



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

State of Arizona

Year Ended June 30, 2014



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



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State of Arizona
Single Audit Reporting Package
Year Ended June 30, 2014

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Basic Financial
Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Doug Ducey, Governor
State of Arizona

The Honorable Andy Biggs, President
Arizona State Senate

The Honorable David Gowan, Speaker
Arizona House of Representatives

The Honorable Scott Bales, Chief Justice
Arizona Supreme Court

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated March 9, 2015. Our report includes a reference to other auditors who audited the financial statements of the Arizona Department of Transportation, the Arizona Health Care Cost Containment System, the Arizona State Lottery, the Arizona State Retirement System, the Public Safety Personnel Retirement System, the Corrections Officer Retirement Plan, the Elected Officials' Retirement Plan, the Early Childhood Development and Health Board, the Arizona Correctional Industries, and the aggregate discretely presented component units, as described in our report on the State's financial statements. The other auditors did not audit the financial statements of the aggregate discretely presented component units, except for the Arizona Commerce Authority, the Greater Arizona Development Authority, the Rio Nuevo Multipurpose Facilities District, the ASU Preparatory Academy, Inc., and the Water Infrastructure Finance Authority, in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance for those entities whose audits were not performed in accordance with *Government Auditing Standards*. For those entities audited by the other auditors in accordance with *Government Auditing Standards*, this report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the

circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the State's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. We and the other auditors did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items 2014-01 through 2014-08 that we consider to be significant deficiencies.

Compliance and Other Matters

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

State of Arizona's Responses to Findings

The State's responses to the findings identified in our audit are presented on pages 109 through 113. The State's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Debbie Davenport
Auditor General

March 9, 2015



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

The Honorable Doug Ducey, Governor
State of Arizona

The Honorable Andy Biggs, President
Arizona State Senate

The Honorable David Gowan, Speaker
Arizona House of Representatives

The Honorable Scott Bales, Chief Justice
Arizona Supreme Court

Report on Compliance for Each Major Federal Program

We have audited the State of Arizona's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014, except for the major federal programs listed below:

<u>Program Title or Cluster</u>	<u>Administered By</u>
Highway Planning and Construction Cluster	Arizona Department of Transportation
Medicaid Cluster	Arizona Health Care Cost Containment System
Children's Health Insurance Program	Arizona Health Care Cost Containment System

Those major federal programs were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to those major federal programs' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, is based solely on the reports of the other auditors. The State's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the State's compliance.

Basis for Adverse Opinion on Emergency Management Performance Grants

As described in the accompanying Schedule of Findings and Questioned Costs, the State did not comply with certain compliance requirements that are applicable to the major federal program listed below. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

<u>Program Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Emergency Management Performance Grants (97.042)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2014-127, 2014-129
	Cash Management	2014-127, 2014-128, 2014-129, 2014-130
	Matching	2014-126
	Earmarking	2014-132
	Period of Availability of Federal Funds	2014-127
	Subrecipient Monitoring Reporting	2014-130 2014-131

Adverse Opinion on Emergency Management Performance Grants

In our opinion, because of the significance of the effects of the matters discussed in the Basis for Adverse Opinion paragraph, the State did not comply in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Emergency Management Performance Grants (97.042) program for the year ended June 30, 2014.

Basis for Qualified Opinion on National Guard Military Operations and Maintenance (O&M) Projects, Rehabilitation Services—Vocational Rehabilitation Grants to States, and Centers for Disease Control and Prevention—Investigations and Technical Assistance

As described in the accompanying Schedule of Findings and Questioned Costs, the State did not comply with certain compliance requirements that are applicable to the major federal programs listed below. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

<u>Program Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
National Guard Military Operations and Maintenance (O&M) Projects (12.401)	Cash Management	2014-133
Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126)	Eligibility	2014-104
Centers for Disease Control and Prevention—Investigations and Technical Assistance (93.283)	Activities Allowed Or Unallowed and Allowable Costs/Cost Principles	2014-124

Qualified Opinion on National Guard Military Operations and Maintenance (O&M) Projects, Rehabilitation Services—Vocational Rehabilitation Grants to States, and Centers for Disease Control and Prevention—Investigations and Technical Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the National Guard Military Operations and Maintenance (O&M) Projects (12.401), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), and Centers for Disease Control and Prevention—Investigations and Technical Assistance (93.283) programs for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, based on our audit and the reports of the other auditors, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-101, 2014-102, 2014-103, 2014-105, 2014-106, 2014-107, 2014-108, 2014-110, 2014-111, 2014-112, 2014-113, 2014-114, 2014-115, 2014-116, 2014-117, 2014-118, 2014-121, 2014-122, 2014-123, 2014-125, 2014-134, 2014-135, and 2014-136. Our opinion on each major federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit are presented on pages 113 through 135. The State's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The State's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-104, 2014-119, 2014-120, 2014-123, 2014-124, 2014-125, 2014-126, 2014-127, 2014-128, 2014-129, 2014-130, 2014-131, 2014-132, and 2014-133 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-103, 2014-105, 2014-106, 2014-107, 2014-108, 2014-109, 2014-110, 2014-111, 2014-112, 2014-113, 2014-114, 2014-115, 2014-116, 2014-117, 2014-118, 2014-121, 2014-122, and 2014-134 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are presented on pages 113 through 135. The State's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated March 9, 2015, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State'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 is the responsibility of the State's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of the other auditors, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Debbie Davenport
Auditor General

March 30, 2015

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State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
DEPARTMENT OF AGRICULTURE					
SNAP Cluster					
10.551	Supplemental Nutrition Assistance Program			DEA	\$ 1,527,885,456
10.551	Supplemental Nutrition Assistance Program			UAA	705,716
	10.551 Subtotal				<u>1,528,591,172</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	53,115,728
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	5,029,352
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	4,031,748
	10.561 Subtotal				<u>62,176,828</u>
	SNAP Cluster Subtotal				<u>1,590,768,000</u>
Child Nutrition Cluster					
10.553	School Breakfast Program			DCA	20,854
10.553	School Breakfast Program			DJA	173,705
10.553	School Breakfast Program			EDA	81,967,478
	10.553 Subtotal				<u>82,162,037</u>
10.555	National School Lunch Program			DCA	32,534
10.555	National School Lunch Program			DJA	526,116
10.555	National School Lunch Program			EDA	291,255,425
10.555	National School Lunch Program			SDA	257,606
	10.555 Subtotal				<u>292,071,681</u>
10.556	Special Milk Program for Children			EDA	51,384
10.559	Summer Food Service Program for Children			EDA	5,599,375
	Child Nutrition Cluster Subtotal				<u>379,884,477</u>
Food Distribution Cluster					
10.565	Commodity Supplemental Food Program			HSA	3,290,305
10.568	Emergency Food Assistance Program (Administrative Costs)			DEA	1,664,994
10.569	Emergency Food Assistance Program (Food Commodities)			DEA	11,097,458
	Food Distribution Cluster Subtotal				<u>16,052,757</u>
Other Department of Agriculture Programs					
10.001	Agricultural Research—Basic and Applied Research			ASA	4,634
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	1,620,391
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	693,447
	10.025 Subtotal				<u>2,313,838</u>
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	61,571
10.156	Federal-State Marketing Improvement Program			AHA	463
10.156	Federal-State Marketing Improvement Program	New Mexico State University	Q01568	UAA	10,284
	10.156 Subtotal				<u>10,747</u>
10.163	Market Protection and Promotion			AHA	21,206
10.170	Specialty Crop Block Grant Program—Farm Bill			AHA	738,653
10.170	Specialty Crop Block Grant Program—Farm Bill			GSA	22,704
10.170	Specialty Crop Block Grant Program—Farm Bill			UAA	84,845
	10.170 Subtotal				<u>846,202</u>
10.215	Sustainable Agriculture Research and Education	New Mexico State University	Q01406	UAA	208
10.217	Higher Education—Institution Challenge Grants Program			UAA	110,070
10.217	Higher Education—Institution Challenge Grants Program	New Mexico State University	Q01429	UAA	13,492
	10.217 Subtotal				<u>123,562</u>
10.227	1994 Institutions Research Program	Dine College	2011-38424-30522	UAA	2,057
10.303	Integrated Programs	University of California, Davis	07001492ARI14, 07001492ARI15, 201120630- ARI17, 201120630-ARI18, SA12- 1443-27UA	UAA	19,192
10.304	Homeland Security—Agricultural			UAA	177,290
10.305	International Science and Education Grants			UAA	6,197
10.309	Specialty Crop Research Initiative	University of California, Davis	20101304803	UAA	62,203
10.310	Agriculture and Food Research Initiative (AFRI)			ASA	36,389
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	27,591
	10.310 Subtotal				<u>63,980</u>

See accompanying notes to schedule.

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2014

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
10.311	Beginning Farmer and Rancher Development Program			UAA	321,488
10.311	Beginning Farmer and Rancher Development Program	Colorado State University	G-1488-1	UAA	3,821
	10.311 Subtotal				<u>325,309</u>
10.443	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers			UAA	144,788
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	67,660
10.479	Food Safety Cooperative Agreements			HSA	217,807
10.500	Cooperative Extension Service			UAA	4,641,283
10.500	Cooperative Extension Service	Kansas State University	2013-48696-21184, S08024, S11095, S13067, S13121, S13185/2010-48696-21892, S14110	UAA	63,362
10.500	Cooperative Extension Service	Michigan State University	RC103176G/2013-48765-21544	UAA	13,353
10.500	Cooperative Extension Service	University of Nebraska	25-6365-0040-135	UAA	9,500
10.500	Cooperative Extension Service	University of Wyoming	1001769, 1002139/130677012/2013-4700	UAA	13,913
10.500	Cooperative Extension Service	Washington State University	108815 G003059, 108815 G003060, 108815 G003065	UAA	16,980
	10.500 Subtotal				<u>4,758,391</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	160,599,691
10.558	Child and Adult Care Food Program			EDA	48,201,396
10.560	State Administrative Expenses for Child Nutrition			EDA	5,756,734
10.572	WIC Farmers' Market Nutrition Program (FMNP)			HSA	120,644
10.574	Team Nutrition Grants			EDA	93,200
10.576	Senior Farmers Market Nutrition Program			HSA	90,809
10.578	WIC Grants to States (WGS)			HSA	220,782
10.579	Child Nutrition Discretionary Grants Limited Availability			EDA	118,993
10.582	Fresh Fruit and Vegetable Program			EDA	3,231,878
10.652	Forestry Research			GFA	45,580
10.664	Cooperative Forestry Assistance			FOA	3,770,731
10.664	Cooperative Forestry Assistance	Coconino County	71542	UAA	26,691
	10.664 Subtotal				<u>3,797,422</u>
10.674	Wood Utilization Assistance			FOA	2,093
10.676	Forest Legacy Program			FOA	9,677
10.683	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	2009-0013-000/658, 0102.12.030501, 2010-0010-000, 2011-0090-000	GFA	93,700
10.862	Household Water Well System Grant Program			ASA	147,371
10.912	Environmental Quality Incentives Program			AHA	115,630
10.912	Environmental Quality Incentives Program			GFA	115,062
	10.912 Subtotal				<u>230,692</u>
10.914	Wildlife Habitat Incentive Program			GFA	6,133
10.960	Technical Agricultural Assistance			UAA	119,051
10.09CR11031600085	Education and Monitoring Program Related to Rangeland Resources Monitoring and Data Collection on National Forest System Lands within the State of Arizona			UAA	196,113
10.10-DG-11031600-050, 10-JV-11221636-261, 12CR11030700024, 12-CS-11030700-018, 12-JV-112216351-52, 2011-3842030989	Forest Service			NAA	600,108
10.11-8100-1573-CA	Arizona Citrus Clean Plant Network			UAA	2,794
10.11-CS-11030901-015	RAC 2011—Upper Verde River Wildlife			GFA	300
10.11-CS-11031200-023	Arizona Bald Eagle Management Program			GFA	21,540
10.11-PA-11030515-030	USDA, Forest Service			GSA	302
10.12-25-A-5732	Expanding Markets and Market Coordination for Native American and Other Specialty Crop Producers Using LocalFresh.info			UAA	15,202
10.12-25-B-1053	Enhancing Vegetable IPM in Arizona			UAA	2,940
10.12-25-B-1053	Implementation of GHP/GAP On-line Certification Training Program			UAA	951
10.12-25-B-1053	Pesticide Information Empowers Progressive Vegetable Industry			UAA	13,545
10.12-CS-11030109-032	Unit 1 Pronghorn Seasonal Movement Study			GFA	10,916
10.12-CS-11132427-240	Practitioners' Network for Large Landscape Conservation Landscape Conservation Cooperative Partnership			UAA	8,048

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
10.13-1001-0773-CA	The Arizona AG Discovery Summer Enrichment Program			UAA	8,604
10.13-CR-11031600-044	Arizona Rangeland Monitoring and VGS Enhancement			UAA	19,007
10.13-CS-11030504-019	Range Monitoring			UAA	28,922
10.PNW09JV11261975012	Saving the Wide Open Spaces			UAA	1,382
10.Unknown	Agricultural Literacy—School Garden Food Safety			UAA	21,456
10.Unknown	The Arizona Ag Discovery Summer Enrichment Program			UAA	12,208
10.Unknown	(YEAK) Cyfernet Search: 4H Youth Engagement, Attitudes and Knowledge Survey	National 4-H Council	LTR DTD 090111	UAA	5,805
Total Department of Agriculture					2,219,788,065
<u>DEPARTMENT OF COMMERCE</u>					
11.303	Economic Development—Technical Assistance			NAA	98,430
11.431	Climate and Atmospheric Research			UAA	154,321
11.549	State and Local Implementation Grant Program			ADA	225,081
11.553	Special Projects	Public Broadcasting Service	51-51-W10606 67	UAA	419,025
11.557	ARRA—Broadband Technology Opportunities Program (BTOP)			GVA	43,489
11.558	ARRA—State Broadband Data and Development Grant			ADA	963,064
11.558	ARRA—State Broadband Data and Development Grant			LDA	246,849
	11.558 Subtotal				1,209,913
11.609	Measurement and Engineering Research and Standards			ASA	25,920
11.611	Manufacturing Extension Partnership			CAA	398,261
11.IPA DTD 12/1/09	NOAA Intergovernmental Personnel Act Mobility Assignment			UAA	108,483
Total Department of Commerce					2,682,923
<u>DEPARTMENT OF DEFENSE</u>					
12.110	Planning Assistance to States			GFA	22,549
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	864,221
12.300	Basic and Applied Scientific Research			UAA	212,790
12.357	ROTC Language and Culture Training Grants	Institute of International Education	HQ0034-08-2-0024	ASA	516,135
12.357	ROTC Language and Culture Training Grants	Institute of International Education	2012GOUA, 2013GOUA	UAA	355,785
	12.357 Subtotal				871,920
12.400	Military Construction, National Guard			MAA	11,614,998
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	38,683,352
12.431	Basic Scientific Research			ASA	2,040
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	NSEP-U631043-ASU-CHN-10-C	ASA	456,544
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	NSEPU631073UAARAH98	UAA	314,469
	12.550 Subtotal				771,013
12.579	Language Training Center	Institute of International Education	H98210-13-2-0001	ASA	152,144
12.614	Community Economic Adjustment Assistance for Advance Planning and Economic Diversification			CAA	132,631
12.630	Basic, Applied, and Advanced Research in Science and Engineering			GFA	583,775
12.630	Basic, Applied, and Advanced Research in Science and Engineering			NAA	3,162
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Academy of Applied Science	W911NF-10-2-0076	ASA	16,514
	12.630 Subtotal				603,451
12.800	Air Force Defense Research Sciences Program			GFA	159,490
12.900	Language Grant Program			ASA	103,370
12.910	Research and Technology Development			UAA	204,904
12.LTR DTD 082712	IPA Agreement for David Schroeder			UAA	217,253
12.NAFBA1-13-M-0146/13-M-0307	2013 Operation Military Kids			UAA	21,874
12.NAFBA1-13-M-0307	Operation Military Kids			UAA	49,798
12.NSEP-U631063-ASU-CHN-ROT	ASU Chinese Language ROTC Flagship Program	Institute of International Education	NSEP-U631063-ASU-CHN-ROT	ASA	241,414
12.W9124A-05-D-0002	Business Enterprise Program/FT Huachuca			DEA	5,047,527

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
12.W9124A12C0011	Water Wise and Energy Smart			UAA	45,635
12.W9133L-09-F-0242	Graduate Certificate in Sustainability (GCSL)	Polu Kai Services	W9133L-09-F-0242	ASA	37,320
	Total Department of Defense				60,059,694
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
<u>Section 8 Project—Based Cluster</u>					
14.195	Section 8 Housing Assistance Payments Program			HDA	49,986,265
	Section 8 Project—Based Cluster Subtotal				49,986,265
<u>CDBG—State-Administered CDBG Cluster</u>					
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	14,298,376
	CDBG—State-Administered CDBG Cluster Subtotal				14,298,376
<u>HOPE VI Cluster</u>					
14.866	Demolition and Revitalization of Severely Distressed Public Housing	City of Phoenix	IGA 133412	ASA	37,813
14.866	Demolition and Revitalization of Severely Distressed Public Housing	City of Tucson, Arizona	33306	UAA	28,079
	HOPE VI Cluster Subtotal				65,892
<u>Housing Voucher Cluster</u>					
14.871	Section 8 Housing Choice Vouchers			HDA	1,424,340
	Housing Voucher Cluster Subtotal				1,424,340
<u>Other Department of Housing and Urban Development</u>					
14.171	Manufactured Home Dispute Resolution			MMA	268,562
14.231	Emergency Solutions Grant Program			DEA	1,707,498
14.235	Supportive Housing Program			HDA	734,448
14.238	Shelter Plus Care			HDA	378,526
14.239	Home Investment Partnerships Program			HDA	7,758,805
14.241	Housing Opportunities for Persons with AIDS			HDA	216,951
14.267	Continuum of Care Program			HDA	5,618,716
14.401	Fair Housing Assistance Program—State and Local			AGA	490,993
14.AZLHH0200-09	Health Performance Benefit-Cost Cost Effectiveness of Green Retrofit Housing for Low-Income Seniors in Phoenix Arizona			ASA	32,422
14.AZLHH0200-09	SC UofFL: Health Performance Benefit-Cost Cost Effectiveness of Green Retrofit Housing for Low-Income Seniors			ASA	5,849
14.CDNC113010CDBG	SJEP Block Grant	Pima County, Arizona	CTCD120000000000000230	UAA	4,818
	Total Department of Housing and Urban Development				82,992,461
<u>DEPARTMENT OF THE INTERIOR</u>					
<u>Fish and Wildlife Cluster</u>					
15.605	Sport Fish Restoration Program			GFA	7,422,876
15.611	Wildlife Restoration and Basic Hunter Education			GFA	11,466,782
	Fish and Wildlife Cluster Subtotal				18,889,658
<u>Other Department of the Interior Programs</u>					
15.225	Recreation Resource Management			GFA	7,113
15.228	National Fire Plan—Wildland Urban Interface Community Fire Assistance			FOA	30,160
15.230	Invasive and Noxious Plant Management			FOA	228
15.231	Fish, Wildlife and Plant Conservation Resource Management			EVA	34,354
15.231	Fish, Wildlife and Plant Conservation Resource Management			GFA	771,924
	15.231 Subtotal				806,278
15.236	Environmental Quality and Protection Resource Management			MIA	154,082
15.237	Rangeland Resource Management			UAA	340,548
15.238	Challenge Cost Share			GFA	34,612
15.511	Cultural Resources Management			ASA	39,829
15.511	Cultural Resources Management			PRA	1,394
	15.511 Subtotal				41,223
15.517	Fish and Wildlife Coordination Act			GFA	116,789
15.517	Fish and Wildlife Coordination Act			UAA	36,052
	15.517 Subtotal				152,841
15.538	Lower Colorado River Multi-Species Conservation Program			GFA	490,634
15.557	Desert and Southern Rockies Landscape Conservation Cooperatives			GFA	82,373

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15.608	Fish and Wildlife Management Assistance			GFA	413,910
15.615	Cooperative Endangered Species Conservation Fund			AHA	146,656
15.615	Cooperative Endangered Species Conservation Fund			GFA	1,045,909
	15.615 Subtotal				<u>1,192,565</u>
15.616	Clean Vessel Act Program			GFA	8,882
15.626	Enhanced Hunter Education and Safety Program			GFA	229,419
15.631	Partners for Fish and Wildlife			GFA	68,747
15.632	Conservation Grants Private Stewardship for Imperiled Species			ASA	16,371
15.634	State Wildlife Grants			GFA	1,311,149
15.637	Migratory Bird Joint Ventures			GFA	691
15.654	Visitor Facility Enhancements - Refuges and Wildlife			GFA	33,138
15.657	Endangered Species Conservation Recovery Implementation Funds			GFA	2,076
15.664	Fish and Wildlife Coordination and Assistance Programs			GFA	57,730
15.808	U.S. Geological Survey—Research and Data Collection			GFA	307,143
15.808	U.S. Geological Survey—Research and Data Collection			NAA	20,000
	15.808 Subtotal				<u>327,143</u>
15.810	National Cooperative Geologic Mapping Program			GSA	183,249
15.811	Gap Analysis Program			GFA	20,924
15.814	National Geological and Geophysical Data Preservation			GSA	30,202
15.904	Historic Preservation Fund Grants-In-Aid			PRA	1,001,386
15.904	Historic Preservation Fund Grants-In-Aid			UAA	65,629
	15.904 Subtotal				<u>1,067,015</u>
15.929	Save America's Treasures			UAA	41,974
15.945	Cooperative Research and Training Programs—Resources of the National Park System			NAA	1,120
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	244,109
	15.945 Subtotal				<u>245,229</u>
15.1425-98-FG-32-00540	Roosevelt Lake Goose Forage Project			GFA	859
15.50730W0330	Bureau of Reclamation Restricted Endowment			ASA	6,597,767
15.A14PX00847	FY14 BIA Water Resources Technical Training Program			UAA	2,149
15.H1200040002/P09A C00106	Prepare Museum Management Plan for San Antonio Missions National Historical Park			UAA	7,491
15.H1200040002J81000 90117	Manage FY09 Museum Collection Reporting and Assist with Digital Imaging Project			UAA	2,709
15.H1200050003/P09A C00039	Missions Initiative Project-Inventory Mission Sites (2009-2011) San Antonio Missions National Park			UAA	12,544
15.H1200050003J86701 00082	Interpret the Saguaro Wilderness Watershed			UAA	1,330
15.H1200050003J86800 90020	Exhibit Production at Various Southern Arizona National Park Service Sites			UAA	50,799
15.H1200090004/P12AC10658	Preservation of Spanish Colonial Resources Through International Cooperation and Partnerships, TICRAT Preservation Workshops 2013-2015 (UAZDS-384)			UAA	10,354
15.H1200090005 P11AC90635	Provide Support for Western Archeological and Conservation Center Earthquake Preparedness and Emergency Operations Plan			UAA	1,683
15.H1200090005P11AT 10744	Support Archives and Library Program (UAZCP-277)			UAA	1,188
15.H1200100001/P12AC10644	Preservation of Sacristy Barrel Vault/Roof at San Jose de Tumacacori, Tumacacori Mission Unit, Tumacacori NHP			UAA	680
15.H1200100001/P11AT 10417	Document, Assess, Stabilize and Repair Cultural Resources Impacted by Border Activities			UAA	3,692
15.H1200100001/P11AC90685	FY 11 DSCESU Program Coordinator			UAA	6,851
15.H1200100001/P12AC10087	Conduct Tribal Consultation to Publish a Notice of Inventory Completion			UAA	16,713
15.H1200100001/P12AC10814	National Natural Landmarks Program Annual Photo Contest Calendar			UAA	11,794
15.H1200100001/R8690120012	Preservation of the Mission Acequia and Compuerta/Lavandaria Structure at San Jose de Tumacacori, Tur... (UAZDS-393)			UAA	11,137
15.H2370114000P12AC 11094	Using archaeology to Link Students to Arizona's Latino Heritage			UAA	56,146
15.H2623050831/P10A C00614	Assistance with Afghan Cultural Heritage Officials Training, Archeology Program, WASO			UAA	89,469
15.IPA DTD 020311	IPA on Land Use Dynamics and Adaptation to Climate Change in West Africa			UAA	73,576

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
15.P10AC00136	Herbarium Imaging Project (PHASE 3-UA) (UAZCP-242)			UAA	733
15.P10AC00114/NAU37 3, P08AC0082, P09AC00053, P10AC00074/NAU374, P11AC90557	National Park Service			NAA	5,959
15.P11AC90689	California Phenology Project Technical Assistance (UAZDS 364)			UAA	31,658
15.UAZDS395/P12AC11 003	Research Coordinator FY 12 Operations Account (UAZDS-395)			UAA	3,995
	Total Department of the Interior				33,281,440
<u>DEPARTMENT OF JUSTICE</u>					
<u>JAG Program Cluster</u>					
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	1,007,960
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	4,314,382
16.738	Edward Byrne Memorial Justice Assistance Grant Program			PSA	388,542
16.738	Edward Byrne Memorial Justice Assistance Grant Program			SPA	289,635
	JAG Program Cluster Subtotal				6,000,519
<u>Other Department of Justice Programs</u>					
16.013	Violence Against Women Act Court Training and Improvement Grants			SPA	8,710
16.017	Sexual Assault Services Formula Program			HSA	268,801
16.111	Joint Law Enforcement Operations (JLEO)			PSA	1,583,555
16.523	Juvenile Accountability Block Grants			DJA	56,007
16.523	Juvenile Accountability Block Grants			GVA	532,589
16.523	Juvenile Accountability Block Grants			SPA	86,957
	16.523 Subtotal				675,553
16.526	OVW Technical Assistance Initiative			NAA	236,578
16.527	Supervised Visitation, Safe Havens for Children			GVA	110,673
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			DJA	95,966
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			GVA	737,129
	16.540 Subtotal				833,095
16.543	Missing Children's Assistance			PSA	20,000
16.543	Missing Children's Assistance	Arizona Internet Crimes Against Children Task Force	2009-MC-CX-K013	AGA	15,000
	16.543 Subtotal				35,000
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	72,096
16.554	National Criminal History Improvement Program (NCHIP)			JCA	145,345
16.554	National Criminal History Improvement Program (NCHIP)			PSA	55,403
	16.554 Subtotal				200,748
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			AGA	805
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			JCA	414,401
	16.560 Subtotal				415,206
16.575	Crime Victim Assistance			AGA	88,325
16.575	Crime Victim Assistance			DCA	32,971
16.575	Crime Victim Assistance			DJA	40,384
16.575	Crime Victim Assistance			PSA	7,830,235
	16.575 Subtotal				7,991,915
16.576	Crime Victim Compensation			JCA	1,438,631
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona	16061	UAA	186,773
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program			AGA	547,160
16.588	Violence Against Women Formula Grants			GVA	2,975,425
16.588	Violence Against Women Formula Grants			NAA	144,505
16.588	Violence Against Women Formula Grants			STA	40,663
	16.588 Subtotal				3,160,593
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			GVA	200,784

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			UAA	59,766
	16.589 Subtotal				<u>260,550</u>
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	28,784
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	125,682
16.593	Residential Substance Abuse Treatment for State Prisoners			JCA	238,180
	16.593 Subtotal				<u>392,646</u>
16.606	State Criminal Alien Assistance Program			DCA	7,869,328
16.607	Bulletproof Vest Partnership Program			ADA	39,951
16.607	Bulletproof Vest Partnership Program			DCA	19,852
	16.607 Subtotal				<u>59,803</u>
16.609	Project Safe Neighborhoods			JCA	43,763
16.726	Juvenile Mentoring Program	National 4-H Council	2011-MU-MU-026, 2012-JU-FX-0016, 2013-JU-FX-0022	UAA	73,006
16.727	Enforcing Underage Drinking Laws Program			GHA	8,013
16.727	Enforcing Underage Drinking Laws Program			LLA	45,915
	16.727 Subtotal				<u>53,928</u>
16.741	Forensic DNA Backlog Reduction Program			JCA	549,655
16.741	Forensic DNA Backlog Reduction Program			PSA	644,162
	16.741 Subtotal				<u>1,193,817</u>
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	78,602
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	127,503
	16.742 Subtotal				<u>206,105</u>
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program			DCA	70,938
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	Superior Court of Maricopa County	2012-MO-BX-0023	ASA	82,193
	16.745 Subtotal				<u>153,131</u>
16.746	Capital Case Litigation Initiative			NAA	74,958
16.748	Convicted Offender and/or Arrestee DNA Backlog Reduction Program			PSA	8,845
16.750	Support for Adam Walsh Act Implementation Grant Program			PSA	85,160
16.813	NICS Act Record Improvement Program			JCA	319,769
16.813	NICS Act Record Improvement Program			PSA	376,623
16.813	NICS Act Record Improvement Program			SPA	8,750
	16.813 Subtotal				<u>705,142</u>
16.816	John R. Justice Prosecutors and Defenders Incentive Act			SPA	63,907
16.820	Postconviction Testing of DNA Evidence to Exonerate the Innocent			JCA	66,060
16.2012WEAX0050	Pima County Domestic Violence Review Team	Pima County, Arizona	CTNPCA130000000000000139	UAA	1,739
16.Unknown	Federal Asset Sharing			AGA	378,349
	Total Department of Justice				<u>35,455,843</u>
<u>DEPARTMENT OF LABOR</u>					
<u>Employment Service Cluster</u>					
17.207	Employment Service/Wagner-Peyser Funded Activities			ADA	696,703
17.207	Employment Service/Wagner-Peyser Funded Activities			ASA	16,291
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	11,701,962
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	969,327
	17.207 Subtotal				<u>13,384,283</u>
17.801	Disabled Veterans' Outreach Program (DVOP)			DEA	1,650,446
17.804	Local Veterans' Employment Representative Program			DEA	1,220,236
	Employment Service Cluster Subtotal				<u>16,254,965</u>
<u>WIA Cluster</u>					
17.258	WIA Adult Program			DEA	12,744,591
17.259	WIA Youth Activities			ADA	35,261
17.259	WIA Youth Activities			CAA	800,150
17.259	WIA Youth Activities			DEA	12,057,906
	17.259 Subtotal				<u>12,893,317</u>

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
17.278	WIA Dislocated Worker Formula Grants			DEA	19,790,379
	WIA Cluster Subtotal				<u>45,428,287</u>
	<u>Other Department of Labor Programs</u>				
17.002	Labor Force Statistics			ADA	911,835
17.005	Compensation and Working Conditions			ICA	92,015
17.225	Unemployment Insurance			ADA	40,672
17.225	Unemployment Insurance			DEA	489,141,525
17.225	ARRA—Unemployment Insurance			DEA	2,026,264
	17.225 Subtotal				<u>491,208,461</u>
17.235	Senior Community Service Employment Program			DEA	1,065,739
17.245	Trade Adjustment Assistance			DEA	1,272,157
17.267	Incentive Grants - WIA Section 503			DEA	488,821
17.267	Incentive Grants - WIA Section 503			EDA	473,749
17.267	Incentive Grants - WIA Section 503			GVA	11,077
	17.267 Subtotal				<u>973,647</u>
17.268	H-1B Job Training Grants			CAA	6,906
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	274,351
17.273	Temporary Labor Certification for Foreign Workers			DEA	108,583
17.275	ARRA—Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors			DEA	8,550
17.283	Workforce Innovation Fund	Gila River Indian Community	C4695	ASA	244,473
17.503	Occupational Safety and Health—State Program			ICA	2,144,102
17.504	Consultation Agreements			ICA	712,125
17.600	Mine Health and Safety Grants			MIA	117,118
	Total Department of Labor				<u>560,823,314</u>
	<u>DEPARTMENT OF STATE</u>				
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education	S-ECAAS-10-CA-044(DT)	ASA	218,120
19.011	Academic Exchange Programs—Special Academic Exchange Programs	American Institute of Maghrib Studies	LTR DTD 110101	UAA	116,487
19.021	Investing in People in The Middle East and North Africa			ASA	372,431
19.021	Investing in People in The Middle East and North Africa			UAA	167,324
	19.021 Subtotal				<u>539,755</u>
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			ASA	11,507
19.400	Academic Exchange Programs—Graduate Students	Institute of International Education	S-ECAGD-14-CA-1017	ASA	57,387
19.400	Academic Exchange Programs—Graduate Students	Institute of International Education	SECAGD13CA017	UAA	117,249
	19.400 Subtotal				<u>174,636</u>
19.408	Academic Exchange Programs—Teachers	International Research and Exchanges Board (IREX)	S-ECAGD-13-CA-002	ASA	156,222
19.501	Public Diplomacy Programs for Afghanistan and Pakistan			UAA	161,591
19.S-CH500-10-GR201	Establishment and Administration of an American Center at Sichuan University			ASA	17,952
19.S-ECAA-12-CA-095(KF)	The Study of the United States Institutes for Student Leaders on U.S. History and Government	Institute for Training and Development	LTR DTD 032414, LTR DTD 061812	UAA	358,794
19.Unknown	US-Iran Collaboration on Sustainable, Resilient Cities	National Academy Of Science	20000004433	UAA	11,242
	Total Department of State				<u>1,766,306</u>
	<u>DEPARTMENT OF TRANSPORTATION</u>				
	<u>Highway Planning and Construction Cluster</u>				
20.205	Highway Planning and Construction			ADA	136,970
20.205	Highway Planning and Construction			ASA	10,958
20.205	Highway Planning and Construction			DTA	657,322,889
20.205	ARRA—Highway Planning and Construction			DTA	796,662
20.205	Highway Planning and Construction			GFA	256,926
20.205	Highway Planning and Construction			LDA	22,046
20.205	Highway Planning and Construction			PRA	30,938
20.205	Highway Planning and Construction			PSA	18,761
	20.205 Subtotal				<u>658,596,150</u>
20.219	Recreational Trails Program			DTA	462,289

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20.219	Recreational Trails Program			PRA	1,320,018
	20.219 Subtotal				<u>1,782,307</u>
	Highway Planning and Construction Cluster Subtotal				<u>660,378,457</u>
	<u>Federal Transit Cluster</u>				
20.500	Federal Transit—Capital Investment Grants			DTA	896,825
	Federal Transit Cluster Subtotal				<u>896,825</u>
	<u>Transit Services Programs Cluster</u>				
20.513	Enhanced Mobility for Seniors and Individuals with Disabilities			DTA	4,108,180
20.516	Job Access and Reverse Commute Program			DTA	1,308,670
20.521	New Freedom Program			DTA	445,291
	Transit Services Programs Cluster Subtotal				<u>5,862,141</u>
	<u>Highway Safety Cluster</u>				
20.600	State and Community Highway Safety			ASA	3,135
20.600	State and Community Highway Safety			DTA	111,877
20.600	State and Community Highway Safety			GHA	3,405,749
20.600	State and Community Highway Safety			LLA	30,000
20.600	State and Community Highway Safety			NAA	9,512
20.600	State and Community Highway Safety			PSA	141,226
20.600	State and Community Highway Safety			UAA	17,348
	20.600 Subtotal				<u>3,718,847</u>
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			ASA	25,657
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			GHA	2,369,107
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			LLA	10,000
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			PSA	135,352
	20.601 Subtotal				<u>2,540,116</u>
20.610	State Traffic Safety Information System Improvement Grants			HSA	95,077
20.612	Incentive Grant Program to Increase Motorcyclist Safety			GHA	152,646
20.613	Child Safety and Child Booster Seats Incentive Grants			GHA	42,182
	Highway Safety Cluster Subtotal				<u>6,548,868</u>
	<u>Other Department of Transportation Programs</u>				
20.106	Airport Improvement Program			DTA	453,773
20.200	Highway Research and Development Program			DTA	82,618
20.215	Highway Training and Education			DTA	228,142
20.218	National Motor Carrier Safety			DTA	1,169,789
20.218	National Motor Carrier Safety			PSA	3,165,006
	20.218 Subtotal				<u>4,334,795</u>
20.233	Border Enforcement Grants			PSA	4,875,673
20.237	Commercial Vehicle Information Systems and Networks			DTA	1,034,132
20.317	Capital Assistance to States - Intercity Passenger Rail Service			DTA	65,292
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	1,987,593
20.509	Formula Grants for Rural Areas			DTA	9,300,182
20.520	Paul S. Sarbanes Transit in the Parks			DTA	60,613
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			ASA	2,490
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			GHA	3,771,037
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			LLA	50,000
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			NAA	5,440
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			PSA	1,492,941
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			UAA	34,655
	20.608 Subtotal				<u>5,356,563</u>
20.700	Pipeline Safety Program Base Grants			CCA	389,268
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	272,644
20.933	National Infrastructure Investments			DTA	1,511,847
20.999-M(062)Z	Safe Routes to School—Nogales			UAA	19,963
20.999-M(063)Z	Safe Routes to School—Rio Rico			UAA	19,962
20.999-M(095)T, TRACS M5113	2013 National Summer Transportation Institute			ASA	5,665
20.DTFH61-11-D-00008	ATLAS: Technical Services for AASHTO	American Association of State Highway and Transportation Officials	AS 14-0012	UAA	15,237

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
20.DTFH64-11-G-00008	2011 Eisenhower Fellowship - Keith Christian			ASA	3,400
20.DTFH64-12-G-00040	2012 - EISENHOWER FELLOWSHIP (SARAH VOLOSIN)			ASA	833
20.DTFH64-13-G-00012	2013 Eisenhower Graduate Fellowship- Jonathan Adler			ASA	11,500
20.DTFH64-13-G-00038	Reina 2013 Eisenhower Fellowship			ASA	5,000
20.DTFH64-13-G-00048	2013 Eisenhower Graduate Fellowship - Matthew Nahlik			ASA	5,000
20.DTFH64-13-G-00207, DTFH64-13-G-00160	Federal Highway Administration			NAA	19,313
20.Unknown	MPD 97-12: SPR116 - Product Evaluation Services			ASA	15,197
20.Unknown	MATERIALS: Subcommittee: Pipe				
20.Unknown	Department of Transportation			NAA	7,831
20.Unknown	Department of Transportation	City of Phoenix	135725-0	NAA	10,812
20.Unknown	Safe Routes to School—Nogales			UAA	745
20.Unknown	Safe Routes to School—Santa Cruz Co.			UAA	1,209
	Total Department of Transportation				703,781,093
<u>DEPARTMENT OF THE TREASURY</u>					
<u>CDFI Cluster</u>					
21.020	Community Development Financial Institutions Program			UAA	18,844
	CDFI Cluster Subtotal				18,844
<u>Other Department of the Treasury Programs</u>					
21.000	National Foreclosure Mitigation Counseling	NeighborWorks America	PL11X-289:95X1350, PL111-117:95X1350, PL112-1095X1350, PL112-55:95X1350, PL113:6X1350	HDA	872,674
21.Unknown	US Treasury RICO			PSA	205,665
	Total Department of the Treasury				1,097,183
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>					
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964			AGA	167,513
	Total Equal Employment Opportunity Commission				167,513
<u>GENERAL SERVICES ADMINISTRATION</u>					
39.002	Disposal of Federal Surplus Real Property			DTA	233,970
39.003	Donation of Federal Surplus Personal Property			ADA	4,838,271
	Total General Services Administration				5,072,241
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>					
43.001	Science			ASA	92,008
43.NAS71407	Curriculum and Training Support for Navigator's Extra-Solar Planet Research	Jet Propulsion Laboratory	1251186	UAA	82,876
43.NNX10AK14G	Laurel Clark Earth Camp Experience	Arizona Sonora Desert Museum	LTR DTD 122210	UAA	44,367
43.Unknown	American Indian Mobile Educational Resources (AIMER)			NAA	13,520
43.Unknown	Space Grant Program			NAA	106,192
	Total National Aeronautics and Space Administration				338,963
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>					
45.024	Promotion of the Arts—Grants to Organizations and Individuals			ASA	55,897
45.024	Promotion of the Arts—Grants to Organizations and Individuals			UAA	1,350
	45.024 Subtotal				57,247
45.025	Promotion of the Arts—Partnership Agreements			HUA	780,539
45.Unknown	NEA Challenge Grant Endowment			UAA	70,391
	Total National Endowment for the Arts				908,177
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>					
45.129	Promotion of the Humanities—Federal/State Partnership			STA	3,257
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG11-5731-2012, GG12-5732-2012, GG29-5610-2011, OA09-5751-2012	ASA	12,468
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG09-5729-2012, GG0559452013	NAA	12,659

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45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG0658342013, GG0758352013, GG08-5836- 2013, GG0859042013, OA0459862014, OA1559342013	UAA	9,160
	45.129 Subtotal				<u>37,544</u>
45.149	Promotion of the Humanities—Division of Preservation and Access			NAA	6,000
45.149	Promotion of the Humanities—Division of Preservation and Access			STA	155,657
45.149	Promotion of the Humanities—Division of Preservation and Access			UAA	818
	45.149 Subtotal				<u>162,475</u>
45.163	Promotion of the Humanities—Professional Development			ASA	48,598
45.164	Promotion of the Humanities—Public Programs			ASA	1,528
45.Unknown	NEH/ASM Educational Endowment			UAA	403,609
	Total National Endowment for the Humanities				<u>653,754</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>					
45.310	Grants to States			STA	3,502,576
45.313	Laura Bush 21st Century Librarian Program			UAA	321,566
45.313	Laura Bush 21st Century Librarian Program	University of Tennessee	A121113S001	UAA	31,986
	45.313 Subtotal				<u>353,552</u>
	Total Institute of Museum and Library Services				<u>3,856,128</u>
<u>NATIONAL SCIENCE FOUNDATION</u>					
47.049	Mathematical and Physical Sciences			NAA	15,215
47.050	Geosciences			GSA	922,275
47.050	Geosciences			NAA	150,602
	47.050 Subtotal				<u>1,072,877</u>
47.074	Biological Sciences			NAA	241,702
47.076	Education and Human Resources			NAA	620,359
47.080	Office of Cyberinfrastructure			GSA	84,603
47.082	ARRA—Trans-NSF Recovery Act Research Support			NAA	48,981
	Total National Science Foundation				<u>2,083,737</u>
<u>SMALL BUSINESS ADMINISTRATION</u>					
59.058	Federal and State Technology Partnership Program			CAA	21,834
59.061	State Trade and Export Promotion Pilot Grant Program			CAA	246,294
	Total Small Business Administration				<u>268,128</u>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>					
64.005	ARRA—Grants to States for Construction of State Home Facilities			VSA	826,035
64.024	VA Homeless Providers Grant and Per Diem Program			VSA	107,558
64.124	All-Volunteer Force Educational Assistance			VSA	331,486
64.203	State Cemetery Grants			VSA	509,575
64.LTR DTD 060111	Research Salary (A Morgan Mikail) IPA			UAA	114,488
64.LTR DTD 072910	IPA for Dr. Bryan Angelo Panizales Roxas			UAA	51,960
64.LTR DTD 082013	Assignment Agreement—Southern Arizona VA Health Care System (SAVAHCS)			UAA	31,578
64.LTR DTD 090712	Research Salary (A Escalante), IPA (Research Services)			UAA	32,487
64.LTR DTD 092513	Telemedicine management of veterans with PTSD and chronic insomnia			UAA	9,474
64.LTR DTD 110711	IPA Agreement for Karen Blohm-Mangone			UAA	34,112
64.VA258P0428	Contract Providing Veterinary Service to the VA Hospital			UAA	9,788
	Total Department of Veterans Affairs				<u>2,058,541</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>					
<u>Drinking Water State Revolving Fund Cluster</u>					
66.458	Capitalization Grants for Clean Water State Revolving Funds			WFA	15,038,457
	Drinking Water State Revolving Fund Cluster Subtotal				<u>15,038,457</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
<u>Other Environmental Protection Agency Programs</u>					
66.001	Air Pollution Control Program Support			EVA	2,876,350
66.032	State Indoor Radon Grants			AEA	92,180
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	482,759
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			NAA	399,363
	66.034 Subtotal				882,122
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,716,056
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	309,885
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			GFA	48,563
	66.419 Subtotal				358,448
66.454	Water Quality Management Planning			EVA	120,504
66.460	Nonpoint Source Implementation Grants			EVA	1,096,378
66.460	Nonpoint Source Implementation Grants			MAA	46,224
	66.460 Subtotal				1,142,602
66.468	Capitalization Grants for Drinking Water State Revolving Funds			EVA	3,300,254
66.468	Capitalization Grants for Drinking Water State Revolving Funds			WFA	21,331,099
	66.468 Subtotal				24,631,353
66.514	Science To Achieve Results (STAR) Fellowship Program			ASA	16,878
66.514	Science To Achieve Results (STAR) Fellowship Program			NAA	582
	66.514 Subtotal				17,460
66.605	Performance Partnership Grants			AHA	323,394
66.605	Performance Partnership Grants			EVA	4,363,526
66.605	Performance Partnership Grants			SBA	159,080
	66.605 Subtotal				4,846,000
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	141,435
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Walker River Paiute Tribe	PO 29059	NAA	11,733
	66.608 Subtotal				153,168
66.709	Multi-Media Capacity Building Grants for States and Tribes			EVA	37,715
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			NAA	87,199
66.801	Hazardous Waste Management State Program Support			EVA	1,161,917
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	488,527
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			EVA	428,741
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	990,530
66.808	Solid Waste Management Assistance Grants			NAA	35,340
66.815	Environmental Workforce Development and Job Training Cooperative Agreements			NAA	71,488
66.817	State and Tribal Response Program Grants			EVA	653,809
66.931	International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs	Border Environment Cooperation Commission	TAA10-064	EVA	695
66.EP-12-9-000060	IPM Training in Schools for Tribes			UAA	18,647
66.TAA10006	Transferable Training Modules on Environmental Health for Promotoras on the US-Mexico Border	Border Environment Cooperative Commission	TAA10006	UAA	196
66.Unknown	Arizona Master Watershed Stewards (MWS) Educational Outreach and Technical Support			UAA	9,151
66.Unknown	Arizona NEMO—Nonpoint Source Education for Municipal Officials			UAA	50,955
66.Unknown	Environmental Protection Agency			NAA	32,660
66.Unknown	Environmental Protection Agency	Sonoma Technology Inc.	EP-D-09-097	NAA	37,264
66.Unknown	Environmental Protection Agency	United South and Eastern Tribes Inc.	N/A	NAA	103,153
66.Unknown	Environmental Protection Agency	Walker River Paiute Tribe	30342	NAA	11,829
	Total Environmental Protection Agency				56,094,516
<u>DEPARTMENT OF ENERGY</u>					
81.041	State Energy Program			GVA	612,813

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81.042	Weatherization Assistance for Low-Income Persons			GVA	583,137
81.086	Conservation Research and Development			CAA	78,103
81.087	ARRA—Renewable Energy Research and Development			GSA	4,823,104
81.087	Renewable Energy Research and Development			NAA	24,891
81.087	Renewable Energy Research and Development	Electricore, Inc.	DE-EE0006339	ASA	22,402
81.087	ARRA—Renewable Energy Research and Development	Boise State University	014G106215-A	GSA	291,859
	81.087 Subtotal				<u>5,162,256</u>
81.089	Fossil Energy Research and Development	California State Energy Resources Conservation and Development Commission	500-10-024	GSA	36,219
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance			GVA	43,254
81.119	State Energy Program Special Projects			GVA	263,055
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis			ASA	168,735
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis			ASA	41,688
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis			CCA	42,058
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis			GVA	166,589
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis			GVA	6,857
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis	University of Minnesota	A000211528	NAA	3,198
	81.122 Subtotal				<u>429,125</u>
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program			NAA	130,427
81.10015030-AGS	ARRA—Geologic Sequestration Site Characterization	The University of Utah	10015030-AGS	GSA	97,920
81.LTR DTD 122313	DOE—Intergovernmental Personnel Act (IPA)			UAA	78,618
	Total Department of Energy				<u>7,514,927</u>
<u>DEPARTMENT OF EDUCATION</u>					
<u>Special Education Cluster (IDEA)</u>					
84.027	Special Education—Grants to States			ASA	179,004
84.027	Special Education—Grants to States			DCA	136,164
84.027	Special Education—Grants to States			DJA	93,928
84.027	Special Education—Grants to States			EDA	171,096,714
84.027	Special Education—Grants to States			HSA	1,600
84.027	Special Education—Grants to States			NAA	350,868
84.027	Special Education—Grants to States			SDA	630,512
84.027	Special Education—Grants to States			SPA	478,933
84.027	Special Education—Grants to States			UAA	82,668
84.027	Special Education—Grants to States	Navajo Nation	N/A	NAA	469,580
	84.027 Subtotal				<u>173,519,971</u>
84.173	Special Education—Preschool Grants			EDA	5,510,130
84.173	Special Education—Preschool Grants			SDA	110,098
	84.173 Subtotal				<u>5,620,228</u>
	Special Education Cluster (IDEA) Subtotal				<u>179,140,199</u>
<u>TRIO Cluster</u>					
84.042	TRIO—Student Support Services			ASA	1,058,342
84.042	TRIO—Student Support Services			NAA	281,806
84.042	TRIO—Student Support Services			UAA	220,819
	84.042 Subtotal				<u>1,560,967</u>
84.044	TRIO—Talent Search			NAA	345,628
84.047	TRIO—Upward Bound			ASA	391,424
84.047	TRIO—Upward Bound			NAA	705,002
	84.047 Subtotal				<u>1,096,426</u>
84.066	TRIO—Educational Opportunity Centers			NAA	448,966
	TRIO Cluster Subtotal				<u>3,451,987</u>
<u>Teacher Quality Partnership Grants Cluster</u>					
84.336	Teacher Quality Partnership Grants			ASA	3,952,378
	Teacher Quality Partnership Grants Cluster Subtotal				<u>3,952,378</u>

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
<u>Statewide Data Systems Cluster</u>					
84.372	Statewide Longitudinal Data Systems			EDA	1,912,335
	Statewide Data Systems Cluster Subtotal				1,912,335
<u>Teacher Incentive Fund Cluster</u>					
84.374	Teacher Incentive Fund			ASA	3,262,305
84.385	ARRA—Teacher Incentive Fund, Recovery Act			ASA	6,463,163
	Teacher Incentive Fund Cluster Subtotal				9,725,468
<u>School Improvement Grants Cluster</u>					
84.377	School Improvement Grants			EDA	7,287,632
84.388	ARRA—School Improvement Grants, Recovery Act			EDA	18,247,939
	School Improvements Grants Cluster Subtotal				25,535,571
<u>Other Department of Education Programs</u>					
84.002	Adult Education—Basic Grants to States			EDA	9,205,129
84.010	Title I Grants to Local Educational Agencies			DCA	336,487
84.010	Title I Grants to Local Educational Agencies			EDA	303,583,161
	84.010 Subtotal				303,919,648
84.011	Migrant Education—State Grant Program			ASA	1,209
84.011	Migrant Education—State Grant Program			EDA	7,255,503
	84.011 Subtotal				7,256,712
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	165,114
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	560,590
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	138,292
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			SPA	972,852
	84.013 Subtotal				1,836,848
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program			UAA	807,416
84.031	Higher Education—Institutional Aid	Maricopa Community Colleges	Unknown	ASA	14,856
84.031	Higher Education—Institutional Aid	AZ Western College	P031S120083, N/A	NAA	261,601
84.031	Higher Education—Institutional Aid	Arizona Western College	B0011282 / B0011480	UAA	240,379
	84.031 Subtotal				516,836
84.048	Career and Technical Education—Basic Grants to States			DJA	23,329
84.048	Career and Technical Education—Basic Grants to States			EDA	21,224,985
84.048	Career and Technical Education—Basic Grants to States			SDA	28,660
84.048	Career and Technical Education—Basic Grants to States			UAA	362,989
	84.048 Subtotal				21,639,963
84.051	Career and Technical Education—National Programs			EDA	406,989
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States			DEA	68,402,389
84.129	Rehabilitation Long-Term Training			UAA	154,808
84.144	Migrant Education - Coordination Program			EDA	44,763
84.169	Independent Living—State Grants			DEA	128,427
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind			DEA	136,455
84.181	Special Education—Grants for Infants and Families			DEA	10,612,460
84.181	Special Education—Grants for Infants and Families			NAA	177
84.181	Special Education—Grants for Infants and Families			SDA	378,888
	84.181 Subtotal				10,991,525
84.184	Safe and Drug-Free Schools and Communities—National Programs			EDA	5,632,688
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			DEA	462,622
84.195	Bilingual Education—Professional Development			ASA	5,368
84.195	Bilingual Education—Professional Development			NAA	134
84.195	Bilingual Education—Professional Development	Mesa Community College	575779	ASA	81,522
	84.195 Subtotal				87,024
84.196	Education for Homeless Children and Youth			EDA	1,621,801

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84.200	Graduate Assistance in Areas of National Need			ASA	115,803
84.215	Fund for the Improvement of Education	Flagstaff Unified School	U215X100250	NAA	97,993
84.224	Assistive Technology			NAA	626,395
84.229	Language Resource Centers			NAA	74,271
84.264	Rehabilitation Training—Continuing Education	San Diego State University Foundation	55587CP26997802212	UAA	13,744
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training			DEA	75,474
84.282	Charter Schools			EDA	8,984,290
84.287	Twenty-First Century Community Learning Centers			EDA	20,863,555
84.299	Indian Education—Special Programs for Indian Children			ASA	231,985
84.299	Indian Education—Special Programs for Indian Children			NAA	88,686
	84.299 Subtotal				<u>320,671</u>
84.305	Education Research, Development and Dissemination	WestEd	S12-010	NAA	14,717
84.315	Capacity Building for Traditionally Underserved Populations			NAA	74,208
84.323	Special Education—State Personnel Development			EDA	835,256
84.323	Special Education—State Personnel Development			NAA	380,232
	84.323 Subtotal				<u>1,215,488</u>
84.324	Research in Special Education	University of Oregon	224060F	EDA	47,915
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	290,406
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	198,799
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	1,048,255
	84.325 Subtotal				<u>1,537,460</u>
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			DJA	689
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	190,483
	84.326 Subtotal				<u>191,172</u>
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)			EDA	640,123
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	4,022,520
84.335	Child Care Access Means Parents in School			ASA	74,923
84.335	Child Care Access Means Parents in School			NAA	98,443
	84.335 Subtotal				<u>173,366</u>
84.350	Transition to Teaching			ASA	194,517
84.350	Transition to Teaching			EDA	177,916
84.350	Transition to Teaching			UAA	564,624
	84.350 Subtotal				<u>937,057</u>
84.358	Rural Education			EDA	766,225
84.363	School Leadership			ASA	478,095
84.365	English Language Acquisition State Grants			EDA	18,939,049
84.365	English Language Acquisition State Grants			NAA	1,057,174
	84.365 Subtotal				<u>19,996,223</u>
84.366	Mathematics and Science Partnerships			EDA	3,380,777
84.366	Mathematics and Science Partnerships	Navajo County Ed Services Agency	N/A	NAA	25,074
	84.366 Subtotal				<u>3,405,851</u>
84.367	Improving Teacher Quality State Grants			ASA	12,217
84.367	Improving Teacher Quality State Grants			BRA	42,556
84.367	Improving Teacher Quality State Grants			DCA	29,529
84.367	Improving Teacher Quality State Grants			DJA	106,044
84.367	Improving Teacher Quality State Grants			EDA	33,187,213
84.367	Improving Teacher Quality State Grants			NAA	29,897
84.367	Improving Teacher Quality State Grants			SPA	124,578
84.367	Improving Teacher Quality State Grants			UAA	108,369
84.367	Improving Teacher Quality State Grants	National Institute for Excellence in Teaching - TAP	U367D130010	ASA	481,570
84.367	Improving Teacher Quality State Grants	National Writing Project	Unknown	ASA	2,178
84.367	Improving Teacher Quality State Grants	National Writing Project	92AZ02-SEED2012	NAA	3,034
84.367	Improving Teacher Quality State Grants	National Writing Project	92-AZ03-SEED2012	UAA	6,897
	84.367 Subtotal				<u>34,134,082</u>

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84.368	Grants for Enhanced Assessment Instruments			EDA	291,717
84.369	Grants for State Assessments and Related Activities			EDA	11,557,188
84.378	College Access Challenge Grant Program			ASA	83,699
84.378	College Access Challenge Grant Program			GVA	2,560,793
84.378	College Access Challenge Grant Program			NAA	48,029
84.378	College Access Challenge Grant Program			PEA	578,229
84.378	College Access Challenge Grant Program			UAA	42,966
	84.378 Subtotal				<u>3,313,716</u>
84.395	ARRA—State Fiscal Stabilization Fund (SFSF)—Race-to-the-Top Incentive Grants, Recovery Act	Florida Department of Education	99A-PS111-3R001 and 99A-PS111-4R001	EDA	67,827
84.395	ARRA—State Fiscal Stabilization Fund (SFSF)—Race-to-the-Top Incentive Grants, Recovery Act	Florida Department of Education	AZ1-PH111	GVA	35,802
	84.395 Subtotal				<u>103,629</u>
84.411	Investing in Innovation (i3) Fund	National Writing Project	92AZ03i32013	UAA	57,801
84.413	Race to the Top			EDA	6,803,424
84.413	Race to the Top			GVA	320,259
	84.413 Subtotal				<u>7,123,683</u>
84.418	Promoting Readiness of Minors in Supplemental Security Income			GVA	12,014
84.928	National Writing Project	National Writing Project	92AZ03	UAA	6,600
84.CFP-13-C-00002	CFPB Training for Implementation of Service Solution			ASA	59,409
84.Unknown	CTE Assessment			UAA	161,378
84.Unknown	Financial Literacy Professional Development Project	Maryland State Department of Education	145087-01	UAA	25,000
84.Unknown	Investor Education Innovation	Maryland State Department of Education	145086-01	UAA	13,894
	Total Department of Education				<u>778,502,708</u>
<u>MILLENNIUM CHALLENGE CORPORATION</u>					
85.003	MCC Domestic Assistance for Overseas Programs			ASA	129,010
	Total Millennium Challenge Corporation				<u>129,010</u>
<u>MORRIS K. UDALL FOUNDATION</u>					
85.NNI001	Native Nations Institute for Leadership, Management, and Policy			UAA	938,168
85.WORKPLAN 2012	Udall Foundation Workplan 2012			UAA	233
	Total Morris K. Udall Foundation				<u>938,401</u>
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>					
89.003	National Historical Publications and Records Grants			HIA	1,839
89.003	National Historical Publications and Records Grants			STA	25,537
	89.003 Subtotal				<u>27,376</u>
	Total National Archives and Records Administration				<u>27,376</u>
<u>ELECTION ASSISTANCE COMMISSION</u>					
90.401	Help America Vote Act Requirements Payments			STA	2,695,743
	Total Election Assistance Commission				<u>2,695,743</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<u>Aging Cluster</u>					
93.044	Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers			DEA	8,619,116
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services			DEA	11,196,473
93.053	Nutrition Services Incentive Program			DEA	1,710,561
	Aging Cluster Subtotal				<u>21,526,150</u>
<u>TANF Cluster</u>					
93.558	Temporary Assistance for Needy Families			DEA	200,840,851
	TANF Cluster Subtotal				<u>200,840,851</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
CCDF Cluster					
93.575	Child Care and Development Block Grant			DEA	59,359,740
93.575	Child Care and Development Block Grant			GVA	239,996
93.575	Child Care and Development Block Grant			HSA	830,400
	93.575 Subtotal				60,430,136
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	50,267,315
	CCDF Cluster Subtotal				110,697,451
Medicaid Cluster					
93.775	State Medicaid Fraud Control Units			AGA	1,993,309
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	334,280
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	4,356,590
	93.777 Subtotal				4,690,870
93.778	Medical Assistance Program			HCA	6,498,301,000
93.778	Medical Assistance Program	Community Partnership of Southern Arizona	L0901	UAA	1,080,922
	93.778 Subtotal				6,499,381,922
	Medicaid Cluster Subtotal				6,506,066,101
Other Department of Health and Human Services Programs					
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	90,430
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals			DEA	333,755
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services			DEA	363,962
93.048	Special Programs for the Aging—Title IV - and Title II - Discretionary Projects			DEA	532,862
93.051	Alzheimer's Disease Demonstration Grants to States			DEA	324,659
93.052	National Family Caregiver Support, Title III, Part E			DEA	3,175,262
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	Association of Public Health Laboratories, Inc.	1U60HM00803	HSA	35,084
93.069	Public Health Emergency Preparedness			HSA	12,068,309
93.069	Public Health Emergency Preparedness			UAA	350,839
93.069	Public Health Emergency Preparedness	National Racial and Ethnic Approaches to Community Health (REACH) Coalition	LTR DTD 032813	UAA	143,187
	93.069 Subtotal				12,562,335
93.070	Environmental Public Health and Emergency Response			HSA	146,817
93.071	Medicare Enrollment Assistance Program			DEA	163,408
93.072	Lifespan Respite Care Program			DEA	94,655
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			EDA	44,868
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	855,808
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			UAA	188,947
	93.092 Subtotal				1,044,755
93.103	Food and Drug Administration—Research			HSA	35,935
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards			UAA	489,710
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	13,991
93.110	Maternal and Child Health Federal Consolidated Programs			CDA	328,267
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	78,500
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	25,532
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	1,482,810
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health and Science University	9008441_UAHSC	UAA	34,250
	93.110 Subtotal				1,963,350
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			HSA	1,352,100
93.127	Emergency Medical Services for Children			HSA	306,220
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	304,931

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	176,337
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	499,707
93.136	Injury Prevention and Control Research and State and Community Based Programs			UAA	106,206
	93.136 Subtotal				<u>782,250</u>
93.142	NIEHS Hazardous Waste Worker Health and Safety Training	University of California-Los Angeles	U45ES006173	ASA	167,208
93.145	AIDS Education and Training Centers	University of California, San Francisco	6376SC, 7431sc	UAA	186,198
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HSA	1,193,468
93.157	Centers of Excellence			UAA	677,281
93.165	Grants to States for Loan Repayment Program			HSA	122,107
93.184	Disabilities Prevention	University of Colorado Denver	FY12.003.006	UAA	56,959
93.184	Disabilities Prevention	University of Illinois	2011-06586-11-00 AS	UAA	17,624
	93.184 Subtotal				<u>74,583</u>
93.197	Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			HSA	1,905
93.211	Telehealth Network Grants			UAA	356,433
93.217	Family Planning—Services	Arizona Family Health Partnership	AGR 12/19/11, AGR 12/20/12	ASA	290,683
93.217	Family Planning—Services	Arizona Family Planning Council	AGR 12/19/11	ASA	26,569
	93.217 Subtotal				<u>317,252</u>
93.226	Research on Healthcare Costs, Quality and Outcomes			UAA	392,673
93.234	Traumatic Brain Injury State Demonstration Grant Program			DEA	230,725
93.235	Affordable Care Act (ACA) Abstinence Education Program			HSA	1,058,787
93.240	State Capacity Building			HSA	224,422
93.242	Mental Health Research Grants			ASA	1,508
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			ASA	95,702
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			GVA	223,766
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			HSA	100,365
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			UAA	497,551
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	University of California, Los Angeles	UR1 T1024242	ASA	159,328
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	National Association of State Mental Health Program Directors	SC-1026-AZ-01	HSA	919,373
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pascua Yaqui Tribe	LTR DTD 050813	UAA	264,722
	93.243 Subtotal				<u>2,260,807</u>
93.247	Advanced Nursing Education Grant Program			UAA	336,820
93.250	Geriatric Academic Career Awards			UAA	5,126
93.251	Universal Newborn Hearing Screening			HSA	318,502
93.251	Universal Newborn Hearing Screening			UAA	29,723
	93.251 Subtotal				<u>348,225</u>
93.253	Poison Center Support and Enhancement Grant Program			UAA	155,189
93.262	Occupational Safety and Health Program			UAA	335,702
93.268	Immunization Cooperative Agreements			HSA	89,515,471
93.270	Adult Viral Hepatitis Prevention and Control			HSA	105,416
93.273	Alcohol Research Programs			ASA	33,535
93.279	Drug Abuse and Addiction Research Programs			ASA	112,632
93.282	Mental Health National Research Service Awards for Research Training			ASA	7,086
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance			HSA	5,001,388
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance			UAA	725
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	University of Colorado	FY09003005U01DD000198	UAA	153
	93.283 Subtotal				<u>5,002,266</u>
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health			UAA	12,461
93.292	National Public Health Improvement Initiative			HSA	200,471
93.296	State Partnership Grant Program to Improve Minority Health			HSA	169,310

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.301	Small Rural Hospital Improvement Grant Program			UAA	118,021
93.307	Minority Health and Health Disparities Research			UAA	1,076
93.324	State Health Insurance Assistance Program			DEA	45,108
93.358	Advanced Education Nursing Traineeships			ASA	352,102
93.358	Advanced Education Nursing Traineeships			NAA	339,345
	93.358 Subtotal				<u>691,447</u>
93.359	Nurse Education, Practice Quality and Retention Grants			UAA	423,264
93.361	Nursing Research			ASA	289,891
93.395	Cancer Treatment Research	Gynecologic Oncology Group	CA101165, CA27469-33	UAA	212,239
93.396	Cancer Biology Research			UAA	8,000
93.396	Cancer Biology Research	University of Utah	10008199-01	HSA	865
	93.396 Subtotal				<u>8,865</u>
93.397	Cancer Centers Support Grants	Mayo Clinic	5U54CA153605-03, 63449184/5U54CA153605-04	UAA	8,394
93.414	ARRA—State Primary Care Offices			HSA	66,018
93.448	Food Safety and Security Monitoring Project			HSA	291,537
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			HSA	5,681,654
93.507	PPHF 2012 National Public Health Improvement Initiative			HSA	107,040
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review			IDA	612,192
93.516	Affordable Care Act (ACA) Public Health Training Centers Program			UAA	223,408
93.517	Affordable Care Act—Aging and Disability Resource Center			DEA	49,567
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements			HSA	1,195,263
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges			GVA	691,823
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges			IDA	11,796
	93.525 Subtotal				<u>703,619</u>
93.539	PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds			HSA	475,665
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease prevention and Health Promotion Program			HSA	230,545
93.556	Promoting Safe and Stable Families			DEA	8,316,688
93.563	Child Support Enforcement			DEA	45,096,553
93.566	Refugee and Entrant Assistance—State Administered Programs			DEA	9,792,219
93.566	Refugee and Entrant Assistance—State Administered Programs			HSA	95,149
	93.566 Subtotal				<u>9,887,368</u>
93.568	Low-Income Home Energy Assistance			DEA	19,101,012
93.568	Low-Income Home Energy Assistance			GVA	4,599,410
	93.568 Subtotal				<u>23,700,422</u>
93.569	Community Services Block Grant			DEA	5,460,856
93.576	Refugee and Entrant Assistance—Discretionary Grants			DEA	1,122,976
93.576	Refugee and Entrant Assistance—Discretionary Grants			EDA	94,293
	93.576 Subtotal				<u>1,217,269</u>
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants			DEA	1,775,846
93.586	State Court Improvement Program			SPA	705,963
93.590	Community-Based Child Abuse Prevention Grants			DEA	1,386,081
93.597	Grants to States for Access and Visitation Programs			DEA	103,719
93.599	Chafee Education and Training Vouchers Program (ETV)			DEA	862,262
93.600	Head Start			EDA	170,911
93.600	Head Start	Navajo Nation - Division of Dine Education	90CI0216	ASA	124,295
	93.600 Subtotal				<u>295,206</u>
93.602	Assets for Independence Demonstration Program			ASA	83,600

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.602	Assets for Independence Demonstration Program			UAA	160,500
	93.602 Subtotal				<u>244,100</u>
93.603	Adoption Incentive Payments			DEA	7,518,637
93.627	Affordable Care Act: Testing Experience and Functional Assessment Tools			HCA	2,000
93.630	Developmental Disabilities Basic Support and Advocacy Grants			DEA	1,788,518
93.630	Developmental Disabilities Basic Support and Advocacy Grants			HSA	56,095
93.630	Developmental Disabilities Basic Support and Advocacy Grants			UAA	8,606
	93.630 Subtotal				<u>1,853,219</u>
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	541,073
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			UAA	519,930
	93.632 Subtotal				<u>1,061,003</u>
93.643	Children's Justice Grants to States			GVA	404,282
93.645	Stephanie Tubbs Jones Child Welfare Services Program			DEA	6,150,895
93.648	Child Welfare Research Training or Demonstration			DEA	135,834
93.658	Foster Care—Title IV-E			DEA	99,423,094
93.658	Foster Care—Title IV-E			SPA	119,783
	93.658 Subtotal				<u>99,542,877</u>
93.659	Adoption Assistance			DEA	101,416,427
93.667	Social Services Block Grant			DEA	51,174,165
93.669	Child Abuse and Neglect State Grants			DEA	405,564
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	1,659,614
93.674	Chafee Foster Care Independence Program			DEA	5,386,683
93.708	ARRA—Head Start			CDA	702,039
93.708	ARRA—Head Start			EDA	401,569
	93.708 Subtotal				<u>1,103,608</u>
93.718	ARRA—Health Information Technology Regional Extension Centers Program	Arizona Health-E Connection	UA90RC0035	UAA	9,443
93.719	ARRA—State Grants to Promote Health Information Technology			ADA	179,637
93.719	ARRA—State Grants to Promote Health Information Technology			ASA	10,522
93.719	ARRA—State Grants to Promote Health Information Technology			GVA	3,977,612
93.719	ARRA—State Grants to Promote Health Information Technology			HSA	203,387
	93.719 Subtotal				<u>4,371,158</u>
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance—financed in part by the Prevention and Public Health Fund (PPHF-2012)			HSA	298,281
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs—financed by 2012 Prevention and Public Health Funds (PPHF-2012)			HSA	60,892
93.735	State Public Health Approaches for Ensuring Quitline Capacity—Funded in part by 2012 Prevention and Public Health Funds (PPHF-2012)			HSA	32,103
93.735	State Public Health Approaches for Ensuring Quitline Capacity—Funded in part by 2012 Prevention and Public Health Funds (PPHF-2012)			UAA	246,489
	93.735 Subtotal				<u>278,592</u>
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Hidalgo Medical Services	U58-DP004710	UAA	81,178
93.744	PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed by 2012 Prevention and Public Health Funds			HSA	71,586
93.750	PPHF 2013: Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges			UAA	148,206
93.767	Children's Health Insurance Program			HCA	59,418,000
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations			DEA	885,736
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Scottsdale Healthcare	LTR DTD 121812	UAA	472,246
	93.779 Subtotal				<u>1,357,982</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.822	Health Careers Opportunity Program			UAA	712,150
93.855	Allergy, Immunology and Transplantation Research			UAA	8,000
93.859	Biomedical Research and Research Training			ASA	9,706
93.866	Aging Research	Banner Research Institute	04320229903P30AG019610	UAA	69,272
93.889	National Bioterrorism Hospital Preparedness Program			HSA	6,511,341
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program			UAA	495,781
93.913	Grants to States for Operation of Offices of Rural Health			UAA	165,038
93.917	HIV Care Formula Grants			HSA	22,117,522
93.917	HIV Care Formula Grants			UAA	562,122
	93.917 Subtotal				<u>22,679,644</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	197,633
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs			HSA	2,294,313
93.933	Demonstration Projects for Indian Health	University of Alaska Anchorage	R0261048	UAA	38,931
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems			EDA	33,726
93.940	HIV Prevention Activities—Health Department Based			HSA	3,505,163
93.940	HIV Prevention Activities—Health Department Based			UAA	127,162
	93.940 Subtotal				<u>3,632,325</u>
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			HSA	849,359
93.945	Assistance Programs for Chronic Disease Prevention and Control			HSA	903,753
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	57,868
93.958	Block Grants for Community Mental Health Services			HSA	9,203,143
93.959	Block Grants for Prevention and Treatment of Substance Abuse			ASA	163,599
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	27,348,986
	93.959 Subtotal				<u>27,512,585</u>
93.969	PPHF-2012 Geriatric Education Centers			ASA	10,345
93.970	Health Professions Recruitment Program for Indians			ASA	305,497
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants			HSA	1,162,688
93.991	Preventive Health and Health Services Block Grant			HSA	591,961
93.994	Maternal and Child Health Services Block Grant to the States			HSA	7,097,085
93.90HT0023	AHCCCS and Governor's Health Information Exchange Electronic Medical Records Study 2011-2015			ASA	46,240
93.D04RH23596	Vivir Mejor!: Diabetes System of Prevention and Care	Mariposa Community Health Center	LTR DTD 080912	UAA	12,714
93.D06RH21674	Evaluation of Santa Cruz County Adolescent Wellness Network (SCC AWN)	Mariposa Community Health Center	D06RH21674-02-00	UAA	18,000
93.D06RH216740100	SANTA CRUZ COUNTY ADOLESCENT WELLNESS NETWORK (SCC AWN)	Mariposa Community Health Center	D06RH216740100	UAA	25,441
93.H79TI019911	STEP FORWARD	CODAC Behavioral Health Services	1H79TI01991UOFASIROW01	UAA	150,695
93.H79TI021852	YR 3: EMPOWER - Engaging Motivating Providing Options within Recovery for Veterans	Old Pueblo Community Foundation	H79TI021852	ASA	27,217
93.HHSN268201100016 C	SUB-CONTRACT TO RTI IN SUPPORT OF NHLBI	Research Technologies, Incorporated	1312021284450815L	UAA	65,792
93.HHSN271201	Outreach Partnership Program			ASA	2,163
93.HHSN276201100009 C	National Network of Libraries of Medicine (NN/LM) Services Pacific Southwest Region	University of California, Los Angeles	5415-S-PA036	UAA	51,372
93.HHSN276201200409 P	NIDDK Activity form processing			UAA	3,426
93.HP032-097-003	Evaluation of CPSA Programs	Community Partnership of Southern Arizona	P0615	UAA	75,036
93.II-ISA-12-2305-01	Yr 3: State Epidemiological Outcomes Workgroup (SEOW) Communities in Context			ASA	108,188
93.LTR DTD 061112	Indigenous Health Resource Workforce IPA for Teshia Solomon			UAA	40,826
93.Unknown	Department of Health and Human Services			NAA	298,088
93.Unknown	National Institutes of Health			NAA	187,060
93.Unknown	Strategic Prevention Framework—Partnerships for Success			UAA	56,345
93.Unknown	Department of Health and Human Services	Utah State University	100249-002	NAA	345,186
93.Unknown	Graduate nurse education demonstration project	Scottsdale Healthcare	Unknown	ASA	351,311
93.Unknown	Support for Knowledge River Library School Internships	Center for Public Service Communications, LLC.	2008-15	UAA	50,456
	Total Department of Health and Human Services				<u>7,507,737,940</u>

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
<u>Foster Grandparent/Senior Companion Cluster</u>					
94.011	Foster Grandparent Program			NAA	750,755
94.016	Senior Companion Program			NAA	614,639
	Foster Grandparent/Senior Companion Cluster Subtotal				<u>1,365,394</u>
<u>Other Corporation for National and Community Service</u>					
94.002	Retired and Senior Volunteer Program			NAA	169,592
94.003	State Commissions	Corporation for National and Community Service	13CAHAZ001	GVA	222,870
94.006	AmeriCorps			GVA	1,667,875
94.006	AmeriCorps			NAA	287,012
94.006	AmeriCorps			PRA	84,694
94.006	AmeriCorps			UAA	118,335
94.006	AmeriCorps	Public Allies	12EDHW0010001	ASA	514,162
	94.006 Subtotal				<u>2,672,078</u>
94.007	Program Development and Innovation Grants			GVA	2,106
94.007	Program Development and Innovation Grants			NAA	16,112
	94.007 Subtotal				<u>18,218</u>
94.009	Training and Technical Assistance			GVA	10,739
94.009	Training and Technical Assistance			UAA	170,572
	94.009 Subtotal				<u>181,311</u>
	Total Corporation for National and Community Service				<u>4,629,463</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>					
95.001	High Intensity Drug Trafficking Areas Program			AGA	566,406
95.001	High Intensity Drug Trafficking Areas Program			PSA	1,359,398
	95.001 Subtotal				<u>1,925,804</u>
	Total Executive Office of the President				<u>1,925,804</u>
<u>SOCIAL SECURITY ADMINISTRATION</u>					
<u>Disability Insurance/SSI Cluster</u>					
96.001	Social Security—Disability Insurance			DEA	33,248,202
	Disability Insurance/SSI Cluster Subtotal				<u>33,248,202</u>
	Total Social Security Administration				<u>33,248,202</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
97.008	Non-Profit Security Program			HLA	10,056
97.012	Boating Safety Financial Assistance			GFA	1,088,691
97.029	Flood Mitigation Assistance			MAA	553,983
97.039	Hazard Mitigation Grant			MAA	1,221,585
97.041	National Dam Safety Program			WCA	9,772
97.042	Emergency Management Performance Grants			MAA	5,573,064
97.045	Cooperating Technical Partners			GSA	22,104
97.045	Cooperating Technical Partners			MAA	32,931
97.045	Cooperating Technical Partners			WCA	22,342
	97.045 Subtotal				<u>77,377</u>
97.047	Pre-Disaster Mitigation			MAA	666,335
97.052	Emergency Operations Center			HLA	44,054
97.055	Interoperable Emergency Communications			HLA	141,657
97.067	Homeland Security Grant Program			ADA	166,163
97.067	Homeland Security Grant Program			AEA	38,723
97.067	Homeland Security Grant Program			HLA	18,957,735
97.067	Homeland Security Grant Program			MAA	569,842
97.067	Homeland Security Grant Program			PSA	2,131,946
	97.067 Subtotal				<u>21,864,409</u>
97.078	Buffer Zone Protection Program (BZPP)			HLA	173,399
97.082	Earthquake Consortium			GSA	29,691
97.120	Border Interoperability Demonstration Project			HLA	1,301,311
	Total Department of Homeland Security				<u>32,755,384</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
<u>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT</u>					
98.001	USAID Foreign Assistance for Programs Overseas	Georgetown University	UAR-RX2050-705-11-O-12, UAR-RX2050-705-12-N, UAR-RX2050-705-13-K-6, UAR-RX2050-705-13-L-12	UAA	543,432
98.012	USAID Development Partnerships for University Cooperation and Development			ASA	400,385
98.012	USAID Development Partnerships for University Cooperation and Development	American Council on Education	AEG-A-00-05-00007	ASA	369,085
98.012	USAID Development Partnerships for University Cooperation and Development	Higher Education for Development (HED)	AEG-A-00-05-00007	ASA	90,015
	98.012 Subtotal				859,485
98.185A000900010100	Integrated Telemedicine and E-Health Program of Albania	International Virtual E-Hospital Foundation	185A000900010100	UAA	51,076
98.AEG-I-00-04-00010-00	Farmer to Farmer Aquaculture in Kenya, Bangladesh and Mexico	Weidemann Associates, Incorporated	1071-20-506-5	UAA	31,656
98.AID-486-A-12-00005	The Vocational University Leadership and Innovation Institute (VULII)			ASA	827,229
98.AID-492-LA-12-00002	Pacific Islands Renewable Energy Technical and Vocational Education and Training Project			ASA	743,876
98.AID-492-LA-12-00002	SC University of South Pacific: Pacific Islands Renewable Energy Technical and Vocational Education and Training Project			ASA	8,970
98.AID-OAA-L-11-00005	SC Appalachian State University: Sustainable Energy Education Consortium (SEEC)			ASA	12,707
98.AID-OAA-L-11-00005	SC Green Empowerment: Sustainable Energy Education Consortium (SEEC)			ASA	61,105
98.AID-OAA-L-11-00005	SC University of South Pacific: Sustainable Energy Education Consortium (SEEC)			ASA	24,216
98.AID-OAA-L-11-00005	Sustainable Energy Education Consortium (SEEC)			ASA	409,404
	Total United States Agency for International Development				3,573,156
<u>MISCELLANEOUS FEDERAL AGENCIES</u>					
99.SJI11E088	Strengthening the Operation of Arizona Probate Courts through Statewide Education	State Justice Institute	SJI-11-E-088	SPA	7,089
	Total Miscellaneous Federal Agencies				7,089
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>					
<u>Department of Education</u>					
84.007	Federal Supplemental Educational Opportunity Grants			ASA	1,753,243
84.007	Federal Supplemental Educational Opportunity Grants			NAA	907,999
84.007	Federal Supplemental Educational Opportunity Grants			UAA	628,686
	84.007 Subtotal				3,289,928
84.033	Federal Work-Study Program			ASA	3,571,941
84.033	Federal Work-Study Program			NAA	325,566
84.033	Federal Work-Study Program			UAA	1,832,697
	84.033 Subtotal				5,730,204
84.063	Federal Pell Grant Program			ASA	97,778,483
84.063	Federal Pell Grant Program			NAA	35,067,191
84.063	Federal Pell Grant Program			UAA	47,381,498
	84.063 Subtotal				180,227,172
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	3,457,371
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	249,067
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	195,903
	84.379 Subtotal				3,902,341
84.408	Postsecondary Education Scholarships for Veteran's Dependents			ASA	5,080
	Department of Education Subtotal				193,154,725

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<u>Department of Health and Human Services</u>					
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			NAA	957,297
	Department of Health and Human Services Subtotal				957,297
	Total Student Financial Assistance Cluster				194,112,022
<u>RESEARCH AND DEVELOPMENT CLUSTER</u>					
<u>Department of Agriculture</u>					
10.RD	Agricultural Research Service			UAA	463,268
10.RD	Cooperative State Research, Education and Extended Services			NAA	4,073
10.RD	Department of Agriculture			ASA	310,862
10.RD	Department of Agriculture			UAA	7,103,868
10.RD	Forest Service			ASA	62,105
10.RD	Forestry Service			NAA	1,815,411
10.RD	National Institute of Food and Agriculture			ASA	739,369
10.RD	National Institute of Food and Agriculture			NAA	147,788
10.RD	Natural Resources Conservation Service			UAA	20,072
10.RD	Rural Utilities Service			ASA	6,074
10.RD	United States Forest Service			UAA	224,108
10.RD		Almond Board of California	LTR 5/3/12	ASA	48,301
10.RD		Arizona Department of Agriculture	14-8504-1044-CA, SCBG-FB12-13, SCBGPFB0916, SCBGPFB0917, SCBGPFB1005, SCBGPFB1006, SCBGPFB1007, SCBGPFB1010, SCBGPFB1015, SCBGPFB1017, SCBGPFB1020, SCBGPFB1102, SCBGPFB1103, SCBGPFB1104, SCBGPFB1105, SCBGPFB1106, SCBGPFB1120, SCBGPFB1128, SCBGPFB1129, SCBGPFB1140, SCBGP-FB12-04, SCBGP-FB12-19, SCBGP-FB12-20, SCBGP-FB12-30, SCBGP-FB13-08, SCBGP-FB13-09, SCBGP-FB13-11, SCBGP-FB13-12, SCBGP-FB13-13, SCBGP-FB13-18	UAA	488,627
10.RD		Arizona State Forestry Division	WCG 09-301, WCG 10-302, WFHF 09-014, CCG-12-201	NAA	51,900
10.RD		Arizona State Forestry Division	CCG 13-1303, CCG-12-303, CCG13-1304, UFHM-UCF 10-02	UAA	46,860
10.RD		Arizona State Land Department Forestry Division	CCG 12-101	ASA	6,404
10.RD		Citrus Research and Development Foundation, Incorporated	13-005NU-784	UAA	372,780
10.RD		Cornell University	2011-67023-30991	ASA	47,303
10.RD		Glacierland Resource Conservation & Development	N/A	NAA	23,373
10.RD		Iowa State University	4162324C	UAA	62,265
10.RD		North Carolina State University	2009-2396-02, 2010-0640-07/58-0101-9-217, 2011160904	UAA	156,912
10.RD		Ohio State University	60025859	UAA	14,153
10.RD		Oklahoma State University	AB-5-67690-NAU	NAA	12,266
10.RD		Purdue University	2010-65615-20672	ASA	1,024
10.RD		Purdue University	8000040009AG	UAA	58,676
10.RD		Rutgers, The State University of New Jersey	S1522449	UAA	169,506
10.RD		Saint Joseph's University	2011-3841-31016	ASA	12,111
10.RD		State of New Mexico	N/A	NAA	3,382
10.RD		Texas A and M Research Foundation	S110079	UAA	59,677
10.RD		The Nature Conservancy	FIRE_NAU_07012013, FIRENAU03012013	NAA	28,673
10.RD		University of Arizona	SCBGP-FB11-29	ASA	49,662
10.RD		University of California, Davis	201223902-10, 201400966-01, SA7734	UAA	108,451
10.RD		University of California-Riverside	2012-67013-19446	ASA	26,509

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10.RD		University of California, Riverside	S-000522	UAA	3,904
10.RD		University of Florida	UF13194	UAA	139
10.RD		University of Washington	688014, 715630, 755034	UAA	39,196
10.RD		Utah State University	100893036, 9092201	UAA	70,270
10.RD		World Cocoa Foundation	58-3148-2-126	UAA	44,089
	Department of Agriculture Subtotal				12,903,411
	<u>Department of Commerce</u>				
11.RD	Department of Commerce			ASA	90,286
11.RD	Economic Development Administration			ASA	61,600
11.RD	National Institute of Standards and Technology (NIST)			ASA	18,090
11.RD	National Institute of Standards and Technology			UAA	70,441
11.RD	National Oceanic and Atmospheric Administration (NOAA)			ASA	239,224
11.RD	National Oceanic and Atmospheric Administration			UAA	1,216,103
11.RD		Arizona State University	12-852	UAA	495
11.RD		Columbia University	1 (GG008896)/ NA13OAR4310184	UAA	167,093
11.RD		Pacific States Marine Fisheries Commission	NA11NMF4370212	ASA	7,212
11.RD		ARRA—Purdue University	60NANB10D023	ASA	12,630
11.RD		University of Arizona	NA10OAR4310185	ASA	3,119
11.RD		University of Colorado	1549745/1000193699/NA12OA R4	UAA	23,764
11.RD		University of Oklahoma	2014-05	UAA	2,543
	Department of Commerce Subtotal				1,912,600
	<u>Department of Defense</u>				
12.RD	Advanced Research Projects Agency			ASA	1,250,313
12.RD	Air Force Office of Scientific Research			UAA	4,910,886
12.RD	Air Force Research Laboratory			UAA	237,628
12.RD	Defense Advanced Research Projects Agency			UAA	1,153,021
12.RD	Defense Threat Reduction Agency			NAA	1,142,497
12.RD	Defense Threat Reduction Agency			UAA	399,652
12.RD	Defense Threat Reduction Agency	DSTL Porton Down	DSTL10000080074	NAA	229,440
12.RD	Department of Defense			ASA	2,195,813
12.RD	Department of Defense			NAA	675,285
12.RD	Department of the Air Force, Materiel Command			ASA	2,799,893
12.RD	Department of the Army			NAA	311,685
12.RD	Department of the Navy, Office of the Chief of Naval Research			ASA	5,171,070
12.RD	National Security Agency			ASA	230,234
12.RD	National Security Agency			UAA	35,532
12.RD	Naval Air Warfare Center Aircraft Division			UAA	925,902
12.RD	Naval Surface Warfare Center			UAA	914,748
12.RD	Office of Naval Research			UAA	2,035,018
12.RD	Office of the Secretary of Defense			ASA	4,891,715
12.RD	Space and Naval Warfare Systems Command			UAA	1,299,554
12.RD	U.S. Army Corp of Engineers			NAA	6,739
12.RD	U.S. Army Material Command			ASA	11,442,365
12.RD	U.S. Army Medical Command			ASA	174,341
12.RD	U.S. Department of Defense			UAA	322,695
12.RD	United States Army			UAA	126,009
12.RD	United States Army Corps of Engineers			UAA	1,414,864
12.RD	United States Army Material Command			UAA	31,083
12.RD	United States Army Medical Research Acquisition Activity			UAA	35,483
12.RD	United States Army Medical Research and Materiel Command			UAA	215,252
12.RD	United States Army Research Office			UAA	17,276
12.RD	United States Army Research, Development and Engineering Command			UAA	339,663
12.RD		American Burn Association	W81XWH-09-2-0194	UAA	88,962
12.RD		Arizona State University	10407	UAA	52,654
12.RD		ASR Corporation	093011-01-084	UAA	17,555
12.RD		BAE Systems	W911QX-13-C-0050	ASA	36,975
12.RD		Barron Associates Inc.	W81XWH-12-C-0055	ASA	17,309
12.RD		Biomedical Research and Education Foundation of Southern Arizona	W81XWH1010745	UAA	9,452
12.RD		Bridger Photonics	W911NF-13-C-0066	UAA	86,232
12.RD		California Institute of Technology	67N-1089127, BACKSTOP	UAA	65,306
12.RD		Carnegie Mellon University	N00014-13-1-0835	ASA	50,444
12.RD		Clarkson University	FA 9550-11-1-0025	ASA	111,943
12.RD		Cornell University	09010049-13091366/W81XWH-09, 63222-9760	UAA	86,988
12.RD		Duke University	FA8650-09-C-2944	ASA	16,977
12.RD		Duke University	10DARPA1099	UAA	213,404
12.RD		Dynamics Research Corporation	GS04T09DBC0017	ASA	7,998
12.RD		Engility Corporation	10121	UAA	87,997

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
12.RD		Environment and Infrastructure Incorporated	F013000007	UAA	97,563
12.RD		FLIR EOC, LLC	10036206	ASA	37,327
12.RD		General Atomics	FA8650-08-C-5039	ASA	4,597
12.RD		Geo-Marine, Inc	W9126G-09-D-0068	ASA	9,080
12.RD		Georgia Institute of Technology	FA2386-10-1-4152	ASA	9,788
12.RD		Georgia Institute of Technology	RB250G1, RB267G2, RD562-G1	UAA	720,058
12.RD		Henry M Jackson Foundation for Advancement of Military Medicine	2324	UAA	18,440
12.RD		Hughes Research Laboratories (HRL)	HR0011-09-C-0001	ASA	54,419
12.RD		Integrated Science Technology Inc	W912HQ-13-C-0059	ASA	32,334
12.RD		Integrated Systems Solutions, Inc.	N68335-10-C-0280	ASA	90,453
12.RD		IntelliWare	13013157	ASA	111,993
12.RD		iRobot Corporation	92003	UAA	237,870
12.RD		Jem Engineering	N68335-13-C-0082	ASA	159,305
12.RD		Kentucky BioProcessing	HR0011-12-C-0103	ASA	95,148
12.RD		Louisiana State University	W91ZSQ1022N626	UAA	17,168
12.RD		Luna Innovations, Inc.	W911QX-13-C-0162	ASA	33,000
12.RD		Massachusetts Institute of Technology	7000219465, 7000270214	UAA	3,343
12.RD		Michigan State University	FA8650-09-C-1619	ASA	21,281
12.RD		MicroBioSystems, LP.	M67854-12-C-6530, N00014-12-C-0540	UAA	580,323
12.RD		Mississippi State University	FA9550-12-1-0135	ASA	46,032
12.RD		MIT: Massachusetts Institute of Technology	FA8721-05-C0002	ASA	23,909
12.RD		New Mexico State University	FA9550-13-1-0022	ASA	41,574
12.RD		New Mexico State University	Q01609	UAA	32,259
12.RD		Northrop Grumman	HR0011-09-C-0132	ASA	431,567
12.RD		Northwestern University	N00014-11-1-0729	ASA	415,732
12.RD		NuTrek	FA8650-12-M-1463	ASA	15,833
12.RD		Ohio State University	FA8650-13-2-2347	ASA	142,105
12.RD		Oregon State University	W912HQ-12-C-0004	ASA	77,931
12.RD		Pacific Northwest National Laboratory	162863	NAA	222,841
12.RD		Pennsylvania State University	W911NF-09-1-0525	ASA	258,423
12.RD		Princeton University	FA9550-09-1-0643	ASA	202,107
12.RD		QUASAR Federal Systems, Incorporated	HR001110C0102	UAA	17,822
12.RD		Radiation Monitoring Devices Inc.	HDTRA1-11-1-0028	ASA	261,968
12.RD		Renaissance Sciences Corporation	N68335-13-C-0136	ASA	166,468
12.RD		SA Photonics	7125-UAZ1208, 7126-UAZ1207	UAA	44,903
12.RD		Sandia Research Corporation	W91NF-13-C-0060	ASA	29,058
12.RD		Silvus Technologies, Inc.	W31P4Q-13-C-0150	ASA	5,296
12.RD		Space Micro, Inc.	NRO000-12-R-0536	ASA	251,624
12.RD		Spectral Energies, LLC	N00014-14-C-0095	ASA	79,662
12.RD		SRI International	19000240HR001112C0	UAA	169,413
12.RD		State University of New York	1098964359361	UAA	193,699
12.RD		Technical Data Analysis, Inc.	1079-001-03	ASA	2,799
12.RD		Texas A & M University	HDTRA1-13-1-0030	ASA	99,174
12.RD		Texas Engineering Experiment Station	A5931	UAA	165,319
12.RD		The Learning Chameleon, Inc.	W31P4Q-12-C-0166	ASA	15,402
12.RD		The MITRE Corporation	W15P7T-12-C-F600	ASA	4,275
12.RD		Universal Technology Corporation	FA8650-10-D-3037	ASA	75,031
12.RD		University Corporation for Atmospheric Research	Z1395996	UAA	36,536
12.RD		University of Arizona	FA9550-14-1-0073	ASA	12,535
12.RD		University of California-Berkeley	W911NF-07-1-0314	ASA	5,714
12.RD		University of California - Davis	N00014-11-1-0108	ASA	1,837
12.RD		University of California, Los Angeles	1295GNA114	UAA	190,584
12.RD		University of California, Riverside	S000622	UAA	303,613
12.RD		University of California, San Diego	43103402/S9000370/N00014-13	UAA	151,064
12.RD		University of California-Santa Barbara	N00014-10-1-0937	ASA	126,713
12.RD		University of California, Santa Barbara	KK1305	UAA	16,146
12.RD		University of Central Florida	N00014-06-1-0446	ASA	2,500
12.RD		University of Colorado-Boulder	W912HQ-13-C-0035	ASA	152,631
12.RD		University of Florida	UFEIES1205019UAZ	UAA	7,915
12.RD		University of Illinois-Champaign/Urbana	W911NF-13-1-0193	ASA	523,771
12.RD		University of Illinois at Urbana-Champaign	2013-03174-02 (AA669)	UAA	109,867
12.RD		University of Maryland	N00014-12-1-0124	ASA	50,516
12.RD		University of Memphis	W81XWH-11-2-0171	ASA	56,317
12.RD		University of Michigan	W911NF-11-1-0391	ASA	172,550
12.RD		University of Michigan	3002950075/N65540-10-C-0003	UAA	35,785
12.RD		University of Minnesota	A001650204, A003571415	UAA	293,379
12.RD		University of New Mexico	271397-87E6	UAA	46,620

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12.RD		University of North Carolina at Chapel Hill	5-55037	UAA	203,001
12.RD		University of Oklahoma	2012-14	UAA	91,457
12.RD		University of Oxford	N66001-10-1-4061	ASA	102,214
12.RD		University of Pennsylvania	N00014-08-1-0696	ASA	72,190
12.RD		University of Southern California	HR0011-11-C-0067	ASA	118,607
12.RD		University of Tennessee	8500017317	UAA	200,960
12.RD		University of Texas at Austin	FA9550-12-1-0494	ASA	107,205
12.RD		University of Wisconsin System	483K814	UAA	132,066
12.RD		Vanderbilt University	HDTRA1-11-1-0033	ASA	49,671
12.RD		Wyle Laboratories	HC1047-05-D-4005	ASA	101,802
12.RD		Zona Technology, Inc.	FA9550-13-C-0022	ASA	96,027
	Department of Defense Subtotal				55,283,361
	<u>Department of Housing and Urban Development</u>				
14.RD	Department of Housing and Urban Development			ASA	187,392
14.RD		City of Phoenix Planning Department	CCPAZ0044-11	ASA	190,175
14.RD		International City/County Management Association	H21624RG	ASA	8,222
	Department of Housing and Urban Development Subtotal				385,789
	<u>Department of the Interior</u>				
15.RD	Bureau of Indian Affairs			UAA	48,936
15.RD	Bureau of Land Management			ASA	179,193
15.RD	Bureau of Land Management			NAA	361,360
15.RD	Bureau of Land Management			UAA	241,787
15.RD	Bureau of Reclamation			ASA	140,382
15.RD	Bureau of Reclamation			NAA	194,116
15.RD	Bureau of Reclamation			UAA	493,813
15.RD	Bureau of Reclamation	Arizona State University	13-076	NAA	23,967
15.RD	Department of the Interior			ASA	65,982
15.RD	Fish and Wildlife Service			NAA	18,300
15.RD	Fish and Wildlife Service	Idaho Department of Fish and Game	N/A	NAA	2,156
15.RD	International Boundary and Water Commission			UAA	41,689
15.RD	Joint Fire Science Program			UAA	22,440
15.RD	National Park Service			ASA	6,402
15.RD	National Park Service			NAA	753,763
15.RD	National Park Service			UAA	1,285,385
15.RD	National Park Service	Arizona State University	LOU 13-247	NAA	1,902
15.RD	United States Fish and Wildlife Service			UAA	741,445
15.RD	United States Geological Survey			UAA	3,297,569
15.RD	U.S. Geological Survey			ASA	86,653
15.RD	U.S. Geological Survey			NAA	1,150,421
15.RD		Arizona Department of Agriculture	16 2012-2013-01, AZE66	UAA	11,301
15.RD		Arizona Game and Fish Department	1434-03HQURU1580/T011-3, 1434-13HQURU1580/13-1, 1434-03HQURU1580, Agreement Dated 11/29/2011	UAA	32,475
15.RD		Bat Conservation International Inc.	L09AC15886	NAA	429
15.RD		Conservation Northwest	N/A	NAA	11,001
15.RD		Desert Botanical Garden	03052013	NAA	46,825
15.RD		Louisiana State University	50786	UAA	2,351
15.RD		Nature Conservancy	AZFO-130116, NMFO-120511	UAA	5,591
15.RD		Nevada System of Higher Education, Board of Regents	663.4105.01	UAA	19,641
15.RD		University of Alaska, Fairbanks	M07AC12496	ASA	6,139
15.RD		University of Arizona-Water Research Resources Center	G11AP20065	ASA	10,000
15.RD		University of California, Berkeley	7992	UAA	4,536
15.RD		University of California Davis	201120800-02	NAA	1,157
15.RD		University of Houston	R080140	UAA	596
15.RD		University of Montana	PG126570502	UAA	2,763
15.RD		University of Southern California	G12AC20038	ASA	32,781
15.RD		University of Texas at San Antonio	155055UAZ	UAA	125,204
15.RD		University of Wyoming	1001202, 1001524UAZ	UAA	1,526
	Department of the Interior Subtotal				9,471,977
	<u>Department of Justice</u>				
16.RD	Department of Justice			ASA	326,562
16.RD	National Institute of Justice			ASA	63,388
16.RD	National Institute of Justice			UAA	39,053
16.RD	United States Department of Justice			UAA	219,721
16.RD		Arizona Governor's Office for Children	Unknown	ASA	72,108
16.RD		Glendale, City of-Police Department	211-MU-BX-0024	ASA	30,024
16.RD		Governors Office for Children Youth and Families	Unknown	ASA	23,039

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
16.RD		Johns Hopkins University	2008-WG-BX-0002	ASA	42,950
16.RD		Oregon Social Learning Center	2013-VA-CX-0007	ASA	3,665
16.RD		Phoenix Police Department	2011-DB-BX-0018	ASA	54,723
16.RD		University of Illinois-Champaign/Urbana	2011-05299-02	ASA	10,638
16.RD		Westat, Inc.	2010-NV-CX-K077	ASA	77,330
	Department of Justice Subtotal				963,201
	<u>Department of Labor</u>				
17.RD	Department of Labor			UAA	105,711
17.RD		Arizona Diversity Business Development Center, Inc.	AGR12051072	ASA	166,943
17.RD		Maricopa County Department of Human Services (Head Start)	Unknown	ASA	81,582
	Department of Labor Subtotal				354,236
	<u>Department of State</u>				
19.RD	Department of State			ASA	133,089
19.RD		American Councils for International Education	S-ECAPY-11-CA-134-sub1	ASA	85,412
19.RD		Heartland Alliance for Human Needs and Human Rights	S-LMAQM-11-GR-1076	ASA	21,093
19.RD		Institute of International Education	N/A	NAA	3,495
19.RD		National Academy Of Science	PGAP210853	UAA	93,021
	Department of State Subtotal				336,110
	<u>Department of Transportation</u>				
20.RD	Department of Transportation			ASA	421,188
20.RD	Federal Aviation Administration (FAA)			ASA	183,380
20.RD	Federal Highway Administration			UAA	232,866
20.RD		ADOT Research Center	PO	ASA	4,526
20.RD		Arizona Department of Transportation	ADOT11-002958	ASA	14,168
20.RD		Booz-Allen Hamilton	DTH61-12-D-00041	ASA	153,796
20.RD		Kittelson & Associates, Incorporated	13514/11074/DTFH61-12-D-000	UAA	6,049
20.RD		Missouri University of Science & Technology	00043620-01	UAA	34,093
20.RD		NAS-National Academy of Sciences	DTFAWA-06-P-00007	ASA	4,394
20.RD		National Academy Of Science	SHRP L-35(A)	UAA	200,174
20.RD		Oregon State University	T0013G-I, T0013G-I TASK ORDER #1	UAA	82,639
20.RD		Resource Systems Group, Inc.	DTFH61-11-C-00015	ASA	30,154
20.RD		Texas A & M University	SP&R ITEM 2261/SPRY-0010	ASA	21,689
20.RD		University of Colorado, Denver	DTPH56-13-H-CAAP04	ASA	760
20.RD		University of Maryland	DTRT13GUTC30	ASA	16,825
20.RD		University of Nevada, Reno	DTRT13-G-UTC55	ASA	8,401
20.RD		University of Virginia	GS11255 144094/105204, PO 1207075	UAA	293,998
	Department of Transportation Subtotal				1,709,100
	<u>National Aeronautics and Space Administration</u>				
43.RD	NASA-Ames Research Center			ASA	2,204,482
43.RD	NASA-Goddard Space Flight Center			ASA	14,745,351
43.RD	NASA Goddard Space Flight Center			UAA	46,993,690
43.RD	NASA Headquarters			UAA	14,481,279
43.RD	NASA—Hugh L. Dryden Flight Research Center			ASA	119,348
43.RD	NASA Kennedy Space Center			UAA	29,758
43.RD	NASA Langley Research Center			UAA	50,886
43.RD	NASA-Lyndon B. Johnson Space Center			ASA	146,823
43.RD	NASA Marshall Research Center			UAA	284,957
43.RD	National Aeronautics and Space Administration			NAA	561,672
43.RD	Smithsonian Astrophysical Observatory			UAA	106,093
43.RD	Smithsonian Institution			UAA	10,576
43.RD		American Geological Institute	NNX10AD33A; PR# 420032242	ASA	28,097
43.RD		Analytical Mechanics Associates, Incorporated	T00269FY14/1602-TEAMS2	UAA	41,231
43.RD		Arizona State University	7790	UAA	87,961
43.RD		Association of University's for Research in Astronomy	N06504C-N	NAA	24,977
43.RD		Association of Universities for Research in Astronomy, Incorporated	48173, 48376	UAA	50,704
43.RD		California Institute of Technology	NNX14AF26G	ASA	124,712
43.RD		California Institute of Technology	21091253, 21094131	UAA	211,898
43.RD		Carnegie Institution for Science	DTM325002	UAA	102,395
43.RD		Carnegie Institution of Washington	NASW00002	ASA	363,308
43.RD		Carnegie Institution of Washington	9-10307-01	NAA	46,149
43.RD		CFD Research Corporation	NNX13CM16P	ASA	33,199
43.RD		Cornell University	393616455	ASA	40,513

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
43.RD		Global Engineering and Materials, Inc.	FFP-2012-SK-0625	ASA	52,635
43.RD		Jacobs Technology Inc	NNJ13HA01C	ASA	10,706
43.RD		Jet Propulsion Laboratory (JPL)	1383500, 1412578, 1444481, 1455718, 71-0819, 71-1043, NAS703001, NAS71407, NMO710076, NMO710805, NMO710819, NMO710824, NMO710947, NMO7-11016, NMO711040, NMO711043, NMO711074, NMO711085, NMO716304, NNN12AA01C, NNN13D777T, NNN13D8347	ASA	4,237,371
43.RD		Jet Propulsion Laboratory	RSA 1485084, RSA 1373682, RSA 1439888	NAA	41,449
43.RD		Jet Propulsion Laboratory	1226582, 1228726, 1236412, 1243073, 1270067, 1272218, 1319248, 1350372, 1407200, 1407263, 1409994, 1422779, 1430662, 1431141, 1431372, 1433898, 1439921, 1440265, 1489670/NNN12AA01C, 1490229, 1494629, 1499571/NNN12AA01C	UAA	6,732,205
43.RD		Johns Hopkins University	108904, 117973/NNX13AQ17G	UAA	21,921
43.RD		Johns Hopkins University Applied Physics Laboratory	NNX10AC6G	ASA	21,138
43.RD		Lowell Observatory	2011-71262	NAA	19,556
43.RD		Malin Space Science Systems, Inc.	11-0124	ASA	322,943
43.RD		National Institute of Aerospace	C13-2900-UA/2976-UA	UAA	60,940
43.RD		Northwest Research Laboratories	NASA S047P	ASA	66,063
43.RD		Pennsylvania State University	NNA09DA76A	ASA	50,547
43.RD		Planetary Science Institute	NNX10AM83G	ASA	16,993
43.RD		Planetary Science Institute	1319	NAA	918
43.RD		Planetary Science Institute	1291, 595	UAA	8,213
43.RD		Purdue University	NMX11AG04G	ASA	4,958
43.RD		Rensselaer Polytechnic Institute	NNX13AQ22G	ASA	43,436
43.RD		Rensselaer Polytechnic Institute	B10554	UAA	2,198
43.RD		Science Systems and Applications, Incorporated	21101-12-065	UAA	53,299
43.RD		Seti Institute	SC3061	UAA	8,824
43.RD		SGT, Inc Stinger Ghaffarian Technologies, Inc	NNA08CG83C	ASA	261
43.RD		Southwest Research Institute	1415GC0049, 699053X, D99004L, D99030L	UAA	174,927
43.RD		Space Micro, Inc.	T15.01-9798	ASA	92,473
43.RD		Space Science Institute	00587	NAA	6,031
43.RD		Space Telescope Science Institute	HST-AR-12657.01-A, HST-GO-12190.08-A, HST-GO-12511.08-A, NAS526555, NAS526555, NAS526555, NAS526555, NAS526555, NAS526555, NAS526555, NAS526555	ASA	431,094
43.RD		Space Telescope Science Institute	HSTAR1212101A, HSTAR1213202A, HSTAR1215501A, HSTAR1261801A, hstar1262401a, HSTAR1265204A, HSTAR1282701A, HSTAR13251.01A, HSTG01169702A, HSTG01303401A, HSTG01157601A, HSTG01158503A, HSTG01159101A, HSTG01160001A, HSTG01167403A, HSTG01170207A, HSTG01206062A, HSTG01217708A, HSTG01218112A, HSTG01218401A, HSTG01218801A, HSTG01222801A, HSTG01224805A, HSTG01226403A, HSTG01228608A, HSTG01232901A,	UAA	1,221,492

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
			HSTGO1233205A, HSTGO1247301A, HSTGO1248701A, HSTGO1249301A, HSTGO1249601A, HSTGO12511009A, hstgo1252802a, HST-GO- 12547.08-A, HSTGO1255001A, HSTGO1255101A, HSTGO1260303A, HSTGO1260601A, HSTGO1260603A, HSTGO1261602A, HSTGO1261603A, HSTGO1265913A, HSTGO1286101A, HSTGO1287004A, HSTGO1289405A, HSTGO1292301A, HSTGO12924.01A, HST-GO- 12937.01-A, HSTGO1295402A, HSTGO12956, HSTGO1304201, HSTGO1306701A, HST-GO- 13176.01-A, HSTGO13390001A, HSTGO1339101A, HSTGO13411001A, HSTGO13431005A, HSTHF5129901A, HSTHF5131801A		
43.RD		Stony Brook University	54347	UAA	35,513
43.RD		United Negro College Fund Special Program	CK17978	UAA	14,132
43.RD		Universities Space Research Association	NNJ11HE31A	ASA	25,726
43.RD		Universities Space Research Association	03450-45, 217301, 3577004	UAA	19,538
43.RD		University Corporation for Atmospheric Research	Z1293566	UAA	54,237
43.RD		University of Arizona	NNS10AI41H	ASA	443,498
43.RD		University of California, Berkeley	8264	UAA	79,668
43.RD		University of Colorado, Boulder	NNA09DB30A	ASA	83,366
43.RD		University of Colorado, Boulder	1000008166	UAA	39,206
43.RD		University of Hawaii	MA130025	UAA	19,906
43.RD		University of Maryland	NNX11AB42G	ASA	45,353
43.RD		University of Pennsylvania	NNX13AE50G	ASA	43,276
43.RD		University of Tennessee	OR14020-001.02	NAA	25,729
43.RD		University of Washington	758684	UAA	13,171
43.RD		University of Wisconsin System	383K342	UAA	14,090
43.RD		Wellesley College	NNX12AG61G	ASA	22,567
	National Aeronautics and Space Administration Subtotal				95,571,626
	<u>National Endowment for the Arts</u>				
45.RD	National Endowment for the Arts			ASA	50,001
	National Endowment for the Arts Subtotal				50,001
	<u>National Endowment for the Humanities</u>				
45.RD	National Endowment for the Humanities			ASA	186,918
45.RD	National Endowment for the Humanities			UAA	14,923
45.RD	National Foundation for the Arts and Humanities			ASA	1,850
45.RD		American Academy in Rome	LTR DTD 031312	UAA	1,383
45.RD		Arizona Humanities Council	BC-50556-10	ASA	1,241
	National Endowment for the Humanities Subtotal				206,315
	<u>Institute of Museum and Library Services</u>				
45.RD	Institute of Museum and Library Services			UAA	30,814
	Institute of Museum and Library Services Subtotal				30,814
	<u>National Science Foundation</u>				
47.RD	National Science Foundation			ASA	49,781,127
47.RD	ARRA—National Science Foundation			ASA	602,628
47.RD	National Science Foundation			NAA	2,911,540
47.RD	ARRA—National Science Foundation			NAA	32,942
47.RD	National Science Foundation			UAA	55,800,320
47.RD	ARRA—National Science Foundation			UAA	1,135,302
47.RD		American Physical Society	0808790	ASA	83,315
47.RD		American Society for Engineering Education	1224217	ASA	84,825

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47.RD		Arizona State University	11428, 12728, 12-877, 13-008, 13-999, F2013UR0024HRD1101728, F2013UR0029HRD1101728, F2013UR0030HRD1101728, KM20051-11-601/SUB11UR, KMS00191157SUBF10UR009, KMS0051-11-62/SUB, KMS0051-11-62/SUB/V12UR016/, KMS00511163/SUB, KMS0051-11-63/SUB, KMS0051-11-63/SUB/F12UR003, KMS0051-11-63/SUB/F12UR004/, KMS0051-11-63/SUB/F12UR005/, KMS0051-11-64/S13UR011/S201, KMS00511164/SUB, KMS0051-11-63/SUB/F12UR006/, KMS00511163/SUB/F12UR024, KMS0051-1163-SUB/F12UR013/F, KMS0051-11-64/SUB, KMS0051-11-64/SUB/S13UR00, KMS0051-11-64/SUB/S13UR0041, KMS0051-11-64/SUB/S13UR005/, KMS00511165, KMS0051-11-65/V13UR009/V201, KMS0051-11-65/V13UR010/V201, KMS0051-11-65/V13UR012/V2, KMS0051-11-65/V13UR013/V201, KMS0051-11-65/V13UR014/V201, KMS00511166 SUB, KMS0051-11-66/F13UR009/F201, KMS0051-11-66/SUB, KMS0051-11-66/SUB, KMS0051-11-66/SUB/F13UR015, KMS0051-11-67/SUB, KMS0051-11-67/SUB/S14UR004/, KMS0051-11-67/SUB/S14UR005/, KMS0051-11-67/SUB/S14UR006/, KMS0051-11-67/SUB/S14UR007/, KMS00511167/SUB/S14UR010, KMS00511167/SUB/S14UR025, KMS00511167SUBS14UR021S2014, V13UR007/V2013ur0016, V2013gp0002/V13CC002, V2014gp0002/V14CC002/HRD-11	UAA	723,194
47.RD		Associated Universities Incorporated	AGREEMENT DATED 01/04/2013	UAA	44,321
47.RD		Association of Universities for Research in Astronomy, Incorporated	C10563N, C10566A, C10646A, N032937C-L	UAA	40,027
47.RD		ARRA—Association of Universities for Research in Astronomy, Incorporated	C22026SB, N10008C-A	UAA	4,261,031
47.RD		Bethel University	LTR DTD 042313	UAA	3,671
47.RD		ARRA—Cal Poly Pomona Foundation, Inc.	AST0847170	UAA	99,573
47.RD		California State Los Angeles University Auxiliary Services, Incorporated	UA230956	UAA	40,306
47.RD		Colorado State University	DEB-1354732	ASA	20,023
47.RD		Colorado State University	G30628	UAA	17,196
47.RD		Computing Research Association	1136966	ASA	18,173
47.RD		Consortium for Ocean Leadership	BA-98	NAA	26,174
47.RD		Consortium for Ocean Leadership	BA-50/Exp. 342	UAA	1,787
47.RD		Consortium of Universities for the Advancement of Hydrologic Science, Incorporated	EAR0753521	UAA	6,868
47.RD		Cornell University	0335765	ASA	624,946
47.RD		George Mason University	1160820	ASA	10,853
47.RD		Georgia Institute of Technology	1200925	ASA	33,730
47.RD		Georgia Institute of Technology	RC866-G1	UAA	10,419
47.RD		Indiana University	0855852	ASA	134
47.RD		Inter-American Institute for Global Change Research (Brazil)	SGP-CRA #005	UAA	124,862
47.RD		Internet2	1032468	UAA	134,863

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47.RD		ARRA—Johns Hopkins University	2001328850	UAA	34,612
47.RD		Large Synoptic Survey Telescope Corporation	C44007L	UAA	31,162
47.RD		Loyola Marymount University	15-2-26115-65457	ASA	803
47.RD		Maricopa Community Colleges	DUE 1103080	ASA	83,312
47.RD		Massachusetts Institute of Technology	57000XXX/AST1310896, 5710002812	UAA	12,700
47.RD		Mathematical Association of America	1122965	ASA	16,870
47.RD		Medipacs, LLC	LTR DTD 043009	UAA	15,176
47.RD		Membrane Technology and Research, Inc.	1127395	ASA	72,129
47.RD		Michigan State University	RC101209UA	UAA	124,262
47.RD		Michigan Technological University	111009022	NAA	45,205
47.RD		MIT: Massachusetts Institute of Technology	1334109	ASA	3,958
47.RD		NanoVoltaix, Inc.	1152665	ASA	65,189
47.RD		National Academy of Engineering	SES-1355547	ASA	10,087
47.RD		National Center for Atmospheric Research (NCAR)	1331490	ASA	84,391
47.RD		National Radio Astronomy Observatory	339095, 341287, PO#341379	UAA	38,268
47.RD		National Writing Project	DRL-1224161	ASA	19,994
47.RD		NEON, Incorporated	1010-215-AOP/EF-1029808	UAA	9,884
47.RD		New Jersey Institute of Technology	1100622	ASA	18,140
47.RD		ARRA—New Jersey Institute of Technology	CNS-0844972	ASA	172,417
47.RD		North Carolina State University	DMS-0946431	ASA	513,447
47.RD		North Carolina State University	2009271903, 2009271905	UAA	165,253
47.RD		Northern Arizona University	1156953	ASA	20,575
47.RD		Northwestern University	SP0011313/PROJ0003099	UAA	27,664
47.RD		Oregon State University	1140207	ASA	19,545
47.RD		Pennsylvania State University	DBI-0850013	ASA	76,381
47.RD		ARRA—Purdue University	0846358	ASA	214,233
47.RD		Rochester Institute of Technology	CMMI-1031690	ASA	545
47.RD		Santa Fe Institute	SFI20130925	UAA	70,247
47.RD		South Dakota State University	1010465	ASA	19,410
47.RD		Space Micro, Inc.	4086	ASA	222,077
47.RD		Stanford University	0936421	ASA	55,138
47.RD		State University of New York, Buffalo	DBI1231306	ASA	628,766
47.RD		ARRA—The University of Texas, Pan American	41BIOL01002	UAA	15,897
47.RD		University of Alaska-Fairbanks	ARC-0909570	ASA	30,000
47.RD		University of Arizona	EEC-0812072	ASA	459,463
47.RD		University of California, Berkeley	EEC-0540879	ASA	29,999
47.RD		University of California, Los Angeles	0521 G QA280	UAA	11,259
47.RD		University of California Santa Cruz	1316834	ASA	48,414
47.RD		University of California-Santa Cruz	S0184090	NAA	160,496
47.RD		University of California, Santa Cruz	S01841438, S0184224/DRL-1316834	UAA	59,932
47.RD		University of Chicago	FP048906	UAA	33,261
47.RD		University of Colorado	1550458	UAA	49,637
47.RD		ARRA—University of Connecticut Health Center	UCHC641994635	UAA	25,316
47.RD		University of Georgia	SES-1061966	ASA	24,842
47.RD		University of Georgia	RC3981134787086	UAA	22,636
47.RD		University of Georgia Research Foundation, Incorporated	RR218-130/4353648/DRL131623	UAA	11,714
47.RD		University of Illinois-Champaign/Urbana	ECCS-11022201	ASA	485,776
47.RD		University of Iowa	1338471	ASA	8,939
47.RD		University of Maine	0817282	ASA	4,222
47.RD		University of Maryland	DRL1157534	ASA	86,193
47.RD		University of Massachusetts	11-006642 H 00/ CMMI-102502	UAA	1,778
47.RD		University of Michigan	0729709	ASA	7,609
47.RD		University of Minnesota	DUE-1355431	ASA	43,115
47.RD		University of Montana	PG116603302	UAA	37,789
47.RD		University of Nevada - Las Vegas	0968421	ASA	65,973
47.RD		University of Nevada Las Vegas	OISE-0968421	NAA	69,223
47.RD		University of Nevada, Reno	113GC000078	UAA	19,003
47.RD		University of New Hampshire	12029	UAA	77,017
47.RD		University of New Mexico	3RK06, 707474873W, 707699-873W	UAA	164,387
47.RD		University of North Carolina, Chapel Hill	OCI-0940841	ASA	63,539
47.RD		University of North Carolina at Chapel Hill	537024	UAA	453
47.RD		University of Notre Dame	0822648	ASA	1,090
47.RD		University of Pittsburgh	1038139	ASA	63,690
47.RD		University of Pittsburgh	0029006 (011510-1)	UAA	6,954

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47.RD		University of South Florida	DUE-1322586	ASA	9,313
47.RD		University of Southern California	1033462	ASA	32,648
47.RD		University of Southern California	34208415	UAA	30,870
47.RD		University of Tulsa	1262201	ASA	27,828
47.RD		University of Utah	1137336	ASA	59,325
47.RD		University of Washington	AST-1206552	ASA	57,325
47.RD		University of Washington	594594, 748104	UAA	38,376
47.RD		University of Wisconsin-Madison	1265737	ASA	21,484
47.RD		University of Wisconsin-Madison	P648955	UAA	38,925
47.RD		US Civilian Research and Development Foundation	RUC17075011EK12	UAA	5,736
47.RD		Vanderbilt University	1252380	ASA	551,155
47.RD		Virginia Tech	0938047	ASA	102,542
47.RD		Washington State University	115140 G002786/IOS-1044821	UAA	860
	National Science Foundation Subtotal				122,731,993
	<u>Smithsonian Institution</u>				
60.RD	Smithsonian Astrophysical Observatory			UAA	1,214,725
60.RD	Smithsonian Institution			UAA	2,210
	Smithsonian Institution Subtotal				1,216,935
	<u>Department of Veterans Affairs</u>				
64.RD	Department of Veterans Affairs			ASA	44,786
64.RD	Department of Veterans Affairs			UAA	117,314
64.RD	Phoenix VA Health Care System			UAA	30,648
	Department of Veterans Affairs Subtotal				192,748
	<u>Environmental Protection Agency</u>				
66.RD	Environmental Protection Agency			NAA	132,991
66.RD	Environmental Protection Agency			UAA	74,636
66.RD	Office of Research and Development (ORD)			ASA	248,365
66.RD		Arizona Department of Environmental Quality	ADEQ13-045550	UAA	30,770
66.RD		Border Environmental Cooperation Commission	unknown	ASA	1,244
66.RD		Border Environment Cooperative Commission	TAA13-004	UAA	24,998
66.RD		HDR Engineering Inc.	CR-83419201-0	ASA	29,690
66.RD		Lockheed Martin Corporation	4100825934	UAA	22,607
66.RD		Metropolitan Water District of Southern California	EM-83484801	ASA	46,704
66.RD		Water Research Foundation	CR83419201	ASA	38,450
66.RD		Watershed Management Group	LTR DTD 020912	UAA	1,067
	Environmental Protection Agency Subtotal				651,522
	<u>Department of Energy</u>				
81.RD	Department of Energy			ASA	10,376,484
81.RD	ARRA—Department of Energy			ASA	3,150,517
81.RD	Department of Energy			NAA	325,061
81.RD	Department of Energy			UAA	5,907,650
81.RD	ARRA—Department of Energy			UAA	2,524,773
81.RD	National Nuclear Security Administration			UAA	315,598
81.RD	Western Area Power Administration			UAA	30,784
81.RD		Alliance for Sustainable Energy, LLC.	XXL32345202	UAA	101,404
81.RD		American Indian Science and Engineering Society	N/A	NAA	18,296
81.RD		Applied Materials	DE-AR0000360	ASA	276,810
81.RD		Arbsource LLC	12071747	ASA	10,059
81.RD		Argonne National Laboratory	DE-AC02-06CH11357, unknown	ASA	19,306
81.RD		Arizona Commerce Authority	AZERCG-2014-02	UAA	131,159
81.RD		Arizona Public Service (APS)	DE-EE-0002060	ASA	250,783
81.RD		Arizona State University	BACKSTOP	UAA	2,461
81.RD		Battelle Energy Alliance	90304	UAA	104,442
81.RD		Brookhaven National Laboratory	DE-AC02-98CH10886	ASA	14,080
81.RD		Brookhaven National Laboratory	101340, 107946, 184712, 241451, 26197/DE-AC02-98CH10886, 74201	UAA	854,393
81.RD		Brookhaven Science Associates, LLC	229873	UAA	8,303
81.RD		ARRA—City of Phoenix	EMCBC-00622-10	ASA	413,687
81.RD		Colorado School of Mines	unknown	ASA	77,936
81.RD		Cooper Tire & Rubber Company	2012-10006-19391	ASA	107,298
81.RD		Electricore, Inc.	DE-EE0006339	ASA	8,416
81.RD		Governor's Office of Energy Policy	DE-EE-0005693	ASA	2,352
81.RD		Harvard University	1237565052017	UAA	87,050
81.RD		Indiana University	DE-EE-0005379	ASA	15,010

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81.RD		International Business Machines Corporation	4913003809/DE-E0006017.000	UAA	108,767
81.RD		Lawrence Berkeley National Laboratory	DE-AC02-05CH2231	ASA	14,081
81.RD		ARRA—Lawrence Berkeley National Laboratory	DE-AC02-05CH11231	ASA	44,542
81.RD		Lawrence Berkeley National Laboratory	7076948	UAA	86,375
81.RD		Lawrence Livermore National Laboratory	DE-AC52-07NA27344	ASA	21,724
81.RD		Lawrence Livermore National Security, LLC.	B599675	UAA	269,002
81.RD		Los Alamos National Laboratory	DE-AC52-06NA25396	ASA	111,591
81.RD		Los Alamos National Laboratory	269276	NAA	3,747
81.RD		Los Alamos National Laboratory	108604-1, 232325-1/DE-AC52-06NA25396, 8668400110119319	UAA	56,446
81.RD		Mississippi State University	03881436296401	UAA	89,485
81.RD		National Renewable Energy	AFC-3-23035-01, AFC-3-23405-01,	NAA	46,762
81.RD		National Renewable Energy Laboratory	DE-AC36-08GO28308	ASA	241,026
81.RD		Navajo Technical College	DE-ED0000129	ASA	20,277
81.RD		Oak Ridge National Laboratory	4000120230	NAA	11,283
81.RD		Pennsylvania State University	DE-FG02-98ER20314	ASA	27,687
81.RD		Radiation Monitoring Devices Inc.	DE-SC0008292	ASA	58,631
81.RD		Sandia National Laboratories	1094391, 1117664, 1163638, 1163638/1293105, 1163638/1377633, 1163638/1387184, 1203436, 1246768, A03341154924, A03341156627	UAA	369,674
81.RD		Sandia National Laboratory	1144250, 1111357, PO 1177845	ASA	175,884
81.RD		Sharp Laboratories of America, Incorporated	SLA465UA/DE-AR0000465	UAA	5,101
81.RD		Stanford University	DE-EE-0004946	ASA	557,781
81.RD		Stanford University	85948	UAA	4,677
81.RD		Texas Engineering Experiment Station	DE-AR00000220	ASA	223,256
81.RD		Uchicago Argonne LLC	N/A	NAA	20,388
81.RD		University of Arizona	DE-EE-0005942	ASA	89,040
81.RD		University of Colorado, Boulder	1548804	UAA	53,936
81.RD		University of Florida	DE-NA0002378	ASA	17,849
81.RD		University of Michigan	3002937712	UAA	24,164
81.RD		University of North Carolina Charlotte	DE-EE0006133	ASA	33,006
81.RD		University of Wyoming	DE FOA 0000287	ASA	111,950
81.RD		Vanderbilt University	19067S5	UAA	195,689
81.RD		Washington State University	113354G002583	UAA	23,644
81.RD		ARRA—Western Electricity Coordinating Council	DE-OE0000423	ASA	151,409
	Department of Energy Subtotal				28,402,986
	Department of Education				
84.RD	Department of Education			UAA	1,603,209
84.RD	Institute of Education Sciences			ASA	2,704,351
84.RD	Office of Elementary and Secondary Education			ASA	660,657
84.RD	Office of Postsecondary Education			ASA	788,245
84.RD	Office of Special Education and Rehabilitative Services			ASA	566,933
84.RD	Arizona Board of Regents	AGR 01/01/02		ASA	159,847
84.RD	Arizona Department of Education	E8PD3273		ASA	123,057
84.RD	Arizona Department of Education	11-32-ED, 13-23-ED		UAA	583,000
84.RD	Arizona State University	LOU 13-211		NAA	139,136
84.RD	Arizona State University	13-209		UAA	104,449
84.RD	Blackwater Community School	S299A130020		ASA	14,009
84.RD	Center for Applied Special Technology	R305A110333		ASA	224,857
84.RD	Florida State University	R305F100027		ASA	134,213
84.RD	Georgia State University	R324C120001		ASA	13,415
84.RD	Georgia State University	SP00010919-01		UAA	249,449
84.RD	National Writing Project	09-AZ04-SEED2012		ASA	17,176
84.RD	Ohio State University	60023887		ASA	914,762
84.RD	Pennsylvania State University	R305A130327		ASA	115,805
84.RD	Public Broadcasting Service (PBS)	U295A100025		ASA	21,341
84.RD	Rutgers University	S374A120060		ASA	35,502
84.RD	Salus University	83401		UAA	31,098
84.RD	Sunnyside Unified School District	D132174		UAA	164,103
84.RD	Thomas Jefferson University	H327X070003		ASA	37,593
84.RD	University of California, Los Angeles	R305C080015		ASA	2,441
84.RD	University of Kansas	H326Y120005		ASA	16,568
84.RD	University of Memphis	R305A090528-12		ASA	35,077
84.RD	University of North Texas	R305A120808		ASA	223,483

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84.RD		University of Oregon	R324C110004	ASA	998,448
84.RD		University of Tennessee	R32A120085	ASA	39,986
84.RD		University of Texas - El Paso	P120A130061	ASA	55,469
84.RD		WestEd	5814S09052	UAA	89,614
84.RD		Western Michigan University	6840	UAA	68,766
	Department of Education Subtotal				10,936,059
	<u>Smithsonian Institution</u>				
85.RD	Smithsonian Astrophysical Observatory			UAA	29,716
	Smithsonian Institution Subtotal				29,716
	<u>Morris K. Udall Foundation</u>				
85.RD	Stewart L. Udall and Morris K. Udall Foundation			UAA	237,798
	Morris K. Udall Foundation Subtotal				237,798
	<u>National Archives and Records Administration</u>				
89.RD	National Archives and Records Administration Subtotal	ARRA—Ceres Incorporated	20100903, LTR DTD 102511	UAA	32,147
					32,147
	<u>Department of Health and Human Services</u>				
93.RD	Agency for Healthcare Research and Quality			ASA	267,123
93.RD	Agency for Healthcare Research and Quality			UAA	127,765
93.RD	ARRA—Agency for Healthcare Research and Quality			UAA	134,777
93.RD	Centers for Disease Control and Prevention			UAA	2,404,176
93.RD	Department of Health and Human Services			ASA	5,111,306
93.RD	Department of Health and Human Services			UAA	364,039
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	2,438,177
93.RD	Food and Drug Administration			UAA	164,231
93.RD	Health Resources and Services Administration			ASA	145,373
93.RD	Health Resources and Services Administration			UAA	396,456
93.RD	John E. Fogarty International Center			UAA	120,149
93.RD	National Cancer Institute			UAA	20,016,569
93.RD	National Center for Complementary & Alternative Medicine			UAA	1,145,197
93.RD	National Eye Institute			UAA	1,914,471
93.RD	National Heart, Lung, and Blood Institute			UAA	10,102,730
93.RD	National Human Genome Research Institute			UAA	172,303
93.RD	National Institute for Occupational Safety and Health			UAA	1,239,511
93.RD	National Institute of Allergy and Infectious Disease			UAA	7,423,412
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	555,897
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	2,640,302
93.RD	National Institute of Dental and Craniofacial Research			UAA	309,223
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	3,383,618
93.RD	National Institute of Environmental Health Sciences			UAA	5,920,199
93.RD	National Institute of General Medical Sciences			UAA	6,926,403
93.RD	National Institute of Mental Health			UAA	296,316
93.RD	National Institute of Neurological Disorders and Stroke			UAA	5,193,287
93.RD	National Institute of Nursing Research			UAA	484,106
93.RD	National Institute on Aging			UAA	1,766,620
93.RD	National Institute on Alcohol Abuse and Alcoholism			UAA	204,728
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	2,599,885
93.RD	National Institute on Drug Abuse			UAA	2,232,900
93.RD	National Institute on Minority Health Disparities			UAA	750,416
93.RD	National Institutes of Health			ASA	44,348,342
93.RD	ARRA—National Institutes of Health			ASA	1,304
93.RD	National Institutes of Health			NAA	4,025,287
93.RD	National Institutes of Health			UAA	4,286,732
93.RD	National Institutes of Health	Battelle Memorial Institute	338586	NAA	120,794
93.RD	National Institutes of Health	University of Arizona	Y562157	NAA	7,924
93.RD	National Institutes of Health	University of California	2009-2157	NAA	167,847
93.RD	National Institutes of Health	University of Minnesota	H001208302	NAA	67,457
93.RD	National Library of Medicine			UAA	30,176
93.RD	Substance Abuse and Mental Health Services Administration			UAA	556,335
93.RD		4D Technology Corporation	2R44RR02817002	UAA	4,340
93.RD		Albert Einstein College of Medicine	31550C/P01GM068036	UAA	244,683
93.RD		American College of Radiology	1286/ACRIN	UAA	23,729
			6695/5U01CA08009, 4701		
93.RD		American Lung Association	LTR DTD 111009	UAA	25,131
93.RD		Arizona Alzheimer's Disease Consortium	AGR 06/17/13	ASA	143,854
93.RD		Arizona Cancer Therapeutics LLC	LTR DTD 112213	UAA	80,255
93.RD		Arizona Department of Health Services	ADHS11-006155, HG958299	ASA	126,997

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93.RD		Arizona Department of Health Services	ADHS11003274, ADHS13-033569, ADHS13-036542, HS160052	UAA	116,746
93.RD		Arizona Governor's Council on Developmental Disabilities	2011G994902	ASA	101,329
93.RD		ARRA—Arizona Health-e Connection	90RC0035	ASA	57,920
93.RD		Arizona State University	10383, 10418, 11588, 12-756, 12-763, 13-064, 13-077, LOU13141	UAA	540,031
93.RD		Association of University Centers on Disability	447	UAA	1,230
93.RD		Banner Alzheimer's Institute	P30 AG019610-12	ASA	5,488
93.RD		Banner Health	P30 AG019610-12	ASA	138,374
93.RD		Banner Health System	01010214834/0432-02-39825, 4320233849, LMS 0432-02-29908/2P30AG019	UAA	60,557
93.RD		Banner Research Institute	LMS#0432-02-29905, LMS#0432-02-29907, P30AG019610AHERN	UAA	177,001
93.RD		Baylor College of Medicine	101750901/1R01CA172511	UAA	123,994
93.RD		Beth Israel Deaconess Medical Center	1024796	UAA	19,988
93.RD		Biosensics, LLC	LTR DTD 071812, LTR DTD 082812, LTR DTD 092313, LTR DTD 092512	UAA	325,075
93.RD		Biosensing Instrument	1R44GM106579-01	ASA	101,684
93.RD		Blackrock Microsystems	Unknown	ASA	6,543
93.RD		Brain and Behavior Research Foundation	18731	UAA	160
93.RD		Brigham and Women's Hospital	103122, 106476	UAA	89,806
93.RD		BrightOutcome Incorporated	LTR DTD 062712	UAA	87,398
93.RD		C/J Media, Incorporated	R41CA162502	UAA	63,656
93.RD		Caracal Incorporated	1R44CA144322	UAA	134,337
93.RD		Carnegie Mellon University	1090324267420	UAA	150,763
93.RD		Caucaseco Scientific Research Center	U19 AI089702	ASA	166,352
93.RD		Children's Hospital of Philadelphia	FP00013013_SUB164_01, LTR DTD 10/23/12	UAA	35,314
93.RD		Cincinnati Children's Hospital Medical Center	131950/1R01HL116906-01A1	UAA	160,573
93.RD		Claremont Graduate University	U01 HL097839	ASA	73,033
93.RD		Columbia University	1R01GM104960-01	ASA	373,488
93.RD		Columbia University	5-30332, 9 (GG006900)/PO G04426	UAA	37,040
93.RD		Community Partnership of Southern Arizona	LOA1301	UAA	1,344
93.RD		Diabetic Complications Consortium	3 U24 DK076169-07S1	ASA	5,009
93.RD		Dmetrix, Incorporated	4 R44 AG035446, LTR DTD 061014	UAA	101,288
93.RD		Duke University	161411/187937, 203-2594, 2033407, 303-4320, 3035292	UAA	548,130
93.RD		Eden Medical, Incorporated	1R43DK08843101, 5R4308372-03	UAA	40,706
93.RD		Electrical Geodesics Inc	R43 NS077598-02	ASA	2,730
93.RD		Emory University	R01 AI110720	ASA	67,008
93.RD		Emory University	S391810, T108311, T121854	UAA	39,650
93.RD		Engineering Arts	4R24GM106704-03	ASA	410,696
93.RD		Fairview Health Services	1R18HS019587-01	ASA	135,538
93.RD		Florida International University	800001205-01	ASA	64,260
93.RD		Florida State University	R21HD072286	ASA	156,316
93.RD		Genefluidics, Incorporated	R44AI088756-UOFA	UAA	225,868
93.RD		George Mason University	R01 DA032639-01A1	ASA	168,039
93.RD		Georgetown University	R33 CA177466	ASA	15,570
93.RD		Georgetown University	RX 4442-032-UA/P60 MD006920	UAA	73,502
93.RD		Georgia State University	R01 CA126858	ASA	74,458
93.RD		Giner, Incorporated	R43DK100999, R44DK070400	UAA	21,747
93.RD		Group Health Cooperative	2011102816, 2013102483, 2014101503	UAA	104,408
93.RD		Gynecologic Oncology Group	CA101165 CCOP-GOG-0225	UAA	360,755
93.RD		H. Lee Moffitt Cancer Center and Research Institute	R01CA170595-02	ASA	25,523
93.RD		H. Lee Moffitt Cancer Center and Research Institute Incorporated	10154839901G2, 10154859901G1, 10158719901G1	UAA	25,181
93.RD		Hawaii Pacific University	R34 DA031306	ASA	6,347
93.RD		Health Research, Incorporated	4760-01/1U01DD00104101	UAA	14,912
93.RD		Hualapai Tribe	LTR DTD 100509	UAA	6,959
93.RD		Illinois Institute of Technology	P20 MH085981	ASA	41,083

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93.RD		Indiana University	IN4682011UA, IN4687706UA, IN4687713UA	UAA	171,465
93.RD		Inter Tribal Council of Arizona, Incorporated	U261IHS0077-01-01/U26IHS3, U26IHS300283	UAA	140,786
93.RD		inXsol	1 R43 ES022919-01A1	ASA	40,813
93.RD		Johns Hopkins University	U54 CA143868	ASA	75,756
93.RD		Johns Hopkins University	2001532544, 638000001	UAA	209,506
93.RD		Kaiser Permanente	R01 DK099277-01A1	ASA	6,345
93.RD		Kaiser Permanente	1, R01CA164128/ R01CA164128-01A	UAA	27,977
93.RD		Maricopa Integrated Health System (MIHS)	1R03HS022148-01A1	ASA	7,551
93.RD		Massachusetts General Hospital	U01 A1077883	ASA	11,162
93.RD		Mayo Clinic	63077846, 63384145/U01EB017185-01, 6378070/U01CA154300	UAA	154,064
93.RD		Mayo Clinic-Rochester	DP1 DA031340	ASA	101,302
93.RD		Mayo Clinic Scottsdale	7P01CA077839-12	ASA	131,382
93.RD		McKing Consulting Corporation	200-2012-F-53729	ASA	15,400
93.RD		MD Anderson Cancer Research	5R01BR11453-05	ASA	19,733
93.RD		Medical College of Wisconsin	R01HL095410	UAA	857
93.RD		Molecular NeuroImaging	R42NS055475	UAA	49,911
93.RD		Mount Sinai Medical Center	1R01DK098242-01	ASA	135,246
93.RD		Mount Sinai School of Medicine	0255-5571-4609	UAA	40,649
93.RD		New York University	F6906-01	UAA	204,188
93.RD		New York University Langone Medical Center	U01 CA086137-12	ASA	110,091
93.RD		Northern Arizona University	1001974-01, 1002020-01, 1002108, IHD31CP	UAA	661,080
93.RD		Northwestern University	P30 DA027828	ASA	1,852
93.RD		Ohio State University	R01 AT005216-04	ASA	159,054
93.RD		Ohio State University	RF01347752 / 7R01EY02090104	UAA	37,853
93.RD		Oregon Health & Science University	R01 OH009676	ASA	7,991
93.RD		Oregon Health and Science University	1002195_UAArizona/ R01AL02164, 9004157_UA_Nikolich-Zuglich, AVGT1099	UAA	52,767
93.RD		Oregon Research Institute	LTR DTD 091712, R01AA019671, R01CA098555	UAA	79,409
93.RD		Pacific Institute for Research & Evaluation	R01 AA017705	ASA	7,626
93.RD		Palo Alto Institute of Research and Education	LIA001201	UAA	77,551
93.RD		Pennsylvania State University	R21 DA024266	ASA	217,318
93.RD		Pennsylvania State University	UAZ HL098115/U10HL098115, UAZHL098115	UAA	194,085
93.RD		Radiation Effects Research Foundation (Japan)	HHSN272200900059C	UAA	124,582
93.RD		Rehabilitation Institute of Chicago (RIC)	R24 HD050821	ASA	9,599
93.RD		Rutgers University	1R01HD071583	ASA	116,769
93.RD		San Francisco State University	S12-0001	UAA	19,199
93.RD		SJT Micropower Inc.	R44 EB0077453	ASA	2,483
93.RD		Sonoran Biosciences	R41AR064080	ASA	43,410
93.RD		Stanford University	R01 GM097463	ASA	58,642
93.RD		Stanford University	2650584050957A	UAA	301,372
93.RD		State of Nevada Aging and Disability Services Division	18-040-45-AM-10	ASA	21,496
93.RD		State University of New York	1104875	UAA	63,116
93.RD		State University of New York Research Foundation	65765-1112908-2	UAA	387,959
93.RD		Sun Health Research Institute	U01 AG016976-13	ASA	2,501
93.RD		Teachers College Columbia University	R01DA014385	ASA	61,805
93.RD		Techshot Incorporated	2R44DK072647-04A1	UAA	60,987
93.RD		Temple University	360848-05440-02	UAA	43,860
93.RD		TERROS, Inc.	1H79T1024867-01	ASA	12,501
93.RD		Texas A & M University	R01 HD039367	ASA	3,504
93.RD		TF Health Corp	1R44ES021678-01	ASA	243,740
93.RD		Tohono O'odham	LTR DTD 090512	UAA	1,509
93.RD		Tucson Indian Center	LTR DTD 121610	UAA	13,358
93.RD		Tulane University	TULHSC51713/14	UAA	25,555
93.RD		University of Arizona	R01 MH097803	ASA	156,208
93.RD		University of Arizona-Cancer Center	1R01CA151708-01A1	ASA	27,758
93.RD		University of California, Davis	201120402-06, 201222844-01, 20122469302	UAA	385,709
93.RD		University of California, Irvine	20092155, 20092317	UAA	269,561
93.RD		University of California, Los Angeles	1930GNA874, 2000GPM600	UAA	149,009

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93.RD		University of California-San Diego	R01HL109222	ASA	198,492
93.RD		University of California-San Francisco	R25 DA028567	ASA	9,952
93.RD		University of California, San Francisco	5712SC, 7760sc, 7853SC	UAA	261,213
93.RD		University of Cincinnati	006883/5U01NS069763-04, 6883	UAA	261,514
93.RD		University of Colorado-Denver	7R18HS018646-04	ASA	14,964
93.RD		University of Colorado Denver	FY12.583.001 U AZ, FY13.568.001 2-5-17830	UAA	72,925
93.RD		University of Colorado Denver Anschutz Medical	FY11219007	UAA	27,681
93.RD		University of Connecticut Health Center	R33 CA143531	ASA	93,077
93.RD		University of Florida	13102, UF12292	UAA	183,810
93.RD		University of Houston	U18 DP003350	ASA	145,432
93.RD		University of Illinois	2010-07207-03-00/5P01HL09	UAA	349,219
93.RD		University of Illinois-Champaign/Urbana	1R33CA177446	ASA	9,119
93.RD		University of Illinois-Chicago	5P30AG022849	ASA	4,638
93.RD		University of Illinois at Chicago	2013-00537-01-00	UAA	122,226
93.RD		University of Iowa	1001104264, W000228447	UAA	35,259
93.RD		University of Louisville	9047301	UAA	298
93.RD		University of Maryland	U01 FS001418	ASA	2,394
93.RD		University of Maryland	105992001	UAA	34,613
93.RD		University of Michigan	R01 GM096194	ASA	58,873
93.RD		University of Michigan	3001413084-PNT, 3001745805, 3001922370BPT, 3002111999-SHN, 50000029493000691503RPT, 50000029493000770476ALIAS, 50000029493001300049PIII, F025189, F027440, F027973, U10CA32102	UAA	605,747
93.RD		University of Minnesota	P004058501, P004130801	UAA	88,074
93.RD		University of Mississippi	66550021114UA	UAA	31,404
93.RD		University of Mississippi Medical Center	66102700414-04UAZ	UAA	28,764
93.RD		University of Nebraska	36-5360-2141-001/5R01AG0371	UAA	66,026
93.RD		University of New Mexico	R01 DA034097	ASA	187,911
93.RD		University of North Carolina	531229	UAA	14,551
93.RD		University of North Carolina, Chapel Hill	90YR0041/03	ASA	37,857
93.RD		University of North Carolina at Chapel Hill	5-33340	UAA	130,320
93.RD		University of North Texas Health Science Center	R01 DA023957	ASA	14,790
93.RD		University of North Texas Health Science Center	RN00132009001	UAA	90,647
93.RD		University of Oregon	R01 DA016110-09	ASA	45,684
93.RD		University of Pittsburgh	R56 AI081759	ASA	34,414
93.RD		University of Pittsburgh	0040478(124095-1)/1R01LM011, 6476	UAA	24,913
93.RD		University of Rochester	415917G, 415919G, 415920-G, 415921G, 415922G, 415971-G	UAA	212,617
93.RD		University of South Carolina	1R01HL112787-01A1	ASA	29,373
93.RD		University of South Carolina	122003	UAA	155,221
93.RD		University of Southern California	U54 CA143907	ASA	335,543
93.RD		University of Southern California	H43023, H48494, H50658	UAA	4,336
93.RD		University of Texas at Austin	2R01NS056839-11	ASA	87,615
93.RD		University of Texas, Dallas	R01 DC010494	ASA	89,613
93.RD		University of Texas at Dallas	LTR DTD 061214, LTR DTD 060614	UAA	13,793
93.RD		University of Texas Health Science Center at Houston	0008027H, 0009919H	UAA	545,003
93.RD		ARRA—University of Texas Health Science Center at Houston	90TR0004-01	ASA	194,476
93.RD		University of Texas Health Science Center at San Antonio	U01 CA086402	ASA	38,628
93.RD		University of Utah	230200407AZ, 2309114-30	UAA	116,676
93.RD		ARRA—University of Vermont	RC4 HL106625	ASA	63,134
93.RD		University of Washington	U19 AI089688	ASA	58,950
93.RD		University of Washington	756271/1P50MH100023-01, 760067	UAA	289,695
93.RD		University of Wisconsin-Madison	R01 MH059785	ASA	6,805
93.RD		Vanderbilt University	VUMC 40760/R01AT006896, VUMC35934, VUMC38448	UAA	87,003
93.RD		Viamet Pharmaceuticals, Incorporated	LTR DTD 061512	UAA	69,842
93.RD		Virgin Instruments	1R44GM104596-01A1	ASA	251,706
93.RD		Walter R. McDonald & Associates	HHSP23320095656	ASA	114,332
93.RD		Washington University	P60 AA011998	ASA	31,733

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.RD		Washington University in St. Louis	WU-13-115, WU-13-186, WU-13-27/PO2916314W	UAA	165,127
93.RD		Yale University	A06961M08135, A07593M10A10552, A08094M11A10894, M12A11387 (A08802), M15A11796 (A09585)	UAA	131,561
	Department of Health and Human Services Subtotal				159,234,304
	<u>Department of Homeland Security</u>				
97.RD	Department of Homeland Security			ASA	126,106
97.RD	Department of Homeland Security			NAA	1,742,546
97.RD	Department of Homeland Security			UAA	2,234,752
97.RD	Federal Emergency Management Agency			UAA	204,680
97.RD		Purdue University	2009-ST-061-CI0001	ASA	102,379
97.RD		Stanford University	60187534-103160-A/HSHQDC-	UAA	122,620
97.RD		Translational Genomics Research Institute	KEIM-10-02	NAA	556
	Department of Homeland Security Subtotal				4,533,639
	<u>Agency for International Development</u>				
98.RD	United States Agency for International Development			ASA	1,499,212
98.RD		Auburn University	14-AGR-368044-UA	UAA	8,429
98.RD		Colorado State University	EEM-A-00-10-00001	ASA	149,072
98.RD		East West Management Institute	G-854-12-100-3016-20	ASA	110,797
98.RD		Fundacion Empresarial para el Desarrollo Educativo	AID-519-A-12-0003	ASA	7,868
98.RD		Futures Group	AID-OAA-A-10-00067	ASA	233,049
98.RD		International Research and Exchanges Board (IREX)	S-ECAGD-14-CA-1038	ASA	32,574
98.RD		La Fundacion Nacional para el Desarrollo	AID-519-A-0003	ASA	1,249
98.RD		Purdue University	206766	ASA	1,860
98.RD		Regional Security System	Unknown	ASA	58,253
98.RD		Virginia Polytechnic Institute and State University	42597619101	UAA	84,192
	Agency for International Development Subtotal				2,186,555
	Total Research and Development Cluster				509,564,943
	Total Expenditures of Federal Awards				\$ 12,850,592,188

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State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2014

Note 1 - Significant Accounting Policies

Basis of Presentation—The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Reporting Entity—The schedule includes all federal awards activity administered by the State of Arizona and its component units.

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and business-type activities; governmental and proprietary funds; and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2014; and were accounted for using the full accrual and modified accrual basis of accounting, as applicable, in conformity with generally accepted accounting principles.

Expenditures—Certain transactions relating to expenditures of federal awards may appear in the records of more than one state grantee agency. To avoid duplication and the overstatement of the aggregate level of federal awards expended by the State of Arizona, the following policies have been adopted:

1. When monies are received by one state grantee agency and distributed to another state grantee agency, the federal monies are reported in the accounts of the state grantee agency that expends the monies.
2. Purchases of services between state grantee agencies using federal monies are recorded as expenditures on the purchasing agency's records and as revenues for services rendered on the providing agency's records. Therefore, the receipt of federal awards is attributed to the purchasing agency, which is the primary receiving/expending state grantee agency.

Note 2 - Catalog of Federal Domestic Assistance (CFDA)/Identifying Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "Unknown" were used. For programs within the Research and Development Cluster, the two-digit federal agency identifier, a period, and the letters "RD" were used.

Note 3 - Research and Development Cluster

As provided by OMB Circular A-133, the research and development cluster of programs is summarized by federal agency subdivision or pass-through entity.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2014

Note 4 - Loan Programs

Only administrative costs incurred for loan and loan guarantee programs are included in the schedule. However, OMB Circular A-133, Subpart B, §205(b) requires that the current year administrative costs and loan distributions, and the balances of the previous year's outstanding student loans and loan guarantees, also be included in these programs when determining federal awards expended for single audit purposes. Further, Subpart B, §310(b)(6) requires that loans or loan guarantees outstanding at year-end be included in either the schedule or a note to the schedule. Loans and loan guarantees outstanding at June 30, 2014 are described below:

Student Loan Programs

The Universities administer the following seven federal student loan programs. The current-year loan distributions and the balances of loans outstanding at year-end are shown below:

Loan Program	CFDA Number	Loans Distributed During the Year	Loan Balances Outstanding at June 30, 2014
Education and Human Resources ARRA—Trans-NSF Recovery Act Research Support	47.076	\$ 0	\$ 200,450
Federal Perkins Loan Program—Federal Capital Contributions	47.082	65,000	320,253
Nurse Faculty Loan Program (NFLP)	84.038	5,409,863	28,873,936
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.264	1,298,118	5,704,269
Nursing Student Loans	93.342	353,904	2,568,375
ARRA—Nurse Faculty Loan Program	93.364	228,470	1,196,271
	93.408	0	453,793

In addition, the Universities distribute loans to students from the federal direct student loan program that is administered by the U.S. Department of Education. As of the year ended June 30, 2014, the Universities distributed \$845,435,004 of Federal Direct Student Loans (CFDA number 84.268).

Housing Program

The Department of Housing administers the Home Investment Partnerships Program (CFDA number 14.239), which provides loans to municipalities, non-profit organizations, and individuals to purchase homes and rental properties. The Department distributed \$3,769,408 in loans during fiscal year 2014 and had \$29,339,462 in loan balances outstanding at June 30, 2014.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2014

Note 5 - Food Commodities

Food commodities received by the State are disbursed through distributing agencies. Such commodities are included in the definition of federal awards when distributed and, accordingly, are included in the amounts presented in the schedule. The State's food commodity distributions during fiscal year 2014 totaled \$43,657,130 and the amounts, by CFDA number, are presented as follows:

CFDA Number	Program Title	Amount
10.555	National School Lunch Program	\$29,748,207
10.565	Commodity Supplemental Food Program	2,811,465
10.569	Emergency Food Assistance Program (Food Commodities)	11,097,458

Note 6 - Donation of Federal Surplus Personal Property

The value of the Donation of Federal Surplus Personal Property (CFDA number 39.003) program reported in the schedule is based on a "market basket formula" developed by the U.S. General Services Administration. This market basket formula represents 23.68 percent of the original federal acquisition cost, totaling \$4,838,271 for the year ended June 30, 2014.

Note 7 - Immunization Cooperative Agreements

The Immunization Cooperative Agreements (CFDA number 93.268) expenditures of \$89,515,471 include \$82,391,643 worth of vaccines. Vaccines administered by the Department of Health Services are included in the definition of federal awards and, accordingly, are included in the amount presented in the schedule.

Note 8 - Unemployment Insurance (CFDA No. 17.225)

The unemployment compensation system is a unique federal-state partnership, founded upon federal law, but implemented through state law. As prescribed by the U.S. Department of Labor in consultation with the Office of Management and Budget, certain state monies, in addition to federal monies, were considered federal awards for determining Type A programs, and were included in the Schedule of Expenditures of Federal Awards.

The amount presented on the schedule consists of the following:

Regular unemployment compensation benefits	\$446,268,086
ARRA—Federal Additional Compensation (FAC) Recoupment	(973,736)
Unemployment compensation for federal employees	3,719,876
Unemployment compensation for ex-service members	3,010,934
Administrative costs	36,183,301
ARRA—Administrative costs	<u>3,000,000</u>
Total expenditures	<u>\$491,208,461</u>

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2014

Note 9 - Contingent Liabilities

Although the Schedule of Expenditures of Federal Awards is prepared to the best of our knowledge and belief, amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including the amount already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor, if any, cannot be determined at this time.

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified		
	Yes	No	
Internal control over financial reporting:			
Material weakness identified?	___	<u>X</u>	
Significant deficiencies identified?	<u>X</u>	___	
Noncompliance material to the financial statements noted?	___	<u>X</u>	

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	<u>X</u>	___	
Significant deficiencies identified?	<u>X</u>	___	

Type of auditors' report issued on compliance for major programs:
 Unmodified for all major programs except for Emergency Management Performance Grants (97.042), which was adverse; and National Guard Military Operations and Maintenance (O&M) Projects (12.401); Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126); and Centers for Disease Control and Prevention—Investigations and Technical Assistance (93.283), which were qualified.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	<u>X</u>	___	
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	SNAP Cluster
10.553/10.555/10.556/10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.267	Continuum of Care Program
17.258/17.259/17.278	WIA Cluster
20.205/20.219	Highway Planning and Construction Cluster

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

20.233	Border Enforcement Grants
84.027/84.173	Special Education Cluster (IDEA)
84.374/84.385	Teacher Incentive Fund Cluster
84.010	Title I Grants to Local Educational Agencies
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.184	Safe and Drug-Free Schools and Communities—National Programs
84.367	Improving Teacher Quality State Grants
84.369	Grants for State Assessments and Related Activities
93.558	TANF Cluster
93.775/93.777/93.778	Medicaid Cluster
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance
93.563	Child Support Enforcement
93.658	Foster Care—Title IV-E
93.667	Social Services Block Grant
93.719	ARRA—State Grants to Promote Health Information Technology
93.767	Children’s Health Insurance Program
96.001	Disability Insurance/SSI Cluster
97.042	Emergency Management Performance Grants
R&D	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$30,000,000

Yes No

Auditee qualified as low-risk auditee? ___ X___

Other Matters

Auditee’s Summary Schedule of Prior Audit Findings required to be reported in
 accordance with Circular A-133 (section .315[b])? ___ X ___

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Financial Statement Findings

2014-01

The Arizona Department of Administration's Data Center should strengthen their contracts with state agencies

Criteria: Information technology (IT) services that the Arizona Department of Administration's Data Center (Data Center) provides to state agencies should be well documented, complete, comprehensive, up to date, and include all parties' responsibilities. Well-documented and up-to-date services provide staff with repeatable processes and clear expectations. In addition, the Data Center should maintain a listing of state agencies it has provided services to and the services provided.

Condition and context: The Data Center's IT service contracts with state agencies are broad, not agency specific, and do not adequately address critical services, including disaster recovery. Consequently, agencies may not understand their responsibilities in the event of a disaster, including what they would need to provide (e.g., data, software, etc.) to the Data Center.

Effect: Contracts for services between the Data Center and state agencies could result in the failure to clearly communicate policies and procedures, limit staff accountability, and result in inconsistencies. For example, if a major disruption or disaster were to occur, the order in which systems were restored may not match individual state agencies' or the State's criticality or operational priorities. In addition, state agencies might incorrectly assume that the Data Center will always provide full off-site backup and disaster recovery.

Cause: The Data Center did not have sufficient policies and procedures to help ensure their contracts with state agencies, including disaster recovery services, are specific for each state agency and are updated as needed. In addition, the Data Center did not maintain a comprehensive listing of state agencies it provided services to along with the services provided.

Recommendation: To help ensure IT services provided to state agencies are well documented, complete, comprehensive, up to date, and include the specific responsibilities of all parties, the Data Center should strengthen its IT services policies and procedures. For example, an IT service contract for disaster recovery should include a comprehensive disaster recovery plan that includes all systems and infrastructure for which it is responsible, and addresses important elements such as regulatory and contractual requirements, the state agencies' overall business continuity needs, IT resource management requirements and interdependencies, an analysis of business impacts, risk assessments, emergency procedures, testing, and ongoing maintenance of its disaster recovery efforts. In addition, the Data Center should maintain a comprehensive listing of state agencies it has provided services to along with the services provided.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

2014-02

The State of Arizona should strengthen its internal controls over purchasing cards

Criteria: The State's General Accounting Office (GAO) Technical Bulletin 08-1, *Statewide Purchasing Card (P-Card) Policies and Procedures*, requires state agencies to establish policies, procedures, and documentation requirements for p-card transactions that conform to the State's policies and procedures. These agency-specific policies and procedures should include requiring all employees who are issued a p-card to sign an agreement acknowledging their cardholder responsibilities that are approved by appropriate agency personnel, a supervisory review of all p-card transactions, and a reconciliation of posted transactions against purchasing activity. The agencies should also establish systemic controls restricting the use of the p-cards, such as single transaction limits, monthly spending limits, and category blocks such as prohibiting travel purchases or other unallowed transactions.

Condition and context: During fiscal year 2014, state agencies used p-cards to help facilitate the purchase of over \$13.3 million in goods and certain services. However, the State did not ensure its agencies had adequate internal controls over the use of p-cards. Specifically, auditors reviewed the policies and procedures, cardholder agreements, and a sample of 114 p-card transactions for 10 of the 93 state agencies that had p-card purchases and noted the following deficiencies:

- An employee at the Department of Health Services used a p-card to purchase gift cards for patients of the Arizona State Hospital during the month of December. The Department indicated the gift cards were purchased to be used as rewards for patient behavior; however, it was unable to provide evidence that the cards were actually given to the patients or used for that purpose.
- Employees at the Game and Fish Department, the Department of Emergency and Military Affairs, and the Department of Education used p-cards for travel-related activities, including hotel stays and rental cars, which the State's p-card policies prohibit. Further, the transactions for the rental cars at the Department of Emergency and Military Affairs included a luxury vehicle rental, liability insurance, and prepaid gas, which are not allowable expenditures under the State's policy for travel-related expenses.
- The Department of Education did not always have their p-card transactions independently reviewed by the cardholder's supervisor or the p-card administrator. Further, some of the transaction receipts for the Department of Revenue's p-card transactions were retained by the cardholder and not submitted with the monthly reconciliation for retention with all the p-card documentation. As a result, the p-card administrator may not have always had sufficient details available in order to properly approve the transactions.
- Employees at the Department of Education had single transaction limits for p-card purchases. However, auditors determined two employees split their purchases into separate transactions to circumvent the Department's p-card limits.
- The Department of Administration and the Department of Revenue did not have current agency-specific policies and procedures in place for p-card transactions.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

- The Department of Administration did not retain all the p-card agreements that employees signed acknowledging their responsibilities for the use of the p-card. Further, the Department of Education did not have the appropriate department personnel approve and sign the p-card agreement.
- The Department of Emergency and Military Affairs' procedures included a requirement for the p-card transactions to be reviewed by the procurement area. However, auditors determined this review was not always performed on a timely basis.

Effect: The State may have an increased risk of misuse, waste, or theft of public monies related to p-card transactions.

Cause: The State relies on the management of the individual state agencies to implement their own p-card policies and procedures that conform to its p-card policies and procedures. However, the State does not ensure the agencies have implemented policies and procedures and does not always monitor compliance with established policies and procedures.

Recommendation: The State should establish monitoring and oversight procedures to help ensure that individual state agencies have properly implemented p-card policies and procedures, as directed by the State's General Accounting Office (GAO) Technical Bulletin 08-1, *Statewide Purchasing Card (P-Card) Policies and Procedures*, to help prevent and detect potential fraud, waste, and abuse related to p-card transactions.

2014-03

The Department of Revenue should continue to strengthen its procedures for processing income tax revenues

Criteria: The Department of Revenue (Department) should improve procedures to ensure that it collects and reports all state income tax revenues.

Condition and context: The Department is responsible for collecting and reporting state income taxes. While testing procedures for income tax revenues, auditors noted additional procedures that the Department should perform to help ensure it achieves this. Because this finding is of a sensitive nature, its specific details, including detailed recommendations, were verbally communicated to those officials directly responsible for implementing corrective action.

Effect: The State may not receive the proper amount of income taxes.

Cause: The Department's information system did not have the functionality to perform the identified omitted procedures.

Recommendation: The Department should implement additional procedures necessary to compensate for the omitted procedures.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

This finding is similar to a prior-year finding.

2014-04

The Northern Arizona University must ensure all deposits are fully collateralized as required by state statute

Criteria: To protect public monies from potential loss, Arizona Revised Statutes (A.R.S.) §15-1668 requires that eligible banks, before receiving a deposit in excess of the federally insured amount, pledge collateral equal at all times to the amount of the deposits. Further, U.S. generally accepted accounting principles (GAAP) requires the Northern Arizona University (University) to disclose the amount of its bank balance that is uninsured and uncollateralized at the end of the period.

Condition and context: During the fiscal year, the University switched servicing banks for its depository accounts and failed to have a collateral agreement on file with the new servicing bank. As a result, \$41.5 million of the University's bank balance was uninsured and uncollateralized at June 30, 2014. In addition, the University improperly reported the deposits as uninsured and collateralized by the servicing bank in its notes to the financial statements.

Effect: Cash deposits exceeding the Federal Deposit Insurance Corporation coverage of \$250,000 are at risk of being lost if the bank becomes insolvent. No loss of public monies resulted from these uninsured and uncollateralized deposits. In addition, the University did not properly report the amount of deposits as uninsured and uncollateralized at the end of the period. The University revised its notes to the financial statements to correct this error.

Cause: The collateral was not pledged by the servicing bank, and the University improperly reported the deposits as collateralized due to a miscommunication between university management and its servicing bank.

Recommendation: To help protect public monies from potential loss and to comply with state statutes, the University must ensure that all deposits not covered by federal depository insurance are collateralized in accordance with A.R.S. §15-1668. In addition, the University should properly disclose the amount of its bank balance that is uninsured and uncollateralized at the end of the period to comply with GAAP.

2014-05

The Department of Economic Security should update and test its disaster recovery plan over its information technology systems

Criteria: It is critical that the Department of Economic Security (Department) have a comprehensive, up-to-date disaster recovery plan for its information technology (IT) systems to provide for the continuity of operations and to ensure that it can recover information and data in the event of a system or equipment failure or other system interruption. Also, the plan should be evaluated, tested, and updated annually.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Condition and context: The Department had a disaster recovery plan for its IT systems; however, the Department did not evaluate or test its plan annually.

Effect: Inadequate disaster recovery controls subject the Department to risks that can result in inaccurate or incomplete financial, federal program, or management information; expensive recovery efforts; and financial losses. In addition, the disruption of services in the event of a system or equipment failure or other system interruption could result in significant harm or inconvenience to the State and its citizens.

Cause: The Department did not follow its policies and procedures to ensure its disaster recovery plan is sufficiently tested and evaluated annually.

Recommendation: To help ensure the continuity of the Department's operations and to help ensure that electronic information and data are not lost in the event of a system or equipment failure or other system interruption, the Department should evaluate, test, and update its disaster recovery plan annually and retain documentation of all disaster recovery plan tests and those tests' results.

This finding is also reported as a federal finding. See finding 2014-109.

Other auditors' findings:

The other auditors who audited the Water Infrastructure Finance Authority and the Arizona State Lottery, which are departments of the State, reported the following findings.

2014-06

Year End Financial Statement Preparation

Criteria: The Water Infrastructure Finance Authority's (WIFA) management is responsible for the preparation and fair presentation of its financial statements in accordance with accounting principles generally accepted in the United States of America. The audit firm may advise management about appropriate accounting principles and their application and may assist in the preparation of the financial statements, but management remains responsible for the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records and the selection and application of accounting principles.

Condition: During our audit procedures, we noted several audit adjustments that were necessary to properly classify balances and transactions within the financial statements and meet required footnote disclosures. Audit adjustments were necessary to properly implement *GASB 65 Items Previously Reported as Assets and Liabilities* for bond issuance costs, to properly classify deferred loss on bond refundings as a deferred outflow of resources, and meet required footnote disclosure requirements. Reclassifications were made to report amounts on deposit in trustee accounts for purposes of satisfying certain bond master trust indenture provisions as restricted net position. Finally, after further consideration of the level of constraint

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

placed on WIFA's resources by the Environmental Protection Agency in carrying out its revolving loan programs, management determined that a more transparent reporting resulted in all of its resources classified as restricted net position.

Effect: There was no net effect to the total net position reported or the change in net position. A reclassification was required to properly report the balance of prior year gains and losses on bond refundings into the GASB 65 required account titled deferred outflows. In addition, a reclassification was made among the net position accounts that resulted in all ending net position reporting as restricted.

Cause: Management switched audit firms during the last fiscal year. In the transition, management did not hear about the requirements of the new standard, GASB 65, and did not learn about the implementation requirements from other sources. As to the reporting of net position, management applied a narrower focus on the more accurate reporting the corpus of its loan program resources from EPA capitalization grants as restricted, instead of applying the classification criteria on a broader scale to all of WIFA's resources.

Recommendation: There are a number of governmental accounting standards update continuing education sessions available through the American Institute of Certified Public Accountants, the Government Finance Officers Association, Arizona specific governmental conferences, and Moss Adams has a number of webcasts that we make available to our clients. We recommend that WIFA provide opportunities for staff responsible for external reporting to attend these training courses.

2014-07

Accounting and Reporting Components of Net Position

Criteria: For the Arizona State Lottery (Lottery), we believe that paragraph 12.123 of the American Institute of Certified Public Accountants, (AICPA) State and Local Government Audit and Accounting Guide provides the relevant accounting guidance for liabilities for prizes and forfeitures of unclaimed prizes. Forfeitures of unclaimed prizes should be recognized as a gain (net against prize expense) as of the date the claim is forfeited according to the provisions of a State's stated regulations. Many States have regulations with regard to how forfeited unclaimed prizes must be utilized. For example some States require all forfeited unclaimed prizes be transferred to another State fund or agency having a different mission. Arizona Revised Statutes 5-568 states the following:

Disposition of unclaimed prize money

Unclaimed prize money for the prize on a winning ticket or share shall be retained for the person entitled to the prize for one hundred eighty days after the drawing in which the prize was won in the case of a drawing prize and for one hundred eighty days after the announced end of the game in question in the case of a prize determined in any manner other than by means of a drawing. If a claim is not made for the money within the applicable period, seventy per cent of the prize money shall be held in the state lottery prize fund for use as additional prizes in future games and thirty per cent shall be transferred monthly to the court appointed special advocate fund established by section 8-524.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

We believe the State's statute places a restriction on the use of forfeited prizes. Restricted net position should be reported when constraints placed on net position are either externally imposed by grantors, creditors, contributors, or by laws or enabling legislation. The restriction to use unclaimed prizes that are forfeited represents a specific purpose, does not represent a liability in our view, rather it is the underlying transaction exchange transaction resulting from the sale of lottery tickets for games in progress that creates a liability, defined by GASB's Concept Statement No. 4, *Elements of Financial Statements*, as the present obligation to sacrifice resources.

Condition: The previous balance reported as liabilities for prizes was comprised of several components of the Lottery's Prize Fund. These components consisted of unclaimed forfeited prizes, accumulated prize fund balance, accumulated investment earnings of the prize fund, and flows of the prize fund. Certain of these components do not appear related to a present obligation for prizes. The Arizona Lottery retains and reports unclaimed prizes as a liability.

Context: Management's estimate of liability attributable to only prizes is approximately \$14 million. A portion of this estimate is attributable to forfeited prizes is approximately \$5 million.

Effect: We believe the liability for prizes has been overstated and that components of net position are understated or other liabilities exist.

Cause: We do not believe management had fully considered the applicable accounting and financial reporting guidance for prizes or components of net position.

Recommendation: We recommend that management review the underlying nature and agreements for each significant reported balance and assess reporting restricted components of net position and review/revise its accounting policies with regard to activities of the *Prize Fund*. Those policies should reflect the use of resources in conformity with State statute while also considering the financial condition of the Lottery.

2014-08

Regularly Review Third-Party Service Reports

Criteria: Service organizations are entities that provide outsourcing activities that are relevant to the control environments at user organizations. A Type II SSAE 16 report is an independent report on the design and operating effectiveness of key controls at a service organization. A Type II SSAE 16 provides assurance to user organizations that the control objectives relating to the services provided by their service organization are suitably designed and operating effectively throughout the examination period.

Condition and context: The Arizona State Lottery (Lottery) utilizes reports and systems of GTECH, a service organization; however GTECH does not currently provide a Type II SSAE 16 report to the Lottery.

Effect: Errors, if any, in the reports provided to the Lottery by GTECH may not be detected in a timely manner.

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Cause: GTECH does not appear to have a Type II SSAE 16 report available for the Lottery.

Recommendation: We recommended that management obtain and review SSAE 16/SAS 70 annually to ensure service providers have sufficient controls in place and are operating effectively given the significance of the information provided by GTECH to the Lottery.

Federal Award Findings and Questioned Costs

2014-101

Cluster Name:	SNAP Cluster
CFDA No. and Name:	10.551 Supplemental Nutrition Assistance Program 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Award Number and Years:	7AZAZ4S2514, 2013 and 2014
Cluster Name:	Child Nutrition Cluster
CFDA No. and Name:	10.553 School Breakfast Program 10.555 National School Lunch Program 10.556 Special Milk Program for Children 10.559 Summer Food Service Program for Children
Award Number and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014
CFDA No. and Name:	10.558 Child and Adult Care Food Program
Award Numbers and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014 7AZ300AZ4, 2011, 2012, 2013, 2014
CFDA No. and Name:	10.560 State Administrative Expenses for Child Nutrition
Award Number and Years:	7AZ300AZ2, 2012, 2013, 2014
Federal Agency:	U.S. Department of Agriculture
CFDA No. and Name:	12.401 National Guard Military Operations and Maintenance (O&M) Projects
Award Numbers and Years:	Various
Federal Agency:	U.S. Department of Defense
CFDA No. and Name:	14.267 Continuum of Care Program
Award Numbers and Years:	Various
Federal Agency:	U.S. Department of Housing and Urban Development
Cluster Name:	WIA Cluster
CFDA No. and Name:	17.258 WIA Adult Program 17.259 WIA Youth Activities 17.278 WIA Dislocated Worker Formula Grants
Award Numbers and Years:	AA-21382, 2011; AA-22922, 2012; AA-24079, 2013
Federal Agency:	U.S. Department of Labor

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Cluster Name: Highway Planning and Construction Cluster
CFDA No. and Name: 20.205 Highway Planning and Construction
 20.205 ARRA—Highway Planning and Construction
 20.219 Recreational Trails Program

Award Numbers and Years: Various
CFDA No. and Name: 20.233 Border Enforcement Grants
Award Numbers and Years: FM-BEG-0029-13-01-00, 2013; FM-BEG-0044-14-01-00, 2014
Federal Agency: U.S. Department of Transportation

Cluster Name: Special Education Cluster (IDEA)
CFDA No. and Name: 84.027 Special Education—Grants to States
 84.173 Special Education—Preschool Grants

Award Numbers and Years: H027A110007, 2011; H027A120007, 2012;
 H027A130120, 2013; H173A110003, 2011;
 H173A120003, 2012; H173A130003, 2013

Cluster Name: Teacher Incentive Fund Cluster
CFDA No. and Name: 84.374 Teacher Incentive Fund
 84.385 ARRA—Teacher Incentive Fund, Recovery Act

Award Numbers and Years: S385A100163, 2010; S374A110163, 2011
CFDA No. and Name: 84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years: S010A090003, 2009; S010A110003, 2011; S010A120003, 2012;
 S010A130003, 2013

CFDA No. and Name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Award Numbers and Years: H126A110002, 2011; H126A120002, 2012;
 H126A130002, 2013; H126A140002, 2014

CFDA No. and Name: 84.184 Safe and Drug-Free Schools and Communities—National Programs

Award Number and Year: Q184Y100027-13, 2014
CFDA No. and Name: 84.367 Improving Teacher Quality State Grants
Award Numbers and Years: S367A110049, 2011; S367A120049, 2012;
 S367A130049, 2013

CFDA No. and Name: 84.369 Grants for State Assessments and Related Activities
Award Number and Years: S369A110003, 2012, 2013, 2014
Federal Agency: U.S. Department of Education

Cluster Name: TANF Cluster
CFDA No. and Name: 93.558 Temporary Assistance for Needy Families
Award Numbers and Years: G1202AZTANF, 2012; G1302AZTANF, 2013;
 G1402AZTANF, 2014

Cluster Name: Medicaid Cluster
CFDA No. and Name: 93.775 State Medicaid Fraud Control Units
 93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
 93.778 Medical Assistance Program

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Award Numbers and Years:	Various
CFDA No. and Name:	93.283 Centers for Disease Control and Prevention— Investigations and Technical Assistance
Award Numbers and Years:	Various
CFDA No. and Name:	93.563 Child Support Enforcement
Award Numbers and Years:	G1304AZ4004, 2013; G1404AZ4004, 2014
CFDA No. and Name:	93.658 Foster Care—Title IV-E
Award Numbers and Years:	1201AZ1401, 2012; 1301AZ1401, 2013; 1401AZ1401, 2014
CFDA No. and Name:	93.667 Social Services Block Grant
Award Numbers and Years:	G1201AZSOSR, 2012; G1301AZSOSR, 2013; G1401AZSOSR, 2014
CFDA No. and Name:	93.719 ARRA—State Grants to Promote Health Information Technology
Award Number and Year:	90HT0023/01-13, 2011
Federal Agency:	U.S. Department of Health and Human Services
Cluster Name:	Disability Insurance/SSI Cluster
CFDA No. and Name:	96.001 Social Security—Disability Insurance
Award Numbers and Years:	04-1104AZDI00, 2011; 04-1304AZDI00, 2013; 04-1404AZDI00, 2014
Federal Agency:	U.S. Social Security Administration
CFDA No. and Name:	97.042 Emergency Management Performance Grants
Award Numbers and Years:	EMW-2012-EP-00003, 2012; EMW-2013-EP-00024, 2013
Federal Agency:	U.S. Department of Homeland Security
Compliance Requirement:	Allowable Costs/Cost Principles
Questioned Costs:	\$191,267

Criteria: In accordance with 2 Code of Federal Regulations (CFR) §225, Appendix A, C.1.b and 3.a, costs charged to federal programs should be based on the relative benefits received.

Condition and context: The State of Arizona (State) did not comply with the allowable costs/cost principles requirements with respect to Arizona Strategic Enterprise Technology (ASET) Office information technology service costs charged to federal programs administered by various state agencies. Arizona Revised Statutes §41-3505 created the Information Technology Fund for ASET to provide information technology services and for state agencies to pay for these services by contributing 0.2 percent of the agency's total payroll each pay period. A portion of the charge is for technology project oversight services ASET provides. However, these services were determined to be unallowable because the services involved were not chargeable in accordance with relative benefits received.

Effect: The State's Department of Administration has determined these charges totaled \$191,267 during fiscal year 2014, including \$109,629 for the major federal programs listed above and \$81,638 for all other federal programs. It was not practical to extend our auditing procedures sufficiently to determine whether

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the amount was properly calculated and whether any additional questioned costs resulted from this finding. This amount is still subject to review and approval by the U.S. Department of Health and Human Services. This finding could potentially affect all federal programs administered by the affected state agencies that incurred payroll costs.

Cause: The noncompliance resulted from a statutory requirement that these programs be charged for technology project oversight services and, therefore, was not caused by the federal programs' administration.

Recommendation: The State should ensure that technology project oversight services are not charged to federal programs unless treated as direct costs or allocated using an equitable allocation basis, such as each agency's direct usage of technology project oversight services. In addition, the Department of Administration should monitor bills being considered in the Arizona State Legislature to help ensure that unallowable costs to federal programs will not be incurred in the future if the bill is enacted into law.

This finding is similar to a prior-year finding.

2014-102

CFDA No. and Name:	Various
Award Numbers and Years:	Various
Federal Agency:	Various
Compliance Requirement:	Allowable Costs/Cost Principles
Questioned Costs:	\$11,339,618

Criteria: In accordance with 2 CFR §225, Appendix A, C.1.b and 3.a, costs charged to federal programs should be based on the relative benefits received.

Condition and context: The State of Arizona (State) did not comply with the allowable costs/cost principles requirements with respect to the following legislatively mandated fund transfers:

- House Bill 2001 of the 51st Legislature, First Special Session, Chapter 1, §125, mandated a fund balance transfer from the Special Employees Health Insurance Trust Fund to the State's General Fund to help provide adequate support and maintenance for state agencies.
- House Bill 2001 of the 51st Legislature, First Special Session, Chapter 1, §126, mandated fund balance transfers from the Automation Operation Fund and Information Technology Fund to the State's Automation Project Fund.
- House Bill 2001 of the 51st Legislature, First Special Session, Chapter 1, §127, mandated fund balance transfers from various state funds into the Automation Projects Fund for the purpose of state-wide information technology and automation projects.

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- House Bill 2004 of the 51st Legislature, First Special Session, Chapter 4, §7, directed the transfer of monies from the State's Risk Management Revolving Fund to the Arizona Navigable Stream Adjudication Commission for unpaid legal obligations.

A portion of these balances transferred included federal monies and was therefore unallowable because the transfers were not based on the relative benefits received.

Effect: The State's Department of Administration (Department) has determined these transfers' total federal portion to be \$11,339,618 during fiscal year 2014. The Department has not compiled the information for the disallowed costs by federal program for each agency. In addition, this amount is still subject to review and approval by the U.S. Department of Health and Human Services. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding or to identify all the federal programs this finding affected. This finding could potentially affect all federal programs administered by state agencies that had legislatively mandated fund balance transfers.

Cause: The noncompliance for the mandated transfers resulted from state legislation and, therefore, was not caused by the federal programs' administration.

Recommendation: The State should ensure that legislatively mandated fund balance transfers do not include federal program monies. In addition, the Department should monitor bills being considered in the Arizona State Legislature to help ensure that unallowable costs to federal programs will not be incurred in the future.

This finding is similar to a prior-year finding.

2014-103

CFDA No. and Name:	Not applicable
Questioned Costs:	N/A

Criteria: In accordance with OMB Circular A-133, §.300, the State is required to identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, and prepare appropriate financial statements, including a Schedule of Expenditures of Federal Awards (SEFA). The SEFA should report federal award expenditures in accordance with OMB Circular A-133, §.205. In addition, OMB Circular A-133, §.310(b), requires the SEFA to include the Catalog of Federal Domestic Assistance (CFDA) title and number, amount expended, federal awarding agency name, and, if applicable, pass-through grantor name and identifying number for each of the State's federal awards.

Condition and context: The State's fiscal year 2014 SEFA comprised 48 state agencies with federal award expenditures totaling \$12,850,592,188. The State's Department of Administration (Department) is responsible for compiling the State's SEFA based on data obtained from the State's financial system or information provided by certain state agencies. However, the Department did not always ensure that it

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obtained all the necessary information to accurately report those agencies' federal expenditures on the SEFA. In addition, the information received was not always analyzed to ensure that any federal monies transferred between state agencies were properly presented on the SEFA under the agency that expended the monies. As a result, the Department reported federal program expenditures under the incorrect CFDA number or incorrect state agency. In addition, the Department did not include one agency's federal expenditures on the SEFA, which resulted in an understatement of \$1.7 million. The State's SEFA was adjusted for these errors.

Effect: The State's SEFA did not always accurately identify federal award expenditures by CFDA number or responsible state agency, or report correct amounts. This finding also has the potential to impact the correct identification of major programs for the Single Audit based on the expenditures reported.

Cause: The Department's procedures for compiling the SEFA were not sufficient to ensure that all federal award expenditures were properly reported.

Recommendation: The Department should revise its SEFA compilation procedures to obtain all necessary information and properly analyze the transfer of federal monies between state agencies to help ensure federal award expenditures are properly reported on the State's SEFA.

2014-104

CFDA No. and Name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years:	H126A120002, 2012; H126A130002, 2013; H126A140002, 2014
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Eligibility
Questioned Costs:	None

Criteria: In accordance with 29 U.S. Code 722(a)(6), the Department of Economic Security (Department) must determine whether an individual is eligible for vocational rehabilitation services within 60 days after the individual has submitted an application for the services unless the Department and the applicant agree to an extension.

Condition and context: The Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not determine applicant eligibility within 60 days or within the extension period for 9 of 40 applications tested. Specifically, for 9 of 40 applications tested, it took the Administration between 67 and 707 days, or an average of 182 days, to either determine if the applicants were eligible for the program or close the case. For 3 of the 9 applications tested, the Administration included an extension letter in the applicant's case file; however, it lacked the applicant's signature evidencing that the individual agreed to a specific extension of time. For 5 of the 9 applications tested, an extension letter was not prepared. Finally, for one application tested, the Administration included

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an extension letter in the applicant's case file; however, it was prepared after the 60-day period ended and lacked the applicant's signature evidencing that the individual agreed to a specific extension of time.

Effect: Failure to make timely eligibility determinations may result in delayed services.

Cause: The Administration did not always follow its policies and procedures and react to system alerts that open applications were close to the 60-day eligibility determination requirement or retain documentation of a specific extension of time signed by both the Administration and applicant.

Recommendation: The Administration should provide adequate supervision of its case workers and enforce the following policies and procedures to help ensure compliance with eligibility requirements:

- Determine an applicant's eligibility within 60 days of the application submission date.
- When eligibility cannot be determined within 60 days, prepare a letter before the end of the 60-day eligibility period to establish a specific extension of time to justify exceeding the 60-day period. Both the Administration and the applicant should sign this letter. Also, an applicant's eligibility should be determined within the extension period.

Further, the Administration should react to the computer information system alerts that open applications are close to the 60-day eligibility determination requirement.

This finding is similar to a prior-year finding.

2014-105

CFDA No. and Name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years:	H126A120002, 2012; H126A130002, 2013; H126A140002, 2014
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Level of Effort
Questioned Costs:	None

Criteria: In accordance with 29 U.S. Code 731(a)(2)(B)&(C), the Department of Economic Security (Department) is required to provide maintenance of effort by expending from nonfederal sources, in any given fiscal year under the vocational rehabilitation program state plan, an amount that is at least equal to the total of such expenditures from nonfederal sources that was made in the second previous fiscal year, unless a waiver or modification of the maintenance of effort requirement has been granted.

Condition and context: The Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not maintain the required level of nonfederal expenditures and did not receive a waiver or modification of the maintenance of effort requirement. For the

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fiscal year 2012 award, the only award closed out during fiscal year 2014, the required maintenance of effort was based on fiscal year 2010 nonfederal expenditures of \$17,447,545. However, the Administration provided only \$17,002,420 of nonfederal expenditures, resulting in a \$445,125 maintenance of effort deficit.

Effect: The federal grantor can reduce the Administration's allotment of federal monies for the vocational rehabilitation program by the amount of the maintenance of effort deficit totaling \$445,125.

Cause: The maintenance of effort deficit was the result of decreased legislative appropriations in the current and previous year.

Recommendation: The Administration should analyze the adequacy of its nonfederal revenue sources and consider requesting a waiver or modification of its maintenance of effort requirement from the U.S. Department of Education's Rehabilitation Services Administration when it cannot meet the required level of effort. In addition, the Administration should pursue a settlement with the U.S. Department of Education's Rehabilitation Services Administration regarding its current-year maintenance of effort deficit.

This finding is similar to a prior-year finding.

2014-106

Cluster Name:	TANF Cluster
CFDA No. and Name:	93.558 Temporary Assistance for Needy Families
Award Numbers and Years:	G1202AZTANF, 2012; G1302AZTANF, 2013; G1402AZTANF, 2014
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Eligibility
Questioned Costs:	\$867

Criteria: In accordance with 45 CFR §206.10(a)(8), each decision regarding eligibility or ineligibility must be supported by facts in the applicant's or recipient's case record.

Condition and context: The Department of Economic Security, Division of Benefits and Medical Eligibility, Family Assistance Administration (FAA), provided cash assistance to applicants without adequately supporting each decision regarding the Temporary Assistance for Needy Families' (TANF) eligibility requirements. Auditors tested 40 case records and identified 2 cases where the information used to calculate the benefit amount was not adequately supported. Specifically, auditors noted the following:

- In one case, the FAA issued benefits for a dependent child who was 18 years old, without maintaining evidence of the verification that the child was enrolled in school. Because there was no documentation for this eligibility requirement, benefits should have been paid at a lower rate from December 2013 to June 2014, resulting in a questioned cost of \$383.

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- For another case, the FAA issued benefits without maintaining documentation that a member of the applicant's family had assigned the State any other benefit rights that the family member may have. Because there was no documentation for this eligibility requirement, no benefits should have been issued in May or June 2014, resulting in a questioned cost of \$484.

Effect: Benefits were issued to recipients at incorrect amounts or who may have been ineligible. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding.

Cause: FAA employees did not follow policies and procedures to document facts in the applicants' or recipients' case records to support eligibility decisions.

Recommendation: The FAA should ensure that each decision regarding eligibility or ineligibility is supported by documentation maintained in the applicant's or recipient's case record.

This finding is similar to a prior-year finding.

2014-107

Cluster Name:	TANF Cluster
CFDA No. and Name:	93.558 Temporary Assistance for Needy Families
Award Numbers and Years:	G1202AZTANF, 2012; G1302AZTANF, 2013; G1402AZTANF, 2014
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Reporting
Questioned Costs:	None

Criteria: In accordance with 45 CFR §265.7(a), reporting for the ACF-199 TANF Data Report must be complete and accurate. Also, in accordance with 45 CFR §265.9(c)(5), reporting for the ACF-204 Annual Report, each state must provide the average monthly total number or the total number of eligible families served for which the state claims maintenance of effort expenditures as of the fiscal year-end. In addition, in accordance with 2 CFR §170, Appendix A, and the Federal Funding Accountability and Transparency Act of 2006 (FFATA), the Department of Economic Security (Department) must report each subaward to a subrecipient that amounts to \$25,000 or more.

Condition and context: The Department did not accurately prepare various reports submitted during fiscal year 2014 for the TANF program. Auditors noted errors in three of the five reports tested. Specifically, auditors noted the following:

Family Assistance Administration (FAA)

- For the March 31, 2014, quarterly ACF-199 TANF Data Report, for one of the seven case files examined, the FAA incorrectly reported the recipient's "parent with minor child" status, indicating that the recipient was a parent with no minor children, while the case file indicated that the recipient had minor children.

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- For the federal fiscal year (FFY) 2013 ACF-204 Annual Report including the Annual Report on State Maintenance-of-Effort Programs, the FAA overstated the number of families served by 45 families for the Cash Assistance Program.

Division of Aging and Adult Services (DAAS)

- For the FFY 2013 ACF-204 Annual Report including the Annual Report on State Maintenance-of-Effort Programs, DAAS understated the number of families served by 6 families for the Domestic Violence Prevention Program, overstated the number of families served by 107 families for the Short-Term Crisis Services Program, and overstated the number of families served by 23 for the Coordinated Homeless Program.

Financial Services Administration (FSA)

- The FSA informed auditors that they sometimes reported TANF program actions based on amounts expended by subrecipients rather than reporting obligations to subrecipients as required. Because auditors were unable to verify a complete FFATA reporting population, no further auditing procedures were performed.

Effect: Incorrect financial and nonfinancial data was submitted to the federal grantor that may result in potential errors in analysis or other determinations. In addition, obligations to subrecipients were not accurately posted to the federal FSRS.gov Web site, resulting in inaccurate information on USASpending.gov. It was not practical to extend our auditing procedures to determine the number of reports and subaward obligations that should have been reported. This finding did not result in questioned costs because the reports were not used to request reimbursement of federal expenditures.

Cause: The Department did not have adequate controls in place over the preparation and submission of program reports in order to prevent or detect errors within its reports. Furthermore, the Department does not have detailed policies and procedures to help ensure compliance with FFATA reporting requirements.

Recommendation: The Department should establish policies and procedures to help ensure compliance with reporting requirements. Specifically, the Department should establish sufficient procedures to identify how to accumulate data for federal reports, and supervisors should perform a follow-up review over federal reports to ensure accurate amounts are reported. Further, the Department should develop internal control policies and procedures to accurately and consistently identify all subaward obligations to subrecipients from individual awards.

This finding is similar to a prior-year finding.

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2014-108

CFDA No. and Name: Not applicable
Questioned Costs: N/A

Criteria: In accordance with Office of Management and Budget (OMB) Circular A-133, §.310(b)(5), to the extent practical, pass-through entities should identify in the Schedule of Expenditures of Federal Awards (SEFA) the total amount provided to subrecipients from each federal program. Further, subrecipient monitoring requirements require an entity to have procedures that allow it to identify the total amount provided to subrecipients from each federal program.

Condition and context: The Department of Economic Security (Department) does not have detailed policies and procedures for compiling and reconciling reported amounts to the underlying accounting records and reviewing amounts provided to subrecipients from each federal program for SEFA reporting. In addition, the Department did not have a uniform account code structure that it uses for all programs to identify amounts provided to subrecipients from each federal program.

Effect: The Department may not consistently or accurately compile amounts provided to subrecipients from each federal program for SEFA reporting.

Cause: The Department's various divisions did not consistently account for amounts provided to subrecipients from each federal program within the accounting system. Also, amounts provided to subrecipients and vendors from federal programs were comingled in the Department's accounting system.

Recommendation: The Department should develop detailed policies and procedures for compiling and reconciling reported amounts to the underlying accounting records and reviewing the amounts provided to subrecipients from each federal program for SEFA reporting. In addition, the Department should require that all programs use a uniform account code structure to identify amounts provided to subrecipients from federal programs.

This finding is similar to a prior-year finding.

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2014-109

Cluster Name: SNAP Cluster
CFDA No. and Name: 10.551 Supplemental Nutrition Assistance Program
 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Award Number and Years: 7AZAZ4S2514, 2013 and 2014
Federal Agency: U.S. Department of Agriculture

Cluster Name: WIA Cluster
CFDA No. and Name: 17.258 WIA Adult Program
 17.259 WIA Youth Activities
 17.278 WIA Dislocated Worker Formula Grants
Award Numbers and Years: AA-21382, 2011; AA-22922, 2012; AA-24079, 2013
Federal Agency: U.S. Department of Labor

CFDA No. and Name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years: H126A110002, 2011; H126A120002, 2012; H126A130002, 2013; H126A140002, 2014
Federal Agency: U.S. Department of Education

Cluster Name: TANF Cluster
CFDA No. and Name: 93.558 Temporary Assistance for Needy Families
Award Numbers and Years: G1202AZTANF, 2012; G1302AZTANF, 2013; G1402AZTANF, 2014
CFDA No. and Name: 93.563 Child Support Enforcement
Award Numbers and Years: G1304AZ4004, 2013; G1404AZ4004, 2014
CFDA No. and Name: 93.658 Foster Care—Title IV-E
Award Numbers and Years: 1201AZ1401, 2012; 1301AZ1401, 2013; 1401AZ1401, 2014
CFDA No. and Name: 93.667 Social Services Block Grant
Award Numbers and Years: G1201AZSOSR, 2012; G1301AZSOSR, 2013; G1401AZSOSR, 2014
Federal Agency: U.S. Department of Health and Human Services

Cluster Name: Disability Insurance/SSI Cluster
CFDA No. and Name: 96.001 Social Security—Disability Insurance
Award Numbers and Years: 04-1104AZDI00, 2011; 04-1304AZDI00, 2013; 04-1404AZDI00, 2014
Federal Agency: U.S. Social Security Administration

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Matching, Level of Effort, Earmarking, Reporting, and Special Tests and Provisions

Questioned Costs: N/A

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Criteria: It is critical that the Department of Economic Security (Department) have a comprehensive, up-to-date disaster recovery plan for its information technology (IT) systems to provide for the continuity of operations and to ensure that it can recover information and data in the event of a system or equipment failure or other system interruption. Also, the plan should be evaluated, tested, and updated annually.

Condition and context: The Department had a disaster recovery plan for its IT systems; however, the Department did not evaluate or test its plan annually.

Effect: The Department risks the ability to recover financial information and data and conduct daily operations in the event of a system or equipment failure or other system interruption. This finding could potentially affect all federal programs the Department administered.

Cause: The Department did not follow its policies and procedures to ensure its disaster recovery plan is sufficiently tested and evaluated annually.

Recommendation: To help ensure the continuity of the Department's operations and to help ensure that electronic information and data are not lost in the event of a system or equipment failure or other system interruption, the Department should evaluate, test, and update its disaster recovery plan annually and retain documentation of all disaster recovery plan tests and those tests' results.

This finding was also reported as a financial reporting finding. See finding 2014-05.

2014-110

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	Unknown

Criteria: In accordance with 20 U.S. Code (U.S.C.) §6321, a local educational agency (LEA) may receive program monies only if state and local monies will be used in schools to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving program monies. A state may consider an LEA that has only one building for each grade span as exempt from this requirement.

Condition and context: The Department of Education (Department) provides LEAs with guidance on calculating comparability and requires LEAs to submit a written assurance of comparability every 2 years. The Department's guidance allowed LEAs with fewer than 1,000 students to be exempt from the comparability requirements without considering the federal exemptions, which did not allow exceptions for LEAs with less than 1,000 students.

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Effect: The Department provided guidance allowing LEAs with fewer than 1,000 students but with more than one building for each grade span to claim exempt status, resulting in 21 of 84 LEAs that did not comply with the comparability of services required by federal regulations. While auditors were able to determine that a total of 84 LEAs were subject to the comparability requirements, it was not practical to extend our auditing procedures sufficiently to determine the amount of questioned costs, if any, that may have resulted from this finding.

Cause: The Department incorrectly prescribed guidance related to federal comparability requirements. The Department then provided this guidance to LEAs, and the LEAs used this guidance to determine if they were required to perform federal comparability requirements.

Recommendation: To help ensure that LEAs comply with federal comparability requirements outlined in 20 U.S.C. §6321, the Department should evaluate the guidance it provides to LEAs to ensure it is aligned with federal regulations. In addition, the Department should disseminate revised guidance to all LEAs.

2014-111

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirements:	Level of Effort and Subrecipient Monitoring
Questioned Costs:	\$64,326

Criteria: In accordance with 34 CFR §299.5, a school district or charter school may receive its full allocation of program monies only after the State determines that the local educational agency (LEA) has maintained its required level of effort. In the LEA's level-of-effort calculations, the State should not include community services, capital outlay, or debt service expenditures.

Condition and context: For 11 of 40 LEA level-of-effort calculations tested, the Department of Education (Department) incorrectly included debt service expenditures in its formula for calculating the LEAs' level of effort. In addition, for the 2 of 12 LEAs whose level of effort was based on revised annual financial reports, the Department improperly calculated the LEAs' level of effort.

Effect: Auditors recalculated all of the Department's LEA level-of-effort calculations and found that a total of 8 LEAs received excess funding allocations of \$62,886 and \$1,440 for the Title I Grants to Local Educational Agencies and Improving Teacher Quality State Grants programs, respectively. This finding has the potential to affect other federal programs the Department administered.

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Cause: The Department's level-of-effort calculation formula incorrectly included debt service payments, and calculations were not independently reviewed for propriety.

Recommendation: To help ensure that LEAs comply with 34 CFR §299.5 and that LEA funding allocations, which are based on the Department's LEAs' level-of-effort calculations, are correct, the Department should require and perform independent reviews of its LEA level-of-effort calculations to ensure that they are accurate and comply with federal regulations.

2014-112

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Earmarking
Questioned Costs:	\$435,831

Criteria: In accordance with 34 CFR §200.100, the State should earmark 4 percent of program monies to carry out school improvement activities authorized under Elementary and Secondary Education Act (ESEA) §§1116 and 1117, provided that the earmarking reservation does not reduce the sum of the allocation a local educational agency (LEA) receives under ESEA §1002(a) below the allocation the LEA received in the previous year.

Condition and context: The Department of Education (Department) calculated the amount of program monies that should have been earmarked for school improvement activities for each LEA. However, for 23 of 490 LEAs, the Department's formulas to calculate this amount contained errors, which resulted in inaccurate earmarking calculations. Consequently, the Department incorrectly concluded that the earmarking requirement was met for these LEAs. In addition, for one of three journal entries tested to record the Department's transfer of monies for school improvement activities, the Department did not maintain adequate documentation to determine that the LEAs spent the monies for school improvement activities.

Effect: Noncompliance with the program's earmarking requirements. Auditors determined that the amount earmarked for school improvement activities for the 23 LEAs was approximately \$435,831 less than the required amount. Consequently, the LEAs may have inappropriately spent monies reserved for school improvement activities on other activities.

Cause: The Department did not have policies and procedures to independently review calculations used to determine how much program monies should have been reserved for school improvement activities. In addition, the Department did not follow its policies and procedures to maintain sufficiently detailed documentation to support transfers of program monies spent for school improvement activities.

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Recommendation: To help ensure the Department complies with 34 CFR §200.100 and ESEA requirements, it should develop policies and procedures requiring an independent review of its calculations used to determine the amount of program monies LEAs earmark for school improvement activities to ensure the calculations are accurate. In addition, to demonstrate that LEAs appropriately spend program monies earmarked for school improvement activities, the Department should follow its policies and procedures for maintaining written justification and approvals supporting that transfers of program monies were proper and in compliance with the program's requirements.

2014-113

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Cash Management and Subrecipient Monitoring
Questioned Costs:	\$9,156

Criteria: As required by 34 CFR §80.21, the State should have policies and procedures in place to minimize the time elapsing between the transfer of monies to and disbursement by local educational agencies (LEAs). LEAs may be paid in advance if they are able to minimize the time elapsing between the receipt of federal monies and their disbursement so that they do not accumulate excess cash balances. Excess cash balances may be carried forward to the next period's grant award project when requested or returned to the grantor at the end of the grant award period.

Condition and context: The Department of Education (Department) required LEAs to request monies for reimbursement of federal award expenditures by submitting cash management requests through its Grants Management Enterprise (GME) system. At the end of the award period, the Department required LEAs to submit completion reports, which are considered the projects' final cash management reports. Auditors selected a sample of 40 LEAs to test the reimbursement requests and completion reports for each of the major federal programs administered through the GME system and noted deficiencies related to the Department's LEA monitoring. Specifically, for 2 of 40 LEAs tested, the Department disbursed federal award monies when the LEA reported cash on hand. Further, the Department mistakenly released payment for the amount of the cash on hand, instead of requesting the LEA to return the excess cash, resulting in additional cash on hand for these LEAs.

Effect: Auditors extended auditing procedures and determined that the excess cash balances were not amended to the subsequent year's grant award after the completion reports were approved. It was not practical to extend our auditing procedures sufficiently to determine additional questioned costs, if any, that may have resulted from this finding. This finding could potentially affect other federal programs that the Department administered.

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Cause: There are certain automated controls to hold the release of payments on the GME system. However, certain manual reviews and approvals are required to prevent releasing payment when cash balances exist and completion reports are being finalized and approved. The Department's procedures for the manual review and approval of completion reports was not properly performed, resulting in the Department improperly releasing additional payments and not requesting the return of excess cash. In addition, the LEAs did not request that the excess cash be carried forward to the next period's grant award project, nor did the Department adjust the subsequent grant award or request the excess cash to be returned.

Recommendation: To help ensure the Department complies with federal program requirements related to cash management and subrecipient monitoring, it should follow its policies and procedures for manually reviewing reimbursement requests and completion reports for excess cash LEAs reported prior to approving the release of payment and requesting the return of excess cash or reducing the subsequent grant award as appropriate.

This finding is similar to a prior-year finding.

2014-114

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	N/A

Criteria: In accordance with 34 CFR §200.19, the State should calculate and report graduation rate data for all public high schools in the State's annual report card. The graduation rate is defined as the total number of students who graduate with a regular high school diploma divided by the number of students who entered high school 4 years earlier, considering transfers, such as students who transfer high schools, relocate to another country, or are deceased. Further, in accordance with the State's approved application for the Elementary and Secondary Education Act (ESEA) waiver, the State should identify and report on at least three categories of schools, consisting of reward schools, priority schools, and focus schools in the State's annual report card.

Condition and context: The Department of Education (Department) did not verify that local educational agencies (LEAs) maintained proper documentation to support student transfer information that they reported, which was used in the Department's graduation rate calculation for the State's annual report card. Further, the Department reported only 87 of the 100 schools that met the criteria to be classified as reward schools in the State's annual report card.

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Effect: Noncompliance with the program's special tests and provisions. Also, the information required to be reported in the State's annual report card could be incorrect because information LEAs reported was not verified and because of errors in reporting reward schools.

Cause: The Department's policies and procedures did not require the verification of student transfer information LEAs reported or whether LEAs maintained the documentation supporting this information. In addition, the Department failed to independently review or maintain support used to identify reward schools reported in the State's annual report card.

Recommendation: To help ensure the Department accurately reports graduation rate data on the State's annual report card, it should develop policies and procedures to verify documentation supporting the student transfer information LEAs report as part of the Department's LEA monitoring. In addition, an independent person should review reward school data the Department compiles to ensure the data is accurate, and the Department should maintain documentation supporting this data. Accordingly, all information the Department compiles for the State's annual report card should be reviewed by a person who is independent of its preparation to help ensure its accuracy.

2014-115

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Subrecipient Monitoring
Questioned Costs:	None

Criteria: In accordance with 34 CFR §200.62-.63, local educational agencies (LEAs) receiving program monies must obtain a written affirmation, signed by an appropriate private school official, documenting that the LEA conducted timely consultations with private school officials to determine the educational services to be provided to eligible private school children.

Condition and context: The Department of Education (Department) requires each LEA to submit written affirmations regarding private schools with the application for program monies. However, for 2 of 44 LEAs tested, the Department did not ensure that the LEA's application included the required affirmations for all applicable private schools. In addition, for 1 of 44 LEAs tested, the Department did not ensure that the LEA's application included a statement signed by an appropriate LEA official certifying that there were no private schools within the LEA's boundaries as required by the Department's policies.

Effect: The Department provided federal funding to LEAs without ensuring they had properly documented consultations with private school officials and provided other written affirmations regarding private schools required by the Department's policies.

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Cause: The Department did not follow its procedures for ensuring that LEAs' applications included the required private school written affirmations.

Recommendation: To help ensure that LEAs comply with 34 CFR §200.62-.63 and department policies, the Department should follow its established procedures for ensuring that LEAs' applications include the private school written affirmations.

2014-116

Cluster Name:	Child Nutrition Cluster
CFDA No. and Name:	10.553 School Breakfast Program 10.555 National School Lunch Program 10.556 Special Milk Program for Children 10.559 Summer Food Service Program for Children
Award Numbers and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014; 7AZ300AZ4, 2011, 2012, 2013, 2014
CFDA No. and Name:	10.558 Child and Adult Care Food Program
Award Numbers and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014; 7AZ300AZ4, 2011, 2012, 2013, 2014
Federal Agency:	U.S. Department of Agriculture
Cluster Name:	Special Education Cluster (IDEA)
CFDA No. and Name:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award Numbers and Years:	H027A110007, 2011; H027A120007, 2012; H027A130120, 2013; H173A110003, 2011; H173A120003, 2012; H173A130003, 2013
CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
CFDA No. and Name:	84.184 Safe and Drug-Free Schools and Communities—National Programs
Award Number and Year:	Q184Y100027-13, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Subrecipient Monitoring
Questioned Costs:	None

Criteria: In accordance with OMB Circular A-133 §400(d)(4), pass-through entities should ensure that a subrecipient expending \$500,000 or more in federal awards during the subrecipient's fiscal year has met the audit requirements for that fiscal year.

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Condition and context: The Department of Education (Department) did not always ensure that subrecipients expending \$500,000 or more in federal awards met the OMB Circular A-133 audit requirements. Specifically, for 1 of 40 subrecipients tested, the Department did not obtain the subrecipient's single audit report or written notification that the report did not contain any findings related to awards the Department provided, and did not notify the subrecipient regarding the noncompliance.

Effect: The Department did not follow OMB Circular A-133 requirements for ensuring that subrecipients expending \$500,000 or more in federal awards submit a single audit report or written notification to the Department. This finding could potentially affect other federal programs that the Department administered.

Cause: The Department recently reassigned this monitoring function to personnel who were not familiar with the OMB Circular A-133 requirements. In addition, the Department's procedures were not followed to include federal awards passed through the Department, as well as sources external to the Department, in its calculation used to determine if subrecipients met the threshold requiring a single audit. Further, the Department did not include all federal grant awards in its single audit threshold calculation.

Recommendation: To help ensure the Department complies with OMB Circular A-133 §400(d)(4), it should ensure that personnel responsible for monitoring subrecipients are trained on OMB Circular A-133 requirements. In addition, the Department should evaluate and update, as appropriate, its policies and procedures to ensure that it can determine which subrecipients are subject to the single audit requirements and ensure those subrecipients receive a single audit in accordance with OMB Circular A-133 and submit the single audit report or written notification to the Department.

2014-117

CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049; 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Eligibility
Questioned Costs:	\$6,579

Criteria: In accordance with 20 U.S. Code (U.S.C.) §6621(a), the State should disburse federal program monies to local educational agencies (LEAs) in accordance with formulas specified in the regulations.

Condition and context: For 2 of 25 LEAs tested, the Department of Education's (Department) funding allocation formulas contained errors. Auditors analyzed nine counties that received approximately 91 percent of the Improving Teacher Quality State Grants program monies and determined that funding errors occurred totaling \$6,579.

Effect: The Department did not comply with the program's eligibility requirements for allocating federal program monies to LEAs because of formula errors. This control deficiency had the potential to result in larger errors that the Department may not have detected. As a result of the errors, schools in Coconino

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County received a combined total of \$4,936 less than they should have been allocated. All other counties' schools received more funding than they should have totaling this same amount. Additionally, Gila County charter schools were allocated \$1,643 more than they should have, and Gila County school districts received \$1,643 less than they should have. It was not practical to extend our auditing procedures sufficiently to determine additional questioned costs, if any, that may have resulted from this finding.

Cause: The Department failed to require and perform an independent review of spreadsheet calculations used to determine the LEA funding allocations.

Recommendation: To help ensure the Department complies with 20 U.S.C. §6621(a), it should establish policies and procedures that require all spreadsheet calculations used to determine LEA funding allocations to be independently reviewed and approved prior to disbursing federal awards.

2014-118

Cluster Name:	Child Nutrition Cluster
CFDA No. and Name:	10.553 School Breakfast Program 10.555 National School Lunch Program 10.556 Special Milk Program for Children 10.559 Summer Food Service Program for Children
Award Number and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014
Federal Agency:	U.S. Department of Agriculture
Compliance Requirements:	Subrecipient Monitoring and Special Test and Provisions
Questioned Costs:	Unknown

Criteria: In accordance with OMB Circular A-133 §400(d), a pass-through entity is required to perform certain subrecipient monitoring activities for compliance with federal program requirements. Specifically, as outlined in 7 CFR §210.18(l-k), a pass-through entity should withhold federal award payments to a subrecipient if the subrecipient does not provide a documented corrective action for critical findings within 30 days of the deadline as determined by the pass-through entity; however, the pass-through entity may grant an extension upon the subrecipient's written request. In addition, the pass-through entity should provide written notification to the subrecipient of any findings and corrective action, deadlines for completion of corrective action, and potential fiscal action to be taken by the pass-through entity resulting from its monitoring reviews, in accordance with 7 CFR §210.18(j). Finally, the pass-through entity should reconcile records of subrecipients identified as high risk by the federal agency's guidelines to the food processor's performance reports as part of the pass-through entity's monitoring reviews, as required by 7 CFR §250.16 (a)(4).

Condition and context: For 1 of 14 subrecipients tested, the Department of Education (Department) did not require a written request from the subrecipient for an extension for documenting and submitting a corrective action plan beyond the established deadline. Additionally, for 1 of 6 subrecipients tested, the Department did not provide written notification of, or otherwise communicate, its Summer Food Service

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Program's review findings, resulting in uncorrected subrecipient findings. Finally, for 1 of 5 subrecipients tested, the Department did not reconcile the records of subrecipients identified as high risk by the federal agency's guidelines to the food processor's performance reports as part of the Department's monitoring review.

Effect: The Department did not comply with subrecipient monitoring requirements. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

Cause: The Department's policies and procedures for monitoring did not always align with the federal agency's regulations, and were not always followed and communicated to those responsible for performing the monitoring reviews.

Recommendation: To help ensure the Department complies with subrecipient monitoring requirements, it should evaluate and update, as appropriate, its existing policies and procedures to ensure they are aligned with the federal agency's regulations and that all personnel performing and approving monitoring reviews are adequately trained on the Department's policies and procedures as well as the federal requirements.

2014-119

Cluster Name:	Special Education Cluster (IDEA)
CFDA No. and Name:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award Numbers and Years:	H027A110007, 2011; H027A120007, 2012; H027A130120, 2013; H173A110003, 2011; H173A120003, 2012; H173A130003, 2013
CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
CFDA No. and Name:	84.184 Safe and Drug-Free Schools and Communities—National Programs
Award Number and Year:	Q184Y100027-13, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Subrecipient Monitoring
Questioned Costs:	N/A

Criteria: The Department of Education (Department), should have a process in place to either monitor internal controls or request and review service organizations' internal control audit reports of significant outsourced service providers when the contractor's internal controls may impact the State's financial reporting or federal compliance. Specifically, a service organization's audit report on internal controls should

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outline both the service organization's and Department's responsibilities over internal controls, including any internal control weaknesses of the service organization, that could affect the Department's ability to accurately process vital grant information, including awards, disbursements of federal awards, and subrecipient monitoring.

Condition and context: The Department outsourced certain information technology (IT) functions, such as change management, storage, and backup and recovery, of its Grants Management Enterprise (GME) System and related data for processing federal grants. The Department relies on the service organization's internal controls to ensure that vital grant information is properly backed up and secured, and that systems and data can be recovered in the event of a disaster, system or equipment failure, or other system interruption. However, the Department did not monitor the service organization's internal controls, and the service organization had not had an audit in accordance with *Statement on Standards for Attestation Engagements* (SSAE) No. 16 to demonstrate that its internal controls were operating effectively. In addition, the Department did not ensure that the service organization's contract required such audits or access to the service organization's records for the Department to perform its own monitoring of internal controls.

Effect: There is an increased risk that the Department's service organization did not have adequate internal controls in place and that changes to the Department's GME system could be unauthorized or inappropriate, or could have unintended results without proper documentation, authorization, review, testing, and approval prior to implementation. In addition, there is an increased risk that vital grant information and data are not properly backed up and secured, and that systems and data may not be recovered in the event of a disaster, system or equipment failure, or other system interruption. This finding could potentially affect other federal programs that the Department administered.

Cause: The Department recently outsourced these functions. The department personnel responsible for procuring and contracting these services were not familiar with the aspects of due diligence on the Department's part necessitating either an SSAE No. 16 audit or the Department's ongoing monitoring of internal controls over the outsourced functions.

Recommendation: To help ensure the Department has assurances to rely on a service organization's internal controls, the Department should require the service organization to have an SSAE No. 16 audit to demonstrate that the service organization's internal controls were operating effectively. Such audits should be performed on a periodic basis and should be submitted to and reviewed by the Department. Alternatively, the Department should perform monitoring of the service organization's internal controls on a periodic basis. The Department should document and follow up on such monitoring, including any internal control weaknesses identified. In addition, the Department should establish policies and procedures for procuring and monitoring service providers when significant functions that may impact the State's financial reporting or federal compliance are outsourced.

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2014-120

Cluster Name:	Child Nutrition Cluster
CFDA No. and Name:	10.553 School Breakfast Program 10.555 National School Lunch Program 10.556 Special Milk Program for Children 10.559 Summer Food Service Program for Children
Award Number and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014
CFDA No. and Name:	10.558 Child and Adult Care Food Program
Award Numbers and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014; 7AZ300AZ4, 2011, 2012, 2013, 2014
Federal Agency:	U.S. Department of Agriculture
Cluster Name:	Special Education Cluster (IDEA)
CFDA No. and Name:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award Numbers and Years:	H027A110007, 2011; H027A120007, 2012; H027A130120, 2013; H173A110003, 2011; H173A120003, 2012; H173A130003, 2013
CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
CFDA No. and Name:	84.184 Safe and Drug-Free Schools and Communities—National Programs
Award Number and Year:	Q184Y100027-13, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Subrecipient Monitoring
Questioned Costs:	None

Criteria: The Department of Education's (Department) Grants Management Enterprise (GME) system and its accounting software application used to upload to the State's general ledger are vital for processing grant information, approving and disbursing federal awards, and monitoring subrecipients for compliance with various federal program requirements. Consequently, the Department should have effective policies and procedures in place to ensure that access granted to the system is authorized and system and data changes or modifications are authorized, documented, tested, reviewed, and approved prior to implementation.

Condition and context: The following deficiencies were noted for the GME system and accounting software application:

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- For 5 of 8 users tested with administrative access rights, the Department did not maintain the documentation supporting the approval of the access granted.
- For 13 of 15 users tested with standard system access privileges, the Department did not maintain the documentation supporting the approval of the access granted.
- For 2 of 5 terminated users tested, the GME system access was not revoked immediately upon termination.
- There was an excessive number of users with administrative access rights to the accounting software application.
- The Department did not monitor the activities of users with administrative access in both the GME system and accounting software application.
- The Department allowed multiple personnel to use generic user accounts to access and modify data tables in the GME system.
- Modifications to data tables in both the GME system and accounting software application were not logged, reviewed, and approved prior to implementation.

Effect: The Department may not be able to detect errors or unauthorized modifications made to both the GME system and accounting software application. This finding could potentially affect other federal programs that the Department administered.

Cause: The Department did not have adequate documented policies and procedures for these areas.

Recommendation: To help prevent and detect unauthorized access or changes to the GME system and accounting software application, the Department should develop and implement written policies and procedures such as:

- Requiring all users' access to be properly approved and documented.
- Removing users' access rights immediately upon termination.
- Performing a periodic, comprehensive review of all existing user accounts for the GME system and accounting software application to help ensure that access granted is appropriate and compatible with job responsibilities and removing those users who have inappropriate or excessive access privileges.
- Logging and periodically monitoring users' access and activities for the GME system and accounting software application, especially users with administrative-level access and elevated access privileges.
- Reviewing all generic user accounts to eliminate or minimize their use when possible.
- Logging and monitoring all changes to data tables in both the GME system and accounting software application, and ensuring they are independently reviewed, tested, and approved prior to implementation.

This finding is similar to a prior-year finding.

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2014-121

Cluster Name: Special Education Cluster (IDEA)
CFDA No. and Name: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
Award Numbers and Years: H027A110007, 2011; H027A120007, 2012;
H027A130120, 2013; H173A110003, 2011;
H173A120003, 2012; H173A130003, 2013
CFDA No. and Name: 84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years: S010A090003, 2009; S010A110003, 2011;
S010A120003, 2012; S010A130003, 2013
CFDA No. and Name: 84.184 Safe and Drug-Free Schools and Communities—National Programs
Award Number and Year: Q184Y100027-13, 2014
CFDA No. and Name: 84.367 Improving Teacher Quality State Grants
Award Numbers and Years: S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
Federal Agency: U.S. Department of Education

Compliance Requirement: Reporting
Questioned Costs: None

Criteria: In accordance with 2 CFR §170, Appendix A, and the Federal Funding Accountability and Transparency Act (FFATA) of 2006, for grant awards beginning on October 1, 2010, or later, the State should report on a monthly basis to the FFATA Subaward Reporting System each subaward to a subrecipient of \$25,000 or more.

Condition and context: The Department of Education (Department) did not submit the required FFATA reports listing subawards of \$25,000 or more to subrecipients for its U.S. Department of Education programs, nor did the Department request or obtain permission from the Office of Management and Budget to deviate from this requirement.

Effect: Noncompliance with the FFATA reporting requirements for all U.S. Department of Education programs the Department administered. This finding has the potential to affect other federal programs the Department administered.

Cause: The Department had demonstrated a good faith effort to comply with this requirement in prior years, but failed to comply this year because of turnover in the personnel responsible for the FFATA reporting.

Recommendation: To help ensure the Department complies with FFATA reporting requirements, it should establish and implement policies and procedures to report on a monthly basis each subaward of \$25,000 or more to subrecipients or maintain documentation that it made a good faith effort to comply with FFATA reporting requirements.

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2014-122

Cluster Name:	Child Nutrition Cluster
CFDA No. and Name:	10.553 School Breakfast Program 10.555 National School Lunch Program 10.556 Special Milk Program for Children 10.559 Summer Food Service Program for Children
Award Number and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014
CFDA No. and Name:	10.558 Child and Adult Care Food Program
Award Numbers and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014; 7AZ300AZ4, 2011, 2012, 2013, 2014
CFDA No. and Name:	10.560 State Administrative Expenses for Child Nutrition
Award Number and Years:	7AZ300AZ2, 2012, 2013, 2014
Federal Agency:	U.S. Department of Agriculture
Cluster Name:	Special Education Cluster (IDEA)
CFDA No. and Name:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award Numbers and Years:	H027A110007, 2011; H027A120007, 2012; H027A130120, 2013; H173A110003, 2011; H173A120003, 2012; H173A130003, 2013
CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
CFDA No. and Name:	84.184 Safe and Drug-Free Schools and Communities—National Programs
Award Number and Year:	Q184Y100027-13, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A110049, 2011; S367A120049, 2012; S367A130049, 2013
CFDA No. and Name:	84.369 Grants for State Assessments and Related Activities
Award Number and Years:	S369A110003, 2012, 2013, 2014
Federal Agency:	U.S. Department of Education
Compliance Requirements:	Procurement and Suspension and Debarment, and Subrecipient Monitoring
Questioned Costs:	Unknown

Criteria: The Department of Education (Department) is responsible for awarding over \$1.1 billion in federal grant awards and contracts to local educational agencies (LEAs) consisting of school districts, charter schools, and various other educational organizations. Therefore, it is imperative that department management and employees who are involved in making award decisions comply with the State's personnel rules, A.R.S. §38-501 et seq., and 34 CFR §80.36. These rules, laws, and regulations require that employees disclose conflicts of interest when employees or their relatives have a business interest or employment with

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another entity to which the Department awards grants and contracts, and abstain from any involvement in an award decision for which a conflict of interest exists. These disclosures should be made on an annual basis to comply with the State's personnel rules.

Condition and context: The Department did not have adequate internal controls to ensure that its management and employees completed conflict-of-interest disclosure statements to comply with federal and state conflict-of-interest requirements.

Effect: There is an increased risk that federal program monies could potentially be awarded to an entity in violation of state rules and laws and 34 CFR §80.36. When conflict-of-interest requirements are not complied with, there is an increased risk that federal program monies could be used for personal gain and activities that are not allowed. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. In addition, this finding could potentially affect other federal programs that the Department administered.

Cause: State employees are required to complete conflict-of-interest and disclosure statements when they are hired and annually thereafter. Employees are also required to update disclosure statements for conflicts of interest as they arise, as required by the State's policies and laws. However, the Department did not provide regular communications to management and employees to remind them of the importance of conflict-of-interest rules and laws. Further, the Department did not have policies and procedures requiring its management and employees to complete annual conflict-of-interest disclosures statements to help ensure that employees do not make federal award decisions when a conflict of interest exists.

Recommendation: To help ensure the Department's management and employees comply with conflict-of-interest rules, laws, and regulations, the Department should provide regular communications about the importance of conflict-of-interest requirements and require all employees to complete an annual conflict-of-interest disclosure statement. Policies and procedures and training should require management and employees to abstain from making award and compliance decisions that involve entities for which conflicts of interest exist.

This finding is similar to a prior-year finding.

2014-123

CFDA No. and Name:	14.267 Continuum of Care Program
Award Numbers and Years:	Various
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Procurement and Suspension and Debarment
Questioned Costs:	None

Criteria: In accordance with 2 CFR §§180 and 2424, the Arizona Department of Housing (Department) is prohibited from contracting with or making subawards to any party that is suspended or debarred or is otherwise excluded from participating in federal assistance programs.

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Condition and context: The Department awarded over \$5.4 million in Continuum of Care federal grant monies during the fiscal year to a total of 17 subrecipients consisting of Arizona counties and other nonprofit organizations. However, the Department did not always verify the subrecipients were not suspended or debarred, or otherwise excluded from participating in the program prior to making the awards. Auditors performed additional audit procedures and determined no payments were made to suspended or debarred parties.

Effect: Awards could be made to suspended or debarred parties. This finding could affect other federal programs that the Department administered.

Cause: The Department had internal control policies and procedures to check the Excluded Parties List System (EPLS) for first-time subrecipients; however, for additional awards to a subrecipient, the Department did not verify that their status had not changed.

Recommendation: The Department should establish policies and procedures to verify that subrecipients are not suspended or debarred prior to making awards. Documentation of this verification must be retained. This may be accomplished by checking the EPLS maintained by the General Services Administration, collecting a certification from the entity, or adding a clause or condition to the contracts.

2014-124

CFDA No. and Name:	93.283 Centers for Disease Control and Prevention— Investigations and Technical Assistance
Award Numbers and Years:	5U58DP001956-05, 2014; 5UR3DD000826-03, 2014; 3U50CI000922-02, 2014
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirements:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Costs:	Unknown

Criteria: In accordance with 2 CFR §225, Appendix B, 8.h, the Arizona Department of Health Services (Department) should maintain records that certify or confirm on an after-the-fact basis that employee compensation charged to the federal program represents a reasonable distribution of employees' actual time and effort worked on the program. The records supporting salaries and wages should be signed by the employee and approved by a supervisor having firsthand knowledge of the work the employee performed.

Condition and context: During fiscal year 2014, five bureaus administering the federal program within the Department spent approximately \$5 million of program monies, with \$1.4 million being spent on salaries and wages. For those employees who worked on multiple activities, salaries and wages were charged to the program using distribution percentages that were determined before the employees performed the services. In addition, these salaries and wages were not always supported by personnel activity reports or equivalent documentation to support the actual time spent working on the program. Further, for those

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employees who worked solely on the federal award, salaries and wages were not always supported by periodic certifications. Specifically, auditors noted the following deficiencies at three of the five bureaus:

Bureau of Tobacco and Chronic Disease

- For 16 out of the 17 employees tested, there were no personnel activity reports supporting the distribution of the employees' salaries and wages to multiple activities or certifications that the employees worked solely on the federal program.

Bureau of State Laboratory Services

- For the one employee who worked on the program, there were no personnel activity reports supporting the distribution of the employee's salaries and wages.

Bureau of Epidemiology and Disease Control

- For one out of the eight employees tested, there were no personnel activity reports supporting the distribution of the employee's salaries and wages for one pay period.

Effect: The employee salaries and wages charged to the program did not always reflect an accurate after-the-fact distribution of hours and activities worked, which could result in unallowed costs being charged to the program. It was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding. This finding could potentially affect other federal programs that the Department administered.

Cause: The Department did not have effective internal controls in place to ensure that salaries and wages reflect the actual time spent working on the program.

Recommendation: The Department should implement effective internal controls to help ensure that salaries and wages reflect actual time spent working on the federal program. For employees who work on multiple activities, the Department should ensure that documentation is prepared at least monthly reflecting an after-the-fact distribution of the hours and activities worked. Also, the Department should continue to ensure that all employees' distribution percentages that were determined before the services were performed, are compared to the distribution percentages of the actual time worked, at least quarterly, and make any necessary correcting adjustments to the amounts charged to the program. Further, the Department should require employees who work solely on the program to prepare certifications at least semiannually. The records supporting salaries and wages should be signed by the employee and reviewed and approved by a supervisor having firsthand knowledge of the work the employee performed.

This finding is similar to a prior-year finding.

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2014-125

CFDA No. and Name:	93.283 Centers for Disease Control and Prevention— Investigations and Technical Assistance
Award Numbers and Years:	5UR3DD000826-03, 2014; 5U58DP002034-05, 2014; 2U58DP001956-06, 2014; 5U50OE000047-02, 2014; 5U50DP000729-05, 2014; 3U50CI000922-02, 2014; 5U50CK000224-02, 2014
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Reporting
Questioned Costs:	None

Criteria: In accordance with 2 CFR §170, Appendix A, and the Federal Funding Accountability and Transparency Act (FFATA) of 2006, the Arizona Department of Health Services (Department) must report to the FFATA Subaward Reporting System each subaward that amounts to \$25,000 or more. The Department must report each subaward action no later than the end of the month following the month in which the obligation was made.

Condition and context: The Department did not submit the required FFATA reports listing subawards of \$25,000 or more for the program. Additionally, the Department did not request or obtain permission from the Office of Management and Budget to deviate from this requirement and could not provide evidence of communication with the federal awarding agency to attempt a good faith effort to comply with this requirement.

Effect: Awards to subrecipients were not submitted to the FFATA Subaward Reporting System, resulting in a lack of information being posted on the USASpending.gov Web site. This finding has the potential to affect other federal programs the Department administered.

Cause: The Department did not have policies and procedures to ensure compliance with the FFATA reporting requirements for the program.

Recommendation: To comply with the FFATA reporting requirements, the Department should develop internal control policies and procedures to ensure that employees compile, review, and submit the required reports in a timely manner.

This finding is similar to a prior-year finding.

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2014-126

CFDA No. and Name: 97.042 **Emergency Management Performance Grants**
Award Number and Year: EMW-2012-EP-00003, 2012
Federal Agency: **U.S. Department of Homeland Security**
Compliance Requirement: Matching
Questioned Costs: \$6,726,857

Criteria: In accordance with its grant agreement and 44 CFR §13.24(b)(6), the Department of Emergency and Military Affairs (Department) is required to match 100 percent of program expenditures with nonfederal monies and must maintain records of costs and third-party, in-kind contributions counting toward satisfying the matching requirement.

Condition and context: The Department expended \$6,726,857 in federal monies for the FFY 2012 award that ended during the state fiscal year 2014 and also reported this amount to the federal grantor as the required match. However, it did not maintain support for the match amount or separately identify and track in its accounting records any costs or third-party, in-kind contributions that could have been counted toward satisfying the matching requirement.

Effect: The Department was unable to demonstrate that it met the matching requirement for the federal program.

Cause: The Department did not have adequate procedures in place to ensure that matching requirements were met and verifiable from its records.

Recommendation: The Department should establish policies and procedures to ensure it complies with the program's matching requirement. This includes ensuring that the Department's accounting records support matching expenditures.

2014-127

CFDA No. and Name: 97.042 **Emergency Management Performance Grants**
Award Numbers and Years: EMW-2012-EP-00003, 2012; EMW-2013-EP-00024, 2013
Federal Agency: **U.S. Department of Homeland Security**
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Period of Availability of Federal Funds
Questioned Costs: \$2,015,000

Criteria: In accordance with 2 CFR §225, Appendix A, E.2. and 44 CFR §13.23(a), the Department of Emergency and Military Affairs (Department) may charge only direct costs, such as employee compensation

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for the time devoted and identified specifically to the performance of federal awards, incurred during the funding period to the program. Further, to comply with 2 CFR §215.22(b)(2), cash advances to a recipient organization shall be timed to be in accordance with the recipient organization's actual, immediate cash requirements in carrying out the approved program or project's purpose.

Condition and context: The Department charged program costs to the FFY 2013 award that were incurred prior to the funding period. Specifically, the Department overspent its FFY 2012 award primarily to cover salaries and benefits. The Department borrowed \$2,015,000 from state monies anticipating the receipt of the FFY 2013 award. Subsequently, the Department drew down monies from its FFY 2013 award to repay the borrowed state monies, which was not in accordance with the approved FFY 2013 program's immediate cash needs.

Effect: The Department incorrectly charged FFY 2012 program costs to the FFY 2013 award, which resulted in improper cash drawdowns and a questioned cost of \$2,015,000. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding.

Cause: The Department did not have policies and procedures to ensure it did not exceed program funding levels.

Recommendation: The Department should ensure that program costs do not exceed the approved funding levels and are charged to the appropriate funding period.

2014-128

CFDA No. and Name:	97.042 Emergency Management Performance Grants
Award Numbers and Years:	EMW-2012-EP-00003, 2012; EMW-2013-EP-00024, 2013; EMW-2014-EP-00016, 2014
Federal Agency:	U.S. Department of Homeland Security
Compliance Requirement:	Cash Management
Questioned Costs:	Unknown

Criteria: In accordance with 44 CFR §13.20(b), accounting records must be properly supported and effective controls and accountability must be maintained over federal monies to ensure that it is used solely for authorized purposes. Therefore, the Department of Emergency and Military Affairs (Department) should maintain source documentation for drawdown requests and separate responsibilities over cash management so that no one employee is responsible for compiling and submitting cash requests to drawdown federal monies.

Condition and context: The Department did not establish adequate procedures to ensure that cash drawdown requests were supported, reviewed, and approved prior to submission. While gaining an understanding over the program's internal controls, auditors determined that cash drawdown requests were

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not supported and one employee was responsible for compiling, approving, and submitting the cash drawdown requests.

Effect: The Department could request cash for unauthorized purposes, have excess cash on hand, and incur an interest liability on cash balances. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may result from this finding.

Cause: The Department did not have adequate internal control policies and procedures in place for the drawdown of federal funds.

Recommendation: The Department should develop internal control policies and procedures to ensure cash drawdowns are properly supported. In addition, it should assign a second employee to review and approve cash drawdown requests for accuracy before they are submitted to the grantor.

2014-129

CFDA No. and Name:	97.042 Emergency Management Performance Grants
Award Number and Year:	EMW-2013-EP-00024, 2013
Federal Agency:	U.S. Department of Homeland Security
Compliance Requirements:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Cash Management
Questioned Costs:	Unknown

Criteria: In accordance with 2 CFR §225, Appendix A, F.1., indirect costs claimed for the program should consist of costs that are incurred for a common or joint purpose benefiting more than one cost objective and should be distributed to benefited cost objectives in accordance with the approved indirect cost agreement. Further, in accordance with 44 CFR §13.20(b) and 31 CFR §205.33(a), the timing and amount of the cash advances shall be as close as is administratively feasible to the recipient organization's actual disbursements for the direct costs and proportionate share of any allowable indirect costs.

Condition and context: The Department of Emergency and Military Affairs (Department) requested and received \$778,996 in program monies for indirect costs prior to incurring the direct costs associated with these indirect costs, which were subsequently transferred to its Indirect Cost Recovery Fund. Further, the amount of indirect costs were determined by using the total indirect costs budgeted for the entire award period instead of the approved indirect cost rate agreement approved by the federal awarding agency.

Effect: Indirect costs were improperly charged to the award, which resulted in an improper cash drawdown. Further, the Department may have transferred monies to its Indirect Cost Recovery Fund that were received in advance for indirect costs that were not based on allowable direct costs. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

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Cause: The Department did not have policies and procedures in place to ensure it charged indirect costs to the program as the underlying direct costs were incurred.

Recommendation: The Department should have policies and procedures in place to ensure that indirect costs are calculated using the approved indirect cost rate agreement. Further, the Department should not charge indirect costs to the program until the accumulated direct costs used to distribute indirect costs have occurred.

2014-130

CFDA No. and Name:	97.042 Emergency Management Performance Grants
Award Numbers and Years:	EMW-2012-EP-00003, 2012; EMW-2013-EP-00024, 2013
Federal Agency:	U.S. Department of Homeland Security
Compliance Requirements:	Cash Management and Subrecipient Monitoring
Questioned Costs:	Unknown

Criteria: In accordance with 44 CFR §13.40, the Department of Emergency and Military Affairs (Department) is required to monitor subgrantee activities to assure compliance with applicable federal requirements and that performance goals are being achieved. Further, to comply with 31 U.S. Code 7502(f)(2)(C) and OMB Circular A-133 §.400(d), the Department must ensure that subrecipients expending \$500,000 or more in federal awards obtain the required audits within 9 months of the end of the subrecipients' audit periods. In addition, the Department must review the audits, issue management decisions on audit findings within 6 months after the receipt of the audit report, and ensure prompt and appropriate corrective action has been taken with respect to audit findings. Finally, to comply with 44 CFR §13.21(g), the Department should not withhold payments to subgrantees for proper charges incurred unless the subgrantee has failed to comply with the award conditions.

Condition and context: During the fiscal year, the Department disbursed \$530,000 in program monies to 13 subrecipients for the FFY 2012 award. However, the Department did not monitor subrecipient activities or obtain and review the required audits. In addition, for the 4 FFY 2013 award subrecipients selected for test work, the Department was to reimburse the subrecipients' program costs quarterly; however, in some instances payments were withheld until fiscal year-end.

Effect: Subrecipients may not have complied with the grant agreements and may not have had single audits completed. Further, subrecipients may not have received timely reimbursements for program costs in accordance with their contracts. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding has the potential to affect other federal programs the Department administered.

Cause: The Department relied on the subrecipients to report accurate financial information without performing monitoring procedures to ensure accuracy. Further, the Department was unaware of the requirement to obtain and review subrecipients' audits. Finally, the Department withheld some payments to

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subrecipients anticipating the need to use program monies for personnel costs until the next FFY award was received.

Recommendation: The Department should monitor the subrecipients' use of all federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that subrecipients administer federal awards in compliance with the grant agreement and that performance goals are achieved. Further, the Department should establish adequate procedures to ensure all subrecipients have the required audits, the Department issues management decisions on audit findings, and subrecipients take appropriate corrective action. Finally, the Department should ensure that subrecipients are reimbursed in a timely manner for program costs in accordance with their contracts.

2014-131

CFDA No. and Name:	97.042 Emergency Management Performance Grants
Award Numbers and Years:	EMW-2012-EP-00003, 2012; EMW-2013-EP-00024, 2013
Federal Agency:	U.S. Department of Homeland Security
Compliance Requirement:	Reporting
Questioned Costs:	Unknown

Criteria: In accordance with 44 CFR §13.20(b)(1), the Department of Emergency and Military Affairs' (Department) financial reports must be accurate, current, and complete and disclose the financial results of federal activities in accordance with the program's financial reporting requirements.

Condition and context: The Department did not have effective internal control policies and procedures in place for preparing its financial reports. Specifically, for the FFY 2012 award final federal financial report, the Department reported the award's amount of federal funds authorized as the cash received, cash disbursed, and recipient share required and expended. However, the amounts reported did not agree to the accounting records. Further, for the one FFY 2013 quarterly report reviewed, the amounts reported did not agree to the accounting records, and no supporting documentation was maintained for the amounts reported.

Effect: The financial reports submitted to the federal awarding agency did not reflect accurate program financial information. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

Cause: The Department did not have effective policies and procedures in place to ensure the financial reports were accurately prepared or properly reviewed prior to submitting them to the federal agency.

Recommendation: The Department should develop and implement effective policies and procedures for the preparation and review of financial reports to ensure that financial information is accurate, current, and complete. Further, the Department should maintain supporting documentation for amounts reported.

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2014-132

CFDA No. and Name:	97.042 Emergency Management Performance Grants
Award Number and Year:	EMW-2012-EP-00003, 2012
Federal Agency:	U.S. Department of Homeland Security
Compliance Requirement:	Earmarking
Questioned Costs:	Unknown

Criteria: In accordance with the funding opportunity announcement (FOA), the Department of Emergency and Military Affairs (Department) may use up to 5 percent of the program monies for management and administration (M&A) activities. M&A activities are those defined as directly relating to program management and administration, such as financial management and monitoring.

Condition and context: The Department could not provide support that it tracked or did not exceed the allowable earmarking requirements; therefore, auditors were unable to determine whether the Department complied with the earmarking requirements. While the Department created specific accounting codes to track M&A activities, the codes were not always used. Specifically, for the FFY 2012 award, the Department charged travel, fleet, and other operating costs totaling \$2,335 to the codes; however, there were no charges to the codes for salaries of employees who were assigned to work on M&A activities.

Effect: The Department may have used more than the allowable amount for M&A costs. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

Cause: The Department did not have adequate internal control policies and procedures to ensure M&A costs were appropriately identified and recorded in the accounting system.

Recommendation: The Department should establish internal control policies and procedures to help ensure M&A costs are appropriately identified and recorded in the accounting system and the amount of M&A costs do not exceed the amount allowable.

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2014-133

CFDA No. and Name:	12.401 National Guard Military Operations and Maintenance (O&M) Projects
Award Numbers and Years:	Various
Federal Agency:	U.S. Department of Defense
Compliance Requirement:	Cash Management
Questioned Costs:	Unknown

Criteria: In accordance with National Guard Regulation 5-1, chapter 11-5, effective May 28, 2010, grantees should limit the time elapsing between the transfer of monies from the U.S. Treasury and their disbursement to 45 days or less.

Condition and context: The Department of Emergency and Military Affairs (Department) did not have effective internal control procedures in place to minimize the time elapsing between the transfer of monies from the U.S. Treasury and their disbursement. Specifically, auditors analyzed 320 days of daily cash balances and noted the Department exceeded the 45-day limit on 39 different occurrences.

Effect: The Department could incur an interest liability on cash balances that exceeded the required time frames. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

Cause: The Department has internal control procedures in place to estimate expenditures prior to requesting advancement of funds; however, in some instances expenditures did not occur as estimated, creating excess cash balances over the 45 days allowed.

Recommendation: The Department should develop additional control procedures to minimize the time elapsing between the transfer of monies from the U.S. Treasury and their disbursement in accordance with program regulations.

This finding is similar to a prior-year finding.

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2014-134

CFDA No. and Name:	12.401 National Guard Military Operations and Maintenance (O&M) Projects
Award Number and Year:	W912L2-11-2-1001, 2012
Federal Agency:	U.S. Department of Defense
Compliance Requirement:	Period of Availability of Federal Funds
Questioned Costs:	\$1,018

Criteria: In accordance with National Guard Regulation 5-1, chapter 11-10, effective May 28, 2010, costs incurred in a fiscal year that are not disclosed by the grantee within 90 days of the end of the FFY shall not be eligible for reimbursement.

Condition and context: The Department of Emergency and Military Affairs (Department) did not have adequate internal control policies and procedures in place to ensure that all program expenditures were disclosed to the grantor agency within the required time frame. Specifically, auditors identified \$1,018 of program expenditures that were charged to the FFY 2012 grant and paid for with excess grant monies, but were not disclosed to the grantor agency within 90 days of the end of the FFY. Therefore, these costs were not eligible for reimbursement and resulted in a questioned cost of \$1,018.

Effect: The Department may not receive reimbursement for eligible expenditures if the costs are not disclosed to the grantor within the required time frame. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding.

Cause: The Department was not aware that it did not disclose costs associated with its FFY 2012 award until more than 90 days after the FFY ended.

Recommendation: To help ensure the Department receives reimbursement for all allowable costs charged to the program it must liquidate or disclose all program costs to the grantor agency within 90 days of the end of the FFY in accordance with program guidelines.

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2014-135

CFDA No. and Name:	98.AID-486-A-12-00005 The Vocational University Leadership and Innovation Institute (VULII)
Award Number and Years:	486-A-12-00005, 2012 through 2015
Federal Agency:	Agency for International Development
Compliance Requirements:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Costs:	\$206,214

Criteria: In accordance with 2 CFR §220, Appendix A, C.4.d, the Arizona State University (University) is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable under cost principles.

Condition and context: The University notified auditors that program expenditures incurred for the Vocational University Leadership and Innovation Institute (VULII), a nonmajor program during the period July 1, 2013 through June 30, 2014, may be unallowable due to an employee charging expenditures to an incorrect funding source. In October 2014, the University completed an internal review on the program and identified \$206,214 of previously reimbursed expenditures charged to the program primarily for travel and conference costs that were not allowable program costs. Of that amount, the University estimates approximately \$17,535 was considered to be fraudulent expenditures.

Effect: The University was reimbursed \$206,214 for expenditures later determined to be unallowable. The University credited the entire \$206,214 back to the federal program by reducing a future reimbursement request for the grant in December 2014. It was not practical to extend our auditing procedures to determine whether any additional questioned costs resulted from this finding.

Cause: The University has internal controls in place requiring review and approval of grant expenditures for allowability; however, the review performed was not adequate.

Recommendation: The University credited the unallowable expenditures back to the federal agency. However, the University should ensure proper review and approval of expenditures are performed for allowability on all grant awards by a faculty or staff member who is familiar with the program and the allowable activities and costs that can be charged to the program.

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Other auditors' findings:

The other auditors who audited the Medicaid Cluster administered by the Arizona Health Care Cost Containment System (AHCCCS) reported the following finding:

2014-136

Cluster Name:	Medicaid Cluster
CFDA No. and Name:	93.778 Medical Assistance Program
Award Numbers and Years:	Various
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Eligibility
Questioned Costs:	N/A

Criteria: According to the AHCCCS eligibility requirements, the SOBRA Child eligibility category allows enrollment/participation for participants from ages 6 to 18. The month after reaching the age of 19 and maintaining other eligibility criteria, participants should be moved out of the SOBRA child eligibility category and into a comparable AHCCCS program. Internal controls should be in place to provide reasonable assurance that participants are moved out of the SOBRA Child eligibility category the month after they turn 19 (aged out).

Condition: In connection with our testing, we noted certain participants were either not transferred from the SOBRA Child eligibility category to another eligibility group the month after they turned 19 or were transferred subsequent to the month after the participant turned 19 years of age.

Context: In order to test eligibility, we selected a sample of 40 participants to verify the participant met the applicable eligibility criteria. In connection with our testing, we noted one instance where a participant was enrolled in the SOBRA Child eligibility category and was not transferred from the SOBRA Child eligibility category the month after they turned 19. As a result of this exception, we expanded our testing to the entire population of the SOBRA Child eligibility category to ensure that participants were being properly transferred out of the SOBRA Child eligibility category the month after the participant turned 19 (aged out). Using eligibility data, we identified 1,948 individuals enrolled in the SOBRA Child eligibility category who were not transferred timely out of the SOBRA eligibility category in the month after the participant turned 19 in fiscal year 2014. For these 1,948 exceptions, we noted that the participants were incorrectly left in the SOBRA Child eligibility category and not transferred to another adult eligibility category for a total of 5,731 months.

Effect: AHCCCS pays contracted health plans to provide services to the participants in the SOBRA Child eligibility category using a capitated per member, per month payment methodology. The SOBRA Child eligibility category per member per month payment is lower than the per member per month payment for the AHCCCS Care eligibility category (the eligibility category the SOBRA Child eligibility category participants would have been transferred to). As a result, given the 1,948 exceptions, the number of months participants were incorrectly left in the SOBRA Child eligibility category, and the per member per month

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capitation rate differentials between the SOBRA Child and AHCCCS Care eligibility categories, we determined that AHCCCS improperly paid (underpaid) capitation to contracted health plans by approximately \$1,225,704 as a result of the untimely transfer between eligibility categories.

Cause: AHCCCS' eligibility department had a large backlog and was not able to properly transfer participants between eligibility categories on a timely basis and in accordance with program requirements.

Recommendation: We recommend that AHCCCS establish policies and procedures to ensure that participants are transferred out of the SOBRA Child eligibility category the month following the participant's 19th birthday. This will include the implementation of an eligibility system enhancement to automatically transfer SOBRA Child eligible out of this eligibility program in the month following the participant's 19th birthday. We further recommend that AHCCCS review the size and compliment of their eligibility department to ensure the staffing is adequate to address eligibility changes in a timely manner.

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Appendix

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Agency Code	Agency
ADA	Arizona Department of Administration
AEA	Arizona Radiation Regulatory Agency
AGA	Office of Attorney General
AHA	Arizona Department of Agriculture
ASA	Arizona State University
BNA	Arizona State Board of Nursing
BRA	Arizona Board of Regents
CAA	Arizona Commerce Authority
CCA	Arizona Corporation Commission
CDA	Arizona Early Childhood Development and Health Board
CRA	Arizona Cotton Research and Protection Council
DCA	Arizona Department of Corrections
DEA	Arizona Department of Economic Security
DJA	Arizona Department of Juvenile Corrections
DTA	Arizona Department of Transportation
EDA	Arizona Department of Education
EVA	Arizona Department of Environmental Quality
FOA	Arizona State Forestry Division
GFA	Arizona Game and Fish Department
GHA	Arizona Governor's Office of Highway Safety
GSA	The Arizona Geological Survey
GVA	Office of the Arizona Governor
HCA	Arizona Health Care Cost Containment System
HDA	Arizona Department of Housing
HIA	Arizona Historical Society
HLA	Arizona Department of Homeland Security
HSA	Arizona Department of Health Services
HUA	Arizona Commission on the Arts
ICA	Industrial Commission of Arizona
IDA	Arizona Department of Insurance
JCA	Arizona Criminal Justice Commission
LDA	Arizona State Land Department
LLA	Arizona Department of Liquor
MAA	Arizona Department of Emergency and Military Affairs
MIA	Arizona State Mine Inspector
MMA	Department of Fire, Building and Life Safety
NAA	Northern Arizona University
PEA	Arizona Commission for Postsecondary Education
PRA	Arizona State Parks
PSA	Arizona Department of Public Safety
SBA	State of Arizona Office of Pest Management
SDA	Arizona State Schools for the Deaf and the Blind

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Agency Code	Agency
SPA	Arizona Supreme Court
STA	Office of the Secretary of State
UAA	University of Arizona
VSA	Arizona Department of Veterans' Services
WCA	Arizona Department of Water Resources
WFA	Water Infrastructure Finance Authority of Arizona

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Corrective Action Plan
Year Ended June 30, 2014

Financial Statement Findings

2014-01

The Arizona Department of Administration's Data Center should strengthen their contracts with state agencies

Agency: Department of Administration – Arizona Strategic Enterprise Technology Division (ADOA-ASET)

Contact persons and titles: 1. Donald L Hennington, Chief Operating Officer & Assistant Director,
(602) 542-1422

2. Gary Hensley, Chief Enterprise Integration Officer & Assistant Director,
(602) 771-6401

Anticipated completion date: July 1, 2016

The Agency has reviewed the audit finding and recommendation associated with the audit of the Data Center contracts with state agencies. We concur with the audit finding and recommendation. The Agency will take the following corrective actions:

- The ADOA-ASET State Data Center (SDC), with the assistance of an outside contractor, has created and finalized a comprehensive Disaster Recovery/Incident Recovery Plan (DR/IRP) document, which includes all system and infrastructure components for which it is responsible, and addressed important elements such as regulatory and contractual requirements, the Department's overall business continuity needs, IT resource management requirements and interdependencies, an analysis of business impacts, risk assessments, emergency procedures, testing, and ongoing maintenance of its disaster recovery efforts. This document is a living document which will be maintained and updated as changes occur as business needs dictate.
 - a. ADOA-ASET will clarify a client agency's responsibilities in the provisioning of Agency specific business recovery and disaster recovery requirements to effectuate an agency's business continuity and recovery as part of an agency's IT risk management planning.
 - b. ADOA-ASET will provide assistance to individual agencies to define their individual business impacts, risk assessments, emergency procedures, testing, and ongoing maintenance of an agency's disaster recovery needs.
- ADOA-ASET has prepared a full listing of State Agencies and the services provided to them. Additional development effort is being defined to refine the individual services to articulate the individual services in business terms, so that they would be readily understandable by the agency business community. In support of that effort, ADOA-ASET will define a services costing model that will be based on an agency's business requirements.
- ADOA-ASET will improve the contractual language of State Data Center service contracts to ensure clarity of services provided and specific responsibilities of all parties. The current Inter-Agency Services Agreement (ISA) is being reviewed by ADOA legal, and recommendations from that review process will

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be incorporated into a new agreement with clarified terms and conditions that are specific to the requesting agency.

2014-02

The State of Arizona should strengthen its internal controls over purchasing cards

Agency: Department of Administration
Contact person and title: Clark Partridge, State Comptroller
Anticipated completion date: June 30, 2016

The State understands the importance of internal controls over purchasing cards. We will review and update policies and procedures as appropriate.

The Department of Health Services has instituted procedures that require documentation be maintained with the Business Office at the Arizona State Hospital identifying patients that receive gift cards as a reward for appropriate behavior and are used as therapy for community reintegration. The documentation will be in either hardcopy or electronic form, include signatures by the patient verifying receipt of the gift card, and will be maintained as part of our records for five years past the end of the fiscal year of the purchase.

The Game and Fish Department has added information to existing training to distinguish between use of a purchasing card and the travel card or Central Travel Account. Additionally, this training is being converted into a computer based training in order to increase accessibility to card program policies and procedures.

The Department of Emergency and Military Affairs will use the Central Travel Account for emergency travel purposes and will be managed and maintained by the Deputy Director.

The Department of Education will continue to utilize existing controls to help ensure that all purchasing card rules are followed and all transactions are appropriate and allowable. Each purchasing card transaction is approved by a Procurement Department member. The Procurement Department within the Department of Education gives all Department of Education staff the opportunity to refresh their procurement knowledge at quarterly procurement training sessions.

The Department of Revenue agrees that not all transaction receipts are submitted with the monthly reconciliation, but all transactions are reviewed to ensure the purchase was appropriate and for a public purpose. If a transaction is questionable or more information is needed, the purchasing card holder is contacted. The Department of Revenue will update policies and procedures for purchasing card transactions, including requiring all receipts be submitted with monthly purchasing card reconciliation statement and require the reconciliation review to include a comparison of each transaction to its receipt.

The Department of Administration has updated the purchasing card policies and procedures. Additionally the Department of Administration has obtained signed purchasing card agreement forms from all current purchasing card holders.

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2014-03

The Department of Revenue should continue to strengthen its procedures for processing income tax revenues

Agency: Department of Revenue
Contact person and title: Francis Becker, Senior Internal Auditor, (602) 716-6156
Anticipated completion date: Unknown

The Department has instituted and continues to research compensating controls to minimize risks to tax revenue.

2014-04

The Northern Arizona University must ensure all deposits are fully collateralized as required by state statute

Agency: Northern Arizona University
Contact person and title: Robert G. Norton, Associate Vice President and Comptroller, (928) 523-6054
Anticipated completion date: Corrected

The University has reviewed the audit finding and recommendation associated with the annual audit of the University's Annual Financial Report for the year ended June 30, 2014. We concur with the audit finding and recommendation. The University switched servicing banks during the fiscal year and for a period of 69 days from April to June 30, 2014 the deposits were uncollateralized although this requirement is stipulated in the University Request for Proposal (RFP) for banking services. Beginning July 1, 2014 the State Treasurer began administering collateral for all University deposits and since July 1, 2014 all deposits are properly collateralized and the University receives monthly confirmation of the collateralized amounts. As noted in the finding, no loss of public monies resulted from the uninsured, uncollateralized deposits. There was no malfeasance or theft related to the finding. In addition the University will reemphasize in its fiscal year end procedures to verify proper collateralization of deposits before preparing the University footnote for Cash and Investments.

2014-05

The Department of Economic Security should update and test its disaster recovery plan over its information technology systems

Agency: Department of Economic Security
Contact person and title: Josephine Wilt, Project Manager
Anticipated completion date: June 30, 2017

Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan (DRP) focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the OAG audit.

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The current DES Disaster Recovery Plan has been in place since 1999. There was a formal review of the Plan in 2006 and it was last updated in 2011. The last failover test was completed in 2010 and included a failover to an IBM mainframe located in Boulder, Colorado. Currently data from the mainframe is simultaneously stored in a secondary secured location. The backup tapes from the mainframe are stored off-site at a facility specifically designed for storing data. For SFY 2015, DES received funding for moving the DES Data Center into a purpose built, Tier III data center operated by a third party. The facility risk of outages is anticipated to be greatly reduced by this move.

Milestones	Anticipated Completion Date	
	SFY16	SFY17
A. Migrate the data center to new location	✓	
B. Review and modify Recovery Plan	✓	
C. Perform annual test	✓	
D. Document overall testing strategies, testing frequencies, and test results		✓
E. Implement technology appropriate to ensure continuity of operations		✓

Other auditors' corrective action plans:

2014-06

Year End Financial Statement Preparation

Agency: Water Infrastructure Finance Authority
 Contact person and title: Sandra Sutton, Executive Director (602) 364-1310

I have reviewed and concur with the audit finding recommendation. WIFA staff will continue to schedule and attend training courses on Accounting subjects.

2014-07

Accounting and Reporting Components of Net Position

Agency: Arizona State Lottery

Management will review accounting policies for activities in the Prize Fund. The Lottery has been consistent in its reporting of prize liability since the Lottery's inception and that reporting is similar to reporting used by other state lotteries. We agree with the auditor to revise the presentation of prize liability this year and will seek to find an appropriate presentation in future years.

The Lottery also believes that forfeited prizes are properly included in prize liability. Some of those forfeited prizes are committed to prize subsidies for Scratchers games that began in FY13 and are continuing into FY14 and the balance of forfeited prizes will be used to subsidize other games before the end of FY14. The Lottery has historically subsidized Scratchers by \$6 to \$8 million annually. The Lottery also has an ongoing

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commitment to fund a \$1 million jackpot for the Pick game. It is currently taking from twelve to fourteen draws to fully fund jackpot payouts from sales. Any subsidy would come from forfeited prizes.

2014-08

Regularly Review Third-Party Service Reports

Agency: Arizona State Lottery

With the present on-line contract GTECH was required to provide, within the first year but not before six months, the Arizona Lottery with a SAS 70 report. This report was to study the controls put into place by GTECH Arizona. The Arizona Lottery was able to approve the contractor that GTECH proposed to use for the SAS 70 report. The cost associated with this project was placed on the winner of the on-line contract. It was a built in expense as it is quite expensive to produce. The Lottery is always attempting to make sure all systems and processes are followed, not only by the rules set forth by the Lottery but, also with the rules set forth under the Multi State Lottery agreement. The Lottery's internal auditing department verifies all changes made to the GTECH process and programs. These changes are reviewed and tested before they are implemented. The Arizona Security department also observers the process several times a year to ensure compliance with existing rules and processes. To start a SSAE 16/SAS 70 report outside of the contract would place an undue financial burden upon the Lottery as it is not required by contract to be performed by GTECH. If it is indeed necessary this will be made an ongoing requirement placed in the upcoming RFP for the on-line contract.

Federal Award Findings and Questioned Costs

2014-101

SNAP Cluster

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Child Nutrition Cluster

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

CFDA No.: 10.558 Child and Adult Care Food Program

CFDA No.: 10.560 State Administrative Expenses for Child Nutrition

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects

CFDA No.: 14.267 Continuum of Care Program

WIA Cluster

CFDA No.: 17.258 WIA Adult Program

17.259 WIA Youth Activities

17.278 WIA Dislocated Worker Formula Grants

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Highway Planning and Construction Cluster

CFDA No.: 20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program

CFDA No.: 20.233 Border Enforcement Grants
Special Education Cluster (IDEA)

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Teacher Incentive Fund Cluster

CFDA No.: 84.374 Teacher Incentive Fund
84.385 ARRA—Teacher Incentive Fund, Recovery Act

CFDA No.: 84.010 Title I Grants to Local Educational Agencies

CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

CFDA No.: 84.184 Safe and Drug-Free Schools and Communities—National Programs

CFDA No.: 84.367 Improving Teacher Quality State Grants

CFDA No.: 84.369 Grants for State Assessments and Related Activities

TANF Cluster

CFDA No.: 93.558 Temporary Assistance for Needy Families

Medicaid Cluster

CFDA No.: 93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare
93.778 Medical Assistance Program

CFDA No.: 93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance

CFDA No.: 93.563 Child Support Enforcement

CFDA No.: 93.658 Foster Care—Title IV-E

CFDA No.: 93.667 Social Services Block Grant

CFDA No.: 93.719 ARRA—State Grants to Promote Health Information Technology

Disability Insurance/SSI Cluster

CFDA No.: 96.001 Social Security—Disability Insurance

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

We have an established process in place for monitoring legislation. The unallowable services provided through the State's Web portal are no longer incurred within this fund. The methodology of the charge is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

This issue is a cross-cutting finding and is appropriately being addressed with the Department of Health and Human Services, Cost Allocation Services (DHHS-CAS), for the payment and appropriate resolution of

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the questioned costs. We agree and commit to continue to work with DHHS-CAS, to the best of our ability, to find a resolution which ensures that the federal programs will be properly charged for these costs.

2014-102

CFDA No.: Various

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

We have an established process in place for monitoring legislation. On multiple occasions we have advised that these transfers were, in our opinion, not consistent with established federal cost principles and would probably result in an obligation to the federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

This issue is a cross-cutting finding and is appropriately being addressed with the DHHS-CAS, for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

2014-103

CFDA No.: N/A

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: June 30, 2016

The State understands the importance of properly stating expenditures of Federal grants and other Federal Financial Assistance. In conjunction with implementation of the State's financial system, we will review and update policies and procedures as appropriate.

2014-104

CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, Manager of Policy and Programs

Anticipated completion date: October 31, 2015

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While the acceptable error rate for client signatures on extensions to the 60 day eligibility determination timeframe is 0%, RSA has shown significant improvement on this issue, reducing this error rate from 58% in 2012 to 33% in 2013 and to 23% in 2014. The following corrective actions will be or have been implemented to ensure the Department of Economic Security, Rehabilitation Services Administration (RSA) staff is aware of and follows applicable eligibility policies and procedures.

Provide a mandatory Eligibility Compliance training statewide to all supervisors and counselors. The course will be followed by a mandatory Eligibility Compliance Test with a requirement to pass the test with a 100%.

- Revise policy and procedure specific to obtaining signatures on eligibility extensions.
- Provide training to all staff on digital signature pads which will facilitate obtaining signatures.
- Include a performance measure on the supervisor and counselor MAP to track compliance.
- Set action alert message to alert staff at 30 days if eligibility has not been completed.
- Begin an aging tracking report which will alert counselors, supervisors, managers, Deputies, and Administrator of timeliness of eligibility determination.
- Conduct a random sample audit on a monthly basis and alert counselors, supervisors, managers, Deputies, and Administrators of results.

2014-105

CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Agency: Department of Economic Security
Name of contact person and title: Kristen Mackey, Manager of Policy and Programs
Anticipated completion date: August 31, 2015

The Department of Economic Security Rehabilitation Services Administration agrees there was a Maintenance of Effort deficit. The Arizona Rehabilitation Services Administration will pursue a mutually agreeable settlement with the U.S. Department of Education Rehabilitation Services Administration regarding the maintenance of effort deficit. While the Department of Economic Security agrees there was a Maintenance of Effort deficit, the current deficit is 280% lower than the deficit identified in 2013.

2014-106

TANF Cluster
CFDA No.: 93.558 Temporary Assistance for Needy Families
Agency: Department of Economic Security
Name of contact persons and titles: Beverly Hyde, Executive Staff Assistant and Veronica Romero, Executive Assistant
Anticipated completion date: April 30, 2015

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The Division concurs with the finding and will implement strategies to help prevent these types of errors from occurring in the future. In both instances, documentation was necessary to ensure eligibility, but does not indicate definitively that benefits were erroneously issued.

Regarding the first bullet, this scenario is included in the training curriculum for staff performing cash assistance eligibility. In order to refresh staff on the policy, the Division will send out a policy directive to all staff reiterating the process for children who are 18 and required to attend school. Additionally, the Division will follow up with the specific worker in this case to ensure the worker understands the policy.

Regarding the second bullet, the need for this documentation is included in training for all staff. The Division will send out a specific bulletin regarding the signature of assignment of rights when necessary. Additionally, the Division will follow up with the individual employee to ensure compliance.

2014-107

TANF Cluster

CFDA No.: 93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Name of contact persons and titles: Beverly Hyde, DBME/FAA, Executive Staff Assistant, Veronica Romero, DBME/FAA, Executive Assistant, Nina Sutton, DAAS, Finance and Business Operations Administrator, and Joshua Beltran, FSA, Principle Managing Analyst

Anticipated completion date: Various, see below

Family Assistance Administration (FAA)—Regarding the first bullet, this case was an anomaly that did not fit into one of the routine categories that would normally be reported on. The Division has amended the report process to ensure that any cases that do not match existing routine criteria are reviewed individually to ensure that the reporting of each specific case is appropriate. Additionally, the Division has added a business administrator and a data administrator to the chain of review for this report prior to submission.

Regarding the second bullet, the Division has reviewed the data provided and determined that the initial information was accurate at the time it was developed. However, retroactive changes are continually made in the AZTECS case management system which causes issues with reports that are produced with the initial data. The new eligibility system, HEAPlus, will help alleviate this issue but in the interim, until eligibility is moved into that system, the Division has amended the report process to ensure that the information pulled is consistent with the reporting timeframe. Additionally, the Division will maintain the data extract in order to demonstrate the information that was included in the final submission of the report.

FAA anticipates completing these corrective actions by April 30, 2015.

Division of Aging and Adult Services (DAAS)—In order to prevent future discrepancies between the annual MOE Report and data collected from the contractors, DAAS will implement a more thorough review of the backup documentation compared to the numbers submitted for the report, and include a validation

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process through the DAAS Information Resources Unit. Supervisory and upper management review will be incorporated into this process. DAAS anticipates completing these corrective actions by June 30, 2015.

Financial Services Administration (FSA)—With the implementation of a new accounting system that will go live on July 1st, FSA tentatively anticipates that the completion date for the corrective action plan below will fall between the 6 to 9 month timeframe. However, the correct FFAFTA reporting instructions as it is defined by the online guidelines will be implemented immediately and will be reflected in the February 2015 Report.

FSA has identified the following corrective actions that will be implemented in the near term to ensure that FFAFTA reporting policies and procedures are in compliance with the requirements.

1. Coordinate with divisions that are TANF subrecipients to develop universal FFATA reporting standards to ensure that true obligation monitoring is occurring on a month by month basis.
2. Work with supervisors during the report input process to verify that accurate amounts of TANF Obligations are being reported within the FFAFTA Reporting subsystem.
3. Create and document electronic copies of submitted reports within the FSA file structure to expedite the review of submitted reports.
4. Once policies and procedures have been established, share the best practices with the rest of FSA to ensure that there is a universal reporting pattern between all teams on FFAFTA eligible grants.
5. Conduct random internal audits on an intermittent basis to ensure compliance and inform supervisors and managers of the results.

FSA anticipates completing these corrective actions by May 31, 2016.

2014-108

CFDA No.: N/A

Agency: Department of Economic Security

Name of contact person: Kim Smith, Accounting Administrator

Anticipated completion date: June 30, 2016

Program and Support Divisions within the Department of Economic Security (DES) have made substantial progress in the past year collaborating together to improve processes to identify, track and report on subrecipient activity. New guidelines for subrecipient relationships were established by support divisions and implemented by DES programs during the fiscal year. With conversion to a new state-wide accounting system for fiscal year 2016, DES has developed a robust, uniform accounting structure that will capture and track subrecipient activity beginning in fiscal year 2016. While procedures were in place to identify, track and report on subrecipient activity, a formal agency-wide policy is still in the development stage. Corrective action to finalize the formal policy for subrecipient tracking and SEFA reporting is estimated to be completed during fiscal year 2016.

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2014-109

SNAP Cluster

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

WIA Cluster

CFDA No.: 17.258 WIA Adult Program
 17.259 WIA Youth Activities
 17.278 WIA Dislocated Worker Formula Grants
 CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

TANF Cluster

CFDA No.: 93.558 Temporary Assistance for Needy Families
 CFDA No.: 93.563 Child Support Enforcement
 CFDA No.: 93.658 Foster Care—Title IV-E
 CFDA No.: 93.667 Social Services Block Grant

Disability Insurance/SSI Cluster

CFDA No.: 96.001 Social Security—Disability Insurance
 Agency: Department of Economic Security
 Name of contact person and title: Josephine Wilt, Project Manager
 Anticipated completion date: June 30, 2017

Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan (DRP) focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the OAG audit.

The current DES Disaster Recovery Plan has been in place since 1999. There was a formal review of the Plan in 2006 and it was last updated in 2011. The last failover test was completed in 2010 and included a failover to an IBM mainframe located in Boulder, Colorado. Currently data from the mainframe is simultaneously stored in a secondary secured location. The backup tapes from the mainframe are stored off-site at a facility specifically designed for storing data. For SFY 2015, DES received funding for moving the DES Data Center into a purpose built, Tier III data center operated by a third party. The facility risk of outages is anticipated to be greatly reduced by this move.

Milestones	Anticipated Completion Date	
	SFY16	SFY17
A. Migrate the data center to new location	✓	
B. Review and modify Recovery Plan	✓	
C. Perform annual test	✓	
D. Document overall testing strategies, testing frequencies, and test results		✓
E. Implement technology appropriate to ensure continuity of operations		✓

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2014-110

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that local educational agencies (LEAs) comply with federal comparability requirements, the Title I Deputy Associate Superintendent has ensured that the written guidance provided to all LEAs regarding comparability is now accurate and aligned with federal regulations. The written guidance regarding the determination of comparability was revised by Title I in September 2014 and removed the incorrect exemption. This guidance was posted in September 2014 within the resources tab of ALEAT, the web-based system that LEAs use to upload their assurances and their evidence of compliance for FY15. The guidance is also accessible from the Document Library on the Title I web page of ADE's website at www.azed.gov. Additionally, Title I staff presented a training session on comparability that included the changes to the guidance at the Mega Conference in November 2014.

2014-111

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that local educational agencies (LEAs) comply with federal regulations and that LEA funding allocations, which are based on LEAs' level of effort are correct, ADE will require and perform independent reviews of its LEA level of effort calculations to ensure that they are accurate and comply with federal regulations. The Title I Deputy Associate Superintendent (DAS) will ensure that these calculations for FY15 are reviewed and any corrections made by June 30, 2015 and that the calculations are performed accurately for FY16. Additionally, the Title I DAS will develop procedures to ensure that these calculations are reviewed by a knowledgeable staff member from a non-Title I federal program.

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2014-112

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that it complies with federal regulations, ADE will develop policies and procedures requiring an independent review of the calculations used to determine the amount of program monies earmarked by LEAs for school improvement activities to ensure that the calculations are accurate and this will occur by June 30, 2015. The Title I Deputy Associate Superintendent (DAS) will ensure that these calculations for FY15 are reviewed and any corrections made by June 30, 2015, and that the calculations are performed accurately for FY16. Title I has developed procedures for the FY16 allocation of federal funds that are a part of the Elementary and Secondary Education Act (ESEA) Consolidated Application to include Title I-A, Title I-D, Title II-A and Rural Low-Income Schools programs. Also, the procedures include implementation of the ESEA Section 1003(a) requirement of a 4% set aside of funds for school improvement purposes. Moreover, the procedures include a review by a designee of the DAS from each of the included programs. In the case of the regular Title I-A allocations a review will also be conducted by a financial staff member of one of the other federal programs, e.g., Career and Technical Education. To address the second part of this recommendation that ADE follow its policies and procedures for maintaining sufficient documentation supporting transfers of program monies, the Title I DAS will follow the established procedures for documenting transfer information and maintaining this documentation.

2014-113

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that ADE complies with federal program requirements related to cash management and subrecipient monitoring, the ADE Deputy Associate Superintendent (DAS) of Grants Management will ensure that procedures are developed for manually reviewing reimbursement requests and completion reports for excess cash reported by local educational agencies (LEAs) prior to approving the release of payment, and requesting the return of excess cash or reducing the subsequent grant award as appropriate. Beginning in March 2015, the Grants Technology Director will provide a report to each program area to show which LEA's are required to send in a refund (cash on hand). Additionally, by June 30, 2015, a dashboard will be implemented to store this information with every LEA identified that has cash on hand. Designated program area staff will be

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responsible for manually reviewing this information on the dashboard and making a determination as to whether a particular LEA's funding will then be put on hold.

Additionally, by June 30, 2015, the DAS of Grants Management will develop specific criteria for the threshold regarding the amount of cash on hand the LEAs will be allowed to have and not have their funding placed on hold. Finally, by June 30, 2015 and going forward, LEAs with cash on hand exceeding the established threshold will have their funding withheld and this information will be documented in the Grants Management Enterprise system.

2014-114

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that it complies with the program's special tests and provisions and to correctly report information on the State's annual report card, ADE has developed a procedure to verify documentation supporting the student transfer information reported by local educational agencies (LEAs) as part of ADE's monitoring of LEAs. Specifically, beginning in December, 2014 the ADE Title I Unit developed a procedure for reviewing student withdrawal forms and comparing the codes used on the forms to the data reported by the LEAs in SAIS. The same month, the ADE Audit Unit began performing a review of a sample of student withdrawal forms and comparing the withdrawal codes in those forms to the code in SAIS for those students going forward on every LEA's average daily membership (ADM), or student attendance, audit performed. These reviews verify the documentation that LEAs complete and maintain and support student transfer information that is used for graduation calculations by ADE.

Additionally, to help ensure that reward school data compiled by ADE is accurate and adequate supporting documentation maintained, the ADE Research and Evaluation Unit in FY14 established a 5-step peer review procedure to maintain and review the support documentation used to identify reward schools reported in the State's Annual Report Card. The Title I Deputy Associate Superintendent (DAS) will coordinate with the ADE DAS of Research and Evaluation and will review and document each of these reviews after they are performed to ensure that all schools are accurately classified.

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2014-115

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that all local educational agencies (LEAs) comply with federal requirements and its policies, ADE will follow its established procedures for ensuring that LEAs' applications include the private school written affirmations. Specifically, the Elementary and Secondary Education Act (ESEA) Consolidated Application Checklist in the grant application requires that the reviewing specialist confirm that the appropriate private school documentation is submitted prior to approval. The Title I Deputy Associate Superintendent (DAS) will be reviewing all of the FY15 year applications to ensure that all of the documentation is current and that all specialists have been trained appropriately by March 31, 2015. In addition, the Title I DAS will review its guidance to the LEAs that need to submit affirmations so that discrepancies do not occur and that the directions for uploading and maintaining the forms are consistent and this will be performed by June 30, 2015. Finally by June 30, 2015, the Title I DAS will ensure that the data base of private schools is accurate.

2014-116

Child Nutrition Cluster
CFDA No.: 10.553 School Breakfast Program
 10.555 National School Lunch Program
 10.556 Special Milk Program for Children
 10.559 Summer Food Service Program for Children
CFDA No.: 10.558 Child and Adult Care Food Program
Special Education Cluster (IDEA)
CFDA No.: 84.027 Special Education—Grants to States
 84.173 Special Education—Preschool Grants
CFDA No.: 84.010 Title I Grants to Local Educational Agencies
CFDA No.: 84.184 Safe and Drug-Free Schools and Communities—National Programs
CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that ADE complies with OMB Circular A-133 audit requirements, the Deputy Associate Superintendent (DAS) of Grants Management will develop a procedure by June 30, 2015 to ensure that all subrecipients required to have a Single Audit

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performed actually have one. Also by June 30, 2015, the Grants Technology Director will acquire a complete listing of all entities from both grants systems to verify if there was \$500,000 in federal expenditures and request a copy of the audits. Entities will be compared to a list from the previous year and Grants Management staff will follow up with those LEAs that have history of having a single audit performed but did not forward one to ADE. The Grants Technology Director will then compare the list of entities to those listed on the Federal Clearinghouse website and send emails to those entities that are required to have one, but did not submit one. Finally, the DAS of Grants Management will ensure that all staff responsible for monitoring subrecipients are trained on OMB Circular A-133 requirements. All of these activities will be performed by the end of FY15 and will be performed going forward for FY16.

2014-117

CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that it complies with federal requirements, the Title I Deputy Associate Superintendent (DAS) will establish policies and procedures that require all spreadsheet calculations used to determine LEA funding allocations to be independently reviewed and approved prior to disbursing federal awards and this will occur by June 30, 2015. These procedures will ensure that all calculations for FY15 are reviewed and any corrections made by June 30, 2015 and that the calculations are performed accurately for FY16. Moreover, the procedures include a review by a designee of the DAS from each of the included programs. In the case of the regular Title I – A allocations, a review will also be conducted by a financial staff member of one of the other federal programs.

2014-118

Child Nutrition Cluster
CFDA No.: 10.553 School Breakfast Program
 10.555 National School Lunch Program
 10.556 Special Milk Program for Children
 10.559 Summer Food Service Program for Children
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. ADE's Health and Nutrition unit has evaluated its existing policies and procedures related to subrecipient monitoring requirements specific to the Child Nutrition Cluster and has implemented the following procedures to ensure that federal

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requirements are met for all administrative reviews. On October 14, 2014, all personnel responsible for conducting administrative reviews were provided training pertaining to the requirement of either receiving the request for a due date extension or providing the local educational agency (LEA) an on-hold notice no later than the 20th day past the due date. Additionally, Health and Nutrition currently has 2 program project specialists tracking the corrective action due dates to ensure an on-hold notice is sent to LEAs no later than the 20th day past the due date if ADE has not received corrective action. The Health and Nutrition unit is in the process of updating the written policy and procedure to encompass these changes and anticipates a completion date of April 30, 2015.

Regarding the record reconciliation for high risk subrecipients, this was an administrative review requirement for only one school year, which ended on June 30, 2014. The USDA memorandum SP 61-2014 updated the School Meal Programs Administrative Review Manual, Tools, Forms and Instructions for School Year (SY) 2014-2015 by removing the USDA Foods from Off-site Assessment and Resource Management (RM) Risk Indicator Tools. The memorandum states the USDA Foods information will be added to the Local Agency Procurement Review Tool to be released. For SY 15, USDA Foods Processing was not reviewed, as it is not a requirement, however, the Health and Nutrition unit has addressed the underlying issue of ineffective, inter-unit communication by implementing a system to facilitate reviewers from all units communicating with each other in a timely manner.

2014-119

Special Education Cluster (IDEA)

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

CFDA No.: 84.010 Title I Grants to Local Educational Agencies

CFDA No.: 84.184 Safe and Drug-Free Schools and Communities—National Programs

CFDA No.: 84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Name of contact person and title: Lisa Eddy, Chief Auditor

Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help ensure that ADE has sufficient assurances to rely on the service organization that is performing certain IT functions relating to the Grants Management Enterprise (GME) system, the Deputy Associate Superintendent of Grants Management will coordinate with ADE's Chief Procurement Officer to modify the contract with the external service organization and set the requirement that this organization have a Statement on Standards for Attestation Engagements (SSAE) No. 16 audit annually starting in FY16 to demonstrate that its internal controls are operating effectively. Once this audit is performed, ADE will obtain this report and ADE's Data Governance Commission and IT staff will review it.

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2014-120

Child Nutrition Cluster

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

CFDA No.: 10.558 Child and Adult Care Food Program

Special Education Cluster (IDEA)

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

CFDA No.: 84.010 Title I Grants to Local Educational Agencies

CFDA No.: 84.184 Safe and Drug-Free Schools and Communities—National Programs

CFDA No.: 84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Name of contact person and title: Lisa Eddy, Chief Auditor

Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) agrees with this finding. To help prevent and detect unauthorized access to the Grants Management Enterprise (GME) system, the Deputy Associate Superintendent (DAS) of Grants Management will develop and implement written policies and procedures for all user access changes by May 30, 2015. Additionally, the DAS of Grants Management has reassigned the duty of terminating user access to the Grants Technology Director. To ensure that user access is immediately terminated from the Grants Management Enterprise System, ADE's Human Resources will provide termination requests to the Grants Technology Director, who will then be required to terminate the access immediately. Additionally, the Grants Technology Director will send quarterly reports to ADE designated program area staff to verify the accuracy of users' access. Changes will be made as needed by the Grants Technology Director and appropriately documented.

2014-121

Special Education Cluster (IDEA)

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

CFDA No.: 84.010 Title I Grants to Local Educational Agencies

CFDA No.: 84.184 Safe and Drug-Free Schools and Communities—National Programs

CFDA No.: 84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Name of contact person and title: Lisa Eddy, Chief Auditor

Anticipated completion date: June 30, 2015

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The Arizona Department of Education (ADE) agrees with this finding. To help ensure that it complies with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, the Deputy Associate Superintendent (DAS) of Grants Management reassigned this function to the Director of Grants Technology. FFATA data for FY14 has been submitted to the USDOE by the Director of Grants Technology and is currently awaiting confirmation. Similarly, FFATA data for FY15 will also be submitted by March 30, 2015 by the Director of Grants Technology and monthly going forward. Beginning June 30, 2015, a Grants Management project specialist will submit FFATA reports monthly for all federal programs.

2014-122

Child Nutrition Cluster

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

CFDA No.: 10.558 Child and Adult Care Food Program

CFDA No.: 10.560 State Administrative Expenses for Child Nutrition

Special Education Cluster (IDEA)

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

CFDA No.: 84.010 Title I Grants to Local Educational Agencies

CFDA No.: 84.184 Safe and Drug-Free Schools and Communities—National Programs

CFDA No.: 84.367 Improving Teacher Quality State Grants

CFDA No.: 84.369 Grants for State Assessments and Related Activities

Agency: Department of Education

Name of contact person and title: Lisa Eddy, Chief Auditor

Anticipated completion date: June 30, 2015

The Arizona Department of Education (ADE) accepts this finding and has implemented a new process to ensure that all staff in management positions and who have access to any of ADE's payment systems sign an Annual Declaration and Disclosure Form. This form is required by the State of Arizona General Accounting Office Technical Bulletin 09-06 and will serve as a control against potential conflict of interest issues. The ADE Deputy Associate Superintendent (DAS) of Human Resources (HR) will require staff to update this form annually, beginning March 2015 and every subsequent March. This process will apply to all grade 22s and any employee with access to Grants Management, CNP Web, or School Finance's systems. Every year, HR will request the forms in March and follow up to ensure all forms are received by no later than June 15th of every year. This process will be documented via an annual Outlook reminder. ADE also will continue to use its Disclosure Statement, which is required by the Arizona Department of Administration (ADOA) Human Resources for all new staff to fill out and update as necessary. ADE HR will review all personnel files and follow up for any missing forms and ensure these forms are received by no later than June 15, 2015.

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Finally, ADE requires all new hires to review the State Employee Handbook (which includes information regarding conflict of interest and requires an online acknowledgement) and this process will continue. In 2014, ADE HR implemented a process to require that several online courses be re-completed by all staff annually, which includes the handbook and acknowledgement. This process will continue and is completed monthly by looking back 13 months to determine which employees are due for renewal courses and this process will be documented via a monthly Outlook reminder.

2014-123

CFDA No.: 14.267 Continuum of Care Program

Agency: Department of Housing

Name of contact person and title: Karia Lee Basta, Special Needs Housing Programs Administrator

Anticipated completion date: April 30, 2015

At the request and recommendation of the Office of the Auditor General (“AG”), the Arizona Department of Housing (the “Department”) has printed verifications from the Excluded Parties List System (“EPLS”) documenting that none of the parties to which it has issued sub-awards were suspended or debarred. Further, effective immediately the Department will add a clause to each renewal contract that its sub-recipients sign that certifies that they are not suspended or debarred from receiving federal awards. We understand that this will clear the AG’s finding.

That being said, the Department states for the record that it respectfully disagrees with the finding and takes exception to the statement that the Department “did not always verify that sub-recipients were not suspended or debarred, or otherwise excluded from participating in the program prior to making awards.” As the AG’s report correctly points out, the Department’s internal control policies and procedures maintained procedures to check the EPLS for first-time sub-recipients, complying with the regulatory requirement. However, the Department disagrees with the AG’s current view that the Department was thereafter required to re-check the EPLS status of sub-recipients when it extended its existing agreements and/or added additional funding to existing programs which are ongoing multi-year programs intended to operate continually and without interruption.

In the case of this particular program, the Department has for years had ongoing relationships with its sub-recipients which were all initially cleared through the EPLS. The Department continually monitors its sub-recipients through both desk monitoring and on-site visits and reviews the annual audit reports for each entity. Were any of its sub-recipients to become suspended or debarred subsequent to the Department’s initial clearance of the organization through the EPLS, the Department would, without a doubt, have knowledge regarding such issues.

It is important to note that the AG audited this same program for its FY2013 audit (Note: in the past year there was a consolidation of two existing programs which resulted in the changing of the programs’ names to Continuum of Care.) In the AG’s FY2013 audit, the AG made no findings or recommendations regarding the Department’s practice of clearing a sub-recipient initially, without re-checking the EPLS status of sub-recipients when the Department extended existing agreements or added additional funding to existing

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programs which are ongoing multi-year programs intended to operate continually and without interruption. In light of the AG's current view that existing sub-recipients are required to be cleared through the EPLS, the Department has adopted the recommendations contained in the FY2014 audit.

2014-124

CFDA No.: 93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
Agency: Department of Health Services
Name of contact person and title: Alexandra Percival, Chief Auditor
Anticipated completion date: February 2015

The Department's Public Health Preventive Services Division, Bureau of Tobacco and Chronic Disease is no longer receiving funding under this grant. However, the Program does expect to receive federal funding in the future and has established procedures to ensure Personnel Activity Reports (PARs) are completed for all employees working on multiple activities and certifications are completed for all employees working solely on a federal program.

The Department's Public Health Preparedness Services Division, Bureau of State Laboratory Services has implemented procedures requiring any employees working on the federal program, to complete a PAR rather than journalizing salaries and wages at the end of each grant year.

The Department's Public Health Preventive Services Division, Bureau of Epidemiology and Disease Control has implemented procedures to ensure when an employee leaves the Bureau or the employment of the Department a PAR is collected. The Bureau has reminded personnel and Supervisors and has added the PAR collection to the "Packet for Exiting Employees".

The Department will continue to ensure that all employees' distribution percentages that are determined before the services are performed, are compared to the distribution percentages of the actual time worked, at least quarterly, and make any necessary correcting adjustments to the amounts charged to the program.

2014-125

CFDA No.: 93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
Agency: Department of Health Services
Name of contact person and title: Alexandra Percival, Chief Auditor
Anticipated completion date: Unknown

The Department's Division for Planning and Operations, Business and Financial Services (BFS) did hire an employee to fill this role, but the employee later resigned. Currently, the State of Arizona is in a hiring freeze. BFS will recruit for this position when allowed. The position will be responsible for developing, implementing, and monitoring procedures to ensure timely and accurate FFATA reporting.

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Corrective Action Plan
Year Ended June 30, 2014

2014-126

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: August 2014

The agency has requested additional funding from the executive and legislative branches to ensure proper matching levels for future grant awards. The level of expenditures continues to be limited to the available match funding. Internal controls have been established requiring that all quarterly Federal Financial Reports, SF 425's, and drawdowns be supported with detailed expenditures from the State's accounting system and in-kind contributions to demonstrate and document that the matching requirements are consistently being met.

2014-127

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: Will be implemented under the new award, June 2015

The agency has established the following policies and procedures to ensure that the program's costs do not exceed the approved funding levels and are charged to the appropriate funding period.

- The divisions within ADEM will submit their budget requirements for the following FY to ADEM leadership three months prior to the end of the budget cycle. ADEM leadership will evaluate the requests to determine if the costs are reasonable, allowable and allocable and that they align with the EMPG work plan.
- Validated requirements will then be prioritized and the budget built based upon the projected award amount. Unfunded, validated requirements will be prioritized for consideration in the event there are budget savings during the execution phase and for future fiscal years. The budget will be consolidated, formatted and submitted upon the issuance of the FOA from FEMA.
- ADEM will begin the budget execution phase upon receipt of the award letter. No funds will be expended prior to that date. On a monthly basis a budget review will be conducted with ADEM leadership. The DEMA CFO will report the amount of funds executed and the current projections for the remainder of the budget cycle based upon the approved budget. If there are any savings recognized the leadership will evaluate the funding of any unfunded requirements previously discussed or any new validated requirements. Upon the decision to fund it will be determined if it increases any of the budget categories

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by more than 10%. If it does a budget amendment will be submitted to FEMA for approval. Upon the approval of the budget amendment the funds will then be re-aligned and executed.

- All expenditures that are made with EMPG funding are required to go through an internal approval process to ensure the item is within budget and thoroughly vetted. Any item that would incur an expenditure that is above a Section's budget requires approval from both the Director of the agency and the CFO; if approved, appropriate adjustments are made to ensure the grant as a whole is not overspent.

2014-128

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: March 2015

The agency has established internal controls that segregates the duties for draw-downs. The agency's Financial Grants Coordinator will prepare the draw request and provide it, along with supporting accounting documentation, to the CFO for review. The CFO will review and validate the request and forward to the ADEM Director or Deputy Director for their authorization. Upon authorization either the CFO or the Grants Coordinator will complete the draw request. The draw request and all supporting documentation will be maintained in the grant file.

2014-129

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: August 2014

As part of the internal controls for draw down requests, the grants coordinator will calculate the authorized indirect costs utilizing the approved indirect cost rate agreement and the accumulated direct costs for salaries and fringe benefits year to date. The amount charged for indirect costs for that period will be the difference between what is authorized and what has been previously charged to the agreement.

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2014-130

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: Partially implemented in August 2014, fully by June 2015

Dedicated Grants Coordinators have been appointed to conduct programmatic and financial oversight of subrecipients to assure compliance with applicable federal requirements and that performance goals are being achieved. ADEM has developed a set of standardized documents to be utilized on both programmatic and financial monitoring visits with subrecipients. Site visits are conducted once a year at a minimum and desk monitoring is conducted quarterly when reviewing the subrecipient reimbursements and progress reports. Guidance and policies on the monitoring visits is provided as part of the Local Programmatic Guidance to the subrecipients. Annual workshops are now conducted which provide programmatic & financial training and review to subrecipients. Documentation of visits, desk monitoring and other written communication is maintained in the subrecipients grant files. Subrecipients are reimbursed upon successful programmatic and financial review of the subrecipient reimbursement requests.

ADEM obtains a record of the subrecipient's most current Single Audit as part of the subrecipient's budget request. The report is reviewed and a determination is made by ADEM leadership if there are any concerns that impact the decision to award funds to the subrecipient. The decision is documented and placed into the subrecipient's grant file along with the Single Audit report.

2014-131

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: August 2014

Internal controls have been established requiring that all quarterly Federal Financial Reports, SF 425's, and drawdowns be supported with detailed expenditures from the State's accounting system and in-kind contributions to demonstrate and document the matching requirements. All physical documentation pertaining to the grant is kept in a standardized filing system that is easily accessible to all financial and programmatic staff.

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2014-132

CFDA No.: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Names of contact persons and titles: Wendy Smith-Reeve, Deputy Director, DEMA, Director, ADEM, and Renee Dudden, Resource Manager

Anticipated completion date: January 2015

A separate accounting code has been established and is being utilized to track the costs associated with M&A. Only those costs associated with the positions charged with the management and administration of the grant, primarily the grant coordinators, are authorized M&A costs. The M&A costs and projected annual costs are reviewed on a monthly basis during the financial reviews with ADEM leadership to assure costs do not exceed the allowable amount.

2014-133

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects

Agency: Department of Emergency and Military Affairs

Name of contact person and title: Renee Dudden, Resource Manager

Anticipated completion date: March 2015

- The agency will only request advance funding for those projected expenditures that are supported by either encumbrances, projected staffing or estimated utilities.
- Cash flow projections for large projects over \$100K will be based upon an estimated progress payment schedule directly from the contractor.
- The agency will return any excess advance funds that are remaining 45 days after the end of the period of availability. Draw requests will be done so on a reimbursement basis. Reimbursement requests will be completed thereafter as invoices are received against valid encumbrances.

2014-134

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects

Agency: Department of Emergency and Military Affairs

Name of contact person and title: Renee Dudden, Resource Manager

Anticipated completion date: March 2015

The Department of Emergency & Military Affairs will immediately institute the following to prevent the payment of costs beyond the period of availability that are not disclosed within the 90 days of the end of the federal fiscal year (FFY). They are:

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- Increased emphasis on the management of federal grants and cooperative agreements. The agency will hire a Grants Coordinator position to provide dedicated financial oversight and management of the agency's federal grants and cooperative agreements.
- The agency has fully implemented the 3 way matching payment process through the State's Procurement system, ProcureAZ. This provides a tool for program managers and their staff to review purchase orders to ensure that payments have been made for goods and services received.
- Provide additional training to program managers, their staff and the agency's accounting section as to how to determine whether a cost is allowable and authorized after the period of availability.
- Internal controls will be established whereby prior to the payment of prior period obligations, the Comptroller or Deputy Comptroller will ensure that the obligation was identified in the most recent 90 day extension.
- Internal controls have been implemented whereby all purchase change orders are submitted through ProcureAZ and require the authorization of the Comptroller or Chief Finance Officer. Change orders utilizing funds from a prior period are not authorized and declined.
- Any obligations identified after the period of availability and not identified in the initial extension request will be paid out of current year funds.

2014-135

CFDA No.: 98.AID-486-A-12-00005 The Vocational University Leadership and Innovation Institute (VULII)
Agency: Arizona State University
Name of contact person and title: Marilyn Mulhollan, Executive Director, Financial Accounting Services
Anticipated completion date: April 2015

The University terminated the employee in question. The grant, which was in transition, has been assigned to a new principal investigator. The University will implement an annual notification to all principal investigators of the responsibilities of serving as a principal investigator. The University in conjunction with its academic units will reinforce through its training of faculty and staff, including principal investigators, the importance of timely review of expense allowability based on specific program criteria.

Other auditors' corrective action plans:

2014-136

Medicaid Cluster
CFDA No.: 93.778 Medical Assistance Program
Agency: Arizona Health Care Cost Containment System
Name of contact person and title: Penny Ellis, Deputy Assistant Director
Anticipated completion date: October 2, 2014

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To ensure individuals who turn age 19 are transitioned out of the SOBRA Child category timely, we implemented an automated process on October 2, 2014. The eligibility system, Health-e-Arizona Plus, identifies individuals turning 19 and automatically processes the change in categories effective the month after the individual's 19th birthday. This automated process will run each month. We will run monthly reports for three months to monitor this new process and make adjustments, if needed.

We are in the process of completing the retroactive changes. We have completed September and August age changes and will have all retroactive age changes completed by December 31, 2014.

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Status of Federal Award Findings and Questioned Costs

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
12.401 National Guard Military Operations and Maintenance (O&M) Projects
17.207 Employment Service/Wagner-Peyser Funded Activities
17.801 Disabled Veterans' Outreach Program (DVOP)
17.804 Local Veterans' Employment Representative Program (LVER)
20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program
66.468 Capitalization Grants for Drinking Water State Revolving Funds
81.087 Renewable Energy Research and Development
81.087 ARRA—Renewable Energy Research and Development
84.010 Title I Grants to Local Educational Agencies
84.389 ARRA—Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 ARRA—Special Education Grants to States, Recovery Act
84.048 Career and Technical Education—Basic Grants to States
84.282 Charter Schools
84.365 English Language Acquisition State Grants
84.367 Improving Teacher Quality State Grants
93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare
93.778 Medical Assistance Program
93.268 Immunization Cooperative Agreements
93.767 Children's Health Insurance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse
97.067 Homeland Security Grant Program

Finding No.: 2013-101

Agency: Department of Administration

Status: Fully Corrected

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CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
10.568 Emergency Food Assistance Program (Administrative Costs)
10.569 Emergency Food Assistance Program (Food Commodities)
12.401 National Guard Military Operations and Maintenance (O&M) Projects
12.401 ARRA—National Guard Military Operations and Maintenance (O&M) Projects
14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
14.255 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)
14.239 Home Investment Partnerships Program
15.605 Sport Fish Restoration Program
15.611 Wildlife Restoration and Basic Hunter Education
16.803 Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories
16.575 Crime Victim Assistance
17.207 Employment Service/Wagner-Peyser Funded Activities
17.801 Disabled Veterans' Outreach Program (DVOP)
17.804 Local Veterans' Employment Representative Program (LVER)
17.225 Unemployment Insurance
17.225 ARRA—Unemployment Insurance
17.258 WIA Adult Program
17.258 ARRA—WIA Adult Program
17.259 WIA Youth Activities
17.259 ARRA—WIA Youth Activities
17.260 WIA Dislocated Workers
17.260 ARRA—WIA Dislocated Workers
17.278 WIA Dislocated Worker Formula Grants
20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program
66.468 Capitalization Grants for Drinking Water State Revolving Funds
66.468 ARRA—Capitalization Grants for Drinking Water State Revolving Funds
81.041 State Energy Program
81.041 ARRA—State Energy Program

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81.042 Weatherization Assistance for Low-Income Persons
81.042 ARRA—Weatherization Assistance for Low-Income Persons
81.087 Renewable Energy Research and Development
81.087 ARRA—Renewable Energy Research and Development
84.010 Title I Grants to Local Educational Agencies
84.389 ARRA—Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.282 Charter Schools
84.365 English Language Acquisition State Grants
84.391 ARRA—Special Education—Grants to States, Recovery Act
84.392 ARRA—Special Education—Preschool Grants, Recovery Act
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act
84.318 Educational Technology State Grants
84.386 ARRA—Education Technology State Grants, Recovery Act
84.377 School Improvement Grants
84.388 ARRA—School Improvement Grants, Recovery Act
84.394 ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act
84.397 ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act
84.048 Career and Technical Education—Basic Grants to States
84.287 Twenty-First Century Community Learning Centers
84.367 Improving Teacher Quality State Grants
84.410 Education Jobs Fund
93.044 Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging—Title III, Part C—Nutrition Services
93.053 Nutrition Services Incentive Program
93.268 Immunization Cooperative Agreements
93.712 ARRA—Immunization
93.558 Temporary Assistance for Needy Families
93.714 ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.720 ARRA—Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative
93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778 Medical Assistance Program
93.778 ARRA—Medical Assistance Program
93.069 Public Health Emergency Preparedness

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93.563 Child Support Enforcement
93.563 ARRA—Child Support Enforcement
93.568 Low-Income Home Energy Assistance
93.658 Foster Care—Title IV-E
93.658 ARRA—Foster Care—Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
93.767 Children’s Health Insurance Program
93.889 National Bioterrorism Hospital Preparedness Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse
93.917 HIV Care Formula Grants
96.001 Social Security—Disability Insurance
97.067 Homeland Security Grant Program

Finding No.: 2013-102, 12-102, 11-102, 10-102
Agency: Department of Administration
Status: Partially corrected

We have an established process in place for monitoring legislation. The unallowable services provided through the State’s Web portal are no longer incurred within this fund. The methodology of the charge is controlled by statute and cannot be resolved without a legislative change.

This issue is a cross-cutting finding and is appropriately being addressed with the Department of Health and Human Services, Cost Allocation Services (DHHS-CAS), for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with DHHS-CAS, to the best of our ability, to find a resolution which ensures that the federal programs will be properly charged for these costs.

CFDA No.: Various
Finding No.: 2013-103, 12-103, 11-103
Agency: Department of Administration
Status: Not corrected

We have an established process in place for monitoring legislation. On multiple occasions we have advised that these transfers were, in our opinion, not consistent with established federal cost principles and would probably result in an obligation to the federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

This issue is a cross-cutting finding and is appropriately being addressed with the DHHS-CAS, for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

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CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act

Finding No.: 2013-104, 12-104, 11-106, 10-108

Agency: Department of Economic Security

Status: Not corrected

While the acceptable error rate for client signatures on extensions to the 60 day eligibility determination timeframe is 0%, RSA has shown significant improvement on this issue, reducing this error rate from 58% in 2012 to 33% in 2013 and to 23% in 2014. The following corrective actions will be or have been implemented to ensure the Department of Economic Security, Rehabilitation Services Administration (RSA) staff is aware of and follows applicable eligibility policies and procedures.

Provide a mandatory Eligibility Compliance training statewide to all supervisors and counselors. The course will be followed by a mandatory Eligibility Compliance Test with a requirement to pass the test with a 100%.

- Revise policy and procedure specific to obtaining signatures on eligibility extensions.
 - Provide training to all staff on digital signature pads which will facilitate obtaining signatures.
 - Include a performance measure on the supervisor and counselor MAP to track compliance.
 - Set action alert message to alert staff at 30 days if eligibility has not been completed.
 - Begin an aging tracking report which will alert counselors, supervisors, managers, Deputies, and Administrator of timeliness of eligibility determination.
 - Conduct a random sample audit on a monthly basis and alert counselors, supervisors, managers, Deputies, and Administrators of results.
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CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Finding No.: 2013-105

Agency: Department of Economic Security

Status: Not corrected

The Department of Economic Security Rehabilitation Services Administration agrees there was a Maintenance of Effort deficit. The Arizona Rehabilitation Services Administration will pursue a mutually agreeable settlement with the U.S. Department of Education Rehabilitation Services Administration regarding the maintenance of effort deficit. While the Department of Economic Security agrees there was a Maintenance of Effort deficit, the current deficit is 280% lower than the deficit identified in 2013.

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CFDA No.: 93.558 Temporary Assistance for Needy Families
93.714 ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
Finding No.: 2013-106, 12-106, 10-109
Agency: Department of Economic Security
Status: Not corrected

2013-106—To ensure only recipients who meet all Temporary Assistance for Needy Families eligibility requirements receive cash assistance, the Department of Economic Security Family Assistance Administration (FAA) took the following actions. FAA reviewed each error with the local office manager, supervisor, and employee responsible for the error. In addition, FAA issued a Flash Bulletin Broadcast (13-33) via electronic mail to all staff with a reminder to ensure the Household System Check and the Interface Inquiry screens are reviewed for receipt of income.

12-106—Division of Benefits and Medical Eligibility (DBME) issued a Flash Bulletin on July 31, 2012 to remind all employees to obtain school attendance verification for students 18 years or older prior to TANF approval. In September 2012, DBME management reviewed this finding with the local office manager, supervisor, and responsible employee. In addition, during the quality control process reviewers check this data field in a sample of randomly selected cases.

DBME developed a new intermediate training course that includes the subject of hardship extensions. DBME started training staff in August 2012.

10-109—In February 2012, DBME completed implementation of its Process Management Model. This model focuses on freeing up administrative capacity and improving quality by streamlining the most important practices and processes. DBME focused on streamlining the initial application and interview processes, verification and eligibility decision processes, and the maintenance and recertification processes.

CFDA No.: 93.558 Temporary Assistance for Needy Families
93.714 ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
Finding No.: 2013-107, 12-108, 11-109
Agency: Department of Economic Security
Status: Fully corrected

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CFDA No.: 93.558 Temporary Assistance for Needy Families
93.714 ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants

Finding No.: 2013-108, 12-105

Agency: Department of Economic Security

Status: Partially corrected

2013-108—

Family Assistance Administration (FAA)—To ensure TANF reports are accurately prepared, a team of Department of Economic Security employees from the Division of Benefits and Medical Eligibility and the Division of Technology Services worked to identify the issues and determine appropriate corrective action. The team identified a series of errors within the eligibility system and completed a number of system fixes. The team has monitored these fixes and confirmed their effectiveness.

Division of Aging and Adult Services (DAAS)—DAAS reviewed the process used to calculate the ACF-204 report data entries for the Domestic Violence Prevention Program. Contractors that receive TANF funding report the number of TANF eligible individuals and families on a quarterly basis. These totals were entered into a spreadsheet used to report year-end numbers. The spreadsheet utilized an auto sum feature and a second column was created to verify data. The numbers from the original spreadsheet were not accurately transferred and this resulted in the error. DAAS added formulas to the spreadsheets for 2013 and subsequent years so a secondary verification method is not necessary. These changes were implemented as of February 13, 2013.

To ensure that the Short-Term Crisis Services Program reflects accurate data for the number of households assisted, DAAS developed a Case Management (CMT) Checklist. Service providers submit the number of households they assisted on monthly CMT Reports. The checklist is used to review the monthly CMT Reports and is initialed by the reviewing party. The checklist provides documentation that DAAS correctly reviewed the monthly data entry. To ensure documentation is retained and can be located, the CMT spreadsheet is saved in PDF format in a specified folder. These changes were implemented as of February 13, 2013.

Division of Employment and Rehabilitation Services (DERS)—To ensure the Department of Economic Security (DES) accurately prepares the quarterly ACF-199 TANF Data Report, the Division of Technology Services (DTS) identified the issue that caused the errors. DTS corrected the issue and established policies and procedures to ensure that the error does not occur again.

Financial Services Administration (FSA)—To help ensure compliance with reporting requirements, the Department of Economic Security (DES) Financial Services Administration (FSA) provides the DES programs assistance with keying and verifying information to populate the FFATA website. There is a collaborative effort within DES to automate, aggregate and standardize the sharing of FFATA related information from the various systems. FSA is working with the DES programs, the Office of Procurement,

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and the Office of Accounting to identify additional entities that meet the criteria for FFATA reporting. As FSA gathers this information, FSA will continue to provide support to DES to assist with migration of the information to the FFATA website. FSA anticipates completing these corrective actions by July 2015.

12-105—

Division of Benefits and Medical Eligibility (DBME)—To ensure the DBME provides accurate information for the ACF-199 TANF Data Report in the future, the Systems Interface Program section researched and identified the programming issue. DBME systems updated the programming logic to properly account for this circumstance and verify the correction through case testing to ensure that the error does not reoccur. This issue did not affect client benefits

Financial Services Administration (FSA)—As of February 2013, the FSA formalized a quality assurance step within its three-level review process for TANF federal reporting to prevent similar entry errors from occurring in the future. After the established review process, but prior to submission of the TANF ACF-196 to the Department of Health and Human Services federal reporting system, the responsible grant analyst prints a copy of the report as entered into the system. Reviewers crosscheck the copy of the report draft submission with the original report spreadsheet prior to certification by the manager. Reviewers return any errors to the responsible analyst for correction; otherwise, reviewers initial the report route slip, indicating readiness for certification.

Division of Aging and Adult Services (DAAS)—To ensure DAAS accurately reports information for the ACF-204 Annual Report, the DAAS Coordinated Homeless program instituted a new process. Effective January 2013, the quarterly reports are monitored and reviewed by the Program Specialist each quarter and entered into a spreadsheet to count the number of reported TANF families for state and federal fiscal years. The Program Specialist reminds Contract Specialists to contact contractors who have not submitted a report by the due date. A copy of the report is forwarded to the Program Specialist when it is received. The Coordinated Homeless Office and the Contract Manager develop a procedure containing the above actions as well as a process for notifying the Program Specialist if a contractor submits an amended report that may require a change in the number of TANF families served.

Division of Business and Finance (DBF)—The DBF submitted a revised ACF-204 report on July 1, 2013. DBF reviews all future reports to ensure that programs related to TANF goals one and two include an income eligibility standard.

Division of Employment and Rehabilitation (DERS)—To ensure the DERS reports accurate information for the ACF-199 TANF Data Report, DERS completed the following:

- Added a field in the Jobs Automated System (JAS) database files to capture deemed hours;
- Created a batch job to identify cases with deemed hours (this includes testing on-line screens and batch jobs and validating the jobs program);
- Modified the program that captures JAS data to include deemed hours; and
- Modified the program to include deemed hours for each month for the ACF-199 TANF Data Report.

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CFDA No.: 93.044 Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging—Title III, Part C—Nutrition Services
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.714 ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.563 Child Support Enforcement
93.667 Social Services Block Grant

Finding No.: 2013-109

Agency: Department of Economic Security

Status: Not corrected

Program and Support Divisions within the Department of Economic Security (DES) have made substantial progress in the past year collaborating together to improve processes to identify, track and report on subrecipient activity. New guidelines for subrecipient relationships were established by support divisions and implemented by DES programs during the fiscal year. With conversion to a new state-wide accounting system for fiscal year 2016, DES has developed a robust, uniform accounting structure that will capture and track subrecipient activity beginning in fiscal year 2016. While procedures were in place to identify, track and report on subrecipient activity, a formal agency-wide policy is still in the development stage. Corrective action to finalize the formal policy for subrecipient tracking and SEFA reporting is estimated to be completed during fiscal year 2016.

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 ARRA—Special Education Grants to States, Recovery Act
84.048 Career and Technical Education—Basic Grants to States

Finding No.: 2013-110

Agency: Department of Education

Status: Not corrected

ADE Human Resources plans to implement an annual process by the end of fiscal year 2015 to remind staff to update their Conflict of Interest Disclosure Form as needed.

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CFDA No.: 84.048 Career and Technical Education—Basic Grants to States
Finding No.: 2013-111
Agency: Department of Education
Status: Not corrected

ADE Career and Technical Education is in the process of developing specific monitoring procedures for its staff and expects them to be fully implemented and staff trained on them by the end of fiscal year 2015.

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.558 Child and Adult Care Food Program
84.002 Adult Education—State Grant Program
84.010 Title I Grants to Local Educational Agencies
84.389 ARRA—Title I Grants to Local Educational Agencies, Recovery Act
84.011 Migrant Education—State Grant Program
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 ARRA—Special Education Grants to States, Recovery Act
84.392 ARRA—Special Education—Preschool Grants, Recovery Act
84.048 Career and Technical Education—Basic Grants to States
84.282 Charter Schools
84.287 Twenty-First Century Community Learning Centers
84.318 Educational Technology Grants
84.386 ARRA—Education Technology State Grants, Recovery Act
84.377 School Improvement Grants
84.388 ARRA—School Improvements Grants, Recovery Act
84.365 English Language Acquisition State Grants
84.367 Improving Teacher Quality State Grants
Finding No.: 2013-112, 12-115, 11-113, 10-115, 09-121, 08-115
Agency: Department of Education
Status: Partially corrected

The Department developed and tested a disaster recovery plan in late 2014. ADE IT currently uses the SWAT Critical Incident Management Process to assist with disaster recovery efforts. This process plan is distributed to all key disaster recovery team members. ADE IT ensures that a copy of the plan is kept offsite and that protocols for the notifications to key personnel are included. The disaster recovery team will use both the SWAT process and the disaster recovery plan to assist with recovery efforts. ADE IT plans to test its disaster recovery plan annually and maintain documentation of testing procedures and results, including resolutions

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to problems encountered or failed tests. ADE plans to strengthen access controls over the Child Nutrition Program Web and Grants Management Enterprise systems by the end of fiscal year 2015.

CFDA No.: 84.002 Adult Education—State Grant Program
84.010 Title I Grants to Local Educational Agencies
84.389 ARRA—Title I Grants to Local Educational Agencies, Recovery Act
84.011 Migrant Education—State Grant Program
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 ARRA—Special Education—Grant to States, Recovery Act
84.392 ARRA—Special Education—Preschool Grants, Recovery Act
84.282 Charter Schools
84.318 Educational Technology Grants
84.386 ARRA—Education Technology State Grants, Recovery Act
84.367 Improving Teacher Quality State Grants

Finding No.: 2013-113, 12-114, 11-114, 10-117, 09-123, 08-118, 07-104, 06-107

Agency: Department of Education

Status: Not corrected

ADE Grants Management plans to train staff on the policies and procedures relating to disbursing federal program monies and effectively monitoring those disbursements through the new Grants system by the end of fiscal year 2015.

CFDA No.: 84.365 English Language Acquisition State Grants

Finding No.: 2013-114

Agency: Department of Education

Status: Not corrected

ADE Office of English Language Acquisition Services developed a procedure regarding Title III allocations for new or expanding charter schools and expects it to be fully resolved by the end of fiscal year 2015.

CFDA No.: 84.048 Career and Technical Education—Basic Grants to States

Finding No.: 2013-115

Agency: Department of Education

Status: Not corrected

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The ADE Audit Unit performed an audit of the ADE Print Shop in August 2014 and the Print Shop as of September 2014 is now providing chargeback documentation and invoices to the ADE Accounting Unit, and expects it to be fully resolved by the end of fiscal year 2015.

CFDA No.: 81.087 Renewable Energy Research and Development
81.087 ARRA—Renewable Energy Research and Development
Finding No.: 2013-116
Agency: Arizona Geological Survey
Status: Fully corrected

CFDA No.: 81.087 Renewable Energy Research and Development
81.087 ARRA—Renewable Energy Research and Development
Finding No.: 2013-117
Agency: Arizona Geological Survey
Status: Fully corrected

CFDA No.: 81.087 Renewable Energy Research and Development
81.087 ARRA—Renewable Energy Research and Development
Finding No.: 2013-118
Agency: Arizona Geological Survey
Status: Fully corrected

CFDA No.: 93.959 Block Grants for Prevention and Treatment of Substance Abuse
Finding No.: 2013-119, 12-118
Agency: Department of Health Services
Status: Fully corrected

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Finding No.: 2013-120
Agency: Department of Health Services
Status: Not corrected

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The Department's Division for Planning and Operations, Business and Financial Services (BFS) did hire an employee to fill this role, but the employee later resigned. Currently, the State of Arizona is in a hiring freeze. BFS will recruit for this position when allowed. The position will be responsible for developing, implementing, and monitoring procedures to ensure timely and accurate FFATA reporting.

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects
Finding No.: 2013-121
Agency: Department of Emergency and Military Affairs
Status: Not corrected

- The agency will only request advance funding for those projected expenditures that are supported by either encumbrances, projected staffing or estimated utilities.
 - Cash flow projections for large projects over \$100K will be based upon an estimated progress payment schedule directly from the contractor.
 - The agency will return any excess advance funds that are remaining 45 days after the end of the period of availability. Draw requests will be done so on a reimbursement basis. Reimbursement requests will be completed thereafter as invoices are received against valid encumbrances.
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Research and Development Cluster
CFDA No.: Various
Finding No.: 2013-122
Agency: University of Arizona
Status: Fully Corrected

CFDA No.: 20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program
20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities
20.516 Job Access—Reverse Commute Program
20.521 New Freedom Program
Finding No.: 2013-123
Agency: Arizona Department of Transportation
Status: Fully corrected

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CFDA No.: 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities
20.516 Job Access—Reverse Commute Program
20.521 New Freedom Program
Finding No.: 2013-124
Agency: Arizona Department of Transportation
Status: Fully corrected

CFDA No.: 66.468 Capitalization Grants for Drinking Water State Revolving Funds
Finding No.: 2013-125
Agency: Water Infrastructure & Finance Authority
Status: Fully corrected

CFDA No.: 93.558 Temporary Assistance for Needy Families
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
Finding No.: 12-107
Agency: Department of Economic Security
Status: Fully corrected

CFDA No.: 12.400 Military Construction, National Guard
Finding No.: 12-120
Agency: Department of Emergency and Military Affairs
Status: Partially corrected

The Department continues to request advance funds that are based upon updated progress payment schedules from contractors. To further mitigate cash management violations, the Department will also return any excess advance funds when there are delays in construction.

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CFDA No.: 20.205 Highway Planning and Construction
 20.205 ARRA—Highway Planning and Construction
 20.219 Recreational Trails Program

Finding No.: 12-125, 11-136

Agency: Arizona Department of Transportation

Status: Fully corrected

CFDA No.: 93.558 Temporary Assistance for Needy Families
 93.714 ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families
 (TANF) State Programs

Finding No.: 11-107

Agency: Department of Economic Security

Status: Fully corrected
