, and Research Projects	17.261	175,095.75	
Jackson State Community College	WIA Pilots, Demonstrations, and Research Projects	17.261	867,807.65	
Labor and Workforce Development	WIA Pilots, Demonstrations, and Research Projects	17.261	255,157.88	
Walters State Community College	WIA Pilots, Demonstrations, and Research Projects	17.261	583,592.95	2,153,187.17
Labor and Workforce Development	Work Incentive Grants	17.266		476,004.18
Labor and Workforce Development	Incentive Grants - WIA Section 503	17.267		715,931.72
Southwest Tennessee Community College	Community Based Job Training Grants	17.269		346,976.33
Labor and Workforce Development	Permanent Labor Certification for Foreign Workers	17.272		192,287.25

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Labor and Workforce Development	Occupational Safety and Health_State Program	17.503	3,444,947.16
Labor and Workforce Development	Consultation Agreements	17.504	1,038,580.01
Labor and Workforce Development	Mine Health and Safety Grants	17.600	131,650.39
Subtotal Direct Programs			\$ 526,584,993.58
Passed Through North Tennessee Private Industry Council			
Austin Peay State University	Employment and Training Assistance_Dislocated Workers	17.246 / C-99-0014	\$ 539.14
Passed Through Knoxville-Knox County			
University of Tennessee	Disability Employment Policy Development	17.720 / UT-CDE 2005-2006	16,454.59
Subtotal Pass-Through Programs			\$ 16,993.73
Subtotal Department of Labor			\$ 526,601,987.31

Department of State

Direct Programs			
Tennessee State University	Educational Partnerships Program	19.424	\$ 79,665.22
University of Tennessee	US Dept of St-S-Ecaae-06-CA-115-Hamrick	N.A. / S-ECAAE-06-CA-115	151,507.11
Subtotal Direct Programs			\$ 231,172.33
Passed Through NAFSA: Association of International Educators			
University of Tennessee	International Education Training and Research	19.430 / GET GLOBAL	\$ 1,337.00
Subtotal Pass-Through Programs			\$ 1,337.00
Subtotal Department of State			\$ 232,509.33

Department of Transportation

Direct Programs			
Transportation	Airport Improvement Program	20.106	\$ 13,406,317.16
Pellissippi State Technical Community College	Highway Research and Development Program	20.200	200,764.92
Tennessee State University	Highway Training and Education	20.215	35,501.64
Revenue	National Motor Carrier Safety	20.218	\$ 1,265.67
Safety	National Motor Carrier Safety	20.218	5,423,302.12
Environment and Conservation	Recreational Trails Program	20.219	969,738.72
Transportation	Federal Transit_Metropolitan Planning Grants	20.505	648,347.74
Transportation	Formula Grants for Other Than Urbanized Areas	20.509	8,747,309.98
Transportation	Human Resource Program	20.511	20,631.46
Transportation	Capital Assistance Program For Elderly Persons And Persons With Disabilities	20.513	1,906,212.01
Transportation	Public Transportation Research	20.514	(1,543.18)
Transportation	Job Access_Reverse Commute	20.516	1,451,516.86

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Transportation	Alcohol Open Container Requirements	20.607	11,010,579.00
Tennessee Regulatory Authority	Pipeline Safety	20.700	589,970.88
Military	Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	263,642.79
University of Tennessee	FHWA DTFH61-02-T-30007 Everett	N.A. / DTFH61-02-D-30004	19,557.49
University of Tennessee	FHWA DTFH61-02-T-30009 Brewer	N.A. / DTFH61-02-D-30004	119,282.51
University of Tennessee	FHWA DTFH61-03-D-00111/T-05-001 Everett	N.A. / DTFH61-03-D-00111	42,254.38
University of Tennessee	FHWA-DTFH61-03-D-00111-Everett	N.A. / DTFH61-03-D-00111	727.63
University of Tennessee	FHWA-DTFH61-06-D-00026/Task 6-Everett	N.A. / DTFH61-06-D-00026/7-Everett	21,556.16
University of Tennessee	USDT-FHA-Eisenhower Grad Fellow-Han	N.A. / DDEGRD-06-X-00410	30,409.81
University of Tennessee	USDT-FHA-Eisenhower Grad Fellow-Huang	N.A. / DDEGRD-06-X-00424	6,548.87
University of Tennessee	USDT-FHA-Eisenhower Grad Fellow-Ma	N.A. / DDEGRD-06-X-00428	1,306.00
Subtotal Direct Programs			\$ 44,914,200.62
Passed Through South Carolina State University			
Tennessee State University	Highway Training and Education	20.215 / DTFH61-01-X-00097	\$ 19,413.99
Passed Through Marshall University Research Corporation			
University of Tennessee	University Transportation Centers Program	20.701 / PORT AUTHORITY	17,169.00
Passed Through Embry Riddle Aeronautical University			
Middle Tennessee State University	FAA Inspector Training of Technologically Advanced Aircraft	N.A. / DTFA03-02-D-0037	185,531.67
Passed Through Pacific Institute for Research and Evaluation			
University of Tennessee	PIRE-TN Tri-Regional Coalition-Reilly 06	N.A. / TN TRI-REGIONAL COAL	60.00
Subtotal Pass-Through Programs			\$ 222,174.66
Subtotal Department of Transportation			\$ 45,136,375.28
Appalachian Regional Commission			
Direct Programs			
Economic and Community Development	Appalachian Area Development	23.002	\$ 17,075.89
East Tennessee State University	Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	\$ 204,211.45
Economic and Community Development	Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	238,251.50
University of Tennessee	Arc-TN-14959-04 - Lashley	N.A. / TN-14959-04	93,476.68
Subtotal Direct Programs			\$ 553,015.52

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through University of Kentucky Research Foundation			
East Tennessee State University	Appalachian Research, Technical Assistance, and Demonstration Projects	23.011 / 4-67886-04-435	\$ 300.00
Passed Through Mississippi State University			
Tennessee State University	Regional Conference on Entrepreneurial Education and Training	N.A. / C013027B3	(1,458.00)
Subtotal Pass-Through Programs			<u>\$ (1,158.00)</u>
Subtotal Appalachian Regional Commission			<u>\$ 551,857.52</u>
Equal Employment Opportunity Commission			
Direct Programs			
Human Rights Commission	Employment Discrimination_State and Local Fair Employment Practices Agency Contracts	30.002	\$ 146,635.00
Subtotal Equal Employment Opportunity Commission			<u>\$ 146,635.00</u>
General Services Administration			
Direct Programs			
General Services	Donation of Federal Surplus Personal Property (Noncash Award)	39.003	\$ 2,470,339.00
State	Election Reform Payments	39.011	70,832.93
Subtotal General Services Administration			<u>\$ 2,541,171.93</u>
National Aeronautics and Space Administration			
Direct Programs			
Tennessee Technological University	Aerospace Education Services Program	43.001	\$ 37,623.59
Tennessee State University	Technology Transfer	43.002	98,998.90
Middle Tennessee State University	Expanding the Spectrum of the Student Astronomy Experience through a Interactive Multifrequency Radiotelescope	N.A. / S-70510-G	(3,000.00)
Middle Tennessee State University	Observatory Phase Two	N.A. / NNM05AA18G	23,968.32
Middle Tennessee State University	Tennessee Center for Math, Science, and Tech Education	N.A. / NAG5-11692	(1,289.56)
Tennessee State University	Free Flight Testing and Simulation	N.A. / NNA04CK38H	900.00
Tennessee State University	Fundamentals of Lunar Exploration, Expanded (Flex)	N.A. / NNG06GE04G	28,317.57
Tennessee State University	NASA Science Engineering Mathematics Aerospace Academy (SEMAA)	N.A. / NAS3-02123-STSU	94,856.48
University of Tennessee	NASA NNX06AC72G Coughenour	N.A. / NNX06AC72G	31,227.41
University of Tennessee	NASA-NNJ04HF02A-Saylor	N.A. / NNJ04HF02A	239,976.25
Subtotal Direct Programs			<u>\$ 551,578.96</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Institute for Global Environmental Strategies, Incorporated			
University of Tennessee	Aerospace Education Services Program	43.001 / 02I014	\$ 2,589.51
Passed Through Vanderbilt University			
Tennessee State University	Technology Transfer	43.002 / NNG05GE95H	36,720.82
Middle Tennessee State University	Tennessee Space Grant College Fellowship Program	N.A. / NNG05GE95H	29,783.10
Passed Through University of Maryland Baltimore County			
Tennessee State University	Fundamental of Lunar Exploration	N.A. / NCC5494	10,000.00
Subtotal Pass-Through Programs			\$ 79,093.43
Subtotal National Aeronautics and Space Administration			\$ 630,672.39
National Endowment for the Arts			
Direct Programs			
Austin Peay State University	Promotion of the Arts_Grants to Organizations and Individuals	45.024	\$ 7,446.73
Tennessee Arts Commission	Promotion of the Arts_Partnership Agreements	45.025	604,158.75
Subtotal National Endowment for the Arts			\$ 611,605.48
National Endowment for the Humanities			
Direct Programs			
University of Tennessee	Promotion of the Humanities_ Division of Preservation and Access	45.149	\$ 30,442.43
University of Tennessee	Promotion of the Humanities_ Fellowships and Stipends	45.160	19,279.77
Middle Tennessee State University	Promotion of the Humanities_ Teaching and Learning Resources and Curriculum Development	45.162	(563.91)
University of Tennessee	Promotion of the Humanities_ Professional Development	45.163	114,415.38
Middle Tennessee State University	Promotion of the Humanities_We the People	45.168	76,418.10
Subtotal National Endowment for the Humanities			\$ 239,991.77
Institute of Museum and Library Services			
Direct Programs			
State	Grants to States	45.310	\$ 3,911,944.42
University of Tennessee	National Leadership Grants	45.312	398,695.75
University of Tennessee	Laura Bush 21st Century Librarian Program	45.313	191,780.42
Subtotal Institute of Museum and Library Services			\$ 4,502,420.59

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
National Science Foundation				
Direct Programs				
Middle Tennessee State University	Engineering Grants	47.041	\$ 129,867.17	
University of Tennessee	Engineering Grants	47.041	<u>108,423.37</u>	\$ 238,290.54
East Tennessee State University	Mathematical and Physical Sciences	47.049	\$ 77,985.51	
Tennessee State University	Mathematical and Physical Sciences	47.049	1,313,465.33	
University of Tennessee	Mathematical and Physical Sciences	47.049	<u>203,180.15</u>	1,594,630.99
Tennessee State University	Geosciences	47.050	\$ 26,605.42	
University of Tennessee	Geosciences	47.050	<u>55,948.94</u>	82,554.36
University of Tennessee	Biological Sciences	47.074		14,650.79
East Tennessee State University	Education and Human Resources	47.076	\$ 1,750.00	
Middle Tennessee State University	Education and Human Resources	47.076	442,610.10	
Nashville State Technical Community College	Education and Human Resources	47.076	134,284.66	
Pellissippi State Technical Community College	Education and Human Resources	47.076	401,421.71	
Tennessee State University	Education and Human Resources	47.076	883,481.76	
University of Memphis	Education and Human Resources	47.076	155,113.74	
University of Tennessee	Education and Human Resources	47.076	<u>1,193,792.09</u>	3,212,454.06
University of Tennessee	Polar Programs	47.078		<u>218,855.13</u>
Subtotal Direct Programs				\$ 5,361,435.87
Passed Through Mathematical Association of America				
East Tennessee State University	Mathematical and Physical Sciences	47.049 / SUMMA		\$ 20,516.43
Passed Through Colorado School of Mines				
University of Memphis	Education and Human Resources	47.076 / 532589		62.69
Tennessee Technological University	Interpreting Student-Constructed Study Guides	N.A. / 5-39081		379.99
Passed Through Georgia Institute of Technology				
University of Tennessee	Education and Human Resources	47.076 / CK 752212		289.00
Passed Through Kentucky Community and Technical College System				
Pellissippi State Technical Community College	Education and Human Resources	47.076 / DUE-0603327		11,213.86
Passed Through Kentucky Science and Technology				
University of Tennessee	Education and Human Resources	47.076 / CN-00	\$ 0.01	
University of Tennessee	Education and Human Resources	47.076 / KSTC123-ESR0086188	<u>(1,174.27)</u>	(1,174.26)
Passed Through Research Corporation of the University of Hawaii				
Pellissippi State Technical Community College	Education and Human Resources	47.076 / DUE-02-02452		2,246.19
Passed Through University of Kentucky Research Foundation				
Pellissippi State Technical Community College	Education and Human Resources	47.076 / HER-0227028		10,214.43

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through University of Missouri-Rolla			
Pellissippi State Technical Community College	Education and Human Resources	47.076 / DUE-0442446	4,833.70
Passed Through University of Tulsa			
Jackson State Community College	Education and Human Resources	47.076 / DUE-0355246	1,898.12
Passed Through Vanderbilt University			
Tennessee State University	Education and Human Resources	47.076 / DGE-0231969	5,139.78
Passed Through Wake Technical Community College			
Pellissippi State Technical Community College	Education and Human Resources	47.076 / DUE-0532655	12,051.65
Subtotal Pass-Through Programs			<u>\$ 67,671.58</u>
Subtotal National Science Foundation			<u>\$ 5,429,107.45</u>

Small Business Administration

Direct Programs

Middle Tennessee State University	Small Business Development Center	59.037	\$ 466,034.96
Tennessee Board of Regents	Small Business Development Center	59.037	<u>1,711,167.51</u> \$ 2,177,202.47
University of Tennessee	SBA Riverbend 03 Schaerer	N.A. / SBAHQ-03-I-0019	27,179.75
University of Tennessee	SBAHQ-05-1-0015 Schaerer	N.A. / SBAHQ-05-I-0015	<u>163,254.91</u>
Subtotal Direct Programs			<u>\$ 2,367,637.13</u>

Passed Through University of Kentucky

University of Tennessee	UKRF-WILEY 07	N.A. / 304806570007209	<u>\$ 16,694.21</u>
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Subtotal Pass-Through Programs

\$ 16,694.21

Subtotal Small Business Administration

\$ 2,384,331.34

Department of Veterans Affairs

Direct Programs

Tennessee State Veterans' Homes Board	Grants to States for Construction of State Home Facilities	64.005	\$ 7,586,122.93
East Tennessee State University	Veterans Home Based Primary Care	64.022	1,246,374.43
Veterans Affairs	Burial Expenses Allowance for Veterans	64.101	315,900.00
Tennessee Higher Education Commission	Veterans Education Commission	N.A. / V101 (223B) P3/0013	259,386.54
University of Memphis	Support of Veteran's Services Office	N.A. / N.A.	<u>3,418.00</u>
Subtotal Department of Veterans Affairs			<u>\$ 9,411,201.90</u>

Environmental Protection Agency

Direct Programs

Environment and Conservation	Air Pollution Control Program Support	66.001	\$ 1,223,055.66
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State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Environment and Conservation	State Indoor Radon Grants	66.032	177,282.59
Environment and Conservation	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	234,270.15
Middle Tennessee State University	Congressionally Mandated Projects	66.202	99,722.44
Environment and Conservation	Water Pollution Control State, Interstate, and Tribal Program Support	66.419	3,501,005.99
Environment and Conservation	State Public Water System Supervision	66.432	1,105,756.19
Environment and Conservation	Surveys, Studies, Demonstrations and Special Purpose Grants_Section 1442 of the Safe Drinking Water Act	66.436	25,346.39
Environment and Conservation	Water Quality Management Planning	66.454	265,434.90
Environment and Conservation	Capitalization Grants for Clean Water State Revolving Funds	66.458	15,513,003.14
Agriculture	Nonpoint Source Implementation Grants	66.460	4,223,702.61
Environment and Conservation	Regional Wetland Program Development Grants	66.461	51,725.83
Environment and Conservation	Water Quality Cooperative Agreements	66.463	80,600.66
University of Tennessee	Wastewater Operator Training Grant Program (Technical Assistance)	66.467	16,717.87
Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Fund	66.468	8,945,882.49
Environment and Conservation	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	66.471	70,439.60
Environment and Conservation	Water Protection Grants to the States	66.474	29,695.51
University of Tennessee	Greater Research Opportunities (GRO) Fellowships For Undergraduate/Graduate Environmental Study	66.513	12,607.02
University of Tennessee	Science To Achieve Results (STAR) Fellowship Program	66.514	34,762.36
Environment and Conservation	Surveys, Studies, Investigations and Special Purpose Grants	66.606	1,139,376.81
University of Tennessee	Training and Fellowships for the Environmental Protection Agency	66.607	69,976.84
Environment and Conservation	Environmental Information Exchange Network Grant Program and Related Assistance	66.608	323,935.91
Environment and Conservation	Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	114,492.56
Environment and Conservation	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	211,817.77
Environment and Conservation	Pollution Prevention Grants Program	66.708	22,333.99
University of Tennessee	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	66.716	10,957.86
Environment and Conservation	Hazardous Waste Management State Program Support	66.801	2,100,688.14
Environment and Conservation	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	450,859.27
Environment and Conservation	State and Tribal Underground Storage Tanks Program	66.804	201,867.75
Environment and Conservation	Leaking Underground Storage Tank Trust Fund Program	66.805	2,495,546.48
Environment and Conservation	Solid Waste Management Assistance Grants	66.808	10,247.65

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Environment and Conservation	Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	383,205.75
Environment and Conservation	Environmental Council of States	N.A. / SP-0607-TN	78.50
Subtotal Direct Programs			\$ 43,146,396.68
Passed Through Knox County			
University of Tennessee	Knox County Eco Trading Proj Gangaware	N.A. / BEAVER CR ECO CR TRD	\$ 8,754.23
University of Tennessee	Knox Co CAC Americorp Supp Gangaware	N.A. / TNWRRC-GANGAWARE	4,937.94
Subtotal Pass-Through Programs			\$ 13,692.17
Subtotal Environmental Protection Agency			\$ 43,160,088.85
Department of Energy			
Direct Programs			
Economic and Community Development	State Energy Program	81.041	\$ 1,324,841.31
Human Services	Weatherization Assistance for Low-Income Persons	81.042	3,822,148.00
Tennessee State University	Office of Science Financial Assistance Program	81.049	\$ 460,280.33
University of Tennessee	Office of Science Financial Assistance Program	81.049	255,535.02
Environment and Conservation	State Energy Program Special Projects	81.119	4,339,007.44
Military	Miscellaneous Federal Activities	81.502	\$ 932,074.90
Pellissippi State Technical Community College	Miscellaneous Federal Activities	81.502	2,006.88
Economic and Community Development	Petroleum Violation Escrow-Amoco	N.A. / N.A.	31,666.31
Economic and Community Development	Petroleum Violation Escrow-Exxon	N.A. / N.A.	301.51
Economic and Community Development	Petroleum Violation Escrow-Stripper	N.A. / N.A.	1,851,895.72
Tennessee State University	Department of Energy Chair of Excellence Professorship and National Nuclear Security Association (NNSA)	N.A. / DE-FG02-94EW11428	453,661.84
Tennessee Wildlife Resources Agency	Black Oak Ridge Conservation Easement	N.A. / REORDOER -205-060	16,151.00
Tennessee Wildlife Resources Agency	Oak Ridge Wildlife Management	N.A. / DOE/MARTIN-MARIETTA	193,285.78
Subtotal Direct Programs			\$ 13,682,856.04
Passed Through Argonne National Laboratory			
University of Tennessee	Argonne Natl Lab-Training-Upadhyaya	N.A. / TRAINING-ERION	\$ 818.04
Subtotal Pass-Through Programs			\$ 818.04
Subtotal Department of Energy			\$ 13,683,674.08

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Department of Education				
Direct Programs				
Labor and Workforce Development	Adult Education_State Grant Program	84.002	\$ 12,141,965.96	
Roane State Community College	Adult Education_State Grant Program	84.002	246,624.98	\$ 12,388,590.94
Education	Title I Grants to Local Educational Agencies	84.010		206,301,080.92
Education	Migrant Education_State Grant Program	84.011		499,422.98
Education	Title I Program for Neglected and Delinquent Children	84.013		544,439.16
Middle Tennessee State University	Undergraduate International Studies and Foreign Language Programs	84.016		39,651.77
Columbia State Community College	Higher Education_Institutional Aid	84.031	\$ 89,360.08	
Northeast State Technical Community College	Higher Education_Institutional Aid	84.031	28,130.18	
Pellissippi State Technical Community College	Higher Education_Institutional Aid	84.031	409,793.51	
Tennessee State University	Higher Education_Institutional Aid	84.031	7,958,650.99	
University of Tennessee	Higher Education_Institutional Aid	84.031	379,721.69	8,865,656.45
Tennessee Student Assistance Corporation	Federal Family Education Loans (Guaranty Agencies)	84.032		113,642,714.58
Education	Vocational Education_Basic Grants to States	84.048		27,052,405.43
Tennessee Student Assistance Corporation	Leveraging Educational Assistance Partnership	84.069		1,306,862.00
Chattanooga State Technical Community College	Fund for the Improvement of Postsecondary Education	84.116	\$ 4,236.08	
Middle Tennessee State University	Fund for the Improvement of Postsecondary Education	84.116	(214.64)	
Tennessee Board of Regents	Fund for the Improvement of Postsecondary Education	84.116	16,159.10	
University of Memphis	Fund for the Improvement of Postsecondary Education	84.116	26,613.75	
University of Tennessee	Fund for the Improvement of Postsecondary Education	84.116	(180.00)	46,614.29
Tennessee State University	Minority Science and Engineering Improvement	84.120		(5,221.65)
Human Services	Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126		56,017,342.81
University of Memphis	Rehabilitation Long-Term Training	84.129	\$ 148,933.99	
University of Tennessee	Rehabilitation Long-Term Training	84.129	672.65	149,606.64
University of Tennessee	Migrant Education_High School Equivalency Program	84.141		481,449.12
Education	Migrant Education_Coordination Program	84.144		33,920.00
East Tennessee State University	Business and International Education Projects	84.153	\$ 80,228.33	
University of Tennessee	Business and International Education Projects	84.153	59,624.53	139,852.86
Human Services	Independent Living_State Grants	84.169		423,424.29
Human Services	Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind	84.177		646,331.64
Education	Special Education_Grants for Infants and Families with Disabilities	84.181		7,540,602.05
East Tennessee State University	Safe and Drug-Free Schools and Communities_National Programs	84.184		149,562.93
Education	Byrd Honors Scholarships	84.185		754,500.00
Education	Safe and Drug-Free Schools and Communities_State Grants	84.186		6,416,492.80

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Human Services	Supported Employment Services for Individuals with Severe Disabilities	84.187		510,854.00
University of Tennessee	Bilingual Education-Professional Development	84.195		217,103.01
Education	Education for Homeless Children and Youth	84.196		997,292.56
Education	Even Start_State Educational Agencies	84.213		1,732,621.09
Middle Tennessee State University	Fund for the Improvement of Education	84.215	\$ 54,625.60	
University of Tennessee	Fund for the Improvement of Education	84.215	132,560.97	187,186.57
Human Services	Assistive Technology	84.224		517,552.80
Education	Tech-Prep Education	84.243		2,633,571.67
University of Tennessee	National Institute for Literacy	84.257		232,324.13
University of Tennessee	Rehabilitation Training_Continuing Education	84.264		421,580.98
Human Services	Rehabilitaion Training_State Vocational Rehabilitation Unit In-Service Training	84.265		224,748.85
Education	Charter Schools	84.282		1,778,149.94
Education	Twenty-First Century Community Learning Centers	84.287		14,443,330.71
Education	State Grants for Innovative Programs	84.298		2,891,972.66
Education	Education Technology State Grants	84.318		6,281,649.22
Education	Special Education - State Personnel Development	84.323		1,216,657.54
Middle Tennessee State University	Research in Special Education	84.324	\$ 181,195.26	
University of Tennessee	Research in Special Education	84.324	428,206.04	609,401.30
University of Tennessee	Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		279,008.24
Education	Advanced Placement Program	84.330		83,408.00
Education	Comprehensive School Reform Demonstration	84.332		1,400,067.64
East Tennessee State University	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	\$ 453,299.54	
Tennessee Higher Education Commission	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	2,574,443.63	
University of Tennessee	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	1,439,631.02	4,467,374.19
Austin Peay State University	Child Care Access Means Parents in School	84.335	\$ 2,093.12	
East Tennessee State University	Child Care Access Means Parents in School	84.335	103,948.07	
Northeast State Technical Community College	Child Care Access Means Parents in School	84.335	178.88	
Southwest Tennessee Community College	Child Care Access Means Parents In School	84.335	125,238.46	231,458.53
University of Tennessee	Teacher Quality Enhancement Grants	84.336		(882.73)
Education	Vocational Education_Occupational and Employment Information State Grants	84.346		10,224.00
University of Tennessee	Early Childhood Educator Professional Development	84.349		1,342,216.03
Education	Transition to Teaching	84.350		636,449.49
Tennessee Arts Commission	Arts in Education	84.351		160,034.68
Education	Reading First State Grants	84.357		18,264,978.34

State of Tennessee
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For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Education	Rural Education	84.358	3,554,868.15
Education	English Language Acquisition Grants	84.365	\$ 4,669,906.61
Middle Tennessee State University	English Language Acquisition Grants	84.365	<u>132,083.55</u>
Education	Mathematics and Science Partnerships	84.366	4,801,990.16
Education	Improving Teacher Quality State Grants	84.367	\$ 49,297,593.96
Tennessee Higher Education Commission	Improving Teacher Quality State Grants	84.367	1,298,309.13
Education	Grants for State Assessments and Related Activities	84.369	<u>7,345,275.60</u>
Education	Statewide Data Systems	84.372	650,989.60
Education	Hurricane Education Recovery	84.938	7,384,731.25
Education	NCES Task Order Contract: National Assessment of Educational Progress	N.A. / ED-03-CO-0091	101,887.66
University of Tennessee	NIFL - Ed-06-Co-0121 - Stephens	N.A. / ED-06-CO-0121	14,918.75
University of Tennessee	NIFL - Ed-06-PO-1972 - Stephens	N.A. / ED-06-PO-1972	<u>6,651.46</u>
Subtotal Direct Programs			\$ 583,402,060.78
Passed Through Kankakee Community College			
Tennessee State University	Fund for the Improvement of Postsecondary Education	84.116 / PO101472	\$ 2,363.44
Passed Through Northeastern University			
University of Tennessee	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind	84.160 / SUB # 551880	36,959.51
Passed Through Arkansas State University			
University of Memphis	Fund for the Improvement of Education	84.215 / 510047	57,851.59
Passed Through Cheatham County Board of Education			
Tennessee State University	Fund for the Improvement of Education	84.215 / U215X040114	25.00
Passed Through Dyersburg City Schools District			
University of Tennessee	Fund for the Improvement of Education	84.215 / U215X040041	262,609.57
Passed Through Metropolitan Government of Nashville Davidson County			
Middle Tennessee State University	Fund for the Improvement of Education	84.215 / 2-213324-02	76,634.88
Passed Through National Council for Accreditation of Teacher Education			
Tennessee State University	Fund for the Improvement of Education	84.215 / U215U030004-04	1,870.53
Passed Through Wilson County School System			
Volunteer State Community College	Fund for the Improvement of Education	84.215 / N.A.	491,799.59
Passed Through Shelby County Correctional Center			
Correction	Literacy Programs for Prisoners	84.255 / Q255A060093	20,576.28

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through Kent State University				
University of Tennessee	National Institute for Literacy	84.257 / 444849-P071037		25,243.11
Passed Through Georgia State University				
University of Tennessee	Rehabilitation Training_Continuing Education	84.264 / GLD71-01	\$ 20,990.35	
University of Tennessee	Rehabilitation Training_Continuing Education	84.264 / H264B020001	99,419.37	120,409.72
Passed Through Edvantia				
University of Tennessee	Eisenhower Retional Math and Science Consortia	84.319 / R319A00002-03 SUB		9,051.90
Passed Through Vanderbilt University				
Tennessee State University	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325 / H325A000097-04		1,421.25
Middle Tennessee State University	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334 / P334A000206		259.20
Passed Through Memphis City Schools				
University of Memphis	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334 / 05 00434 Z 03		74,939.58
Passed Through Kentucky Education Professional Standards Board				
University of Tennessee	Teacher Quality Enhancement Grants	84.336 / WKURF 543604-04-10	\$ (15,340.37)	
University of Tennessee	Teacher Quality Enhancement Grants	84.336 / WKURF 543604-05-29	12,381.71	(2,958.66)
Passed Through Western Kentucky University				
University of Tennessee	Teacher Quality Enhancement Grants	84.336 / WKURF 543604-06-51		27,317.17
Passed Through White County Board of Education				
Tennessee Technological University	Teacher Quality Enhancement Grants	84.336 / N.A.		35,763.14
Passed Through Signal Centers, Incorporated				
University of Tennessee	Early Childhood Educator Professional Development	84.349 / R0-41512006		53,442.23
Passed Through Drexel University				
University of Tennessee	Transition to Teaching	84.350 / 213015		36,631.76
Passed Through National Writing Project Corporation				
Middle Tennessee State University	National Writing Project	84.928 / 05-TN03	\$ 12,366.86	
University of Tennessee	National Writing Project	84.928 / 94-TN02	42,312.85	54,679.71
Passed Through Knox County Schools				
University of Tennessee	Knox Co Schools-White	N.A. / EARLY RDNG EVAL		41,324.28

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through National Association For Equal Opportunity In Higher Education			
Tennessee State University	Joint Capacity-Building Training Stipend Consent Agreement	N.A. / 6636	9,600.00
Subtotal Pass-Through Programs			\$ 1,437,814.78
Subtotal Department of Education			\$ 584,839,875.56

National Archives and Records Administration

Direct Programs			
State	National Historical Publications and Records Grants	89.003	\$ 3,244.12
Subtotal National Archives and Records Administration			\$ 3,244.12

Delta Regional Authority

Direct Programs			
Dyersburg State Community College	Delta Regional Development	90.200	\$ 35,135.32
Subtotal Delta Regional Authority			\$ 35,135.32

Elections Assistance Commission

Direct Programs			
State	Help America Vote Act Requirements Payments	90.401	\$ 10,318,908.93
Subtotal Elections Assistance Commission			\$ 10,318,908.93

Department of Health and Human Services

Direct Programs			
Health	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	93.006	\$ 181,933.00
Commission on Aging and Disability	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	86,644.00
Commission on Aging and Disability	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	296,600.00
Commission on Aging and Disability	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	376,900.00
Commission on Aging and Disability	Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	93.048	49,351.00
Commission on Aging and Disability	Alzheimer's Disease Demonstration Grants to States	93.051	344,983.81
Commission on Aging and Disability	National Family Caregiver Support	93.052	3,414,100.00

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Health	Food and Drug Administration_Research	93.103		3,060.06
Mental Health and Developmental Disabilities	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104		1,270,443.27
Health	Maternal and Child Health Federal Consolidated Programs	93.110	\$ 110,147.32	
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110	114,144.96	224,292.28
University of Tennessee Health	Environmental Health Project Grants and Cooperative Agreements For Tuberculosis Control Programs	93.113 93.116		234,331.53 1,335,904.06
University of Tennessee Health	Oral Diseases and Disorders Research Nurse Anesthetist Traineeships	93.121 93.124		14,993.35 53,386.04
Health	Emergency Medical Services For Children	93.127		95,197.04
Health	Primary Care Services Resource Coordination and Development	93.130		95,390.42
Health	Injury Prevention and Control Research and State and Community Based Programs	93.136		598,463.02
Mental Health and Developmental Disabilities	Projects for Assistance in Transition From Homelessness (PATH)	93.150		703,402.00
University of Tennessee	Centers of Excellence	93.157		327,154.00
University of Tennessee	Research Related to Deafness and Communication Disorders	93.173		6,595.66
Middle Tennessee State University	Nursing Workforce Diversity	93.178		(6,545.47)
East Tennessee State University	Quentin N. Burdick Program for Rural Interdisciplinary Training	93.192		76,106.29
Health	Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance Of Blood Lead Levels In Children	93.197	\$ 133,297.50	
University of Tennessee	Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	18,727.94	152,025.44
Health	Family Planning_Services	93.217		6,137,712.47
East Tennessee State University	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	\$ 1,247,487.68	
Health	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	2,448,560.28	3,696,047.96
Health	Traumatic Brain Injury State Demonstration Grant Program	93.234		71,259.50
Health	Abstinence Education Program	93.235		965,373.49
Health	State Capacity Building	93.240		226,577.78
Health	State Rural Hospital Flexibility Program	93.241		350,999.14
Finance and Administration	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	\$ 293,579.33	

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Health	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1,459,001.42	
Mental Health and Developmental Disabilities	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1,787,816.56	3,540,397.31
University of Tennessee	Advanced Education Nursing Grant Program	93.247		1,213,197.21
Health	Universal Newborn Hearing Screening	93.251		101,596.76
Commerce and Insurance	State Planning Grants Health Care Access for the Uninsured	93.256		226,754.17
Health	Rural Access to Emergency Devices Grant	93.259		125,505.56
East Tennessee State University	Nurse Faculty Loan Program (NFLP)	93.264		77,308.00
Health	Immunization Grants	93.268	\$ 3,022,271.99	
Health	Immunization Grants (Noncash Award)	93.268	46,905,415.00	49,927,686.99
University of Tennessee	Alcohol National Research Service Awards for Research Training	93.272		12,219.42
University of Tennessee	Alcohol Research Programs	93.273		8,920.07
Health	Substance Abuse and Mental Health Services-Access to Recovery Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.275		2,605,542.41
Health	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	\$ 22,550,414.48	
University of Tennessee	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	(52,610.93)	22,497,803.55
Health	Small Rural Hospital Improvement Grant Program	93.301		533,883.26
Tennessee State University	Advanced Education Nursing Traineeships	93.358	\$ 30,692.25	
University of Tennessee	Advanced Education Nursing Traineeships	93.358	170,707.00	201,399.25
East Tennessee State University	Nurse Education, Practice and Retention Grants	93.359		185,769.92
University of Tennessee	Nursing Research	93.361		27,296.59
University of Tennessee	National Center for Research Resources	93.389		443,711.42
East Tennessee State University	Cancer Detection and Diagnosis Research	93.394		101,113.07
Children's Services	Promoting Safe and Stable Families	93.556		9,095,647.67
Human Services	Temporary Assistance for Needy Families	93.558		166,359,998.76
Human Services	Child Support Enforcement	93.563		49,001,552.00
Human Services	Refugee and Entrant Assistance_State Administered Programs	93.566		1,236,149.36
Human Services	Low-Income Home Energy Assistance	93.568		45,006,212.00
Human Services	Community Services Block Grant	93.569		12,324,319.00
Human Services	Refugee and Entrant Assistance_Discretionary Grants	93.576		74,405.00
Human Services	Refugee and Entrant Assistance_Targeted Assistance Grants	93.584		179,752.00
Court System	State Court Improvement Program	93.586		386,760.15
Children's Services	Community-Based Child Abuse Prevention Grants	93.590		1,223,640.89
Human Services	Grants to States for Access and Visitation Programs	93.597		174,011.55
Children's Services	Chafee Education and Training Vouchers Program (ETV)	93.599		285,108.45

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Education	Head Start	93.600	\$ 194,732.95	
Tennessee State University	Head Start	93.600	<u>1,620,015.27</u>	1,814,748.22
Children's Services	Adoption Incentive Payments	93.603		1,528,000.00
University of Tennessee	Mentoring Children of Prisoners	93.616		39,915.89
State	Voting Access for Individuals with Disabilities_Grants to States	93.617		390,742.51
Finance and Administration	Developmental Disabilities Basic Support and Advocacy Grants	93.630		1,282,272.45
University of Tennessee	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		509,409.19
Children's Services	Children's Justice Grants to States	93.643		262,077.67
Children's Services	Child Welfare Services_State Grants	93.645		4,433,112.53
University of Tennessee	Child Welfare Services Training Grants	93.648		777,608.39
Children's Services	Foster Care_Title IV-E	93.658		35,541,943.86
Children's Services	Adoption Assistance	93.659		30,267,148.64
Human Services	Social Services Block Grant	93.667		12,989,769.00
Children's Services	Child Abuse and Neglect State Grants	93.669		250,061.66
Finance and Administration	Family Violence Prevention and Services/Grants for Battered Women's Shelters_Grants to States and Indian Tribes	93.671		1,699,004.40
Children's Services	Chafee Foster Care Independence Program	93.674		1,840,606.63
Commission on Aging and Disability	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	\$ 718,713.00	
Finance and Administration	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	101,308.34	
Mental Health and Developmental Disabilities	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	18,130.00	838,151.34
East Tennessee State University	Health Careers Opportunity Program	93.822	\$ 180,356.18	
University of Tennessee	Health Careers Opportunity Program	93.822	<u>50,808.04</u>	231,164.22
University of Tennessee	Heart and Vascular Diseases Research	93.837		410,466.08
University of Tennessee	Diabetes, Endocrinology and Metabolism Research	93.847		162,522.19
University of Tennessee	Microbiology and Infectious Diseases Research	93.856		177,784.45
Tennessee State University	Biomedical Research and Research Training	93.859		168,373.00
East Tennessee State University	Child Health and Human Development Extramural Research	93.865		10,000.00
East Tennessee State University	Grants for Training in Primary Care Medicine and Dentistry	93.884	\$ 400,452.79	
University of Tennessee	Grants for Training in Primary Care Medicine and Dentistry	93.884	101,839.04	502,291.83
East Tennessee State University	Health Care and Other Facilities	93.887	\$ 223,530.40	
Tennessee Technological University	Health Care and Other Facilities	93.887	<u>643,653.41</u>	867,183.81
University of Tennessee	Specially Selected Health Projects	93.888		107,635.34
Health	National Bioterrorism Hospital Preparedness Program	93.889		9,007,722.27
Health	Rural Health Care Services Outreach and Rural Health Network Development Program	93.912		461,359.99
Health	Grants to States for Operation of Offices of Rural Health	93.913		149,900.00
Health	HIV Care Formula Grants	93.917		24,035,136.14

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	Disadvantaged Health Professions Faculty Loan Repayment (FLRP) and Minority Faculty Fellowship Program (MFFP)	93.923	52,882.98
Education	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	627,264.31
Health	HIV Prevention Activities_Health Department Based	93.940	3,843,165.00
Health	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance Assistance Program for Chronic Disease Prevention and Control	93.944	1,094,956.53
Health	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.945	409,898.13
Health	Trauma Care Systems Planning and Development	93.946	81,138.22
Health	Block Grants for Community Mental Health Services	93.952	12,465.87
Mental Health and Developmental Disabilities	Block Grants for Prevention and Treatment of Substance Abuse	93.958	7,723,500.00
Health	Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.959	28,642,389.20
Health	Cooperative Agreements For State-Based Diabetes Control Programs and Evaluation Of Surveillance Systems	93.977	3,273,736.60
Health	Preventive Health and Health Services Block Grant	93.988	194,488.67
Health	Maternal and Child Health Services Block Grant to The States	93.991	1,076,418.96
Health	Grants Writing Workshop for Historically Black Colleges and Universities	93.994	14,783,240.55
Tennessee State University	Natl Library Med PO 467-MZ-401754	N.A. / HCFA-00-0205	(972.47)
University of Tennessee		N.A. / PO 467-MZ-401754	3,381.97
Subtotal Direct Programs			\$ 581,134,409.15
Passed Through Knoxville Leadership Foundation			
University of Tennessee	Compassion Capital Fund	93.009 / CFCEY PROJECT	\$ 2,522.64
Passed Through Partnership to Promote Healthy Eating and Active Living, Incorporated			
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / AMERICAN ON THE MOVE	10,340.08
Passed Through Southeast Regional Genetics			
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / U22MC03690-03-00	17,982.64
Passed Through University of North Carolina			
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / 5-38019	\$ (563.74)
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / T79MC000045-39069	102,569.16
East Tennessee State University	Public Health Training Centers Grant Program	93.249 / W602452	12,212.91

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Tennessee	Block Grants for Community Mental Health Services	93.958 / 2975-04-0518-S		(3,139.00)
Passed Through Vanderbilt University				
Tennessee State University	Maternal and Child Health Federal Consolidated Programs	93.110 / 2T73MC00050	\$ 1,342.61	
Tennessee State University	Maternal and Child Health Federal Consolidated Programs	93.110 / 5T83MC00008-51-00		(1,391.00)
Tennessee State University	Maternal and Child Health Federal Consolidated Programs	93.110 / T73MC00050-08-00		29,490.72
Tennessee State University	Maternal and Child Health Federal Consolidated Programs	93.110 / 5T83MC00008-52		29,734.00
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / VUMC CA 6915		26,228.03
Tennessee State University	Biomedical Research and Research Training	93.859 / 2R25GM060190		1,458.00
Passed Through University of Cincinnati				
University of Tennessee	Applied Toxicological Research and Testing	93.114 / A074500015806	\$ 664,525.17	
University of Tennessee	Applied Toxicological Research and Testing	93.114 / PC03A01474		23,487.56
University of Tennessee	Applied Toxicological Research and Testing	93.114 / PC05A01220		(530,806.67)
University of Tennessee	NIEHS Hazardous Waste Worker Health and Safety Training	93.142 / ES99009	\$ (10.87)	
University of Tennessee	NIEHS Hazardous Waste Worker Health and Safety Training	93.142 / PC04A01798		71,364.84
Passed Through Howard University				
Tennessee State University	AIDS Education and Training Centers	93.145 / 6H4AHAA00066-03-00	\$ 54,982.54	
Tennessee State University	AIDS Education and Training Centers	93.145 / 5H4AH00066-05-00		169,930.76
Passed Through Child and Family Services of Knox County				
University of Tennessee	Abandoned Infants	93.551 / GREAT STARTS 07		43,558.81
University of Tennessee	Promoting Safe and Stable Families	93.556 / BRIDGING THE GAP		47,640.58
University of Tennessee	Adoption Opportunities	93.652 / YOUTH OPEN 07		46,108.12
Passed Through National Collegiate Athletic Association				
Tennessee State University	Community Services Block Grant_Discretionary Awards	93.570 / 93-150		8,385.13
Passed Through National Youth Sports Corporation				
Middle Tennessee State University	Community Services Block Grant_Discretionary Awards	93.570 / 03-084	\$ (312.06)	
Middle Tennessee State University	Community Services Block Grant_Discretionary Awards	93.570 / NYSPF 05:1075		312.06
Tennessee State University	Community Services Block Grant_Discretionary Awards	93.570 / 90ES0006/05		5,194.65
Passed Through Shelby County Government				
University of Memphis	Head Start	93.600 / CA074475		486,539.47

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through North Carolina Center on Developmental Disabilities				
University of Tennessee	Developmental Disabilities Basic Support and Advocacy Grants	93.630 / NC NETWORK FOR ORGAN	\$	23,108.77
University of Tennessee	Developmental Disabilities Basic Support and Advocacy Grants	93.630 / 008627-001		21,910.34
				45,019.11
Passed Through Wake Forest University				
University of Tennessee	Child Welfare Services Training Grants	93.648 / MCJ-372006		(316.77)
Passed Through University of Kentucky				
University of Tennessee	Child Abuse and Neglect Discretionary Activities	93.670 / 3046928700-06-120		1,167.89
Passed Through United Way of the Mid-South				
University of Memphis	HIV Prevention Activities_Health Department Based	93.940 / UWROYHIV		3,761.54
Passed Through North Carolina Division of Vocational Rehabilitation Services				
University of Tennessee	Block Grants for Community Mental Health Services	93.958 / DVR#00567		91,531.22
Passed Through Meharry Medical College				
Tennessee State University	Geriatric Education Centers	93.969 / 5D31HP80004-04-00		7,770.73
Passed Through University of Kentucky Research Foundation				
East Tennessee State University	Geriatric Education Centers	93.969 / 4-69194-06-071		34,647.75
Passed Through Boys and Girls Club				
University of Tennessee	Boys & Girls Club-Being Best-Campbell 07	N.A. / BEING THE BEST		40,215.65
Passed Through National Youth Sports Corporation				
Tennessee State University	National Youth Sports Program-Girls Sports Clinic	N.A. / 20-8100		466.53
Passed Through University of Illinois				
University of Tennessee	Univ of Illinois-Guardianship-Campbell	N.A. / 2007-05371-01		4,282.16
Subtotal Pass-Through Programs			\$	1,548,232.95
Subtotal Department of Health and Human Services			\$	582,682,642.10
Corporation for National and Community Service				
Direct Programs				
Finance and Administration	Retired and Senior Volunteer Program	94.002	\$	89.09
Finance and Administration	State Commissions	94.003		291,054.62
Education	Learn and Serve America_School and Community Based Programs	94.004	\$	423,408.16

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Finance and Administration	Learn and Serve America_School and Community Based Programs	94.004	168,970.35	592,378.51
Finance and Administration	AmeriCorps	94.006		2,836,270.38
Finance and Administration	Planning and Program Development Grants	94.007		82,159.75
Finance and Administration	Training and Technical Assistance	94.009		128,511.60
Subtotal Corporation for National and Community Service				\$ 3,930,463.95

Department of Homeland Security

Direct Programs

Military	Urban Areas Security Initiative	97.008		\$ 5,180,833.78
Tennessee Wildlife Resources Agency	Boating Safety Financial Assistance	97.012		2,176,071.00
Military	Pre-Disaster Mitigation (PDM) Competitive Grants	97.017		281,269.54
University of Memphis	National Fire Academy Educational Program	97.019		8,867.73
Economic and Community Development	Community Assistance Program_State Support Services Element (Cap-SSSE)	97.023		82,500.00
Military	Flood Mitigation Assistance	97.029		299,542.50
Labor and Workforce Development	Disaster Unemployment Assistance	97.034		20,148.95
Military	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		14,047,032.79
Commerce and Insurance	First Responder Counter-Terrorism Training Assistance	97.038		12,769.28
Military	Hazard Mitigation Grant	97.039		3,272,973.42
Environment and Conservation	National Dam Safety Program	97.041		430,024.35
Military	Emergency Management Performance Grants	97.042		3,864,590.10
Military	Pre-Disaster Mitigation	97.047		40,220.83
University of Memphis	Competitive Training Grants	97.068	\$ 271,122.86	
University of Tennessee	Competitive Training Grants	97.068	914,343.01	1,185,465.87
Economic and Community Development	Map Modernization Management Support	97.070		51,882.37
Military	Rail and Transit Security Grant Program	97.075		178,839.99
Military	Homeland Security Testing, Evaluation, and Demonstration of Technologies	97.077		14,950.72
Military	Buffer Zone Protection Plan (BZPP)	97.078		2,632,984.03
University of Tennessee	HLS 05GTT5K007 Ag Vulnerability-Thompson	N.A. / 05GTT5K007		788,229.38
Subtotal Direct Programs				\$ 34,569,196.63

Passed Through Louisiana State University

University of Tennessee	State and Local Homeland Security Training Program	97.005 / 2006-GN-T6-K001		\$ 2,047.27
University of Tennessee	Homeland Security Preparedness Technical Assistance Program	97.007 / 1999MUCXK006		150,121.67

Passed Through Eastern Kentucky University

East Tennessee State University	Competitive Training Grants	97.068 / ECU 07-317		88,167.70
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Passed Through City of Knoxville

University of Tennessee	Metropolitan Medical Response System	97.071 / C060149	\$ 1,857.37	
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**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Tennessee	Metropolitan Medical Response System	97.071 / C060150	6,144.71	
University of Tennessee	Metropolitan Medical Response System	97.071 / C070109	8,863.42	16,865.50
Subtotal Pass-Through Programs			\$	257,202.14
Subtotal Department of Homeland Security			\$	34,826,398.77

United States Agency for International Development

Passed Through Oregon State University

Tennessee State University	Cooperative Development Program (CDP)	98.002 / HNE-A-00-97-00059-00	\$	18,166.43
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Passed Through IRG and Teltra Tech Joint Venture

East Tennessee State University	USAID Development Partnerships for University Cooperation and Development	98.012 / 04-11-IOTWS-06		9,651.18
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Passed Through United Negro College Fund

Tennessee State University	Development of a Center for Entrepreneurship and Development at the National Institute of Management, Phnom Penh, Cambodia	N.A. / HNE-A-00-09-00150		(1,578.41)
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Subtotal United States Agency for International Development			\$	26,239.20
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Other Federal Assistance

Office of National Drug Control Policy

Passed Through Laurel County Fiscal Court

Alcoholic Beverage Commission	Appalachia High Intensity Drug Trafficking Area	N.A. / I5PAPP501Z	\$	17,469.63
District Attorneys General Conference	Appalachia High Intensity Drug Trafficking Area	N.A. / I3PAPP501		387.50
District Attorneys General Conference	Appalachia High Intensity Drug Trafficking Area	N.A. / I4PAPP501		80,512.13
District Attorneys General Conference	Appalachia High Intensity Drug Trafficking Area	N.A. / I6PAPP501		125,414.40
Safety	Appalachia High Intensity Drug Trafficking Area	N.A. / I5PAPP501		45,215.53
Tennessee Bureau of Investigation	Appalachia High Intensity Drug Trafficking Area	N.A. / I3PAPP501		21,850.00
Tennessee Bureau of Investigation	Appalachia High Intensity Drug Trafficking Area	N.A. / I4PAPP501		4,755.28
Tennessee Bureau of Investigation	Appalachia High Intensity Drug Trafficking Area	N.A. / I5PAPP501		6,675.27
Tennessee Bureau of Investigation	Appalachia High Intensity Drug Trafficking Area	N.A. / I6PAPP501		263,036.42
Tennessee Bureau of Investigation	Appalachia High Intensity Drug Trafficking Area	N.A. / I7PAPP501	\$	904,967.01

Subtotal Office of National Drug Control Policy			\$	904,967.01
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State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Tennessee Valley Authority				
Direct Programs				
Environment and Conservation	TVA Ocoee Trust Fund	N.A. / TV-63501	\$	99,186.17
Military	Radiological Emergency Response	N.A. / 99997954		1,015,196.96
Pellissippi State Technical Community College	Tennessee Valley Region-Economic Development	N.A. / 99997620		175,680.86
Tennessee State University	Industrial Training Center Grant	N.A. / TV-61962A		70,601.02
University of Tennessee	TVA Disability Awareness-Long	N.A. / DISABILITY		310.00
University of Tennessee	TVA Release No. 25-Gangaware	N.A. / #99998950-REL.NO.25	\$ 40,571.24	
University of Tennessee	TVA Release No. 55-Gangaware	N.A. / #99998950-REL.NO.55	4,841.62	45,412.86
University of Tennessee	TVA-#00020810-Pond Creek-Walker	N.A. / TRACKING #79585		6,543.77
University of Tennessee	TVA-Samab	N.A. / #99998950-REL.NO.2		45,101.36
University of Tennessee	TVA-Shoopman-2007	N.A. / TVA - Shoopman - 2007		1,796.91
Subtotal Tennessee Valley Authority			\$	1,459,829.91
Subtotal Other Federal Assistance			\$	2,364,796.92
Total Unclustered Programs			\$	2,300,201,384.70

Research and Development Cluster

Department of Agriculture

Agricultural Research Service

Direct Programs				
Tennessee State University	Agricultural Research_Basic and Applied Research	10.001	\$ 302,876.62	
University of Memphis	Agricultural Research_Basic and Applied Research	10.001		15,065.54
University of Tennessee	Agricultural Research_Basic and Applied Research	10.001	866,458.11	\$ 1,184,400.27
Subtotal Direct Programs			\$	1,184,400.27
Passed Through University of Wisconsin at Madison				
University of Tennessee	Agricultural Research_Basic and Applied Research	10.001 / USDA 5819354450	\$	5,453.78
Subtotal Pass-Through Programs			\$	5,453.78
Subtotal Agricultural Research Service			\$	1,189,854.05

Cooperative State Research, Education, and Extension Service

Direct Programs				
Tennessee State University	Grants for Agricultural Research, Special Research Grants	10.200	\$ 14,787.76	
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200	528,657.48	\$ 543,445.24
Tennessee State University	Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205		2,411,905.59
East Tennessee State University	Grants for Agricultural Research_ Competitive Research Grants	10.206	\$ 19,491.53	

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Tennessee State University	Grants for Agricultural Research_ Competitive Research Grants	10.206		122,141.68
Tennessee Technological University	Grants for Agricultural Research_ Competitive Research Grants	10.206		14,224.13
University of Tennessee	Grants for Agricultural Research_ Competitive Research Grants	10.206		891,896.20
Tennessee State University	1890 Institution Capacity Building Grants	10.216		1,047,753.54
University of Tennessee	Higher Education Challenge Grants	10.217		520,066.64
University of Tennessee	Biotechnology Risk Assessment Research	10.219		54,301.11
Tennessee State University	Integrated Programs	10.303	\$ 314,890.86	
University of Tennessee	Integrated Programs	10.303	36,531.49	351,422.35
Subtotal Direct Programs				\$ 5,113,151.00
Passed Through South Dakota State University				
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / 3FE042	\$ 80,805.82	
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / 483834	43,756.76	\$ 124,562.58
Passed Through Southern Regional Aquaculture Center				
University of Memphis	Grants for Agricultural Research, Special Research Grants	10.200 / 2003-38500-12997	\$ 4,940.33	
University of Memphis	Grants for Agricultural Research, Special Research Grants	10.200 / 2004-38500-14387	14,694.97	19,635.30
Passed Through University of Florida				
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / UFIFAS0004918103		(9,711.22)
Passed Through University of Georgia				
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / RD309-0156/9036407	\$ 354.90	
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / RD309-049/6582507	75,486.61	
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / RD309-061/9039907	58,312.02	
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / RD318-215/3500088	4,554.56	138,708.09
Passed Through Virginia Polytechnic Institute and State University				
University of Tennessee	Grants for Agricultural Research, Special Research Grants	10.200 / CR-19121-428201		7,293.20
University of Tennessee	Grants for Agricultural Research_Competitive Research Grants	10.206 / CR19121428195		61,502.39
University of Tennessee	Integrated Programs	10.303 / CR19121428209	\$ 105,666.42	
University of Tennessee	Integrated Programs	10.303 / TRACKING #80327	5,985.06	111,651.48
Passed Through Cornell University				
University of Tennessee	Grants for Agricultural Research_Competitive Research Grants	10.206 / 47818-8060		47,727.35
University of Tennessee	Integrated Programs	10.303 / 459377665		29,405.58

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Kansas State University			
Tennessee State University	Grants for Agricultural Research_Competitive Research Grants	10.206 / 2002-35200-12221	2,075.80
Passed Through University of Delaware			
University of Tennessee	Grants for Agricultural Research_Competitive Research Grants	10.206 / SUBGRANT #6181	51,947.71
Passed Through University of Massachusetts			
University of Tennessee	Grants for Agricultural Research_Competitive Research Grants	10.206 / 04003071A00	\$ 36,528.24
University of Tennessee	Grants for Agricultural Research_Competitive Research Grants	10.206 / 05003124A00	34,556.67
Passed Through Fort Valley State University			
Tennessee State University	1890 Institution Capacity Building Grants	10.216 / 2003-38814-14099	1,170.00
Passed Through North Carolina Agricultural and Technical State University			
Tennessee State University	1890 Institution Capacity Building Grants	10.216 / 2006-38814-17429	565.40
Passed Through University of Kentucky			
University of Tennessee	Biotechnology Risk Assessment Research	10.219 / 304803920007119	17,526.96
Passed Through Iowa State University			
University of Tennessee	Integrated Programs	10.303 / 416232	22,855.10
Passed Through North Carolina State University			
University of Tennessee	Integrated Programs	10.303 / 2004150102	41,578.37
Passed Through Rutgers, The State University of New Jersey			
University of Memphis	Integrated Programs	10.303 / SUB 3043 PO S852056	2,370.26
Passed Through Texas Agricultural and Mechanical University			
Tennessee State University	Integrated Programs	10.303 / 2004-51130-03114	11,125.44
Passed Through Texas Agriculture Extension			
University of Tennessee	Integrated Programs	10.303 / 450033	3,059.16
Passed Through Fort Belknap College			
Tennessee State University	Cooperative Extension Service	10.500 / 2002-47002-01471	55.32
Subtotal Pass-Through Programs			<u>\$ 756,189.18</u>
Subtotal Cooperative State Research, Education, and Extension Service			<u>\$ 5,869,340.18</u>

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Economic Research Service				
Direct Programs				
Middle Tennessee State University	Agricultural and Rural Economic Research	10.250	\$ 34,893.59	
Tennessee State University	Agricultural and Rural Economic Research	10.250	7,132.01	
University of Tennessee	Agricultural and Rural Economic Research	10.250	485.65	\$ 42,511.25
Subtotal Direct Programs				<u>\$ 42,511.25</u>
Passed Through Board of Regents of The University of Wisconsin System				
Middle Tennessee State University	Agricultural and Rural Economic Research	10.250 / F184833, UW ACCT. 144-PA53	\$ 8,967.20	
Subtotal Pass-Through Programs				<u>\$ 8,967.20</u>
Subtotal Economic Research Service				<u>\$ 51,478.45</u>
Food and Nutrition Service				
Passed Through Association of State and Territorial Health Nutrition Directors				
University of Tennessee	Team Nutrition Grants	10.574 / ASSOC OF STATE & TER	\$ 36,872.92	
Subtotal Food and Nutrition Service				<u>\$ 36,872.92</u>
Foreign Agricultural Service				
Direct Programs				
Tennessee State University	Scientific Cooperation and Research	10.961	\$ 92.80	
University of Tennessee	Cochran Fellowship Program-International Training-Foreign Participant	10.962		29,937.00
Subtotal Foreign Agricultural Service				<u>\$ 30,029.80</u>
Forest Service				
Direct Programs				
University of Tennessee	Forestry Research	10.652		\$ 267,902.68
University of Memphis	Cooperative Forestry Assistance	10.664	\$ 9,532.00	
University of Tennessee	Cooperative Forestry Assistance	10.664	117,843.48	127,375.48
University of Tennessee	Rural Development, Forestry, and Communities	10.672		16,251.86
Subtotal Forest Service				<u>\$ 411,530.02</u>
National Sheep Industry Improvement Center				
Direct Programs				
University of Tennessee	National Sheep Industry Improvement Center	10.774	\$ 1,472.09	

State of Tennessee
Schedule of Expenditures of Federal Awards
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Subtotal National Sheep Industry Improvement Center			\$ 1,472.09
Natural Resources Conservation Service			
Direct Programs			
University of Tennessee	Soil and Water Conservation	10.902	\$ 158,824.17
Subtotal Direct Programs			\$ 158,824.17
Passed Through Hull-York Lakeland Resource Conservation and Development			
Tennessee Technological University	Resource Conservation and Development	10.901 / N.A.	\$ 1,969.84
Subtotal Pass-Through Programs			\$ 1,969.84
Subtotal Natural Resources Conservation Service			\$ 160,794.01
Rural Housing Service			
Direct Programs			
University of Tennessee	The Rural Development (RD) Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR)	10.447	\$ 685.69
Subtotal Rural Housing Service			\$ 685.69
Rural Development			
Direct Programs			
University of Tennessee	Rural Business Enterprise Grants	10.769	\$ 1,480.03
University of Tennessee	Rural Business Opportunity Grants	10.773	11,143.71
Subtotal Rural Development			\$ 12,623.74
Other Programs			
Direct Programs			
University of Tennessee	Initiative for Future Agriculture and Food Systems	10.302	\$ 30,865.82
Tennessee Technological University	Threatened and Endangered Bat Inventory, Distribution and Monitoring	N.A. / 06-CS-11081000-004	1,689.20
University of Tennessee	USDA ARS 5864027111 Ag Support-Hayes	N.A. / 58-640-27-111	41,466.69
University of Tennessee	USDA CSATN4424 Energy Strategy-Walsh	N.A. / CASTN4424	31,801.37
University of Tennessee	USDA CSREES 90CSATN1-150-Walsh	N.A. / 90 CSA TN1-150	11,984.28
University of Tennessee	USDA FS 04CS11083133010 YR 4-Schlarbaum	N.A. / 04CS11083133010 YR4	26,392.47
University of Tennessee	USDA FS 04DG11083150050 Cnker-Schlarbaum	N.A. / 86354	15,919.91
University of Tennessee	USDA FS 05CR11330128204 Trends-Franzreb	N.A. / SRS05CR11330128204	1,844.37

**State of Tennessee
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For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	USDA FS 05PA11083150070 Imdclprd-Grant	N.A. / 05PA11083150070	102,473.50
University of Tennessee	USDA FS 06CS11080400006 Cherokee-Fly	N.A. / 06CS11080400006	46,779.12
University of Tennessee	USDA FS 06JV11242300076 Lg Cage-Grant	N.A. / 06JV11242300076	1,019.94
University of Tennessee	USDA FS 6CS11090100012 Bttrnt- Schlarbaum	N.A. / 06CS11090100012	21,377.66
University of Tennessee	USDA NRCS 683A754136 Biomass- Womac	N.A. / NRCS 68-3A75-4-136	195,670.95
University of Tennessee	USDA NRCS 683A754153 Plng Tools-Yoder	N.A. / 683A754153	10,539.11
University of Tennessee	USDA NRCS 683A754153 RUSLE2- Yoder	N.A. / 683A754153	72,616.61
University of Tennessee	USDA NRCS-685C162066-Ammons	N.A. / 68-5C16-2-066	8,489.27
University of Tennessee	USDA-05-CR-11061000-046- Grissino-Mayer	N.A. / 05-CR-11061000-046	5,280.88
University of Tennessee	USDA-05-PA-11081209-040- Anderson	N.A. / 05-PA-11081209-040	10,917.65
University of Tennessee	USDA-SCA 58-6408-6-073-Schwartz	N.A. / SCA 58-6408-6-073	8,153.04
Subtotal Direct Programs			\$ 645,281.84
Passed Through University of New Hampshire			
University of Tennessee	Initiative for Future Agriculture and Food Systems	10.302 / 05-965	\$ 336.09
Passed Through Virginia Polytechnic Institute and State University			
University of Tennessee	Initiative for Future Agriculture and Food Systems	10.302 / TRACKING #72500	(181.53)
Passed Through Mushroom Council			
University of Tennessee	Mushroom Council-Wst Materials- Zivanovic	N.A. / 7106-001	769.68
Passed Through University of Florida			
University of Tennessee	Un of FL IR4 Liaison-Performance Thompson	N.A. / UF IFAS 00062585	3,388.74
University of Tennessee	UN of FL-Pest Ctl Thompson/Hitch (002)	N.A. / UF IFAS 00057705	80,072.53
Passed Through University of Georgia			
University of Tennessee	UN of GA RR251238/9036427 Sptl Anlys-Cho	N.A. / RR251238/9036427	1,415.22
Subtotal Pass-Through Programs			\$ 85,800.73
Subtotal Other Programs			\$ 731,082.57
Subtotal Department of Agriculture			\$ 8,495,763.52

Department of Commerce

International Trade Administration

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through Cornell University				
University of Tennessee	ITA Special Projects	11.113 / 42657-7515	\$	443.99
Subtotal International Trade Administration			\$	443.99
Economic Development Administration				
Direct Programs				
University of Memphis	Economic Development_Technical Assistance	11.303	\$	(304.83)
Subtotal Economic Development Administration			\$	(304.83)
National Oceanic and Atmospheric Administration				
Direct Programs				
University of Tennessee	Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	11.478	\$	73,450.55
Subtotal Direct Programs			\$	73,450.55
Passed Through Bowling Green State University				
University of Tennessee	Sea Grant Support	11.417 / 60008566	\$	1,929.11
Passed Through University of Florida				
University of Tennessee	Sea Grant Support	11.417 / 00060630		56,844.80
Passed Through Cooperative Institute for Arctic Research				
University of Tennessee	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432 / UAF04-0048	\$	86,484.82
University of Tennessee	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432 / UAF05-0052/FP504723	8,295.45	94,780.27
Passed Through State University of New York				
University of Tennessee	Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	11.478 / 1050638/37516		92,291.25
Subtotal Pass-Through Programs			\$	245,845.43
Subtotal National Oceanic and Atmospheric Administration			\$	319,295.98
National Institute for Standards and Technology				
Direct Programs				
Tennessee Technological University	Measurement and Engineering Research and Standards	11.609	\$	38,187.82
University of Tennessee	Measurement and Engineering Research and Standards	11.609	37,003.32	\$ 75,191.14
Subtotal National Institute for Standards and Technology			\$	75,191.14

State of Tennessee
Schedule of Expenditures of Federal Awards
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Other Programs			
Direct Programs			
University of Tennessee	NIST NA1341-03-W-0769 Bartmess	N.A. / NA1341-03-W-0769	\$ 51.41
University of Tennessee	NOAA DG133F06SE4908	N.A. / DG133F06SE4908	12,143.11
Subtotal Direct Programs			\$ 12,194.52
Passed Through Research Foundation of the State University of New York			
University of Tennessee	Suny 1052021/38148 Wilhelm	N.A. / 1052021/38148	\$ 5,011.82
Subtotal Pass-Through Programs			\$ 5,011.82
Subtotal Other Programs			\$ 17,206.34
Subtotal Department of Commerce			\$ 411,832.62
Department of Defense			
Department of the Army, Office of the Chief of Engineers			
Direct Programs			
East Tennessee State University	Collaborative Research and Development	12.114	\$ 62,748.78
Subtotal Department of the Army, Office of the Chief of Engineers			\$ 62,748.78
Department of the Navy, Office of the Chief of Naval Research			
Direct Programs			
Tennessee State University	Basic and Applied Scientific Research	12.300	\$ 61.60
Tennessee Technological University	Basic and Applied Scientific Research	12.300	144,046.71
University of Memphis	Basic and Applied Scientific Research	12.300	183,352.11
University of Tennessee	Basic and Applied Scientific Research	12.300	961,609.12
Subtotal Direct Programs			\$ 1,289,069.54
Passed Through College of William and Mary			
University of Tennessee	Basic and Applied Scientific Research	12.300 / UTN3469/GRT#734691	\$ 73,740.05
Passed Through Florida Atlantic University			
University of Tennessee	Basic and Applied Scientific Research	12.300 / AGREEMENT #URG23	39,160.64
Passed Through Florida Institute of Technology			
University of Tennessee	Basic and Applied Scientific Research	12.300 / P0033162	(500.00)
Passed Through Mississippi State University			
Tennessee Technological University	Basic and Applied Scientific Research	12.300 / 060700-360079-01	43,253.64
Passed Through University of California			
University of Tennessee	Basic and Applied Scientific Research	12.300 / SA5506-11398	31,458.62

**State of Tennessee
Schedule of Expenditures of Federal Awards
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through University of Connecticut				
University of Tennessee	Basic and Applied Scientific Research	12.300 / ID NO 5472		7,932.11
Passed Through University of Minnesota				
University of Tennessee	Basic and Applied Scientific Research	12.300 / R9106002101		26,351.45
Passed Through University of Notre Dame				
University of Tennessee	Basic and Applied Scientific Research	12.300 / N00014-01-1-0658		(7,073.66)
Subtotal Pass-Through Programs			\$	<u>214,322.85</u>
Subtotal Department of the Navy, Office of the Chief of Naval Research			\$	<u>1,503,392.39</u>
U.S. Army Medical Command				
Direct Programs				
East Tennessee State University	Military Medical Research and Development	12.420	\$ 188,800.02	
Tennessee State University	Military Medical Research and Development	12.420	113,546.12	
University of Tennessee	Military Medical Research and Development	12.420	36,710.01	\$ 339,056.15
Subtotal Direct Programs			\$	<u>339,056.15</u>
Passed Through University of Connecticut				
University of Tennessee	Military Medical Research and Development	12.420 / ID # 5403	\$	8,064.97
Passed Through University of Michigan				
East Tennessee State University	Military Medical Research and Development	12.420 / F009464	\$ 289,368.30	
East Tennessee State University	Military Medical Research and Development	12.420 / W81XWH-06-2-0044	378,999.02	668,367.32
Passed Through University of Nebraska				
University of Memphis	Military Medical Research and Development	12.420 / 35-1905-2016-004		223,586.41
Subtotal Pass-Through Programs			\$	<u>900,018.70</u>
Subtotal U.S. Army Medical Command			\$	<u>1,239,074.85</u>
U.S. Army Materiel Command				
Direct Programs				
Tennessee State University	Basic Scientific Research	12.431	\$ 391,825.97	
Tennessee Technological University	Basic Scientific Research	12.431	123,538.42	
University of Memphis	Basic Scientific Research	12.431	1,018,509.76	
University of Tennessee	Basic Scientific Research	12.431	55,179.15	\$ 1,589,053.30
Subtotal Direct Programs			\$	<u>1,589,053.30</u>

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through Battelle Memorial Institute				
University of Memphis	Basic Scientific Research	12.431 / TCN 04172 MOD3	\$ 14,543.09	
University of Memphis	Basic Scientific Research	12.431 / TCN 06103	<u>206,526.14</u>	\$ 221,069.23
Passed Through University of California				
University of Memphis	Basic Scientific Research	12.431 / SA5213 11807		54,847.96
Passed Through University of Massachusetts				
University of Tennessee	Basic Scientific Research	12.431 / 05-002827 A00		42,481.04
Passed Through University of Virginia				
University of Tennessee	Basic Scientific Research	12.431 / GG10829-126149		<u>52,631.87</u>
Subtotal Pass-Through Programs			<u>\$ 371,030.10</u>	
Subtotal U.S. Army Materiel Command			<u>\$ 1,960,083.40</u>	
Office of the Secretary of Defense				
Direct Programs				
University of Tennessee	Basic, Applied, and Advanced Research in Science and Engineering	12.630	\$ 6,752.52	
Subtotal Office of the Secretary of Defense			<u>\$ 6,752.52</u>	
Department of the Air Force, Materiel Command				
Direct Programs				
University of Memphis	Air Force Defense Research Sciences Program	12.800	\$ 800.00	
University of Tennessee	Air Force Defense Research Sciences Program	12.800	169,720.73	<u>\$ 170,520.73</u>
Subtotal Direct Programs			<u>\$ 170,520.73</u>	
Passed Through Texas Tech University				
University of Tennessee	Air Force Defense Research Sciences Program	12.800 / 1303/1025-01		<u>\$ (1,620.19)</u>
Subtotal Pass-Through Programs			<u>\$ (1,620.19)</u>	
Subtotal Department of the Air Force, Materiel Command			<u>\$ 168,900.54</u>	
National Security Agency				
Direct Programs				
Middle Tennessee State University	Mathematical Sciences Grants Program	12.901	\$ 26,474.36	
Subtotal National Security Agency			<u>\$ 26,474.36</u>	

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Advanced Research Projects Agency			
Direct Programs			
University of Tennessee	Research and Technology Development	12.910	\$ 130,542.10
Subtotal Advanced Research Projects Agency			\$ 130,542.10
Other Programs			
Direct Programs			
Tennessee State University	Drawings and Transient Heat Performance Analysis for Portable Heater System	N.A. / N00030-02-M-0601	\$ 908.49
Tennessee Technological University	Advanced Portable Power Institute	N.A. / W909MY-06-C-0040	537,638.35
Tennessee Technological University	Efficient Modeling and Simulation of Lithium-ion Batteries for Satellite Applications in an Automated Environment	N.A. / NRO000-06-C-0093	227,862.71
Tennessee Technological University	Intergovernmental Personnel Act	N.A. / 595-84-9558	16,510.24
Tennessee Technological University	Modeling Capacity Fade and Lifetime of Lithium-ion Batteries for Satellite Applications	N.A. / NRO 000-06-R-0180	87,972.86
University of Memphis	Development of Deposit to Discovery to Delivery A User Focused Infrastructure for Content Management in an ADL Environment	N.A. / N61339 07 2 0001	159,140.77
University of Memphis	Evolving the JADL Integrated Prototype Architecture: Alignment with the e-Framework	N.A. / N61339 06 C 0082	87,417.53
University of Memphis	Integration of SCORM and ITS JADL Cooperative Agreement	N.A. / N61339 07 2 0001	39,247.01
University of Tennessee	AF F40600-00-D-0001/0026 Schulz	N.A. / F40600-00-D-00010026	130,461.76
University of Tennessee	AF F40600-00-D-0001/0029 Stewart Jd	N.A. / F40600-00-D-00010029	1,382,216.46
University of Tennessee	AF F40600-00-D-0001-0001/0030 Bomar	N.A. / F40600-00-D-00010030	64,847.84
University of Tennessee	AF F40600-00-D-0001-0001/0031 Allison	N.A. / F40600-00-D-0001/031	275,716.60
University of Tennessee	AF F40600-00-D-0001-0015 Hofmeister	N.A. / F40600-00-D-0001/015	25,826.88
University of Tennessee	AF F40600-00-D-0001-0019 Flandro	N.A. / F40600-00-D0001-0019	86,322.17
University of Tennessee	AF FA8750-06-1-0239-Dongarra	N.A. / FA8750-06-1-0239	116,411.59
University of Tennessee	AF FA9101-06-D-0001/0001 Moeller	N.A. / FA9101-06-D-0001/001	47,709.36
University of Tennessee	AF-FA7014-06-D-0019-T3-Lean Srv	N.A. / FA7014-06-D-0019	1,889,932.12
University of Tennessee	Army CERL CESU Vehicle Tracking-Ayers	N.A. / W9132T06Z0005	1,963.07
University of Tennessee	Army Contract DAMD17-03-1-0141	N.A. / DAMD17-03-1-0141	103,172.74
University of Tennessee	Army Corps-Grassland Birds	N.A. / DACA87-00-H-004	123,017.21
University of Tennessee	Army DAAD19-02-1-0427 Steinhoff	N.A. / DAAD19-02-1-0427	58,958.20
University of Tennessee	Army DACA420320002-Vehicle Impcs-Ayers	N.A. / DACA420320002 MOD7	96,257.28
University of Tennessee	Army Grant W81XHW-05-1-0227	N.A. / W81XHW-05-1-0227	520,479.31
University of Tennessee	Army Grant W81XWH-0410156	N.A. / W81XWH-0410156	97,724.59
University of Tennessee	Army Grant W81XWH-0510409-Fox	N.A. / W81XWH-0510409	224,309.64
University of Tennessee	Army Grant W81XWH-07-1-0248-Tigy	N.A. / W81XWH-07-1-0248	17,372.68
University of Tennessee	Army W81XWH05C0017 Security-Moore	N.A. / W81XWH-05-C-0017	518,415.42
University of Tennessee	Army W81XWH0610471 Sand Flies-Moulton	N.A. / W81XWH0610471	31,282.76

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	Army W912HZ-05-P-0086 Perfect	N.A. / W912HZ-05-P-0086	24,819.70
University of Tennessee	Army-W56HCZV-04-C-0044 - Abidi	N.A. / W56HCZV-04-C-0044	347,149.17
University of Tennessee	IPA-AF-Balven	N.A. / IPA -AF-BALVEN	55,470.65
University of Tennessee	IPA-USAF-AFMC-ESC Ja Cunningham	N.A. / IPA	336,940.22
University of Tennessee	Navy N00014-04-1-0797 - Qi	N.A. / N00014-04-1-0797	103,475.85
University of Tennessee	NSACSS-H98230-05-1-0043-Xiong	N.A. / H98230-05-1-0043	1,797.17
University of Tennessee	ONR #SP010302D0014 Coranet- Weiss	N.A. / 85255	9,671.75
University of Tennessee	ONR SP0302D0014 Cheese Sprd- Zivanovic	N.A. / SP10302D0014	51,871.80
University of Tennessee	US Dept of Army-W31P4Q-04-P- R098-Freeman	N.A. / W31P4Q-04-P-R098	713.77
University of Tennessee	USAF Res Lab FA87500610185 Peterson	N.A. / FA8750-06-1-0185	41,873.79
Subtotal Direct Programs			\$ 7,942,879.51
Passed Through Academy of Applied Science			
Tennessee State University	Research and Engineering Apprentice Program	N.A. / DAAH04-93-G-0163	\$ 4,539.14
Passed Through Carnegie Mellon University			
University of Memphis	Department of Defense Content Object Repository Discovery and Registration Architecture	N.A. / N4175601D7456	346,507.73
Passed Through Mississippi State University			
University of Tennessee	MSU-PET2 CE002 FY08-Dongarra	N.A. / GS04T01BFC0060	748,308.19
Passed Through Strategic Systems Programs			
Tennessee State University	Prototype Portable Heater System for Launch Maintenance	N.A. / N00030-02-M-0619	321.45
Passed Through University of Michigan			
University of Tennessee	Univ Michigan-F011659-Irick	N.A. / F011659	177,411.12
Passed Through University of North Carolina			
University of Tennessee	NCST 2004179901 Theoretical Trtm- Stewart	N.A. / 2004179901	46,562.45
Passed Through University of Virginia			
University of Tennessee	Univ of VA-Terahertz Sensing- Stewart	N.A. / GO10166118481AMD4	11,896.00
Passed Through Vanderbilt University			
University of Tennessee	Vanderbilt Univ Sub# 19192-S1 L Davis	N.A. / SUB.#19192-S1	166,919.07
Subtotal Pass-Through Programs			\$ 1,502,465.15
Subtotal Other Programs			\$ 9,445,344.66
Subtotal Department of Defense			\$ 14,543,313.60

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Department of Housing and Urban Development				
Office of Community Planning and Development				
Passed Through Community Development Corporation of Northeast Tennessee				
East Tennessee State University	Rural Housing and Economic Development	14.250 / RH-00-TN-1-0053	\$	99,031.05
Subtotal Office of Community Planning and Development			\$	99,031.05
Subtotal Department of Housing and Urban Development			\$	99,031.05
Department of the Interior				
Fish and Wildlife Service				
Direct Programs				
Tennessee Technological University	Fish and Wildlife Management Assistance	15.608	\$	122,434.26
Tennessee Technological University	Cooperative Endangered Species Conservation Fund	15.615		8,284.59
University of Tennessee	Partners for Fish and Wildlife	15.631		1,961.56
Tennessee Technological University	Conservation Grants Private Stewardship for Imperiled Species	15.632	\$ 45,365.78	
University of Tennessee	Conservation Grants Private Stewardship for Imperiled Species	15.632	34,947.02	80,312.80
University of Tennessee	Migratory Bird Conservation	15.647		12,789.62
Subtotal Direct Programs			\$	225,782.83
Passed Through National Fish and Wildlife Foundation				
University of Memphis	Fish and Wildlife Management Assistance	15.608 / 2006-0094-006	\$	10,948.69
Passed Through The Nature Conservancy				
Tennessee Technological University	Cooperative Endangered Species Conservation Fund	15.615 / TNFO-03/01/07-01		9,397.08
Subtotal Pass-Through Programs			\$	20,345.77
Subtotal Fish and Wildlife Service			\$	246,128.60
Geological Survey				
Direct Programs				
University of Tennessee	Assistance to State Water Resources Research Institutes	15.805	\$	74,719.76
University of Memphis	Earthquake Hazards Reduction Program	15.807		932,726.53
Tennessee Technological University	U.S. Geological Survey_ Research and Data Collection	15.808	\$ 54,570.74	
University of Memphis	U.S. Geological Survey_ Research and Data Collection	15.808	9,000.00	
University of Tennessee	U.S. Geological Survey_ Research and Data Collection	15.808	500,664.71	564,235.45

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	National Cooperative Geologic Mapping Program	15.810	34,861.31
Tennessee Technological University	Cooperative Research Units Program	15.812	37,244.87
Subtotal Direct Programs			\$ 1,643,787.92
Passed Through Southern Appalachian Man and Biosphere			
University of Tennessee	U.S. Geological Survey_ Research and Data Collection	15.808 / 00059611	\$ 37,923.87
Passed Through University of Florida			
University of Tennessee	U.S. Geological Survey_ Research and Data Collection	15.808 / 01HQAG0196	145,524.41
Subtotal Pass-Through Programs			\$ 183,448.28
Subtotal Geological Survey			\$ 1,827,236.20

National Park Service

Direct Programs

Tennessee Technological University	Migratory Bird Joint Ventures	15.637	\$ 21,616.80
University of Memphis	Technical Preservation Services	15.915	\$ 5,915.87
University of Tennessee	Technical Preservation Services	15.915	12,420.18
Tennessee Technological University	Outdoor Recreation_Acquisition, Development and Planning	15.916	\$ 6,927.52
University of Tennessee	Outdoor Recreation_Acquisition, Development and Planning	15.916	127,474.51
University of Tennessee	Rivers, Trails and Conservation Assistance	15.921	4,985.21
East Tennessee State University	National Center for Preservation Technology and Training	15.923	295.20
Tennessee Technological University	American Battlefield Protection	15.926	12,665.95
Subtotal Direct Programs			\$ 192,301.24

Passed Through Kansas State University

University of Tennessee	Native American Graves Protection and Repatriation Act	15.922 / TAYLOR MOUND 14DP3	\$ 2,586.42
Subtotal Pass-Through Programs			\$ 2,586.42
Subtotal National Park Service			\$ 194,887.66

Other Programs

Direct Programs

Middle Tennessee State University	Fish Inventory at Stones River National Battefield	N.A. / H5000030300	\$ 2,323.47
Middle Tennessee State University	Yam Eradication Site Restoration	N.A. / J5590040040	4,006.65
Tennessee State University	Water Resources Investigations	N.A. / 04E4TN25250041	(8,123.50)
Tennessee Technological University	Development of a Geo-Referenced Database to Identify and Inventory Wetlands at Little River Canyon	N.A. / H5000050330-J2113060007	20,559.17

State of Tennessee
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For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Tennessee Technological University	Protocol Development for Long-Term Monitoring of Rare Fish at Big South NRRA and Obed Wild and Scenic River	N.A. / H5000050330-J513060010	18,647.90
Tennessee Technological University	Threatened or Endangered Aquatic Insect Survey	N.A. / H5000050330-J5640060001	1,989.94
University of Tennessee	NIFC-NPS-Grissino-Mayer	N.A. / J5460 06 0108	39,880.35
University of Tennessee	NPS CESU J2340060005 Advisor-Schlarbaum	N.A. / J2340060005 CESU	27,800.28
University of Tennessee	NPS Chickamauga Keller	N.A. / J2113030050	1,442.33
University of Tennessee	NPS H500099A007 Vertebrate Inv-Hopper	N.A. / J5028020427 MOD 3	39,929.25
University of Tennessee	NPS H5530040057 Restoration-Schlarbaum	N.A. / H5530040057	55,989.61
University of Tennessee	NPS Hemlock Woolly J5461030461-Bernard	N.A. / 83980	195,083.16
University of Tennessee	NPS J5536030315-Mod 14-Clark	N.A. / 83463	12,402.73
University of Tennessee	NPS Obed River Keller	N.A. / H500099A007	361.31
University of Tennessee	NPS River Habitat Mapping #2-Ayers	N.A. / J5130050021	9,080.26
University of Tennessee	NPS-J513005002-Driskell	N.A. / J5130050022	25,382.19
University of Tennessee	NPS-J5565050023-Driskell	N.A. / J5565050023	3,443.20
University of Tennessee	US Dept of Interior NPS-Herrmann	N.A. / 7506Z586B,2006	4,729.83
University of Tennessee	US Dept of Interior-S06PC12054-Schwartz	N.A. / S06PC12054	48,240.42
University of Tennessee	USDI-401814J002 CESU Support-Hopper	N.A. / 401814J002	38.91
University of Tennessee	USDI-Ecosystem Studies Unit-Hopper	N.A. / 84125	9,898.10
University of Tennessee	USDI-NPS J5890030349 Shiloh-Sherwood	N.A. / J5890030349	346.15
University of Tennessee	USDI-NPS-J9999079999-Sherwood	N.A. / H5000-05-5040	14,835.79
University of Tennessee	USDI-Nsp-Campground T&E-Boake	N.A. / J5640050003	5,632.12
University of Tennessee	USF&W 301814G084 Big Oak Nat'l-Buehler	N.A. / DCN 301814G084	11,332.00
University of Tennessee	USF&W Waterbird/Food Rspns KY Rsrvr-Gray	N.A. / 401816G059	26,391.08
University of Tennessee	USF&W Wintering Waterfowl-Gray	N.A. / 401816G063	32,591.58
Subtotal Direct Programs			\$ 604,234.28
Passed Through The Nature Conservancy			
University of Tennessee	Nature Conserv CNOMEX-042307 Horn	N.A. / CNOMEX-042307	\$ 113.25
University of Tennessee	Nature Conserv VA022305B-Grissino-Mayer	N.A. / VA022305B	1,877.50
Subtotal Pass-Through Programs			\$ 1,990.75
Subtotal Other Programs			\$ 606,225.03
Subtotal Department of the Interior			\$ 2,874,477.49
Department of Justice			
National Institute of Justice			
Direct Programs			
University of Tennessee	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	\$ 20,981.53

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Subtotal Direct Programs			<u>\$ 20,981.53</u>
Passed Through Florida International University			
University of Tennessee	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560 / 202700581	\$ 15,031.22
Passed Through University of Arizona			
University of Tennessee	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560 / Y432887	11,566.55
Subtotal Pass-Through Programs			<u>\$ 26,597.77</u>
Subtotal National Institute of Justice			<u>\$ 47,579.30</u>
Bureau of Justice Assistance			
Direct Programs			
University of Memphis	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	\$ 609,703.39
University of Memphis	Community Prosecution and Project Safe Neighborhoods	16.609	(4,861.68)
Subtotal Direct Programs			<u>\$ 604,841.71</u>
Passed Through Shelby County Government			
University of Memphis	Community Prosecution and Project Safe Neighborhoods	16.609 / SCG13390	\$ (8,465.01)
Subtotal Pass-Through Programs			<u>\$ (8,465.01)</u>
Subtotal Bureau of Justice Assistance			<u>\$ 596,376.70</u>
Office of Community Oriented Policing Services			
Direct Programs			
Tennessee Technological University	Public Safety Partnership and Community Policing Grants	16.710	\$ 307,045.53
Subtotal Office of Community Oriented Policing Services			<u>\$ 307,045.53</u>
Other Programs			
Direct Programs			
University of Tennessee	FBI J-FBI-06-150 Jantz	N.A. / J-FBI-06-150	\$ 70,752.32
Subtotal Other Programs			<u>\$ 70,752.32</u>
Subtotal Department of Justice			<u>\$ 1,021,753.85</u>

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Department of Labor			
Bureau of Labor Statistics			
Direct Programs			
University of Tennessee	Labor Force Statistics	17.002	\$ 877,748.61
Subtotal Bureau of Labor Statistics			\$ 877,748.61
Employment and Training Administration			
Passed Through Tennessee Association of Independent Colleges and Schools			
Middle Tennessee State University	Incentive Grants - WIA Section 503	17.267 / 05-56-PY4-1AD-NCNTV	\$ 7,362.36
Subtotal Employment and Training Administration			\$ 7,362.36
Office of Disability Employment Policy			
Passed Through Arc of Tennessee			
University of Tennessee	Disability Employment Policy Development	17.720 / N.A.	\$ 10,348.68
Subtotal Office of Disability Employment Policy			\$ 10,348.68
Other Programs			
Direct Programs			
University of Tennessee	US Dept of Labor J-9-F-2-0016 Moore	N.A. / J-9-F-2-0016	\$ 215,181.66
Subtotal Other Programs			\$ 215,181.66
Subtotal Department of Labor			\$ 1,110,641.31
Department of State			
Other Programs			
Passed Through Civil Engineering Research Foundation			
University of Memphis	Pakistan US Cooperative Research Program	N.A. / Mohammad Fuzail Jadoon	\$ 24,490.62
Subtotal Other Programs			\$ 24,490.62
Subtotal Department of State			\$ 24,490.62
Department of Transportation			
Federal Aviation Administration			
Passed Through Embry Riddle Aeronautical University			
Middle Tennessee State University	Air Transportation Centers of Excellence	20.109 / 04-C-GA-ERAU	\$ 19,839.96

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Subtotal Federal Aviation Administration			\$	19,839.96
Federal Highway Administration				
Direct Programs				
Tennessee Technological University	Highway Research and Development Program	20.200	\$ 95,292.21	
University of Tennessee	Highway Research and Development Program	20.200	512,925.12	\$ 608,217.33
Subtotal Direct Programs			\$	608,217.33
Passed Through The National Academies				
University of Memphis	Highway Research and Development Program	20.200 / HR24-11(02)	\$	10,010.54
Passed Through City of Knoxville				
University of Tennessee	Recreational Trails Program	20.219 / C-05-0344		223.93
Subtotal Pass-Through Programs			\$	10,234.47
Subtotal Federal Highway Administration			\$	618,451.80
Federal Transit Administration				
Direct Programs				
University of Tennessee	Public Transportation Research	20.514	\$	96,907.89
Subtotal Federal Transit Administration			\$	96,907.89
Other Programs				
Direct Programs				
University of Memphis	University Transportation Centers Program	20.701	\$ 61,630.64	
University of Tennessee	University Transportation Centers Program	20.701	1,089,970.11	\$ 1,151,600.75
University of Tennessee	FAA-2004-Baker	N.A. / DTFAAC-04-A-00012		4,040.43
University of Tennessee	FTA TN-26-7029 Vakili	N.A. / TN-26-7029		81,210.88
University of Tennessee	MTMC-DABJ01-03-P-1332 P0002 Cooper	N.A. / DABJ01-03-P-1332 P02		4,848.89
University of Tennessee	National Academy of Sciences-Urbanik	N.A. / HR 3-66		50,374.28
University of Tennessee	NRC RUSSIA ALLEN	N.A. / INT-0002341		662.23
University of Tennessee	SDDC-Support Highway Database-Flinchum	N.A. / W81GYE-06P-0609		91,532.50
University of Tennessee	SDDC-W81GYE-05-P-0131	N.A. / WS1GYE-05-P-0131		49,112.15
University of Tennessee	US DOT Regional DTOS5907G00050 SGI-Rials	N.A. / DTOS5907G00050		12,898.27
University of Tennessee	US DOT-RIT-Volpe Center-Stewart	N.A. / DTRT57-06-P-80193		32,052.35
Subtotal Direct Programs			\$	1,478,332.73
Passed Through University of Arkansas				
Tennessee Technological University	University Transportation Centers Program	20.701 / AS0708210	\$	20,845.54

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Battelle Memorial Institute			
University of Tennessee	Battelle Memorial-Task 1-FAF2-Urbanik	N.A. / TASK ORDER 600183-1	2,999.38
Passed Through National Transportation Research Center, Incorporated			
University of Tennessee	NTRC Task Order No. 007 Chatterjee	N.A. / TASK ORDER NO. 007	5,833.70
University of Tennessee	NTRC Task Order No. 008 Urbanik	N.A. / TASK ORDER NO. 008	5,167.23
University of Tennessee	NTRC Urbanik	N.A. / GENERAL/ADMIN SUPP	2,860.04
Passed Through University of Minnesota			
University of Tennessee	Univ Minnesota-Cast-in Place-Ma	N.A. / L5206622101	35,307.81
Subtotal Pass-Through Programs			<u>\$ 73,013.70</u>
Subtotal Other Programs			<u>\$ 1,551,346.43</u>
Subtotal Department of Transportation			<u>\$ 2,286,546.08</u>
Appalachian Regional Commission			
Direct Programs			
East Tennessee State University	Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	\$ 95,794.87
Subtotal Appalachian Regional Commission			<u>\$ 95,794.87</u>
Office of Personnel Management			
Direct Programs			
University of Memphis	Intergovernmental Personnel Act (IPA) Mobility Program	27.011	\$ 11,068.76
Subtotal Office of Personnel Management			<u>\$ 11,068.76</u>
National Aeronautics and Space Administration			
Direct Programs			
East Tennessee State University	Aerospace Education Services Program	43.001	\$ 119,673.90
Tennessee State University	Aerospace Education Services Program	43.001	46,292.50
University of Memphis	Aerospace Education Services Program	43.001	62,898.63
University of Tennessee	Aerospace Education Services Program	43.001	64,548.30
Tennessee State University	Technology Transfer	43.002	\$ 412,430.06
Tennessee Technological University	Technology Transfer	43.002	37,034.10
Middle Tennessee State University	Cost Modeling for Space-based Telescopes and Further Database Development	N.A. / NNM05AA18G	13,425.47
Middle Tennessee State University	High Resolution Imaging of the Riparian Zone	N.A. / 15766-S4	(363.00)

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Middle Tennessee State University	Reason Can NASA EOS Higher-Education Alliance: Mobilization of NASA EOS Data and Information through Web Services and Knowledge	N.A. / NNG04GE6/A	8,249.56
Middle Tennessee State University	SATS Aerospace Flight Education Research SAFER Initiative	N.A. / NCC1-03032	(1,800.54)
Tennessee State University	Minority Institute Sabbatical Program	N.A. / NNA05CS99G	89,938.79
University of Tennessee	JPL 1282418 Moersch	N.A. / SUBCONTRACT 1282418	57,889.17
University of Tennessee	JPL 1241129 Moersch	N.A. / CONTRACT NO. 1241129	1,643.34
University of Tennessee	JPL 1268932 Blalock	N.A. / CONTRACT NO. 1268932	13,768.36
University of Tennessee	JPL 1273396 Joy	N.A. / CONTRACT NO.1273396	14,314.78
University of Tennessee	JPL 1280645 Blalock	N.A. / SUBCONTRACT 1280645	48,235.39
University of Tennessee	JPL Moersch	N.A. / 1242851	160,612.60
University of Tennessee	NASA Glenn NNX07AD58A Ranaudo	N.A. / NNX07AD58A	95,450.92
University of Tennessee	NASA NAG8-1826 Bunick	N.A. / NAG8-1826	36,306.53
University of Tennessee	NASA NAG8-1901 Townsend	N.A. / NAG8-1901	373,051.04
University of Tennessee	NASA NNA05CV29H McSween	N.A. / NNA05CV29H	2,519.09
University of Tennessee	NASA NNA06CN49A Berry	N.A. / NNA06CN49A	20,820.94
University of Tennessee	NASA NNC05GA18G Kihm	N.A. / NNC05GA18G	86,393.90
University of Tennessee	NASA NNG05GG03G Taylor	N.A. / NNG05GG03G	151,500.46
University of Tennessee	NASA NNG06GB44G Islam	N.A. / NNG06GB44G	133,004.09
University of Tennessee	NASA NNG06GG36G McSween	N.A. / NNG06GG36G	144,530.08
University of Tennessee	NASA NNG06GH18G Moersch	N.A. / NNG06GH18G	84,285.66
University of Tennessee	NASA NNJ06HF30G Taylor	N.A. / NNJ06HF30G	124,137.44
University of Tennessee	NASA NNNK05EE83H Saylor	N.A. / NNNK05EE83H	26,188.80
University of Tennessee	NASA NNL06AA19A Hofmeister	N.A. / NNL06AA19A	53,225.15
University of Tennessee	NASA NNL07AA36C Townsend	N.A. / NNL07AA36C	96,519.22
University of Tennessee	NASA NNM04AA19A Liaw	N.A. / NNM04AA19A	14,999.76
University of Tennessee	NASA NNX06AC32G Townsend	N.A. / NNX06AC32G	112,770.86
University of Tennessee	NASA NNX07AC14G Townsend	N.A. / NNX07AC14G	38,224.65
Subtotal Direct Programs			\$ 2,742,720.00
Passed Through American Society for Engineering Education			
Tennessee State University	Aerospace Education Services Program	43.001 / NCC5-612	\$ 14,464.06
Passed Through California Institute of Technology Jet Propulsion Laboratory			
East Tennessee State University	Aerospace Education Services Program	43.001 / 1263924	\$ (1,522.77)
East Tennessee State University	Aerospace Education Services Program	43.001 / 1265401	4,495.28
Tennessee State University	Visual Telerobotic Task Planning of Cooperative Robots	N.A. / 10344AD0-C9	30,467.14
Passed Through Smithsonian Astrophysical Observatory			
East Tennessee State University	Aerospace Education Services Program	43.001 / GO4-5103A	373.17
Passed Through University of Louisville			
University of Memphis	Aerospace Education Services Program	43.001 / ULRF 05 0426	10,743.19
Passed Through University of New Orleans Research and Technology Foundation			
Tennessee Technological University	Aerospace Education Services Program	43.001 / 58404-S4	\$ 31,579.13

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Tennessee Technological University	Aerospace Education Services Program	43.001 / 58404-S5	4,021.67	35,600.80
Passed Through Vanderbilt University				
Austin Peay State University	Aerospace Education Services Program	43.001 / 18184-S1		20,478.56
Tennessee Technological University	Tennessee Space Grant Consortium	N.A. / 18184-S7-1		6,529.67
University of Memphis	Simulation and Prediction of Magnetic Positive Positioning of LOX in Reduced Gravity	N.A. / 18184-S8-AMEND03		10,123.86
University of Tennessee	Vanderbilt-18184-S10-Taylor	N.A. / 18184-S10		39,288.25
University of Tennessee	Vanderbilt Univ Sub#18184-S11 Flandro	N.A. / SUB.#18184-S11		26,452.48
University of Tennessee	Vanderbilt University -Panella	N.A. / VICC THO 0319		2,000.00
Passed Through Cornell University				
University of Tennessee	Technology Transfer	43.002 / OSP39361-6446		12,248.14
Passed Through Regents of the University of California, Los Angeles				
University of Tennessee	Technology Transfer	43.002 / 2090 G EC832	\$ (3,124.72)	
University of Tennessee	Technology Transfer	43.002 / 2090 G FC199	41,064.14	37,939.42
Passed Through Arizona State University				
University of Tennessee	Arizona State 01-082 McSween	N.A. / 01-082		178,213.19
Passed Through Boston University				
University of Tennessee	Boston Univ-Lunar Orbiter-Townsend	N.A. / GC 189769 NGA		61,704.89
Passed Through Brown University				
University of Tennessee	Brown Univ-PO#988930-Taylor	N.A. / PO#988930		24,333.04
Passed Through Georgia Institute of Technology				
University of Tennessee	GA Tech-R7183-S6-Blalock	N.A. / R7183-S6		181,579.34
Passed Through Indiana University				
University of Tennessee	Indiana University-Pfiffner	N.A. / PO#10411-0117		194,074.01
Passed Through Pennsylvania State University				
University of Tennessee	Penn State Univ-3345-UTNASAC58A-DeSmidt	N.A. / 3345-UT-NASA-C58A		27,558.77
Passed Through Quality Education for Minorities Network				
Tennessee State University	2001 NASA Sharp Plus Research Apprenticeship Program	N.A. / NAG5-8886		4,323.81
Passed Through San Francisco State University				
Tennessee State University	N2k-A Search for Short-Period Planets Orbiting Metal-Rich Stars	N.A. / NNG05G164G		20,000.00

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through University of Connecticut				
Tennessee Technological University	Defining Optimality Criteria for the Effective Use of Satellite Precipitation Datasets in Land Surface Hydrology	N.A. / 5805/FRS#524431		12,856.74
Passed Through University of Mississippi				
Tennessee Technological University	Integration of Global Precipitation Measurement Data Product with the Hydrologic Engineering Center-Hydrologic Modeling System	N.A. / 07-04-096		18,956.37
Subtotal Pass-Through Programs			\$	973,281.41
Subtotal National Aeronautics and Space Administration			\$	3,716,001.41
National Endowment for the Humanities				
Direct Programs				
University of Tennessee	Promotion of the Humanities_Division of Preservation and Access	45.149	\$	808.10
University of Tennessee	Promotion of the Humanities_Fellowships and Stipends	45.160		40,181.57
University of Memphis	Promotion of the Humanities_Research	45.161	\$	600.00
University of Tennessee	Promotion of the Humanities_Research	45.161	81,551.26	82,151.26
Subtotal National Endowment for the Humanities			\$	123,140.93
Institute of Museum and Library Services				
Direct Programs				
University of Tennessee	National Leadership Grants	45.312	\$	231,198.85
Subtotal Direct Programs			\$	231,198.85
Passed Through Johns Hopkins University				
University of Tennessee	Laura Bush 21st Century Librarian Program	45.313 / RE-03-05-0020-05	\$	14,171.72
Subtotal Pass-Through Programs			\$	14,171.72
Subtotal Institute of Museum and Library Services			\$	245,370.57
National Science Foundation				
Direct Programs				
Tennessee Technological University	Engineering Grants	47.041	\$	285,075.75
University of Memphis	Engineering Grants	47.041		15,456.02
University of Tennessee	Engineering Grants	47.041	2,846,399.65	\$ 3,146,931.42
East Tennessee State University	Mathematical and Physical Sciences	47.049	\$	61,016.13
Middle Tennessee State University	Mathematical and Physical Sciences	47.049		1,983.21
Tennessee State University	Mathematical and Physical Sciences	47.049		249,711.74
Tennessee Technological University	Mathematical and Physical Sciences	47.049		145,946.14

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Memphis	Mathematical and Physical Sciences	47.049		864,073.95
University of Tennessee	Mathematical and Physical Sciences	47.049		3,131,386.42
				4,454,117.59
University of Memphis	Geosciences	47.050	\$	295,783.74
University of Tennessee	Geosciences	47.050		996,855.36
				1,292,639.10
Tennessee Technological University	Computer and Information Science and Engineering	47.070	\$	217,586.80
University of Memphis	Computer and Information Science and Engineering	47.070		560,445.61
University of Tennessee	Computer and Information Science and Engineering	47.070		1,922,073.81
				2,700,106.22
East Tennessee State University	Biological Sciences	47.074	\$	148,521.20
Middle Tennessee State University	Biological Sciences	47.074		114,135.77
Tennessee Technological University	Biological Sciences	47.074		371,317.80
University of Memphis	Biological Sciences	47.074		226,772.03
University of Tennessee	Biological Sciences	47.074		2,678,098.36
				3,538,845.16
Tennessee Technological University	Social, Behavioral, and Economic Sciences	47.075	\$	9,226.35
University of Memphis	Social, Behavioral, and Economic Sciences	47.075		153,638.57
University of Tennessee	Social, Behavioral, and Economic Sciences	47.075		400,297.96
				563,162.88
East Tennessee State University	Education and Human Resources	47.076	\$	139,615.18
Middle Tennessee State University	Education and Human Resources	47.076		235,211.04
Tennessee State University	Education and Human Resources	47.076		995,746.31
Tennessee Technological University	Education and Human Resources	47.076		345,713.15
University of Memphis	Education and Human Resources	47.076		885,976.12
University of Tennessee	Education and Human Resources	47.076		1,339,442.82
University of Tennessee	Polar Programs	47.078		480,574.60
				480,574.60
Subtotal Direct Programs			\$	20,118,081.59
Passed Through Northwestern University				
University of Tennessee	Engineering Grants	47.041 / 0830-350-W654-727	\$	93,259.58
Passed Through Research Foundation of State University of New York				
University of Memphis	Engineering Grants	47.041 / R281708		37,219.21
Passed Through University of Illinois				
University of Memphis	Engineering Grants	47.041 / 2003 01053 03 AMND 15	\$	45.52
University of Memphis	Engineering Grants	47.041 / 2003 01053 03 AMND 20		47,315.09
				47,360.61
University of Memphis	Geosciences	47.050 / 2003 01053 03 AMND 16	\$	25,914.19
University of Memphis	Geosciences	47.050 / 2003 01053 03 AMND 17		2,500.00
University of Memphis	Geosciences	47.050 / 2003 01053 03 AMND 19		7,816.82
University of Memphis	Geosciences	47.050 / 2003 01053 03 AMND 20		58,725.06
University of Memphis	Geosciences	47.050 / 2003 01053 03 AMND 22		2,187.46
				97,143.53
Passed Through University of Michigan				
Tennessee Technological University	Engineering Grants	47.041 / CMS-0510854		41,527.41
Passed Through Vanderbilt University				
University of Memphis	Engineering Grants	47.041 / 14656 S6 A3		67,433.49

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through West Virginia University				
University of Tennessee	Engineering Grants	47.041 / 01-589-UT PO50042157	\$ 21,493.09	
University of Tennessee	Engineering Grants	47.041 / 01-598B-UT	<u>3,191.39</u>	24,684.48
Passed Through Western Michigan University				
University of Tennessee	Engineering Grants	47.041 / NSF# DMR-0403650		154.39
Passed Through California Institute of Technology				
University of Tennessee	Mathematical and Physical Sciences	47.049 / 7E-1072309	\$ 19,927.64	
University of Tennessee	Mathematical and Physical Sciences	47.049 / 7E-1081820	88,566.23	
University of Tennessee	Mathematical and Physical Sciences	47.049 / 7E-1082277	<u>110,812.79</u>	219,306.66
Passed Through Kansas State University				
University of Tennessee	Mathematical and Physical Sciences	47.049 / SUBAWARD S05029		249,213.33
Passed Through University of California				
University of Memphis	Mathematical and Physical Sciences	47.049 / SA3739 23598PG AMEND 4		74,593.18
University of Tennessee	Computer and Information Science and Engineering	47.070 / PO# 10192693	\$ (10,322.26)	
University of Tennessee	Computer and Information Science and Engineering	47.070 / PO# 10242096	161,892.01	
University of Tennessee	Computer and Information Science and Engineering	47.070 / SA4617-10391PG	<u>137,694.04</u>	289,263.79
Passed Through University of Kentucky Research Foundation				
University of Tennessee	Mathematical and Physical Sciences	47.049 / 3047230200-06-163		50,973.52
Passed Through University of Texas				
University of Tennessee	Mathematical and Physical Sciences	47.049 / UTA03-416	\$ 32,364.32	
University of Tennessee	Mathematical and Physical Sciences	47.049 / UTA06-704	<u>46,844.29</u>	79,208.61
Passed Through Virginia Polytechnic Institute and State University				
University of Tennessee	Mathematical and Physical Sciences	47.049 / CR-19121-477512		71,454.75
Passed Through Boston University				
University of Tennessee	Computer and Information Science and Engineering	47.070 / PO # GC185794N-GA		164,469.27
Passed Through Research Triangle Institute				
University of Memphis	Computer and Information Science and Engineering	47.070 / 681U8248		(0.01)
Passed Through Rice University				
University of Tennessee	Computer and Information Science and Engineering	47.070 / R3871A-73900004		121,084.44
Passed Through University of Chicago				
University of Tennessee	Computer and Information Science and Engineering	47.070 / NSF-SCI0503697		31,500.00

**State of Tennessee
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For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through University of Louisville			
University of Memphis	Computer and Information Science and Engineering	47.070 / ULRF-05-0768	26,391.59
Passed Through Arizona State University			
University of Memphis	Biological Sciences	47.074 / 03-061-MOD1	5,977.67
Passed Through Carnegie Institute			
University of Tennessee	Biological Sciences	47.074 / SUBGRANT #1	3,306.20
Passed Through Doheny Eye Institute			
University of Tennessee	Biological Sciences	47.074 / PO #70436-0	76.31
Passed Through National Center for Genome Research			
University of Tennessee	Biological Sciences	47.074 / N.A.	150,891.30
Passed Through State University of New York			
University of Tennessee	Biological Sciences	47.074 / 1043113-2-34074	9,687.24
Passed Through University of California at Davis			
University of Tennessee	Biological Sciences	47.074 / K014801-02	32,548.57
Passed Through University of Washington			
University of Tennessee	Biological Sciences	47.074 / SUBCONTRACT 806103	(2,142.61)
Passed Through University of Wisconsin at Madison			
University of Tennessee	Biological Sciences	47.074 / F193406	7,499.89
Passed Through University of Nevada			
University of Memphis	Social, Behavioral, and Economic Sciences	47.075 / UNR 07 12	1,020.00
Passed Through American Educational Research Association			
University of Memphis	Education and Human Resources	47.076 / REC 0634035	(600.92)
Passed Through Ohio State University			
Middle Tennessee State University	Education and Human Resources	47.076 / DUE-0333672	30,152.58
Passed Through Saddleback College			
Tennessee Technological University	Education and Human Resources	47.076 / FL-07/05-ATE DUE 0501527	17,164.76
Passed Through San Diego State University Foundation			
Tennessee Technological University	Education and Human Resources	47.076 / 52270A P1623 7803 211 FS	6,363.71
Passed Through Universities Space Research Association			
East Tennessee State University	Education and Human Resources	47.076 / 2097-02	6,240.00

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through University of Alabama at Birmingham			
University of Memphis	Education and Human Resources	47.076 / ESI 0353440	94,466.95
Passed Through University of Kentucky			
University of Tennessee	Education and Human Resources	47.076 / 4-66358-03-195	242,259.67
Passed Through University of Nebraska			
University of Tennessee	Education and Human Resources	47.076 / 25-0536-0004-003	2,959.32
Passed Through Xavier University of Louisiana			
East Tennessee State University	Education and Human Resources	47.076 / I0106980	240.00
Passed Through University of Wyoming			
University of Tennessee	Polar Programs	47.078 / NSF44286SUB	40,101.92
Passed Through University of Illinois at Urbana-Champaign			
University of Tennessee	Office of Cyberinfrastructure	47.080 / 2005-6198-04	175,251.57
Passed Through Technical Education and Research Centers			
University of Tennessee	Terc-Statistics for Action-Bingman	N.A. / STATISTICS FOR ACTION	10,467.30
Subtotal Pass-Through Programs			<u>\$ 2,620,173.26</u>
Subtotal National Science Foundation			<u>\$ 22,738,254.85</u>
Small Business Administration			
Passed Through Enterprise Center			
University of Tennessee	TEC Fuel Cell Demonstration	N.A. / SBAHQ-06-I-0026	<u>\$ 52,746.08</u>
Subtotal Small Business Administration			<u>\$ 52,746.08</u>
Department of Veterans Affairs			
Veterans Health Administration			
Direct Programs			
East Tennessee State University	Veterans Home Based Primary Care	64.022	\$ 150,697.47
University of Memphis	Proposal Preparation for Compliance Training Platform for University Medical Center Alliance	N.A. / 614-Q50075	1,638.40
Subtotal Veterans Health Administration			<u>\$ 152,335.87</u>
Subtotal Department of Veterans Affairs			<u>\$ 152,335.87</u>

**State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Environmental Protection Agency			
Office of Water			
Passed Through Blount County Soil Conservation District			
University of Tennessee	Targeted Watersheds Grants	66.439 / FIELD MONITORING	\$ 6,102.61
Passed Through Commonwealth of Kentucky			
Austin Peay State University	Nonpoint Source Implementation Grants	66.460 / C9994861-05	42,529.79
Subtotal Office of Water			\$ 48,632.40
Office of Research and Development			
Direct Programs			
University of Tennessee	Science To Achieve Results (STAR) Research Program	66.509	\$ 303,132.86
University of Tennessee	Office of Research and Development Consolidated Research/Training	66.511	72,293.45
University of Tennessee	P3 Award: National Student Design Competition for Sustainability	66.516	12,511.36
Subtotal Office of Research and Development			\$ 387,937.67
Office of Administration			
Direct Programs			
Middle Tennessee State University	Congressionally Mandated Projects	66.202	\$ 44,107.46
University of Memphis	Congressionally Mandated Projects	66.202	318,752.15
University of Tennessee	Congressionally Mandated Projects	66.202	35,662.50
University of Tennessee	Greater Opportunities: Research Program	66.515	129,263.20
Subtotal Direct Programs			\$ 527,785.31
Passed Through Louisiana State University			
University of Tennessee	Congressionally Mandated Projects	66.202 / LSU #C175751	\$ (613.70)
Passed Through University of New Hampshire			
University of Tennessee	Congressionally Mandated Projects	66.202 / SUBAWARD 04-866	(16,509.28)
Passed Through University of Nevada			
Tennessee Technological University	Environmental Protection Consolidated Grants-Program Support	66.600 / 13B36725-3	675.14
Subtotal Pass-Through Programs			\$ (16,447.84)
Subtotal Office of Administration			\$ 511,337.47

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Other Programs				
Direct Programs				
University of Tennessee	Environmental Protection- Consolidated Research	66.500	\$	62,587.25
University of Tennessee	EPA Natural Resource Policy Ctr- Hodges	N.A. / EM-83298901-1		357,405.10
University of Tennessee	EPA RD832849010 Lblng/Crwdng Out-Clark	N.A. / RD832849010		77,695.32
Subtotal Direct Programs			\$	497,687.67
Passed Through Consortium for Plant Biotechnology Research				
University of Tennessee	Environmental Protection- Consolidated Research	66.500 / EPA82947901-208	\$	65,843.07
University of Tennessee	Environmental Protection- Consolidated Research	66.500 / G012026233	(10,944.44) \$	54,898.63
Passed Through Harvard University				
University of Tennessee	Environmental Protection- Consolidated Research	66.500 / 123233-02		25,459.10
Passed Through North Carolina State University				
University of Tennessee	Environmental Protection- Consolidated Research	66.500 / 2003-1719-02		17,914.11
Passed Through University of Tulsa				
University of Tennessee	Environmental Protection- Consolidated Research	66.500 / 14-2-1201325-94814		10,375.19
Passed Through Research Triangle Institute				
University of Tennessee	RTI Intl 1-321-0210288 Trvl-Fu	N.A. / 1-321-0210288		89,566.24
Subtotal Pass-Through Programs			\$	198,213.27
Subtotal Other Programs			\$	695,900.94
Subtotal Environmental Protection Agency			\$	1,643,808.48

Department of Energy

Direct Programs				
Middle Tennessee State University	Office of Science Financial Assistance Program	81.049	\$	20,173.21
Tennessee Technological University	Office of Science Financial Assistance Program	81.049		146,551.02
University of Tennessee	Office of Science Financial Assistance Program	81.049	1,787,253.54 \$	1,953,977.77
Tennessee Technological University	University Coal Research	81.057		87,820.48
Tennessee Technological University	Conservation Research and Development	81.086	\$	295,031.12
University of Tennessee	Conservation Research and Development	81.086	0.01	295,031.13
University of Tennessee	Renewable Energy Research and Development	81.087		294,654.71

State of Tennessee
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Memphis	Defense Nuclear Nonproliferation Research	81.113		1,738.20
Tennessee Technological University	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		64.34
Tennessee Technological University	Nuclear Energy Research, Development and Demonstration	81.121	\$ 40,908.57	
University of Tennessee	Nuclear Energy Research, Development and Demonstration	81.121	212,033.29	252,941.86
Roane State Community College	Miscellaneous Federal Activities	81.502		61,701.24
Tennessee Technological University	Tailoring Fe-Base Alloys for Intermediate-Temperature SOFC Interconnect Application	N.A. / DE-FC26-04NT42223 M005		104,858.24
Tennessee Technological University	Theory and Application of Hierarchical Matrices in Multiscale Problems	N.A. / DE-FG02-04ER25649		90,160.50
University of Tennessee	DOE DE-AP05-07OR44058 Murray	N.A. / DE-AP05-07OR44058		16,027.79
University of Tennessee	DOE DE-AR26-97FT34315 Hamel98	N.A. / DE AR26 97FT34315		617.76
University of Tennessee	DOE DE-FC02-06ER25748 Dongarra	N.A. / DE-FC02-06ER25748		145,569.90
University of Tennessee	DOE DE-FC02-06ER25761 Dongarra	N.A. / DE-FC02-06ER25761		180,186.91
University of Tennessee	DOE DE-FC02-06ER25778 Huang	N.A. / DE-FC02-06ER25778		14,465.69
University of Tennessee	DOE DE-FC02-06ER54858 Beck	N.A. / DE-FC02-06ER54858		71,862.92
University of Tennessee	DOE DE-FC07-05ID14659 Bruns	N.A. / DE-FC07-05ID14659		155,286.79
University of Tennessee	DOE DE-FG02-01ER45885 Musfeldt	N.A. / DE-FG02-01ER45885		113,196.62
University of Tennessee	DOE DE-FG02-03ER25584 Dongarra	N.A. / DE-FG02-03-ER25584		58,536.35
University of Tennessee	DOE DE-FG02-03ER25586 Schulze	N.A. / DE-FG02-03ER25586		88,711.36
University of Tennessee	DOE DE-FG02-03ER41258 (F&A Chng)Greene	N.A. / DE-FG02-03ER41258		193,457.00
University of Tennessee	DOE DE-FG02-03ER41283 Bugg	N.A. / DE-FG02-03ER41283		26,250.54
University of Tennessee	DOE DE-FG02-04ER25606 Beck	N.A. / DE-FG02-04ER25606		52,345.58
University of Tennessee	DOE DE-FG02-04ER25607 Elhanany	N.A. / DE-FG02-04ER25607		126,709.23
University of Tennessee	DOE DE-FG02-04ER25610 Huang	N.A. / DE-FG02-04ER25610		115,295.65
University of Tennessee	DOE DE-FG02-04ER25651 Beck	N.A. / DE-FG02-04ER25651		29,464.69
University of Tennessee	DOE DE-FG02-04ER63939 Baldwin	N.A. / DE-FG02-04ER63939		162,928.24
University of Tennessee	DOE DE-FG02-05ER15723 Keffer	N.A. / DE-FG02-05ER15723		213,862.89
University of Tennessee	DOE DE-FG02-05ER46182 Kihm	N.A. / DE-FG02-05ER46182		20,046.94
University of Tennessee	DOE DE-FG02-05ER46183 Callcott	N.A. / DE-FG02-05ER46183		152,654.90
University of Tennessee	DOE DE-FG02-05ER46202 Dai	N.A. / DE-FG02-05ER46202		333,917.20
University of Tennessee	DOE DE-FG02-05ER46209 Zhang	N.A. / DE-FG02-05ER46209		109,652.37
University of Tennessee	DOE DE-FG02-05ER63951 Pfiffner	N.A. / DE-FG02-05ER63951		100,102.80
University of Tennessee	DOE DE-FG02-05ER64076 Whitfield	N.A. / DE-FG02-05ER64076		175,512.30
University of Tennessee	DOE DE-FG02-06ER41407 Dean	N.A. / DE-FG02-06ER41407		29,464.04
University of Tennessee	DOE DE-FG02-06ER46266 C/S Keppens	N.A. / DE-FG02-06ER46266		133,572.55
University of Tennessee	DOE DE-FG02-06ER46338 Nieh	N.A. / DE-FG02-06ER46338		93,811.69
University of Tennessee	DOE DE-FG02-88ER13859 Guiochon	N.A. / DE-FG05-88ER13859		72,210.86
University of Tennessee	DOE DE-FG02-96ER40982 Sorensen	N.A. / DE-FG02-96ER40982		254,597.38
University of Tennessee	DOE DE-FG03-03NA00083 Nazarewicz	N.A. / DE-FG52-03NA00083		115,519.55
University of Tennessee	DOE DE-FG05-06OR23230 Swift	N.A. / DE-FG05-06OR23230		46,013.98
University of Tennessee	DOE DE-FG05-91ER40627 Task A Kamychkov	N.A. / DE-FG05-91ER40627		472,171.54
University of Tennessee	DOE DE-FG07-02ID14368-Dodds	N.A. / DE-FG07-02ID14368		10,000.00
University of Tennessee	DOE DE-FG07-04ID14589 Upadhyaya	N.A. / DE-FG07-04ID14589		102,014.29
University of Tennessee	DOE DE-FG26-05NT42619-Irick	N.A. / DE-FG26-05NT42619		126,896.68
University of Tennessee	DOE DE-FG26-06NT42732 (C/S) Liaw	N.A. / DE-FG26-06NT42732		112,509.35
University of Tennessee	DOE DE-FG36-06GO16037 Mays	N.A. / DE-FG36-06GO16037		292,920.40
University of Tennessee	DOE DE-FG52-2004NA25589 Abidi	N.A. / DE-FG52-2004NA25589		1,066,506.92
University of Tennessee	DOE UT Switchgrass Project-BESS Ye	N.A. / DEFG3604G014219		184,266.37

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University of Tennessee	DOE-DE-FC02-01ER25490-Dongarra	N.A. / DE-FC02-01ER25490		129,110.78
University of Tennessee	DOE-DE-FG02-04ER53895 Schuller	N.A. / DE-FG02-04ER53895		92,811.68
University of Tennessee	DOE-UTCI Pilot Grant-Slominski	N.A. / DE-FG02-05ER64103		156,099.69
University of Tennessee	Honeywell Fm&T, Llc.-PO#EP3892-Dadmun	N.A. / PO#EP3892		4,652.34
University of Tennessee	NASA NNX07AB58G Bhat (Cost Share)	N.A. / NNX07AB58G		15,094.46
University of Tennessee	Nat'l Renewable Energy Lab-Fu	N.A. / AEK-5-55029-01		3,398.24
University of Tennessee	NREL X0076642501 Cln Frctionation-Bozell	N.A. / X0076642501		15,726.37
Subtotal Direct Programs			\$	9,328,980.05
Passed Through Argonne National Laboratory				
Middle Tennessee State University	Office of Science Financial Assistance Program	81.049 / 3F-01901	\$	40,554.40
Tennessee Technological University	Design Optimization of Hybrid Powertrains	N.A. / 6F-01044 M0001		30,281.03
Passed Through Oak Ridge National Laboratory				
University of Memphis	Office of Science Financial Assistance Program	81.049 / 4000056349		18,947.62
Passed Through Oregon State University				
University of Tennessee	Office of Science Financial Assistance Program	81.049 / NO. G0089A-B		113,530.99
Passed Through University of Massachusetts				
University of Tennessee	Office of Science Financial Assistance Program	81.049 / DE-FC02-02ER63446	\$	(0.02)
University of Tennessee	Office of Science Financial Assistance Program	81.049 / DOE-03001804D-00	107,363.52	107,363.50
Passed Through Consortium for Plant Biotechnology Research				
University of Tennessee	Renewable Energy Research and Development	81.087 / G012026201	\$	(14,458.13)
University of Tennessee	Renewable Energy Research and Development	81.087 / G012026245	12,404.95	(2,053.18)
Passed Through The Enterprise Center				
University of Tennessee	Renewable Energy Research and Development	81.087 / DE-FC36-04G014261		(524.40)
Passed Through University of Mississippi				
University of Tennessee	Defense Nuclear Nonproliferation Research	81.113 / SUB # 07-11-040		14,436.01
Passed Through North Carolina State University				
University of Tennessee	University Reactor Infrastructure and Education Support	81.114 / 2002-1391-04		87,213.53
Passed Through Virginia Polytechnic Institute and State University				
University of Tennessee	Nuclear Energy Research, Development and Demonstration	81.121 / CR-19121-429226		76,647.10

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Sandia National Laboratories			
Tennessee Technological University	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123 / PECASE	45,866.64
Passed Through Ames Laboratory			
University of Tennessee	Ames Laboratory A2-3590 Musfeldt	N.A. / P.O. #A2-3590	10,008.96
Passed Through Battelle Energy Alliance			
University of Tennessee	Battelle Energy Alliance-Hines	N.A. / Contract #00050837	61,187.27
Passed Through Bechtel Jacobs Company, Limited Liability Company			
University of Tennessee	Bechtel CA021F-REL0049 Dolislager	N.A. / 23900-BA-CA021F-0049	1,226.64
University of Tennessee	Bechtel CA021F-REL0050 Welsh	N.A. / 23900-BA-CA021F-0050	38,258.91
University of Tennessee	Bechtel CA021F-REL0051 Dolislager	N.A. / CA021FREL0051	18,314.50
University of Tennessee	Bechtel CA021F-REL0052 Welsh	N.A. / BA-CA021F-0052	13,746.38
University of Tennessee	Bechtel CA021F-REL0053 Welsh	N.A. / BA-CA021F-0053	5,437.23
Passed Through BWXT Y-12, Limited Liability Company			
University of Tennessee	BWXT 4300020173 Pevey	N.A. / 43000201733	49,379.49
University of Tennessee	BWXT 4300039249 Sepaniak	N.A. / 4300039249	53,412.77
University of Tennessee	BWXT 4300050563 Fathy	N.A. / 4300050563	80,180.11
University of Tennessee	BWXT 4300050716 Abidi	N.A. / 4300050716	21,236.67
University of Tennessee	BWXT 4300050723 Ferdjallah	N.A. / 4300050723	4,321.54
University of Tennessee	BWXT 4300051038 Fathy	N.A. / 4300051038	7,477.27
University of Tennessee	BWXT 4300053389 Abidi	N.A. / 4300053389	33,584.47
University of Tennessee	BWXT 4300056314 Arimilli	N.A. / 4300056314	25,445.65
University of Tennessee	BWXT 4300056316 Abidi	N.A. / 4300056316	44,979.07
Passed Through Los Alamos National Laboratory			
University of Tennessee	Los Alamos Natl Lab 48676-001-07 Dealwis	N.A. / SUB #48676-001-07	66,807.78
University of Tennessee	Los Alamos NL36514-001-06 Dongarra	N.A. / 36514-001-06	142,243.63
University of Tennessee	Los Alamos-Mpi Data Dongarra	N.A. / 13877-001-05	13,210.72
Passed Through Rice University			
University of Tennessee	Rice Univ-Lacsi YR8 Dongarra	N.A. / LACSI YR 8	57,184.01
Passed Through Rutgers, The State University of New Jersey			
University of Tennessee	Rutgers-2215 Grzywacz	N.A. / SUB#2215 PO#S776716	125,328.94
Passed Through University of Maryland			
Tennessee Technological University	Reliability Development and Field Demonstration of CO2 Heat Pump Water Heaters	N.A. / Q202301	8,668.76
Passed Through UT-Battelle, Limited Liability Company			
Tennessee Technological University	A Novel Method for the Deposition of Polymer Coatings on Microcantilevers	N.A. / 4000015646-7	9,388.75
Tennessee Technological University	Active / Active Metadata Server Research	N.A. / 4000047377	5,080.22

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Tennessee Technological University	Aluminide Coatings for Power Generation Applications	N.A. / 4000032193	46,610.15
Tennessee Technological University	Counter Gravity (Hitchiner) and Pressure Assisted Lost Foam Magnesium Casting	N.A. / 4000035322	118,923.23
Tennessee Technological University	Lightweight Metadata Virtualization	N.A. / 4000059261	2,928.57
Tennessee Technological University	Optimization of High Voltage Lines	N.A. / 4000051155	664,000.11
Tennessee Technological University	Separation Studies - Spent Fuel Processing	N.A. / 4000040881	5,612.56
Tennessee Technological University	Ultra High-Speed Networking Workshop	N.A. / 4000045890	4,892.03
University of Tennessee	UT-Battelle	N.A. / B0199BTL	16,534,523.13
Passed Through Vanderbilt University			
University of Tennessee	Vanderbilt Univ Sub#18320-S1 Hofmeister	N.A. / SUB#18320-S1	357.85
Subtotal Pass-Through Programs			<u>\$ 18,806,220.61</u>
Subtotal Department of Energy			<u>\$ 28,135,200.66</u>
Department of Education			
Office of Special Education and Rehabilitative Services			
Direct Programs			
University of Tennessee	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	\$ 208,189.94
Subtotal Direct Programs			<u>\$ 208,189.94</u>
Passed Through Southern University			
University of Memphis	National Institute on Disability and Rehabilitation Research	84.133 / P704730	\$ 34,475.84
Passed Through Virginia Commonwealth University			
East Tennessee State University	Research in Special Education	84.324 / 520606/PO P141328	\$ 56,102.64
East Tennessee State University	Research in Special Education	84.324 / PT090338-SC100054	13,785.01
			<u>69,887.65</u>
Passed Through University of South Florida			
University of Tennessee	Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326 / PROJECT LASER	(7.06)
Subtotal Pass-Through Programs			<u>\$ 104,356.43</u>
Subtotal Office of Special Education and Rehabilitative Services			<u>\$ 312,546.37</u>
Office of Elementary and Secondary Education			
Passed Through Alabama Department of Education			
University of Memphis	Title I Grants to Local Educational Agencies	84.010 / 310184 005215 180650	\$ 67,528.64

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Virginia Department of Education			
University of Memphis	Title I Grants to Local Educational Agencies	84.010 / E070326 540 429	44,288.30
Passed Through Memphis City Schools			
University of Memphis	Striving Readers	84.371 / S371A060098	928,639.15
Subtotal Office of Elementary and Secondary Education			<u>\$ 1,040,456.09</u>
Office of Educational Research and Improvement			
Direct Programs			
University of Memphis	Education Research, Development and Dissemination	84.305	\$ 1,070,270.94
Subtotal Direct Programs			<u>\$ 1,070,270.94</u>
Passed Through Virginia Department of Education			
University of Memphis	Twenty-First Century Community Learning Centers	84.287 / E060913 540 359	\$ 74,482.45
Subtotal Pass-Through Programs			<u>\$ 74,482.45</u>
Subtotal Office of Educational Research and Improvement			<u>\$ 1,144,753.39</u>
Office of Postsecondary Education			
Direct Programs			
University of Tennessee	Fund for the Improvement of Postsecondary Education	84.116	\$ 4,518.90
University of Memphis	Centers for International Business Education	84.220	309,326.68
University of Memphis	Teacher Quality Enhancement Grants	84.336	775,953.01
Subtotal Office of Postsecondary Education			<u>\$ 1,089,798.59</u>
Other Programs			
Passed Through The CNA Corporation			
University of Memphis	Regional Technology in Education Consortia	84.302 / 00 UOFM 1 0050 Mod 12	\$ 1,183.02
Subtotal Other Programs			<u>\$ 1,183.02</u>
Subtotal Department of Education			<u>\$ 3,588,737.46</u>
National Archives and Records Administration			
Direct Programs			
University of Tennessee	National Historical Publications and Records Grants	89.003	\$ 113,181.99
Subtotal National Archives and Records Administration			<u>\$ 113,181.99</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Department of Health and Human Services			
Office of Disease Prevention and Health Promotion			
Direct Programs			
University of Tennessee	National Health Promotion	93.990	\$ 861,312.37
Subtotal Office of Disease Prevention and Health Promotion			\$ 861,312.37
Agency for Health Care Policy and Research			
Direct Programs			
Tennessee State University	Research on Healthcare Costs, Quality and Outcomes	93.226	\$ 214,837.30
University of Tennessee	Research on Healthcare Costs, Quality and Outcomes	93.226	691,867.92 \$ 906,705.22
Subtotal Direct Programs			\$ 906,705.22
Passed Through Wake Forest University			
University of Tennessee	Research on Healthcare Costs, Quality and Outcomes	93.226 / HS-11331	\$ 3,368.36
Subtotal Pass-Through Programs			\$ 3,368.36
Subtotal Agency for Health Care Policy and Research			\$ 910,073.58
Administration for Children and Families			
Direct Programs			
University of Tennessee	Social Services Research and Demonstration	93.647	\$ 50,344.23
University of Tennessee	Family Violence Prevention and Services/Grants for Battered Women's Shelters_Grants to States and Indian Tribes	93.671	153,431.77
Subtotal Administration for Children and Families			\$ 203,776.00
Centers for Medicare and Medicaid Services			
Direct Programs			
Tennessee State University	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	\$ 2,800.72
Subtotal Centers for Medicare and Medicaid Services			\$ 2,800.72
Food and Drug Administration			
Direct Programs			
Tennessee State University	Food and Drug Administration_Research	93.103	\$ 30,398.18
University of Tennessee	Food and Drug Administration_Research	93.103	19,822.68 \$ 50,220.86

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Subtotal Food and Drug Administration			\$ 50,220.86
Centers for Disease Control			
Direct Programs			
University of Tennessee	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	\$ 174,587.05
East Tennessee State University	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	62,121.82
Subtotal Direct Programs			\$ 236,708.87
Passed Through University of Wisconsin at Madison			
University of Tennessee	Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improvement Projects	93.185 / IP000060	\$ 23,891.00
Passed Through Colorado State University			
University of Tennessee	Occupational Safety and Health Program	93.262 / G46062	4,878.69
Passed Through Meharry Medical College			
Tennessee State University	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283 / U84/CCU425037-01	\$ 14,239.61
Tennessee State University	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283 / U84/CCU425037-02	7,608.13 21,847.74
Passed Through University of North Carolina			
University of Tennessee	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283 / CCU413185	10,809.60
Subtotal Pass-Through Programs			\$ 61,427.03
Subtotal Centers for Disease Control			\$ 298,135.90
Health Resources and Services Administration			
Direct Programs			
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110	\$ 196,535.86
University of Tennessee	Telehealth Network Grants	93.211	265,928.46
University of Tennessee	Health Care and Other Facilities	93.887	3,472.20
University of Tennessee	Bioterrorism Training and Curriculum Development Program	93.996	100,333.38
Subtotal Direct Programs			\$ 566,269.90

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through American Nurses Foundation				
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / ID #2004097	\$	1,235.26
Passed Through St. Jude Children's Research Hospital				
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / MC05053		15,455.61
Passed Through University of North Carolina				
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / 5-38001	\$	(5,516.00)
University of Tennessee	Maternal and Child Health Federal Consolidated Programs	93.110 / MC05053	0.02	(5,515.98)
Passed Through Michigan Public Health Institute				
East Tennessee State University	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224 / 104149		6,348.24
Subtotal Pass-Through Programs			\$	17,523.13
Subtotal Health Resources and Services Administration			\$	583,793.03
Indian Health Service				
Passed Through University of Kentucky Medical Center				
University of Memphis	Special Diabetes Program for Indians_Diabetes Prevention and Treatment Projects	93.237 / UKRF 304800450006455	\$	8,593.76
Subtotal Indian Health Service			\$	8,593.76
Substance Abuse and Mental Health Services Administration				
Direct Programs				
University of Memphis	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	\$	10,816.68
University of Tennessee	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	367,273.96	\$ 378,090.64
Subtotal Substance Abuse and Mental Health Services Administration			\$	378,090.64
National Institutes of Health				
Direct Programs				
University of Tennessee	Biometry and Risk Estimation-Health Risks from Environmental Exposures	93.115	\$	62,933.32
University of Memphis	Oral Diseases and Disorders Research	93.121	\$	165,061.30
University of Tennessee	Oral Diseases and Disorders Research	93.121	(1,817.00)	163,244.30
University of Tennessee	Human Genome Research	93.172		98,902.87

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
East Tennessee State University	Research Related to Deafness and Communication Disorders	93.173	\$ 80,854.63	
University of Memphis	Research Related to Deafness and Communication Disorders	93.173	713,904.41	
University of Tennessee	Research Related to Deafness and Communication Disorders	93.173	1,215,066.62	2,009,825.66
East Tennessee State University	Mental Health Research Grants	93.242	\$ 309,042.02	
Tennessee State University	Mental Health Research Grants	93.242	451,562.52	
University of Memphis	Mental Health Research Grants	93.242	320,311.77	
University of Tennessee	Mental Health Research Grants	93.242	1,800,812.41	2,881,728.72
University of Memphis	Alcohol Research Programs	93.273	\$ 628,049.45	
University of Tennessee	Alcohol Research Programs	93.273	2,392,832.74	3,020,882.19
East Tennessee State University	Drug Abuse and Addiction Research Programs	93.279	\$ 168,302.63	
University of Memphis	Drug Abuse and Addiction Research Programs	93.279	348,484.71	
University of Tennessee	Drug Abuse and Addiction Research Programs	93.279	2,903,716.96	3,420,504.30
East Tennessee State University	Mental Health Research Career/Scientist Development Awards	93.281	\$ 17,721.54	
University of Tennessee	Mental Health Research Career/Scientist Development Awards	93.281	226,957.32	244,678.86
University of Tennessee	Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		901,663.90
East Tennessee State University	Minority Health and Health Disparities Research	93.307	\$ 349,855.25	
Tennessee State University	Minority Health and Health Disparities Research	93.307	657,285.78	1,007,141.03
University of Tennessee	Nursing Research	93.361		651,462.99
University of Tennessee	National Center for Research Resources	93.389		1,967,249.73
East Tennessee State University	Cancer Cause and Prevention Research	93.393	\$ 31,317.26	
University of Memphis	Cancer Cause and Prevention Research	93.393	3,390.43	
University of Tennessee	Cancer Cause and Prevention Research	93.393	425,821.33	460,529.02
University of Tennessee	Cancer Detection and Diagnosis Research	93.394		16,923.25
University of Memphis	Cancer Treatment Research	93.395	\$ 85,615.73	
University of Tennessee	Cancer Treatment Research	93.395	2,028,613.57	2,114,229.30
University of Tennessee	Cancer Biology Research	93.396		1,149,174.27
University of Tennessee	Cancer Research Manpower	93.398		182,570.86
University of Tennessee	Cancer Control	93.399		1,192,478.32
East Tennessee State University	Heart and Vascular Diseases Research	93.837	\$ 974,951.06	
University of Memphis	Heart and Vascular Diseases Research	93.837	1,568,554.99	
University of Tennessee	Heart and Vascular Diseases Research	93.837	7,769,538.04	10,313,044.09
University of Tennessee	Lung Diseases Research	93.838		889,400.24
University of Tennessee	Blood Diseases and Resources Research	93.839		212,498.44
University of Memphis	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	\$ 80,068.92	
University of Tennessee	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1,935,615.88	2,015,684.80
University of Tennessee	Diabetes, Endocrinology and Metabolism Research	93.847		2,279,208.57
University of Tennessee	Digestive Diseases and Nutrition Research	93.848		3,318,143.90

State of Tennessee
Schedule of Expenditures of Federal Awards
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Tennessee	Kidney Diseases, Urology and Hematology Research	93.849		377,986.99
East Tennessee State University	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	\$ 1,704.70	
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	2,604,869.62	2,606,574.32
East Tennessee State University	Allergy, Immunology and Transplantation Research	93.855	\$ 973,672.42	
University of Tennessee	Allergy, Immunology and Transplantation Research	93.855	967,011.90	1,940,684.32
Middle Tennessee State University	Microbiology and Infectious Diseases Research	93.856	\$ 2,002.81	
University of Tennessee	Microbiology and Infectious Diseases Research	93.856	5,104,020.49	5,106,023.30
East Tennessee State University	Biomedical Research and Research Training	93.859	\$ 399,569.40	
Middle Tennessee State University	Biomedical Research and Research Training	93.859	59,223.13	
Tennessee State University	Biomedical Research and Research Training	93.859	237,385.32	
University of Tennessee	Biomedical Research and Research Training	93.859	1,386,323.99	2,082,501.84
Middle Tennessee State University	Child Health and Human Development Extramural Research	93.865	\$ 100,950.47	
Tennessee State University	Child Health and Human Development Extramural Research	93.865	1,618.38	
University of Memphis	Child Health and Human Development Extramural Research	93.865	423,163.55	
University of Tennessee	Child Health and Human Development Extramural Research	93.865	2,664,697.97	3,190,430.37
University of Tennessee	Aging Research	93.866		813,983.23
University of Tennessee	Vision Research	93.867		1,650,287.63
University of Memphis	International Research and Research Training	93.989		316,840.73
Subtotal Direct Programs			\$	58,659,415.66
Passed Through University of Connecticut				
East Tennessee State University	Biological Response to Environmental Health Hazards	93.113 / 523105	\$	106,271.76
Passed Through State University of New York				
University of Tennessee	Applied Toxicological Research and Testing	93.114 / 26880		64,642.49
Passed Through Kirkwood Community College				
University of Tennessee	NIEHS Hazardous Waste Worker Health and Safety Training	93.142 / 2-U45-ES010658-07	\$ 51,571.26	
University of Tennessee	NIEHS Hazardous Waste Worker Health and Safety Training	93.142 / NIEH 5U45ES010658-05	(8,288.30)	
University of Tennessee	NIEHS Hazardous Waste Worker Health and Safety Training	93.142 / NSF #DUE-0302885	918.77	
University of Tennessee	NIEHS Hazardous Waste Worker Health and Safety Training	93.142 / PO #105034	(651.79)	43,549.94

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through University of North Carolina				
University of Tennessee	Human Genome Research	93.172 / 5-32554	\$ 36,119.13	
University of Tennessee	Human Genome Research	93.172 / 5-34534	<u>122,001.06</u>	158,120.19
University of Tennessee	Cancer Biology Research	93.396 / CA105417		161,036.25
Passed Through Cornell University				
University of Tennessee	Research Related to Deafness and Communication Disorders	93.173 / DC-008702		106,331.27
University of Tennessee	Cancer Control	93.399 / 443418233		30,060.00
Passed Through Northwestern University				
University of Tennessee	Mental Health Research Grants	93.242 / MH-061915		36,596.86
University of Tennessee	Cancer Control	93.399 / CA095576		35,049.46
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS-047085		230,030.31
Passed Through Oregon Health and Science University				
University of Memphis	Alcohol Research Programs	93.273 / GBNEU0139A	\$ 0.01	
University of Tennessee	Alcohol Research Programs	93.273 / GBNEU0139B E	<u>87,349.76</u>	87,349.77
Passed Through University of Pittsburgh				
University of Memphis	Alcohol Research Programs	93.273 / 109523-1		32,987.20
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / SUB #0002172		56,173.96
Passed Through Virginia Commonwealth University				
University of Tennessee	Alcohol Research Programs	93.273 / PT100580-SC100569		5,924.77
Passed Through Wake Forest University				
East Tennessee State University	Alcohol Research Programs	93.273 / WFUHS/ETSU-17465	\$ 22,697.30	
University of Memphis	Alcohol Research Programs	93.273 / WFUHS-13154	<u>180.00</u>	22,877.30
University of Tennessee	Lung Diseases Research	93.838 / HL074104		245,931.28
Passed Through University of Utah				
University of Tennessee	Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286 / 2506109		31,903.44
University of Tennessee	Child Health and Human Development Extramural Research	93.865 / HD-038243		10,910.82
Passed Through University of California				
University of Tennessee	National Center for Research Resources	93.389 / RR-021760		231,952.60
Passed Through Albert Einstein College of Medicine				
University of Tennessee	Cancer Cause and Prevention Research	93.393 / CA77290		18,228.05
Passed Through Duke University Medical Center				
University of Tennessee	Cancer Treatment Research	93.395 / CA112519		122,345.44

State of Tennessee
Schedule of Expenditures of Federal Awards
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Fred Hutchinson Cancer Research Center			
University of Tennessee	Cancer Treatment Research	93.395 / CA119171	2,641.34
Passed Through H. Lee Moffitt Cancer Center and Research Institute, Incorporated			
East Tennessee State University	Cancer Treatment Research	93.395 / 2004-020	31.22
Passed Through National Childhood Cancer Foundation			
East Tennessee State University	Cancer Treatment Research	93.395 / 98543-1033	5,062.82
Passed Through Ohio State University Research Foundation			
University of Tennessee	Cancer Treatment Research	93.395 / CA066531	63,209.74
University of Tennessee	Diabetes, Endocrinology and Metabolism Research	93.847 / DK-59800	35,942.35
Passed Through Pediatric Oncology Group/Northwestern University			
East Tennessee State University	Cancer Treatment Research	93.395 / 0600-370-C347-ETSU	5,931.74
Passed Through University of Mississippi			
University of Tennessee	Cancer Centers Support Grants	93.397 / NO-95-51842	4,553.97
Passed Through Cancer Therapy and Research Center Research Foundation			
East Tennessee State University	Cancer Control	93.399 / CA37429	13,769.42
Passed Through Johns Hopkins University			
University of Memphis	Cancer Control	93.399 / R01CA039416	101,005.02
Passed Through Bioinventions, Limited Liability Company			
East Tennessee State University	Heart and Vascular Diseases Research	93.837 / R41HL076925	9,896.75
Passed Through St. Jude Children's Research Hospital			
University of Memphis	Heart and Vascular Diseases Research	93.837 / 7206739	35,998.39
University of Tennessee	Allergy, Immunology and Transplantation Research	93.855 / AI069529	\$ 51,132.75
University of Tennessee	Allergy, Immunology and Transplantation Research	93.855 / AI070721	161,587.59
University of Tennessee	Microbiology and Infectious Diseases Research	93.856 / AI060953	\$ 1,893.68
University of Tennessee	Microbiology and Infectious Diseases Research	93.856 / AI32908	71,478.47
University of Tennessee	Child Health and Human Development Extramural Research	93.865 / HD052239	18,967.17
Passed Through Columbus Children's Research Institute			
University of Tennessee	Lung Diseases Research	93.838 / HL075261	55,255.36
Passed Through University of Chicago			
University of Tennessee	Lung Diseases Research	93.838 / HL080417	38,679.76

State of Tennessee
Schedule of Expenditures of Federal Awards
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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through University of Michigan				
University of Tennessee	Lung Diseases Research	93.838 / EY013198-F015526	\$ 18,484.25	
University of Tennessee	Lung Diseases Research	93.838 / HL074024	<u>91,677.22</u>	110,161.47
Passed Through University of Kansas				
University of Tennessee	Arthritis, Musculoskeletal and Skin Diseases Research	93.846 / DP00187-QW817980		184,215.51
Passed Through Wayne State University				
University of Tennessee	Arthritis, Musculoskeletal and Skin Diseases Research	93.846 / AR-042541		40,864.68
Passed Through Emory University				
University of Tennessee	Diabetes, Endocrinology and Metabolism Research	93.847 / 540030G1-DK073190		30,696.94
Passed Through George Washington University				
University of Tennessee	Diabetes, Endocrinology and Metabolism Research	93.847 / DK48489		8,520.00
University of Tennessee	Digestive Diseases and Nutrition Research	93.848 / DK61055		(10.31)
Passed Through Catholic Healthcare West				
University of Tennessee	Digestive Diseases and Nutrition Research	93.848 / DK63571		2,000.00
Passed Through University of Medicine and Dentistry of New Jersey				
University of Tennessee	Digestive Diseases and Nutrition Research	93.848 / DK60438		43,859.84
Passed Through Children's Mercy Hospital				
University of Tennessee	Kidney Diseases, Urology and Hematology Research	93.849 / DK066143		13,898.27
Passed Through Medical College of Georgia				
University of Tennessee	Kidney Diseases, Urology and Hematology Research	93.849 / DK074957		18,750.20
Passed Through University of Alabama at Birmingham				
University of Tennessee	Kidney Diseases, Urology and Hematology Research	93.849 / DK-61525		47,765.13
University of Tennessee	Child Health and Human Development Extramural Research	93.865 / HD39939		23,008.29
Passed Through Children's Hospital Research				
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS045911		5,430.60

**State of Tennessee
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For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through Columbia University			
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS036630	491.40
Passed Through Howard University			
East Tennessee State University	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / 632362-H041544	34,192.38
Passed Through University of Arkansas			
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS-037821	(2,028.17)
Passed Through University of Maryland			
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS-41384	51,618.95
Passed Through University of Rochester			
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS050095	\$ 484.58
University of Tennessee	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853 / NS37167	25,114.23
Passed Through Colorado State University			
University of Tennessee	Microbiology and Infectious Diseases Research	93.856 / G-4666-1	320,075.72
Passed Through Duke University			
University of Tennessee	Microbiology and Infectious Diseases Research	93.856 / AI05157	62,689.69
Passed Through University of Iowa			
University of Tennessee	Microbiology and Infectious Diseases Research	93.856 / AI-30040	178,586.69
Passed Through Iowa State University			
University of Memphis	Biomedical Research and Research Training	93.859 / 430-46-06A	2,126.86
Passed Through Jackson Laboratory			
University of Tennessee	Biomedical Research and Research Training	93.859 / PO #591076	7,121.75
Passed Through Medical University of South Carolina			
East Tennessee State University	Biomedical Research and Research Training	93.859 / 5R01GM027673	15,199.32

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State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through Meharry Medical College				
Tennessee State University	Biomedical Research and Research Training	93.859 / 2U54CA091418-06A1		98,677.77
Passed Through Case Western Reserve University				
University of Tennessee	Child Health and Human Development Extramural Research	93.865 / N01HD43367	\$ (21,750.22)	
University of Tennessee	Child Health and Human Development Extramural Research	93.865 / RES421127	14,012.88	(7,737.34)
Passed Through Pennsylvania State University				
University of Tennessee	Child Health and Human Development Extramural Research	93.865 / HD047463		48.34
Passed Through University of Texas				
University of Tennessee	Aging Research	93.866 / AG220044		819.60
Passed Through University of California at Santa Barbara				
University of Tennessee	Vision Research	93.867 / EY-01087		38,842.57
Passed Through University of Illinois at Chicago				
University of Tennessee	Medical Library Assistance	93.879 / LM07292		3,085.45
Passed Through University of Louisville				
University of Tennessee	Medical Library Assistance	93.879 / R13-LM-09315-01		3,411.81
Passed Through Michigan State University				
University of Tennessee	International Research and Research Training	93.989 / 610762UT		86,184.26
Subtotal Pass-Through Programs			\$ 3,963,477.18	
Subtotal National Institutes of Health			\$ 62,622,892.84	
Other Programs				
Direct Programs				
East Tennessee State University	Academic Research Enhancement Award	93.390	\$ 22,453.93	
University of Memphis	Academic Research Enhancement Award	93.390	201,415.73	\$ 223,869.66
East Tennessee State University	Electronic Atlas of Gestational Day 16 Mouse Brain: A Demonstration Project	N.A. / 263-MD-414639-3		18,490.57
Subtotal Direct Programs			\$ 242,360.23	
Passed Through Colorado State University				
University of Tennessee	Agricultural Health and Safety Programs	93.956 / G-4703-1	\$	22,997.19

**State of Tennessee
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For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Passed Through National Cancer Institute of Canada			
University of Tennessee	Natl Cancer Institute-Canada-MAP3	N.A. / NCIC-CTG-MAP3	195,863.61
Passed Through University of Rochester			
University of Tennessee	Univ Rochester-Influenza Res-Sangster	N.A. / Influenza Research	7,312.48
Passed Through Vanderbilt University			
Tennessee Technological University	VEHI Subcontract - a three-county pilot project in Southwest Tennessee	N.A. / VUMC31882	111,546.73
Subtotal Pass-Through Programs			<u>\$ 337,720.01</u>
Subtotal Other Programs			<u>\$ 580,080.24</u>
Subtotal Department of Health and Human Services			<u>\$ 66,499,769.94</u>

Other Financial Assistance

Tennessee Valley Authority

Direct Programs

Tennessee Technological University	Collaborative Research between TVA and TTU and Graduate Student Support	N.A. / 00023309-9	\$ 22,404.00
Tennessee Technological University	Collect and Analyze Water Quality from the Emory River Watershed	N.A. / 00023309-4-1	5,665.53
Tennessee Technological University	Graduate Student Support in Electrical and Computer Engineering	N.A. / 00023309-3	1,470.00
Tennessee Technological University	Manufacturing of Lightweight Aggregate from Fly-ash	N.A. / 00023309-8	33,189.65
Tennessee Technological University	Perform Robotic Inspections of TVA Structures	N.A. / 00023309-6	2,093.50
Tennessee Technological University	Phase III Modification to the Climbing MARGE Robot	N.A. / 00023309-10	200.00
University of Tennessee	National Wetland Program Development Grants	N.A. / RELEASE NO. 19	12,471.47
University of Tennessee	TVA Release No. 26-Gangaware	N.A. / 99998950-REL.NO.26	8,018.83
University of Tennessee	TVA Release No. 37-Bell	N.A. / 99998950-REL.NO.37	15,245.02
University of Tennessee	TVA Release No. 38-Boake	N.A. / 99998950-REL.NO.38	15,235.95
University of Tennessee	TVA Release No. 49-Bienkowski	N.A. / 99998950-REL.NO.49	5,183.21
University of Tennessee	TVA Release No. 69-Herrmann	N.A. / 99998950-REL.NO.69	319,417.32
University of Tennessee	TVA Release No. 71 Reservoirs Impact-Fly	N.A. / RELEASE #71	128,363.31
University of Tennessee	TVA Release No. 72 2007 Ruggles	N.A. / 99998950 REL NO 72	81,590.15
University of Tennessee	TVA Release No. 77 Winter Drawdown-Gray	N.A. / RELEASE 77	33,158.55
University of Tennessee	TVA Release No. 79-Tankersley	N.A. / 99998950 REL 79	22,562.39
University of Tennessee	TVA Release No. 80-Webster	N.A. / 99998950 REL NO 80	12,233.87
University of Tennessee	TVA Release No. 81-Tanasi Lagoon-Rogers	N.A. / RELEASE #81	4,725.07
University of Tennessee	TVA Release No. 82-Driskell	N.A. / 99998950 REL NO 82	294.29
University of Tennessee	TVA Release No. 84-Sichler	N.A. / 99998950 REL NO 84	418.40
University of Tennessee	TVA Release No. 85 Drawdown Responses KY-Gray	N.A. / RELEASE 85	22,894.80
University of Tennessee	TVA Release No. 86-Hollenbach	N.A. / 99998950 REL NO 86	62.66
University of Tennessee	TVA Release No. 87-Driskell	N.A. / 99998950 REL NO 87	12,806.53
University of Tennessee	TVA Release No. 89-Hammerstedt	N.A. / 99998950 REL NO 89	2,186.41

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	TVA Release No. 90-Hammerstedt	N.A. / 99998950 REL NO 90	11,297.34
University of Tennessee	TVA Release No. 91-Hammerstedt	N.A. / 99998950 REL NO 91	4,271.16
University of Tennessee	TVA Release No. 92-Burton	N.A. / RELEASE NO 92	33,182.75
University of Tennessee	TVA Release No. 93-Hammerstedt	N.A. / 99998950 REL NO 93	2,728.53
University of Tennessee	TVA Release No. 94-Hammerstedt	N.A. / RELEASE NO 94	1,580.49
University of Tennessee	TVA Revision 1 Wastewater Mgt-Buchanan	N.A. / 84773	31,781.57
University of Tennessee	TVA XRD Analyses Mies	N.A. / RELEASE #17 REV. #1	2,272.50
Subtotal Direct Programs			\$ 849,005.25
Passed Through Vanderbilt University			
University of Tennessee	Vanderbilt Univ Sub #15587-S1 Hofmeister	N.A. / 15587-S1	\$ 357.85
Subtotal Pass-Through Programs			\$ 357.85
Subtotal Tennessee Valley Authority			\$ 849,363.10
Nuclear Regulatory Commission			
Direct Programs			
University of Tennessee	NRC 02-06-015 Pevey	N.A. / NRC-02-06-015	\$ 33,436.14
University of Tennessee	NRC 04-06-066 Stewart	N.A. / NRC-04-06-066	261,464.52
Subtotal Nuclear Regulatory Commission			\$ 294,900.66
Subtotal Other Federal Assistance			\$ 1,144,263.76
Total Research and Development Cluster			\$ 159,127,525.77

Student Financial Assistance Cluster

Department of Education

Direct Programs

Austin Peay State University	Federal Supplemental Educational Opportunity Grants	84.007	\$ 280,660.60
Chattanooga State Technical Community College	Federal Supplemental Educational Opportunity Grants	84.007	168,916.24
Cleveland State Community College	Federal Supplemental Educational Opportunity Grants	84.007	44,880.00
Columbia State Community College	Federal Supplemental Educational Opportunity Grants	84.007	191,015.40
Dyersburg State Community College	Federal Supplemental Educational Opportunity Grants	84.007	102,925.89
East Tennessee State University	Federal Supplemental Educational Opportunity Grants	84.007	745,169.00
Jackson State Community College	Federal Supplemental Educational Opportunity Grants	84.007	169,826.13
Middle Tennessee State University	Federal Supplemental Educational Opportunity Grants	84.007	543,381.00
Motlow State Community College	Federal Supplemental Educational Opportunity Grants	84.007	110,077.43
Nashville State Technical Community College	Federal Supplemental Educational Opportunity Grants	84.007	154,891.19
Northeast State Technical Community College	Federal Supplemental Educational Opportunity Grants	84.007	130,028.00

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Pellissippi State Technical Community College	Federal Supplemental Educational Opportunity Grants	84.007	209,353.00	
Roane State Community College	Federal Supplemental Educational Opportunity Grants	84.007	150,802.00	
Southwest Tennessee Community College	Federal Supplemental Educational Opportunity Grants	84.007	432,492.29	
Tennessee State University	Federal Supplemental Educational Opportunity Grants	84.007	1,176,532.34	
Tennessee Technological University	Federal Supplemental Educational Opportunity Grants	84.007	314,038.45	
University of Memphis	Federal Supplemental Educational Opportunity Grants	84.007	679,963.00	
University of Tennessee	Federal Supplemental Educational Opportunity Grants	84.007	1,292,428.40	
Volunteer State Community College	Federal Supplemental Educational Opportunity Grants	84.007	144,353.00	
Walters State Community College	Federal Supplemental Educational Opportunity Grants	84.007	136,091.22	\$ 7,177,824.58
			<hr/>	
Austin Peay State University	Federal Family Education Loans	84.032	\$ 37,494,791.46	
Chattanooga State Technical Community College	Federal Family Education Loans	84.032	7,342,891.07	
Cleveland State Community College	Federal Family Education Loans	84.032	1,769,127.00	
Dyersburg State Community College	Federal Family Education Loans	84.032	1,475,303.70	
East Tennessee State University	Federal Family Education Loans	84.032	44,850,625.82	
Middle Tennessee State University	Federal Family Education Loans	84.032	71,110,439.71	
Northeast State Technical Community College	Federal Family Education Loans	84.032	3,175,930.62	
Pellissippi State Technical Community College	Federal Family Education Loans	84.032	4,527,272.63	
Roane State Community College	Federal Family Education Loans	84.032	4,372,218.00	
Tennessee State University	Federal Family Education Loans	84.032	46,767,835.13	
Tennessee Technological University	Federal Family Education Loans	84.032	1,585,832.00	
University of Tennessee	Federal Family Education Loans	84.032	174,971,593.00	
Volunteer State Community College	Federal Family Education Loans	84.032	3,959,598.00	
Walters State Community College	Federal Family Education Loans	84.032	2,209,118.86	405,612,577.00
			<hr/>	
Austin Peay State University	Federal Work-Study Program	84.033	\$ 314,029.16	
Chattanooga State Technical Community College	Federal Work-Study Program	84.033	224,630.48	
Cleveland State Community College	Federal Work-Study Program	84.033	40,375.50	
Columbia State Community College	Federal Work-Study Program	84.033	74,674.48	
Dyersburg State Community College	Federal Work-Study Program	84.033	85,080.01	
East Tennessee State University	Federal Work-Study Program	84.033	714,983.76	
Jackson State Community College	Federal Work-Study Program	84.033	126,094.40	
Middle Tennessee State University	Federal Work-Study Program	84.033	711,838.73	
Motlow State Community College	Federal Work-Study Program	84.033	89,405.24	
Nashville State Technical Community College	Federal Work-Study Program	84.033	87,917.07	
Northeast State Technical Community College	Federal Work-Study Program	84.033	168,915.28	
Pellissippi State Technical Community College	Federal Work-Study Program	84.033	174,614.44	
Roane State Community College	Federal Work-Study Program	84.033	150,799.28	
Southwest Tennessee Community College	Federal Work-Study Program	84.033	472,894.33	
Tennessee State University	Federal Work-Study Program	84.033	1,106,251.81	
Tennessee Technological University	Federal Work-Study Program	84.033	528,799.16	
University of Memphis	Federal Work-Study Program	84.033	966,846.07	

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
University of Tennessee	Federal Work-Study Program	84.033	1,460,960.51
Volunteer State Community College	Federal Work-Study Program	84.033	27,224.37
Walters State Community College	Federal Work-Study Program	84.033	198,284.78
			7,724,618.86
Austin Peay State University	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	\$ 1,303,596.53
East Tennessee State University	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	8,483,283.63
Jackson State Community College	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	119,340.88
Middle Tennessee State University	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	2,867,741.48
Tennessee State University	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	2,085,329.50
Tennessee Technological University	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	2,708,539.77
University of Memphis	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	3,083,041.37
University of Tennessee	Federal Perkins Loan Program_ Federal Capital Contributions	84.038	30,714,291.40
			51,365,164.56
Austin Peay State University	Federal Pell Grant Program	84.063	\$ 9,804,824.92
Chattanooga State Technical Community College	Federal Pell Grant Program	84.063	7,612,360.52
Cleveland State Community College	Federal Pell Grant Program	84.063	2,650,653.62
Columbia State Community College	Federal Pell Grant Program	84.063	4,016,855.78
Dyersburg State Community College	Federal Pell Grant Program	84.063	3,609,288.62
East Tennessee State University	Federal Pell Grant Program	84.063	8,976,035.12
Jackson State Community College	Federal Pell Grant Program	84.063	6,442,299.83
Middle Tennessee State University	Federal Pell Grant Program	84.063	15,014,260.00
Motlow State Community College	Federal Pell Grant Program	84.063	3,451,738.70
Nashville State Technical Community College	Federal Pell Grant Program	84.063	6,993,938.64
Northeast State Technical Community College	Federal Pell Grant Program	84.063	5,675,141.62
Pellissippi State Technical Community College	Federal Pell Grant Program	84.063	6,086,235.90
Roane State Community College	Federal Pell Grant Program	84.063	6,554,630.97
Southwest Tennessee Community College	Federal Pell Grant Program	84.063	16,962,984.10
Tennessee State University	Federal Pell Grant Program	84.063	10,746,867.95
Tennessee Technological University	Federal Pell Grant Program	84.063	5,576,131.00
University of Memphis	Federal Pell Grant Program	84.063	17,564,622.00
University of Tennessee	Federal Pell Grant Program	84.063	22,924,061.00
Volunteer State Community College	Federal Pell Grant Program	84.063	5,080,890.00
Walters State Community College	Federal Pell Grant Program	84.063	6,036,263.59
			171,780,083.88
Motlow State Community College	Federal Direct Student Loans	84.268	\$ 1,178,625.00
Tennessee State University	Federal Direct Student Loans	84.268	26,261.00
Tennessee Technological University	Federal Direct Student Loans	84.268	17,823,599.00
University of Memphis	Federal Direct Student Loans	84.268	76,269,263.00
			95,297,748.00
Austin Peay State University	Academic Competitiveness Grants	84.375	\$ 272,901.50
Chattanooga State Technical Community College	Academic Competitiveness Grants	84.375	52,475.00
Cleveland State Community College	Academic Competitiveness Grants	84.375	27,396.00
Dyersburg State Community College	Academic Competitiveness Grants	84.375	34,974.95
East Tennessee State University	Academic Competitiveness Grants	84.375	180,325.00
Motlow State Community College	Academic Competitiveness Grants	84.375	1,300.00

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Nashville State Technical Community College	Academic Competitiveness Grants	84.375	38,359.50	
Northeast State Technical Community College	Academic Competitiveness Grants	84.375	2,186.00	
Pellissippi State Technical Community College	Academic Competitiveness Grants	84.375	28,136.00	
Roane State Community College	Academic Competitiveness Grants	84.375	65,579.00	
Southwest Tennessee Community College	Academic Competitiveness Grants	84.375	113,925.00	
Tennessee State University	Academic Competitiveness Grants	84.375	290,818.00	
Tennessee Technological University	Academic Competitiveness Grants	84.375	340,784.00	
University of Memphis	Academic Competitiveness Grants	84.375	408,800.00	
University of Tennessee	Academic Competitiveness Grants	84.375	837,434.00	
Volunteer State Community College	Academic Competitiveness Grants	84.375	96,150.00	
Walters State Community College	Academic Competitiveness Grants	84.375	116,837.00	2,908,380.95
Austin Peay State University	National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	\$ 171,185.00	
East Tennessee State University	National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	373,722.00	
Tennessee State University	National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	174,955.00	
Tennessee Technological University	National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	314,265.00	
University of Memphis	National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	197,672.00	
University of Tennessee	National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	537,854.00	1,769,653.00
Subtotal Department of Education			\$ 743,636,050.83	

Department of Health and Human Services

Direct Programs

East Tennessee State University	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	\$ 12,832.59	
University of Tennessee	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	2,394,064.59	\$ 2,406,897.18
University of Tennessee	Nursing Student Loans	93.364		62,755.44
Austin Peay State University	Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	\$ 5,588.00	
Middle Tennessee State University	Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	155,766.00	
Tennessee State University	Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	135,535.00	
University of Tennessee	Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	33,518.00	330,407.00
Subtotal Department of Health and Human Services			\$ 2,800,059.62	

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Total Student Financial Assistance Cluster			\$ 746,436,110.45

Rural Rental Housing Cluster

Department of Agriculture

Direct Programs

University of Tennessee	Rural Rental Housing Loans	10.415	\$ 20,611.50
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Subtotal Department of Agriculture			\$ 20,611.50
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Total Rural Rental Housing Cluster			\$ 20,611.50
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Food Stamp Cluster

Department of Agriculture

Direct Programs

Human Services	Food Stamps (Noncash Award)	10.551	\$ 988,324,754.07
Human Services	State Administrative Matching Grants for Food Stamp Program	10.561	\$ 47,196,747.21
Labor and Workforce Development	State Administrative Matching Grants for Food Stamp Program	10.561	4,816,346.37
			<u>52,013,093.58</u>

Subtotal Department of Agriculture			\$ 1,040,337,847.65
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Total Food Stamp Cluster			\$ 1,040,337,847.65
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Child Nutrition Cluster

Department of Agriculture

Direct Programs

Education	School Breakfast Program	10.553	\$ 53,380,641.48
Agriculture	National School Lunch Program (Noncash Award)	10.555	\$ 17,341,515.00
Education	National School Lunch Program	10.555	171,755,342.08
Education	Special Milk Program for Children	10.556	30,447.47
Human Services	Summer Food Service Program for Children	10.559	6,469,947.00
			<u>189,096,857.08</u>

Subtotal Department of Agriculture			\$ 248,977,893.03
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Total Child Nutrition Cluster			\$ 248,977,893.03
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Emergency Food Assistance Cluster
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Department of Agriculture

Direct Programs

Agriculture	Emergency Food Assistance Program (Administrative Costs)	10.568	\$ 1,368,421.86
Agriculture	Emergency Food Assistance Program (Food Commodities) (Noncash Award)	10.569	4,054,581.00
			<u>5,423,002.86</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Subtotal Department of Agriculture			\$ 5,423,002.86
Total Emergency Food Assistance Cluster			\$ 5,423,002.86
Schools and Roads Cluster			
Department of Agriculture			
Direct Programs			
Finance and Administration	Schools and Roads_Grants to States	10.665	\$ 560,256.24
Subtotal Department of Agriculture			\$ 560,256.24
Total Schools and Roads Cluster			\$ 560,256.24
Public Works and Economic Development Cluster			
Department of Commerce			
Direct Programs			
East Tennessee State University	Grants for Public Works and Economic Development Facilities	11.300	\$ 855,702.85
Subtotal Department of Commerce			\$ 855,702.85
Total Public Works and Economic Development Cluster			\$ 855,702.85
Section 8 Project-Based Cluster			
Department of Housing and Urban Development			
Direct Programs			
Tennessee Housing Development Agency	Section 8 Housing Assistance Payments Program_Special Allocations	14.195	\$ 119,716,258.41
Subtotal Department of Housing and Urban Development			\$ 119,716,258.41
Total Section 8 Project-Based Cluster			\$ 119,716,258.41
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster			
Department of Housing and Urban Development			
Passed Through City of Memphis			
Tennessee State University	Community Development Block Grants/Entitlement Grants	14.218 / B-04-MC-47-0006	\$ 3,783.34
Tennessee State University	Community Development Block Grants/Entitlement Grants	14.218 / B-05-MC-47-0006	957.29
Tennessee State University	Community Development Block Grants/Entitlement Grants	14.218 / B-06-MC-47-0006	20,494.95
University of Memphis	Community Development Block Grants/Entitlement Grants	14.218 / 22736	10,314.81
University of Memphis	Community Development Block Grants/Entitlement Grants	14.218 / 22737	10,125.20

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
University of Memphis	Community Development Block Grants/Entitlement Grants	14.218 / ADVANCE ACCOUNT	3,047.66	\$ 48,723.25
Passed Through Johnson City Community Development				
East Tennessee State University	Community Development Block Grants/Entitlement Grants	14.218 / 05-0203	\$ (14.22)	
East Tennessee State University	Community Development Block Grants/Entitlement Grants	14.218 / 06-0207	19,338.05	19,323.83
Subtotal Department of Housing and Urban Development				\$ 68,047.08
Total CDBG - Entitlement and (HUD-Administered) Small Cities Cluster				\$ 68,047.08
Fish and Wildlife Cluster				
Department of the Interior				
Direct Programs				
Tennessee Wildlife Resources Agency	Sport Fish Restoration	15.605	\$ 7,499,327.00	
Tennessee Wildlife Resources Agency	Wildlife Restoration	15.611		6,300,000.00
Subtotal Department of the Interior				\$ 13,799,327.00
Total Fish and Wildlife Cluster				\$ 13,799,327.00
Employment Service Cluster				
Department of Labor				
Direct Programs				
Labor and Workforce Development	Employment Service/Wagner-Peyser Funded Activities	17.207	\$ 9,320,392.77	
Labor and Workforce Development	Disabled Veterans' Outreach Program (DVOP)	17.801		1,679,223.75
Labor and Workforce Development	Local Veterans' Employment Representative Program	17.804		1,953,448.43
Subtotal Department of Labor				\$ 12,953,064.95
Total Employment Service Cluster				\$ 12,953,064.95
WIA Cluster				
Department of Labor				
Direct Programs				
Labor and Workforce Development	WIA Adult Program	17.258	\$ 19,669,028.65	
Labor and Workforce Development	WIA Youth Activities	17.259		14,786,429.75
Labor and Workforce Development	WIA Dislocated Workers	17.260		19,624,397.29
Subtotal Direct Programs				\$ 54,079,855.69

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Passed Through City of Nashville				
Middle Tennessee State University	WIA Adult Program	17.258 / 15502	\$	(252.20)
Passed Through Southeast Tennessee Development District				
Chattanooga State Technical Community College	WIA Adult Program	17.258 / 07-52-FY7-2SS-STATE	\$	14,867.81
Chattanooga State Technical Community College	WIA Adult Program	17.258 / 07-52-FY7-4SS-STATE		1,753.83
Chattanooga State Technical Community College	WIA Adult Program	17.258 / ADULT		31,059.76
Chattanooga State Technical Community College	WIA Youth Activities	17.259 / YOUTH		1,768.48
Chattanooga State Technical Community College	WIA Dislocated Workers	17.260 / 07-52-FY7-2SS-STATE	\$	18,171.76
Chattanooga State Technical Community College	WIA Dislocated Workers	17.260 / 07-52-FY7-4SS-STATE		2,143.58
Chattanooga State Technical Community College	WIA Dislocated Workers	17.260 / DSLWKR		37,322.58
Passed Through Upper Cumberland Human Resource Agency				
Volunteer State Community College	WIA Adult Program	17.258 / 06-07-999-600-STATE	\$	20,101.14
Volunteer State Community College	WIA Adult Program	17.258 / 07-07-999-1AD-STATE		124,769.56
Passed Through Southern Union State Community College				
Chattanooga State Technical Community College	WIA Youth Activities	17.259 / 55102407	\$	712.00
Chattanooga State Technical Community College	WIA Youth Activities	17.259 / 64212438		1,271.44
Chattanooga State Technical Community College	WIA Youth Activities	17.259 / 65102407		9,021.70
Chattanooga State Technical Community College	WIA Dislocated Workers	17.260 / 66212438		3,149.11
Subtotal Pass-Through Programs			\$	245,545.21
Subtotal Department of Labor			\$	54,325,400.90
Total WIA Cluster			\$	54,325,400.90
Highway Planning and Construction Cluster				
Department of Transportation				
Direct Programs				
Transportation	Highway Planning and Construction	20.205	\$ 742,503,484.05	
University of Tennessee	Highway Planning and Construction	20.205	81,131.25	\$ 742,584,615.30
Subtotal Department of Transportation			\$	742,584,615.30
Total Highway Planning and Construction Cluster			\$	742,584,615.30

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Federal Transit Cluster			
Department of Transportation			
Direct Programs			
Transportation	Federal Transit_Capital Investment Grants	20.500	\$ 2,588,980.44
Transportation	Federal Transit_Formula Grants	20.507	400,580.25
Subtotal Department of Transportation			\$ 2,989,560.69
Total Federal Transit Cluster			\$ 2,989,560.69
Highway Safety Cluster			
Department of Transportation			
Direct Programs			
Transportation	State and Community Highway Safety	20.600	\$ 3,631,092.84
Transportation	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	1,828,580.66
Transportation	Occupant Protection	20.602	255,216.27
Transportation	Safety Incentive Grants for Use of Seatbelts	20.604	80,000.00
Transportation	Safety Belt Performance Grants	20.609	2,071,073.78
Transportation	State Traffic Safety Information System Improvement Grants	20.610	39,935.70
Transportation	Incentive Grant Program to Increase Motorcyclist Safety	20.612	117,703.00
Subtotal Department of Transportation			\$ 8,023,602.25
Total Highway Safety Cluster			\$ 8,023,602.25
Special Education Cluster (IDEA)			
Department of Education			
Direct Programs			
Education	Special Education_Grants to States	84.027	\$ 205,370,475.58
Education	Special Education_Preschool Grants	84.173	6,837,107.79
Subtotal Department of Education			\$ 212,207,583.37
Total Special Education Cluster (IDEA)			\$ 212,207,583.37
TRIO Cluster			
Department of Education			
Direct Programs			
Austin Peay State University	TRIO_Student Support Services	84.042	\$ 242,474.04
Dyersburg State Community College	TRIO_Student Support Services	84.042	265,414.51
East Tennessee State University	TRIO_Student Support Services	84.042	269,427.02
Middle Tennessee State University	TRIO_Student Support Services	84.042	240,943.33

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
Northeast State Technical Community College	TRIO_Student Support Services	84.042	229,700.21	
Pellissippi State Technical Community College	TRIO_Student Support Services	84.042	221,981.45	
Tennessee State University	TRIO_Student Support Services	84.042	280,569.14	
University of Memphis	TRIO_Student Support Services	84.042	206,877.74	
University of Tennessee	TRIO_Student Support Services	84.042	719,221.31	
Volunteer State Community College	TRIO_Student Support Services	84.042	<u>257,448.60</u>	\$ 2,934,057.35
East Tennessee State University	TRIO_Talent Search	84.044	\$ 257,175.73	
Middle Tennessee State University	TRIO_Talent Search	84.044	224,627.40	
Tennessee State University	TRIO_Talent Search	84.044	237,310.35	
University of Tennessee	TRIO_Talent Search	84.044	<u>228,895.48</u>	948,008.96
Austin Peay State University	TRIO_Upward Bound	84.047	\$ 853,353.84	
Dyersburg State Community College	TRIO_Upward Bound	84.047	285,103.58	
East Tennessee State University	TRIO_Upward Bound	84.047	938,942.15	
Southwest Tennessee Community College	TRIO_Upward Bound	84.047	317,537.41	
University of Tennessee	TRIO_Upward Bound	84.047	<u>1,800,931.36</u>	4,195,868.34
Austin Peay State University	TRIO_Educational Opportunity Centers	84.066	\$ 328,775.63	
East Tennessee State University	TRIO_Educational Opportunity Centers	84.066	217,920.52	
Southwest Tennessee Community College	TRIO_Educational Opportunity Centers	84.066	237,606.18	
University of Tennessee	TRIO_Educational Opportunity Centers	84.066	<u>698,315.43</u>	1,482,617.76
East Tennessee State University	TRIO_McNair Post-Baccalaureate Achievement	84.217	\$ 253,453.35	
Middle Tennessee State University	TRIO_McNair Post-Baccalaureate Achievement	84.217	200,761.79	
University of Tennessee	TRIO_McNair Post-Baccalaureate Achievement	84.217	<u>559,388.49</u>	1,013,603.63
Subtotal Department of Education				<u>\$ 10,574,156.04</u>
Total TRIO Cluster				<u>\$ 10,574,156.04</u>
Aging Cluster				
Department of Health and Human Services				
Direct Programs				
Commission on Aging and Disability	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	\$ 7,623,200.00	
Commission on Aging and Disability	Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045		9,797,126.00
Commission on Aging and Disability	Nutrition Services Incentive Program	93.053		1,742,600.00
Subtotal Department of Health and Human Services				<u>\$ 19,162,926.00</u>
Total Aging Cluster				<u>\$ 19,162,926.00</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues	
CCDF Cluster				
Department of Health and Human Services				
Direct Programs				
Human Services	Child Care and Development Block Grant	93.575	\$	94,022,896.00
Human Services	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		66,650,745.00
Subtotal Direct Programs			\$	160,673,641.00
Passed Through Signal Centers, Incorporated				
University of Tennessee	Child Care and Development Block Grant	93.575 / GR 06-16948-00	\$	780.70
University of Tennessee	Child Care and Development Block Grant	93.575 / GR 07-18039-00	309,057.40	\$ 309,838.10
Subtotal Pass-Through Programs				\$ 309,838.10
Subtotal Department of Health and Human Services				\$ 160,983,479.10
Total CCDF Cluster				\$ 160,983,479.10
Medicaid Cluster				
Department of Health and Human Services				
Direct Programs				
Tennessee Bureau of Investigation Health	State Medicaid Fraud Control Units	93.775		\$ 2,715,924.06
	State Survey and Certification of Health Care Providers and Suppliers	93.777		11,648,177.42
Finance and Administration	Medical Assistance Program	93.778	\$ 4,563,320,083.47	
University of Tennessee	Medical Assistance Program	93.778	22,278,750.00	4,585,598,833.47
Subtotal Department of Health and Human Services				\$ 4,599,962,934.95
Total Medicaid Cluster				\$ 4,599,962,934.95
Disability Insurance/SSI Cluster				
Social Security Administration				
Direct Programs				
Human Services	Social Security_Disability Insurance	96.001	\$	48,633,157.21
Subtotal Social Security Administration				\$ 48,633,157.21
Total Disability Insurance/SSI Cluster				\$ 48,633,157.21

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

State Grantee Agency	Program Name	CFDA / Other Identifying Number	Disbursement/Issues
Homeland Security Cluster			
Department of Justice			
Direct Programs			
Military	State Domestic Preparedness Equipment Support Program	16.007	\$ 4,530,328.50
Subtotal Department of Justice			\$ 4,530,328.50
Department of Homeland Security			
Direct Programs			
Military	State Domestic Preparedness Equipment Support Program	97.004	\$ 13,390,303.11
Military	Homeland Security Grant Program	97.067	11,231,447.94
Subtotal Direct Programs			\$ 24,621,751.05
Passed Through University of Kentucky			
University of Tennessee	Homeland Security Grant Program	97.067 / 304803820007103	\$ 25,000.00
Subtotal Pass-Through Programs			\$ 25,000.00
Subtotal Department of Homeland Security			\$ 24,646,751.05
Total Homeland Security Cluster			\$ 29,177,079.55
Grand Total Federal Assistance			\$ 10,537,101,527.85

N.A. = Not Available

The accompanying notes are an integral part of this schedule.

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2007

NOTE 1. PURPOSE OF THE SCHEDULE

The Single Audit of the State of Tennessee for the year ended June 30, 2007, was conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, which requires a disclosure of the financial activities of all federally funded programs. To comply with the circular, the Department of Finance and Administration required each department, agency, and institution that expended direct or pass-through federal funding during the year to prepare a schedule of expenditures of federal awards and reconciliations with both the state's accounting system and grantor financial reports. The schedules for the departments, agencies, and institutions were combined to form the Schedule of Expenditures of Federal Awards for the State of Tennessee. The schedules for the technology centers have been combined with the schedules for their lead institutions.

NOTE 2. BASIS OF ACCOUNTING FOR PRESENTATION OF SCHEDULE

The basis of accounting for the Schedule of Expenditures of Federal Awards is principally the cash basis, except accrued payroll for the pay period June 16 to 30 is treated as cash disbursements for purposes of this schedule.

NOTE 3. UNEMPLOYMENT INSURANCE

State unemployment tax revenues and other payments and revenues are combined with federal funds and used to pay benefits under the Unemployment Insurance (CFDA 17.225) program. The state and federal portions of the total expenditures reported in the Schedule of Expenditures of Federal Awards were \$407,481,458.49 and \$74,806,811.67, respectively.

NOTE 4. LOAN AND LOAN GUARANTEE PROGRAMS

Federal Perkins Loan Program, Federal Capital Contributions (CFDA 84.038); Nurse Faculty Loan Program (NFLP) (CFDA 93.264); Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (CFDA 93.342); and Nursing Student Loans (CFDA 93.364): Institutions of higher education within the State reporting entity administer these federal student loan programs. Expenditures of federal awards in the accompanying Schedule of Expenditures of Federal Awards include the value of new loans made during the year, the balance of loans from previous years due to federal continuing compliance requirements, and administrative cost allowances.

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2007
(continued)

Loan balances outstanding at year-end:

<u>Program</u>	<u>CFDA #</u>	<u>Amount Outstanding</u>
Federal Perkins Loan Program_Federal Capital Contributions	84.038	\$51,343,575.56
Nurse Faculty Loan Program (NFLP)	93.264	\$77,308.00
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	\$2,406,897.18
Nursing Student Loans	93.364	\$62,755.44

Federal Family Education Loans (CFDA 84.032) and Federal Direct Student Loans (CFDA 84.268): The loans under these programs are made by outside lenders to students at institutions of higher education within the State reporting entity. The institutions are responsible for certain administrative requirements for new loans. As a result, the value of loans made during the year and administrative cost allowances are recognized as expenditures of federal awards in the accompanying Schedule of Expenditures of Federal Awards. The balance of loans for previous years is not included because the lender accounts for the prior balances.

The Federal Family Education Loans are insured by the Tennessee Student Assistance Corporation (TSAC), a component unit. At June 30, 2007, the insured loans outstanding totaled \$4,398,991,415.96. Expenditures of the federal award to TSAC for administrative cost allowances and payments on defaulted loans are reported in the unclustered section of the accompanying Schedule of Expenditures of Federal Awards.

Finding Index

<u>Finding Number</u>	<u>Page Number</u>	<u>State Departments, Agencies, and Universities Index</u>	
07-DCS-01	55	DCS	Department of Children's Service
07-DCS-02	45	DFA	Department of Finance and Administration
07-DCS-03	51	DOT	Department of Transportation
07-DFA-01	84	LWD	Department of Labor and Workforce Development
07-DFA-02	87	TDT	Tennessee Department of the Treasury
07-DFA-03	89	TSAC	Tennessee Student Assistance Corporation
07-DOT-01	76	TTU	Tennessee Technological University
07-DOT-02	81	UTH	University of Tennessee Hospital
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