



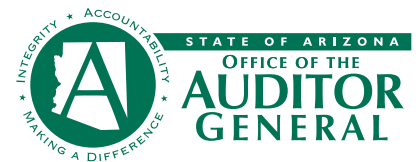
A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

State of Arizona

Year Ended June 30, 2015



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.



The Auditor General's reports are available at:

www.azauditor.gov

Printed copies of our reports may be requested by contacting us at:

Office of the Auditor General

2910 N. 44th Street, Suite 410 • Phoenix, AZ 85018 • (602) 553-0333

State of Arizona
Single Audit Reporting Package
Year Ended June 30, 2015

Table of Contents	Page
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 <i>Government Auditing Standards</i>	1
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	5
Schedule of Expenditures of Federal Awards	11
Schedule of Findings and Questioned Costs	
Summary of Auditors' Results	53
Financial Statement Findings	55
Federal Award Findings and Questioned Costs	71
Appendix	
State of Arizona Agency Codes	107
State Responses	
Corrective Action Plan	109
Summary Schedule of Prior Audit Findings	137

Report Issued Separately

Comprehensive Annual Financial Report



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 M. Gowan, Sr., 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, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated June 6, 2016. 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 and 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we and the other auditors identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-01, 2015-02, 2015-03, 2015-04, 2015-08, 2015-09, 2015-12, 2015-13, and 2015-14 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-05, 2015-06, 2015-07, 2015-10, 2015-11, 2015-15, and 2015-16 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-07 and 2015-14.

State of Arizona's Response to Findings

The State's responses to the findings identified in our audit are presented on pages 109 through 115. 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

June 6, 2016

(This page is left intentionally blank)



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 M. Gowan Sr., 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) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015, 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
Formula Grants for Rural Areas	Arizona Department of Transportation
Medical Assistance Program (part of 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 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.

The State's basic financial statements include the operations of the Thunderbird School of Global Management and the ASU Preparatory Academy, which were reported as discretely presented component units and expended \$7,754,294 and \$2,044,426 in federal awards, respectively, that are not included in the

State’s Schedule of Expenditures of Federal Awards for the year ended June 30, 2015. Our audit, described below, did not include the operations of the Thunderbird School of Global Management and the ASU Preparatory Academy because these entities engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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 Qualified Opinion on Child Nutrition Cluster, Child and Adult Care Food Program, Unemployment Insurance, State Cemetery Grants, Special Education Cluster (IDEA), Title I Grants to Local Educational Agencies, Rehabilitation Services—Vocational Rehabilitation Grants to States, Twenty-First Century Community Learning Centers, Improving Teacher Quality State Grants, Medicaid Cluster, and Children’s Health Insurance Program.

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, based on our audit and the reports of the other auditors, for the State to comply with the requirements applicable to those programs.

<u>Program/Cluster Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Child Nutrition Cluster (10.553/10.555/ 10.556/10.559)	Subrecipient Monitoring	2015-116
Child and Adult Care Food Program (10.558)	Subrecipient Monitoring Eligibility	2015-116 2015-117
Unemployment Insurance (17.225)	Reporting Special Tests and Provisions	2015-108 2015-109

<u>Program/Cluster Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
State Cemetery Grants (64.203)	Special Tests and Provisions Cash Management and Reporting	2015-124 2015-125
Special Education Cluster (IDEA) (84.027/84.173)	Subrecipient Monitoring Earmarking	2015-116 2015-118
Title I Grants to Local Educational Agencies (84.010)	Subrecipient Monitoring	2015-116
Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126)	Eligibility Special Tests and Provisions	2015-105 2015-106
Twenty-First Century Community Learning Centers (84.287)	Subrecipient Monitoring	2015-116
Improving Teacher Quality State Grants (84.367)	Subrecipient Monitoring	2015-116
Medicaid Cluster (93.775/93.777/93.778)	Allowable Costs/Cost Principles	2015-127
Children’s Health Insurance Program (93.767)	Allowable Costs/Cost Principles	2015-127

Qualified Opinion on Child Nutrition Cluster, Child and Adult Care Food Program, Unemployment Insurance, State Cemetery Grants, Special Education Cluster (IDEA), Title I Grants to Local Educational Agencies, Rehabilitation Services—Vocational Rehabilitation Grants to States, Twenty-First Century Community Learning Centers, Improving Teacher Quality State Grants, Medicaid Cluster, and Children’s Health Insurance Program.

In our opinion, based on our audit and the reports of the other auditors, 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 Child Nutrition Cluster (10.553/10.555/10.556/10.559), Child and Adult Care Food Program (10.558), Unemployment Insurance (17.225), State Cemetery Grants (64.203), Special Education Cluster (IDEA) (84.027/84.173), Title I Grants to Local Educational Agencies (84.010), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), Twenty-First Century Community Learning Centers (84.287), Improving Teacher Quality State Grants (84.367), Medicaid Cluster (93.775/93.777/93.778), and Children’s Health Insurance Program (93.767) for the year ended June 30, 2015.

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, 2015.

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 2015-101, 2015-102, 2015-103, 2015-104, 2015-107, 2015-110, 2015-111, 2015-112, 2015-113, 2015-114, 2015-120, 2015-121, 2015-123, and 2015-126. 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 115 through 136. 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 2015-101, 2015-105, 2015-106, 2015-107, 2015-108, 2015-109, 2015-110, 2015-116, 2015-117, 2015-118, 2015-119, 2015-124, 2015-125, and 2015-127 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 2015-104, 2015-111, 2015-112, 2015-114, 2015-115, 2015-120, 2015-121, 2015-122, and 2015-126 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are presented on pages 115 through 136. 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 of Arizona as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated June 6, 2016, 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

June 20, 2016

(This page is left intentionally blank)

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
PEACE CORPS					
08.PC-14-8-064	Professional Campus Recruitment Services			ASA	\$ 11,423
	Total Peace Corps				<u>11,423</u>
DEPARTMENT OF AGRICULTURE					
<u>SNAP Cluster</u>					
10.551	Supplemental Nutrition Assistance Program			DEA	1,464,587,037
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	57,791,380
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	9,203,197
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	6,154,379
	10.561 Subtotal				<u>73,148,956</u>
	SNAP Cluster Subtotal				<u>1,537,735,993</u>
<u>Child Nutrition Cluster</u>					
10.553	School Breakfast Program			DCA	28,809
10.553	School Breakfast Program			DJA	34,089
10.553	School Breakfast Program			EDA	85,736,634
	10.553 Subtotal				<u>85,799,532</u>
10.555	National School Lunch Program			DCA	45,544
10.555	National School Lunch Program			DJA	711,500
10.555	National School Lunch Program			EDA	297,434,184
10.555	National School Lunch Program			SDA	290,071
	10.555 Subtotal				<u>298,481,299</u>
10.556	Special Milk Program for Children			EDA	52,890
10.559	Summer Food Service Program for Children			EDA	5,578,168
	Child Nutrition Cluster Subtotal				<u>389,911,889</u>
<u>Food Distribution Cluster</u>					
10.565	Commodity Supplemental Food Program			HSA	4,310,890
10.568	Emergency Food Assistance Program (Administrative Costs)			DEA	1,653,861
10.569	Emergency Food Assistance Program (Food Commodities)			DEA	10,421,586
	Food Distribution Cluster Subtotal				<u>16,386,337</u>
<u>Other Department of Agriculture Programs</u>					
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	1,712,197
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	176,760
10.025	Plant and Animal Disease, Pest Control, and Animal Care			UAA	17,349
	10.025 Subtotal				<u>1,906,306</u>
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	194,306
10.156	Federal—State Marketing Improvement Program	New Mexico State University	Q01633	AHA	3,537
10.163	Market Protection and Promotion			AHA	29,696
10.170	Specialty Crop Block Grant Program—Farm Bill			AHA	1,275,490
10.170	Specialty Crop Block Grant Program—Farm Bill			UAA	83,404
	10.170 Subtotal				<u>1,358,894</u>
10.171	Organic Certification Cost Share Programs			AHA	55,487
10.215	Sustainable Agriculture Research and Education	Utah State University	140867002	UAA	10,186
10.215	Sustainable Agriculture Research and Education	Western Sustainable Agriculture Research and Education	1002627	UAA	3,501
	10.215 Subtotal				<u>13,687</u>
10.217	Higher Education—Institution Challenge Grants Program			UAA	92,461
10.227	1994 Institutions Research Program	Dine College	2011-38424-30522	UAA	2,153
10.303	Integrated Programs	University of California, Davis	SA12-1443-27UA, SA12-1443-28UA	UAA	53,696
10.304	Homeland Security—Agricultural			UAA	204,361
10.309	Specialty Crop Research Initiative	University of California, Davis	20101304803	UAA	35,953
10.310	Agriculture and Food Research Initiative (AFRI)			ASA	12,442
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	17,000
	10.310 Subtotal				<u>29,442</u>
10.311	Beginning Farmer and Rancher Development Program			UAA	137,369
10.311	Beginning Farmer and Rancher Development Program	Colorado State University	G-1488-1	UAA	3,008
	10.311 Subtotal				<u>140,377</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
10.329	Crop Protection and Pest Management Competitive Grants Program			UAA	42,955
10.330	Alfalfa and Forage Research Program	University of California, Davis	201500048-02/	UAA	7,672
10.443	Outreach and Assistance for Socially Disadvantaged Veteran Farmers and Ranchers			UAA	35,735
10.460	Risk Management Education Partnerships			UAA	40,970
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	205,631
10.479	Food Safety Cooperative Agreements			HSA	161,690
10.500	Cooperative Extension Service			UAA	5,090,304
10.500	Cooperative Extension Service	Kansas State University	2013-48696-21184, S14110, S15021/2010-48661-21868, S15094/2014-48661-22370, S15144/2013-48696-21184, S15156	UAA	75,520
10.500	Cooperative Extension Service	Michigan State University	RC103176AA, RC103176G/2013-48765-21544	UAA	14,170
10.500	Cooperative Extension Service	Pennsylvania State University	5201-UA-USDA-2628/	UAA	416
10.500	Cooperative Extension Service	University of Nebraska, Lincoln	25-6329-0086-305	UAA	4,944
10.500	Cooperative Extension Service	University of Nevada, Reno	UNR-15-42/110897005	UAA	5,000
10.500	Cooperative Extension Service	University of Wyoming	1001769, 1002139/130677012/2013-4700	UAA	16,659
10.500	Cooperative Extension Service	Washington State University	108815 G003345	UAA	27,182
	10.500 Subtotal				<u>5,234,195</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	161,388,011
10.558	Child and Adult Care Food Program			EDA	50,028,462
10.560	State Administrative Expenses for Child Nutrition			EDA	6,220,848
10.572	WIC Farmers' Market Nutrition Program (FMNP)			HSA	121,315
10.574	Team Nutrition Grants			EDA	181,329
10.575	Farm to School Grant Program			EDA	17,759
10.576	Senior Farmers Market Nutrition Program			HSA	86,355
10.578	WIC Grants to States (WGS)			HSA	119,168
10.579	Child Nutrition Discretionary Grants Limited Availability			EDA	32,709
10.582	Fresh Fruit and Vegetable Program			EDA	3,359,213
10.652	Forestry Research			GFA	36,861
10.664	Cooperative Forestry Assistance			EVA	43,679
10.664	Cooperative Forestry Assistance			FOA	3,860,797
10.664	Cooperative Forestry Assistance	Coconino County, Arizona	78196	UAA	13,207
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1301.14.043466	UAA	27,562
	10.664 Subtotal				<u>3,945,245</u>
10.674	Wood Utilization Assistance			FOA	55,855
10.676	Forest Legacy Program			FOA	412,384
10.676	Forest Legacy Program			GFA	357,225
	10.676 Subtotal				<u>769,609</u>
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	73,762
10.762	Solid Waste Management Grants			NAA	108,094
10.912	Environmental Quality Incentives Program			AHA	24,497
10.912	Environmental Quality Incentives Program			GFA	14,392
	10.912 Subtotal				<u>38,889</u>
10.914	Wildlife Habitat Incentive Program			GFA	8,058
10.960	Technical Agricultural Assistance			UAA	134,731
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	1,336
10.11-CS-11030901-015	RAC 2011—Upper Verde River Wildlife			GFA	19,850
10.11-CS-11031200-023	Arizona Bald Eagle Management Program			GFA	21,753
10.12-25-A-5732	Expanding Markets and Market Coordination for Native American and Other Specialty Crop Producers Using LocalFresh.info			UAA	36,091
10.13-CR-11031600-044	Arizona Rangeland Monitoring and VGS Enhancement			UAA	145,593
10.13-CS-11030901-015	Wagontire Grassland Enhancement			GFA	25,000

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
10.13-CS-11030504-019	Range Monitoring			UAA	29,070
10.14-CR-11031600-54	Arizona Rangeland Education, Outreach and Monitoring			UAA	10,530
10.15-9419-0280-CA	Swine Surveillance			UAA	437
10.58-0510-4-009 N	FSA & University of Arizona Cooperative Extension Farm Bill Decision Trainings for Agricultural Producers			UAA	20,738
10.AG-8371-P-14-0055	Documentation of Human Skeletal Remains and Funerary Objects from Tonto National Forest			UAA	79,689
10-JV-11221636-261, 12-CS-11030700-018, 2011-3842030989, 14-CS-11030703-014, 14-CS-11030420-042	Forest Service			NAA	125,862
10.PNW09JV11261975 012	Saving the Wide Open Spaces			UAA	12,824
10.Unknown	(Yeak) Cyfernet Search: 4H Youth Engagement, Attitudes and Knowledge Survey	National 4-H Council	LTR DTD 090111	UAA	41,290
Total Department of Agriculture					<u>2,181,179,759</u>
DEPARTMENT OF COMMERCE					
11.303	Economic Development—Technical Assistance			NAA	101,124
11.307	Economic Adjustment Assistance			CAA	327,380
11.431	Climate and Atmospheric Research			UAA	32,124
11.549	State and Local Implementation Grant Program			ADA	726,435
11.558	ARRA—State Broadband Data and Development Grant Program			ADA	610,708
11.558	ARRA—State Broadband Data and Development Grant Program 11.558 Subtotal			LDA	<u>602,442</u> <u>1,213,150</u>
11.609	Measurement and Engineering Research and Standards			ASA	8,700
11.611	Manufacturing Extension Partnership			CAA	1,300,053
11.620	Science, Technology, Business and/or Education Outreach			ASA	18,242
Total Department of Commerce					<u>3,727,208</u>
DEPARTMENT OF DEFENSE					
12.110	Planning Assistance to States			GFA	26,856
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	859,991
12.300	Basic and Applied Scientific Research			GFA	54,012
12.357	ROTC Language and Culture Training Grants	Institute of International Education	HQ0034-08-2-0024	ASA	517,407
12.357	ROTC Language and Culture Training Grants	Institute of International Education	2013GOUA, 2603UAZ28GO015P01	UAA	328,282
12.357 Subtotal					<u>845,689</u>
12.400	Military Construction, National Guard			DEA	1,587
12.400	Military Construction, National Guard 12.400 Subtotal			MAA	<u>1,527,296</u> <u>1,528,883</u>
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	35,641,242
12.401	ARRA—National Guard Military Operations and Maintenance (O&M) Projects 12.401 Subtotal			MAA	<u>22,567</u> <u>35,663,809</u>
12.431	Basic Scientific Research			ASA	2,703
12.431	Basic Scientific Research 12.431 Subtotal			UAA	<u>17,199</u> <u>19,902</u>
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	H98210-11-2-0001	ASA	705,436
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	2340UAZ12, NSEPU631073UAARAH98	UAA	391,906
12.550 Subtotal					<u>1,097,342</u>
12.579	Language Training Center	Institute of International Education	H98210-13-2-0001	ASA	410,387
12.614	Community Economic Adjustment Assistance for Advance Planning and Economic Diversification			CAA	316,763
12.630	Basic, Applied, and Advanced Research in Science and Engineering			GFA	478,975
12.630	Basic, Applied, and Advanced Research in Science and Engineering			NAA	753

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Academy of Applied Science	W911NF-10-2-0076	ASA	19,675
	12.630 Subtotal				499,403
12.800	Air Force Defense Research Sciences Program			GFA	145,569
12.900	Language Grant Program			ASA	93,150
12.901	Mathematical Sciences Grants Program			ASA	37,193
12.902	Information Security Grants			ASA	37,736
12.910	Research and Technology Development			UAA	256,815
12.H98210-11-2-0001	ASU Chinese Language ROTC/Flagship Program	Institute of International Education	H98210-11-2-0001	ASA	6,289
12.NAFBA1-13-M-0146/13-M-0307	2013 Operation Military Kids			UAA	1,233
12.NAFBA1-13-M-0307	Operation Military Kids			UAA	72,611
12.NGB02930008	Navajo DLA Storage Projects	Arizona National Guard	NGB02 93 0008	MAA	29,767
12.LTR DTD 082712	IPA Agreement for David Schroeder			UAA	41,653
12.W9124A-05-D-0002	Business Enterprise Program/FT Huachuca			DEA	5,173,584
12.W9124A12C0011	Water Wise and Energy Smart			UAA	40,104
	Total Department of Defense				47,258,741
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Section 8 Project-Based Cluster					
14.195	Section 8 Housing Assistance Payments Program			HDA	51,295,844
	Section 8 Project-Based Cluster Subtotal				51,295,844
HOPE VI Cluster					
14.866	Demolition and Revitalization of Severely Distressed Public Housing City of Phoenix		Unknown	ASA	33,308
	HOPE VI Cluster Subtotal				33,308
Housing Voucher Cluster					
14.871	Section 8 Housing Choice Vouchers			HDA	1,363,866
	Housing Voucher Cluster Subtotal				1,363,866
Other Department of Housing and Urban Development Programs					
14.171	Manufactured Home Dispute Resolution			MMA	325,097
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	9,330,492
14.231	Emergency Solutions Grant Program			DEA	1,406,298
14.235	Supportive Housing Program			HDA	69,127
14.239	Home Investment Partnerships Program			HDA	8,756,603
14.241	Housing Opportunities for Persons with AIDS			HDA	234,155
14.267	Continuum of Care Program			HDA	4,841,278
14.401	Fair Housing Assistance Program—State and Local			AGA	421,115
14.LTR DTD 040215	Pima County Homeless Street Count Project	Community Partnership of Southern Arizona	HSSIROW	UAA	4,543
	Total Department of Housing and Urban Development				78,081,726
DEPARTMENT OF THE INTERIOR					
Fish and Wildlife Cluster					
15.605	Sport Fish Restoration Program			GFA	8,961,380
15.611	Wildlife Restoration and Basic Hunter Education			GFA	17,491,541
	Fish and Wildlife Cluster Subtotal				26,452,921
Other Department of the Interior Programs					
15.155	Office of the Special Trustee for American Indians, Field Operations	Indian Land Tenure Foundation	LTR DTD 030215	UAA	11,994
15.224	Cultural Resource Management			PRA	26,427
15.225	Recreation Resource Management			GFA	5,412
15.228	National Fire Plan—Wildland Urban Interface Community Fire Assistance			FOA	200,114
15.230	Invasive and Noxious Plant Management			FOA	54,152
15.231	Fish, Wildlife and Plant Conservation Resource Management			GFA	909,889
15.231	Fish, Wildlife and Plant Conservation Resource Management			NAA	29,743
	15.231 Subtotal				939,632
15.236	Environmental Quality and Protection Resource Management			EVA	14,105
15.236	Environmental Quality and Protection Resource Management			GFA	170,226
15.236	Environmental Quality and Protection Resource Management			MIA	283,452
	15.236 Subtotal				467,783
15.237	Rangeland Resource Management			UAA	211,660
15.238	Challenge Cost Share			GFA	59,414

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
15.238	Challenge Cost Share			UAA	1,656
	15.238 Subtotal				<u>61,070</u>
15.511	Cultural Resources Management			ASA	25,941
15.511	Cultural Resources Management			PRA	5,426
	15.511 Subtotal				<u>31,367</u>
15.517	Fish and Wildlife Coordination Act			GFA	141,084
15.538	Lower Colorado River Multi-Species Conservation Program			GFA	785,815
15.557	Desert and Southern Rockies Landscape Conservation Cooperatives			GFA	100,699
15.608	Fish and Wildlife Management Assistance			GFA	254,738
15.615	Cooperative Endangered Species Conservation Fund			AHA	84,094
15.615	Cooperative Endangered Species Conservation Fund			GFA	1,119,693
	15.615 Subtotal				<u>1,203,787</u>
15.616	Clean Vessel Act Program			GFA	102,053
15.626	Enhanced Hunter Education and Safety Program			GFA	201,516
15.631	Partners for Fish and Wildlife			GFA	90,072
15.632	Conservation Grants Private Stewardship for Imperiled Species			ASA	10,808
15.634	State Wildlife Grants			GFA	945,401
15.637	Migratory Bird Joint Ventures			GFA	23,125
15.654	Visitor Facility Enhancements—Refuges and Wildlife			GFA	30,964
15.657	Endangered Species Conservation—Recovery Implementation Funds			GFA	5,845
15.664	Fish and Wildlife Coordination and Assistance Programs			FOA	35,327
15.664	Fish and Wildlife Coordination and Assistance Programs			GFA	16,790
	15.664 Subtotal				<u>52,117</u>
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention			GFA	240,000
15.808	U.S. Geological Survey—Research and Data Collection			GFA	462,018
15.810	National Cooperative Geologic Mapping Program			GSA	154,317
15.814	National Geological and Geophysical Data Preservation Program			GSA	21,193
15.904	Historic Preservation Fund Grants-In-Aid			PRA	1,036,627
15.916	Outdoor Recreation—Acquisition, Development and Planning			PRA	230,445
15.923	National Center for Preservation Technology and Training			PRA	5,100
15.929	Save America's Treasures			UAA	31,610
15.944	Natural Resource Stewardship			GFA	4,393
15.945	Cooperative Research and Training Programs—Resources of the National Park System			GFA	17,291
15.945	Cooperative Research and Training Programs—Resources of the National Park System			NAA	4,775
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	419,690
	15.945 Subtotal				<u>441,756</u>
15.50730W0330	Bureau of Reclamation Restricted Endowment			ASA	6,597,767
15.8FG3200450	Roosevelt Lake Goose Forage Mitigation Project			GFA	15,146
15.A14PX00847	FY14 BIA Water Resources Technical Training Program			UAA	84,637
15.A15PX00768	Water Resources Technical Training Program for American Indians and Alaska Natives			UAA	12,482
15.BACKSTOP	Financial Support for American Fisheries Society (AFS) Standard Sampling Symposium, August 16-20, 2015 in Portland, OR.			UAA	4,902
15.H1200050003/P10A C00070	Preservation of Spanish Colonial Resources Through International Cooperation and Partnerships, TICRAT Preservation Workshops 2013-2015 (UAZDS-340)			UAA	14,137
15.H1200050003J8680 090020	Exhibit Production at Various Southern Arizona National Park Service Sites			UAA	46,748
15.H1200090005P11AT 10744	Support Archives and Library Program (UAZCP-277)			UAA	5,210
15.H1200100001P11AT 10417	Document, Assess, Stabilize and Repair Cultural Resources Impacted by Border Activities			UAA	2,699
15.LTR DTD 020311	IPA on Land Use Dynamics and Adaptation to Climate Change in West Africa			UAA	39,872
15.P10AC00074	National Park Service			NAA	14,039
15.Unknown	Other Federal			PRA	115
	Total Department of the Interior				<u>41,875,769</u>
<u>DEPARTMENT OF JUSTICE</u>					
16.017	Sexual Assault Services Formula Program			HSA	209,965
16.111	Joint Law Enforcement Operations (JLEO)			PSA	605,692

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
16.523	Juvenile Accountability Block Grants			DJA	21,764
16.523	Juvenile Accountability Block Grants			GVA	713,326
16.523	Juvenile Accountability Block Grants			SPA	49,341
	16.523 Subtotal				<u>784,431</u>
16.526	OWW Technical Assistance Initiative			NAA	420,908
16.527	Supervised Visitation, Safe Havens for Children			ASA	30,451
16.527	Supervised Visitation, Safe Havens for Children			GVA	27,443
	16.527 Subtotal				<u>57,894</u>
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			DJA	58,696
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			GVA	802,606
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			PSA	3,922
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			SPA	33,717
	16.540 Subtotal				<u>898,941</u>
16.541	Part E - Developing, Testing and Demonstrating Promising New Programs			GVA	4,124
16.543	Missing Children's Assistance	City of Phoenix	2009-MC-CX-K013	AGA	14,293
16.543	Missing Children's Assistance	City of Phoenix	2012-MC-FX-K008	PSA	13,258
16.543	Missing Children's Assistance	City of Phoenix	140130-0	PSA	14,997
	16.543 Subtotal				<u>42,548</u>
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	27,235
16.554	National Criminal History Improvement Program (NCHIP)			JCA	250,829
16.554	National Criminal History Improvement Program (NCHIP)			PSA	76,927
	16.554 Subtotal				<u>327,756</u>
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			EDA	51,802
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			PSA	2,579
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			UAA	5,113
	16.560 Subtotal				<u>59,494</u>
16.562	Criminal Justice Research and Development—Graduate Research Fellowships			ASA	32,000
16.575	Crime Victim Assistance			AGA	90,221
16.575	Crime Victim Assistance			DCA	59,649
16.575	Crime Victim Assistance			DJA	29,540
16.575	Crime Victim Assistance			PSA	7,588,202
	16.575 Subtotal				<u>7,767,612</u>
16.576	Crime Victim Compensation			JCA	1,229,933
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona	16061, 18110	UAA	163,938
16.588	Violence Against Women Formula Grants			GVA	2,602,931
16.588	Violence Against Women Formula Grants			NAA	129,342
16.588	Violence Against Women Formula Grants			STA	4,050
	16.588 Subtotal				<u>2,736,323</u>
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			GVA	169,625
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			UAA	51,547
	16.589 Subtotal				<u>221,172</u>
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			GVA	21,068
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	48,899
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	140,072
16.593	Residential Substance Abuse Treatment for State Prisoners			JCA	218,862
	16.593 Subtotal				<u>407,833</u>
16.606	State Criminal Alien Assistance Program			DCA	5,333,276
16.607	Bulletproof Vest Partnership Program			ADA	5,786
16.607	Bulletproof Vest Partnership Program			DCA	10,220
	16.607 Subtotal				<u>16,006</u>
16.726	Juvenile Mentoring Program	National 4-H Council	2013-JU-FX-0022, 2014-JU-0025	UAA	64,550

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
16.727	Enforcing Underage Drinking Laws Program			GHA	10,579
16.727	Enforcing Underage Drinking Laws Program			LLA	2,450
	16.727 Subtotal				<u>13,029</u>
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	1,078,276
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	3,545,990
16.738	Edward Byrne Memorial Justice Assistance Grant Program			PSA	153,968
16.738	Edward Byrne Memorial Justice Assistance Grant Program			SPA	224,659
	16.738 Subtotal				<u>5,002,893</u>
16.741	DNA Backlog Reduction Program			JCA	397,800
16.741	DNA Backlog Reduction Program			PSA	778,875
	16.741 Subtotal				<u>1,176,675</u>
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	112,764
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	220,018
	16.742 Subtotal				<u>332,782</u>
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program			DCA	23,360
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	Superior Court of Maricopa County	2012-MO-BX-0023	ASA	35,429
	16.745 Subtotal				<u>58,789</u>
16.748	Convicted Offender and/or Arrestee DNA Backlog Reduction Program			PSA	33,216
16.750	Support for Adam Walsh Act Implementation Grant Program			PSA	122,919
16.754	Harold Rogers Prescription Drug Monitoring Program			JCA	31,050
16.813	NICS Act Record Improvement Program			JCA	273,900
16.813	NICS Act Record Improvement Program			PSA	96,266
16.813	NICS Act Record Improvement Program			SPA	227,477
	16.813 Subtotal				<u>597,643</u>
16.816	John R. Justice Prosecutors and Defenders Incentive Act			SPA	34,273
16.820	Postconviction Testing of DNA Evidence to Exonerate the Innocent			UAA	32,092
16.922	Equitable Sharing Program			PSA	5,657
16.2014-03	Marijuana Eradication 2014B			PSA	36,675
16.2012WEAX0050	Pima County Domestic Violence Review Team	Pima County, Arizona	CTNPCA1300000000000000139	UAA	5,442
16.2014WEAX0033	Community-Defined Solutions to Violence Against Women Program offered by US Department of Justice, Office of Violence Against Women	Pima County, Arizona	CTPCA15000000000000000321	UAA	1,455
16.Unknown	Federal Asset Sharing			AGA	329,189
	Total Department of Justice				<u>29,246,478</u>
DEPARTMENT OF LABOR					
Employment Service Cluster					
17.207	Employment Service/Wagner-Peyser Funded Activities			ADA	634,726
17.207	Employment Service/Wagner-Peyser Funded Activities			ASA	118,716
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	12,282,223
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	1,090,459
17.207	Employment Service/Wagner-Peyser Funded Activities			UAA	217,803
17.207	Employment Service/Wagner-Peyser Funded Activities			VSA	115,980
	17.207 Subtotal				<u>14,459,907</u>
17.801	Disabled Veterans' Outreach Program (DVOP)			DEA	1,980,576
17.804	Local Veterans' Employment Representative Program			DEA	1,199,053
	Employment Service Cluster Subtotal				<u>17,639,536</u>
WIA Cluster					
17.258	WIA/WIOA Adult Program			CAA	497,031
17.258	WIA/WIOA Adult Program			DEA	15,810,317
17.258	WIA/WIOA Adult Program			GVA	103,422
	17.258 Subtotal				<u>16,410,770</u>
17.259	WIA/WIOA Youth Activities			ADA	41,930
17.259	WIA/WIOA Youth Activities			DEA	13,509,572
	17.259 Subtotal				<u>13,551,502</u>
17.278	WIA/WIOA Dislocated Worker Formula Grants			DEA	16,629,998
	WIA Cluster Subtotal				<u>46,592,270</u>
Other Department of Labor Programs					
17.002	Labor Force Statistics			ADA	910,083

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
17.005	Compensation and Working Conditions			ICA	98,133
17.225	Unemployment Insurance			ADA	26,716
17.225	Unemployment Insurance			DEA	356,113,809
	17.225 Subtotal				<u>356,140,525</u>
17.235	Senior Community Service Employment Program			DEA	1,021,036
17.245	Trade Adjustment Assistance			DEA	1,071,084
17.267	Incentive Grants - WIA Section 503			DEA	147,404
17.267	Incentive Grants - WIA Section 503			EDA	513,145
	17.267 Subtotal				<u>660,549</u>
17.268	H-1B Job Training Grants			CAA	32,833
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	302,173
17.273	Temporary Labor Certification for Foreign Workers			DEA	164,732
17.283	Workforce Innovation Fund	Gila River Indian Community	Unknown	ASA	188,546
17.503	Occupational Safety and Health—State Program			ICA	644,105
17.504	Consultation Agreements			ICA	1,820,623
17.600	Mine Health and Safety Grants			MIA	224,196
	Total Department of Labor				<u><u>427,510,424</u></u>
DEPARTMENT OF STATE					
19.009	Academic Exchange Programs—Undergraduate Programs	Institute for Training and Development	SECAGD15CA1035BC	UAA	8,571
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education	S-ECAGD-14-CA-1037	ASA	236,173
19.011	Academic Exchange Programs—Special Academic Exchange Programs	American Institute of Maghrib Studies	LTR DTD 110101	UAA	119,797
19.021	Investing in People in The Middle East and North Africa			ASA	154,860
19.021	Investing in People in The Middle East and North Africa			UAA	25,567
	19.021 Subtotal				<u>180,427</u>
19.040	Public Diplomacy Programs			ASA	20,467
19.400	Academic Exchange Programs—Graduate Students	Institute of International Education	S-ECAGD-15-CA-1015	ASA	52,650
19.400	Academic Exchange Programs—Graduate Students	Institute of International Education	LTR DTD 071414	UAA	130,254
	19.400 Subtotal				<u>182,904</u>
19.408	Academic Exchange Programs—Teachers	International Research and Exchanges Board (IREX)	S-ECAGD-14-CA-1010	ASA	170,039
19.501	Public Diplomacy Programs for Afghanistan and Pakistan			UAA	307,379
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	UAA	286,978
19.Unknown	US-Iran Collaboration on Sustainable, Resilient Cities	National Academy Of Science	20000004433	UAA	63,746
	Total Department of State				<u><u>1,576,481</u></u>
DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction Cluster					
20.205	Highway Planning and Construction			ADA	142,847
20.205	Highway Planning and Construction			DTA	829,628,674
20.205	Highway Planning and Construction			GFA	261,201
20.205	Highway Planning and Construction			LDA	96,610
20.205	Highway Planning and Construction			PRA	100,616
20.205	Highway Planning and Construction			PSA	267,661
	20.205 Subtotal				<u>830,497,609</u>
20.219	Recreational Trails Program			DTA	475,939
20.219	Recreational Trails Program			PRA	432,340
	20.219 Subtotal				<u>908,279</u>
	Highway Planning and Construction Cluster Subtotal				<u><u>831,405,888</u></u>
Federal Transit Cluster					
20.500	Federal Transit—Capital Investment Grants			DTA	488,610
	Federal Transit Cluster Subtotal				<u>488,610</u>
Transit Services Program Cluster					
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			DTA	4,400,384
20.516	Job Access And Reverse Commute Program			DTA	563,521
20.521	New Freedom Program			DTA	127,848
	Transit Services Program Cluster Subtotal				<u><u>5,091,753</u></u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
Highway Safety Cluster					
20.600	State and Community Highway Safety			ASA	21,301
20.600	State and Community Highway Safety			DTA	103,085
20.600	State and Community Highway Safety			GHA	5,920,916
20.600	State and Community Highway Safety			NAA	26,891
20.600	State and Community Highway Safety			PSA	231,187
20.600	State and Community Highway Safety			SPA	20,904
20.600	State and Community Highway Safety			UAA	54,164
	20.600 Subtotal				<u>6,378,448</u>
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			ASA	9,125
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			GHA	2,895,735
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			LLA	10,434
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			PSA	364,291
	20.601 Subtotal				<u>3,279,585</u>
20.612	Incentive Grant Program to Increase Motorcyclist Safety			GHA	153,273
20.613	Child Safety and Child Booster Seats Incentive Grants			GHA	93,160
20.616	National Priority Safety Programs			GHA	50,913
20.616	National Priority Safety Programs			NAA	7,273
	20.616 Subtotal				<u>58,186</u>
	Highway Safety Cluster Subtotal				<u>9,962,652</u>
Other Department of Transportation Programs					
20.106	Airport Improvement Program			DTA	427,665
20.200	Highway Research and Development Program			DTA	170,151
20.215	Highway Training and Education			DTA	204,962
20.218	National Motor Carrier Safety			DTA	1,005,422
20.218	National Motor Carrier Safety			PSA	3,850,126
	20.218 Subtotal				<u>4,855,548</u>
20.233	Border Enforcement Grants			PSA	4,444,259
20.237	Commercial Vehicle Information Systems and Networks			DTA	1,116,736
20.317	Capital Assistance to States—Intercity Passenger Rail Service			DTA	47,619
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	1,981,754
20.509	Formula Grants for Rural Areas			DTA	8,833,514
20.520	Paul S. Sarbanes Transit in the Parks			DTA	66,536
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			ASA	81,000
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			GHA	1,793,658
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			LLA	3,938
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			PSA	192,778
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated			UAA	53,782
	20.608 Subtotal				<u>2,125,156</u>
20.700	Pipeline Safety Program State Base Grant			CCA	813,667
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	210,122
20.933	National Infrastructure Investments			DTA	10,272,098
20.IGA10004CRO	2014 National Summer Transportation Institute Program (NSTI)			ASA	52,492
20.DTFH61-11-D-00008	ATLAS: Technical Services for AASHTO	American Association of State Highway and Transportation Officials	AS 14-0012	UAA	15,969
20.DTS-TP-20	Federal Highway Administration			NAA	17,500
20.Unknown	MPD 97-12: SPR116 - Product Evaluation Services MATERIALS: Subcommittee: Pipe			ASA	303
	Total Department of Transportation				<u>882,604,954</u>
DEPARTMENT OF THE TREASURY					
CDFI Cluster					
21.020	Community Development Financial Institutions Program			UAA	15,581
	CDFI Cluster Subtotal				<u>15,581</u>
Other Department of the Treasury Programs					
21.000	National Foreclosure Mitigation Counseling	NeighborWorks America	PL110-289:95X1350, PL112-55:95X1350, PL113:6X1350, PL113:76X1350	HDA	389,860

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
21.Unknown	US Treasury RICO			PSA	260,000
	Total Department of the Treasury				<u>665,441</u>
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>					
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964			AGA	186,621
	Total Equal Employment Opportunity Commission				<u>186,621</u>
<u>GENERAL SERVICES ADMINISTRATION</u>					
39.003	Donation of Federal Surplus Personal Property			ADA	12,485,645
39.OX0002558	EIT Research Fellow			UAA	94,762
	Total General Services Administration				<u>12,580,407</u>
<u>LIBRARY OF CONGRESS</u>					
42.Unknown	Preservation Work on "Mission San Xavier del Bac" and "Yaqui De Grazia"	National Film Preservation Foundation	FED14026	UAA	9,229
	Total Library of Congress				<u>9,229</u>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>					
43.001	Science			ASA	58,445
43.008	Education	AERO Institute	14-SE-003/AREO 668/NND13A	UAA	30,000
43.NAS526555	UA Sky Ambassador Program	Space Telescope Science Institute	HSTEO13393001A	UAA	35,676
43.NAS71407	Curriculum and Training Support for Navigator's Extra-Solar Planet Research	Jet Propulsion Laboratory	1251186	UAA	98,018
43.Unknown	American Indian Mobile Educational Resources (AIMER)			NAA	5,818
43.Unknown	Space Grant Program			NAA	139,413
	Total National Aeronautics and Space Administration				<u>367,370</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>					
45.024	Promotion of the Arts—Grants to Organizations and Individuals			ASA	46,140
45.024	Promotion of the Arts—Grants to Organizations and Individuals			EDA	16,500
45.024	Promotion of the Arts—Grants to Organizations and Individuals			UAA	26,992
	45.024 Subtotal				<u>89,632</u>
45.025	Promotion of the Arts—Partnership Agreements			HUA	752,674
45.Unknown	NEA Challenge Grant Endowment			UAA	67,860
	Total National Endowment for the Arts				<u>910,166</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>					
45.129	Promotion of the Humanities—Federal/State Partnership			STA	496
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	SO-50519	ASA	4,868
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG0559452013, GG07-6152-2014, GG03-6283-2014, GG08-6153-2014	NAA	16,026
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG04-6045-2014, GG0462842014, GG09-6154-2014, GG1061552014, OA0463702015	UAA	14,326
	45.129 Subtotal				<u>35,716</u>
45.149	Promotion of the Humanities—Division of Preservation and Access			NAA	10,969
45.149	Promotion of the Humanities—Division of Preservation and Access			STA	73,016
45.149	Promotion of the Humanities—Division of Preservation and Access			UAA	26,894
	45.149 Subtotal				<u>110,879</u>
45.164	Promotion of the Humanities—Public Programs			ASA	42,423
45.164	Promotion of the Humanities—Public Programs	Arizona Humanities Council	Unknown	ASA	2,822
	45.164 Subtotal				<u>45,245</u>
45.Unknown	NEH/ASM Education Endowment			UAA	389,097
45.Unknown	Poetry Out Loud	Arizona Humanities Council	MOU SIGNED 9/2014	UAA	2,756
45.Unknown	Poetry Out Loud Regional Partnership Grant			UAA	4,000
	Total National Endowment for the Humanities				<u>587,693</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>					
45.301	Museums for America			ASA	51,749
45.310	Grants to States			STA	2,685,482
45.313	Laura Bush 21st Century Librarian Program			UAA	268,133
45.313	Laura Bush 21st Century Librarian Program	University of Tennessee	A121113S001	UAA	33,389
	45.313 Subtotal				<u>301,522</u>
	Total Institute of Museum and Library Services				<u><u>3,038,753</u></u>
<u>NATIONAL SCIENCE FOUNDATION</u>					
47.049	Mathematical and Physical Sciences			NAA	1,751
47.050	Geosciences			GSA	1,506,287
47.050	Geosciences			NAA	56,321
47.050	Geosciences	Columbia University	GG002806	GSA	8,780
47.050	Geosciences	University of California, San Diego	43955649	GSA	23,624
47.050	Geosciences	University of California, San Diego	44098167	GSA	61,234
47.050	Geosciences	University of California, San Diego	58003720	GSA	4,617
47.050	Geosciences	University of Kansas	FY2015-031	GSA	69,756
	47.050 Subtotal				<u>1,730,619</u>
47.074	Biological Sciences			NAA	244,787
47.076	Education and Human Resources			NAA	521,144
47.079	Office of International Science and Engineering			NAA	49,906
47.080	Office of Cyberinfrastructure	University of California, San Diego	48975932	GSA	9,030
	Total National Science Foundation				<u><u>2,557,237</u></u>
<u>SMALL BUSINESS ADMINISTRATION</u>					
59.007	7(j) Technical Assistance			CAA	84,500
59.058	Federal and State Technology Partnership Program			CAA	138,538
59.061	State Trade and Export Promotion Pilot Grant Program			CAA	3,939
	Total Small Business Administration				<u><u>226,977</u></u>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>					
64.005	Grants to States for Construction of State Home Facilities			VSA	111,405
64.024	VA Homeless Providers Grant and Per Diem Program			VSA	89,587
64.124	All-Volunteer Force Educational Assistance			VSA	404,545
64.203	State Cemetery Grants			VSA	8,777,307
64.CSP474	IPA for Amani Mikail			UAA	17,960
64.LTR DTD 072910	IPA for Dr. Bryan Angelo Panizales Roxas			UAA	61,834
64.LTR DTD 060111	Research Salary (A Morgan Mikail) IPA			UAA	76,660
64.LTR DTD 110711	IPA Agreement for Karen Blohm-Mangone			UAA	10,636
64.LTR DTD 082013	Assignment Agreement—Southern Arizona VA Health Care System (SAVAHCS)			UAA	43,257
64.LTR DTD 052814	United States Department of Veterans Affairs			UAA	25,106
64.LTR DTD 060515	Research Salary (A. Escalante) - IPA (CSP 588)			UAA	870
64.VA258P0428	Contract Providing Veterinary Services to The VA Hospital			UAA	9,432
	Total Department of Veterans Affairs				<u><u>9,628,599</u></u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>					
<u>Clean Water State Revolving Fund Cluster</u>					
66.458	Capitalization Grants for Clean Water State Revolving Funds			WFA	8,847,559
	Clean Water State Revolving Fund Cluster Subtotal				<u>8,847,559</u>
<u>Drinking Water State Revolving Fund Cluster</u>					
66.468	Capitalization Grants for Drinking Water State Revolving Funds			EVA	1,629,579
66.468	Capitalization Grants for Drinking Water State Revolving Funds			WFA	15,262,096
	Drinking Water State Revolving Fund Cluster Subtotal				<u>16,891,675</u>
<u>Other Environmental Protection Agency Programs</u>					
66.001	Air Pollution Control Program Support			EVA	3,084,240
66.032	State Indoor Radon Grants			AEA	99,010
66.034	Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act			EVA	250,834
66.034	Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act			NAA	498,833
	66.034 Subtotal				<u>749,667</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,727,492
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	243,189
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			GFA	17,470
	66.419 Subtotal				260,659
66.454	Water Quality Management Planning			EVA	134,220
66.460	Nonpoint Source Implementation Grants			ADA	123,305
66.460	Nonpoint Source Implementation Grants			EVA	1,124,733
	66.460 Subtotal				1,248,038
66.509	Science To Achieve Results (STAR) Research Program	Yurok Tribe	3017	NAA	23,835
66.514	Science To Achieve Results (STAR) Fellowship Program			ASA	53,804
66.605	Performance Partnership Grants			AHA	340,389
66.605	Performance Partnership Grants			EVA	4,210,904
66.605	Performance Partnership Grants			SBA	88,253
	66.605 Subtotal				4,639,546
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	13,383
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			NAA	107,078
	66.608 Subtotal				120,461
66.709	Multi-Media Capacity Building Grants for States and Tribes			EVA	7,141
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			NAA	154,345
66.801	Hazardous Waste Management State Program Support			EVA	1,464,225
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	481,464
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			EVA	352,564
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	1,279,427
66.808	Solid Waste Management Assistance Grants			NAA	107,011
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants			NAA	39,294
66.815	Environmental Workforce Development and Job Training Cooperative Agreements			NAA	105,664
66.817	State and Tribal Response Program Grants			EVA	894,176
66.931	International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs	Border Environmental Cooperation Commission	TAA14-006	EVA	23,658
66.Unknown	Arizona Water Watershed Stewards (MWS) Educational Outreach and Technical Support			UAA	691
66.Unknown	Environmental Protection Agency	ABT Associates Inc.	44416	NAA	7,424
66.Unknown	Environmental Protection Agency	Sonoma Technology Inc.	EP-D-09-097	NAA	16,689
66.Unknown	Environmental Protection Agency	United South and Eastern Tribes Inc.	N/A	NAA	153,165
66.Unknown	Environmental Protection Agency	Walker River Paiute Tribe	30342	NAA	5,548
	Total Environmental Protection Agency				42,972,692
<u>DEPARTMENT OF ENERGY</u>					
81.041	State Energy Program			GVA	582,536
81.042	Weatherization Assistance for Low-Income Persons			ADA	381
81.042	Weatherization Assistance for Low-Income Persons			GVA	1,017,893
	81.042 Subtotal				1,018,274
81.049	Office of Science Financial Assistance Program			UAA	9,749
81.086	Conservation Research and Development			CAA	152,271
81.087	Renewable Energy Research and Development	Electricore, Inc.	DE-EE0006339	ASA	29,332
81.087	ARRA—Renewable Energy Research and Development			GSA	1,174,921
	81.087 Subtotal				1,204,253
81.119	State Energy Program Special Projects			GVA	219,344
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program			NAA	18,102
81.1480737	GTRI: Global Threat Reduction Initiative for the University of Arizona Campus Tucson, AZ	Sandia National Laboratories	1480737	UAA	171,030
81.AFC-5-520044-03	National Renewable Energy Laboratory			NAA	1,458

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
81.LTR DTD 122313	DOE—Intergovernmental Personnel Act (IPA)			UAA	93,373
81.Unknown	Department of Energy	American Indian Science and Engineering Society	N/A	NAA	21,759
81.Unknown	Department of Energy	Utah Clean Energy	N/A	NAA	51,764
	Total Department of Energy				3,543,913
DEPARTMENT OF EDUCATION					
Special Education Cluster (IDEA)					
84.027	Special Education—Grants to States			ASA	222,884
84.027	Special Education—Grants to States			DCA	212,255
84.027	Special Education—Grants to States			DJA	95,003
84.027	Special Education—Grants to States			EDA	188,671,247
84.027	Special Education—Grants to States			HSA	2,385
84.027	Special Education—Grants to States			NAA	320,492
84.027	Special Education—Grants to States			SDA	432,205
84.027	Special Education—Grants to States			SPA	529,298
84.027	Special Education—Grants to States			UAA	194,568
84.027	Special Education—Grants to States	Navajo Nation	N/A, C010643	NAA	433,042
	84.027 Subtotal				191,113,379
84.173	Special Education—Preschool Grants			EDA	5,381,970
84.173	Special Education—Preschool Grants			SDA	64,214
	84.173 Subtotal				5,446,184
	Special Education Cluster (IDEA) Subtotal				196,559,563
TRIO Cluster					
84.042	TRIO—Student Support Services			ASA	1,248,150
84.042	TRIO—Student Support Services			NAA	291,264
84.042	TRIO—Student Support Services			UAA	261,670
	84.042 Subtotal				1,801,084
84.044	TRIO—Talent Search			NAA	375,454
84.047	TRIO—Upward Bound			ASA	993,384
84.047	TRIO—Upward Bound			NAA	740,422
	84.047 Subtotal				1,733,806
84.066	TRIO—Educational Opportunity Centers			NAA	454,460
	TRIO Cluster Subtotal				4,364,804
Teacher Incentive Fund Cluster					
84.374	Teacher Incentive Fund			ASA	8,970,886
84.385	ARRA—Teacher Incentive Fund, Recovery Act			ASA	433,046
	Teacher Incentive Fund Cluster Subtotal				9,403,932
School Improvement Grants Cluster					
84.377	School Improvement Grants			EDA	9,625,823
84.388	ARRA—School Improvement Grants, Recovery Act			EDA	9,395,757
	School Improvements Grants Cluster Subtotal				19,021,580
Other Department of Education Programs					
84.002	Adult Education—Basic Grants to States			EDA	9,965,034
84.010	Title I Grants to Local Educational Agencies			DCA	253,184
84.010	Title I Grants to Local Educational Agencies			EDA	331,715,690
84.010	Title I Grants to Local Educational Agencies			SDA	51,070
	84.010 Subtotal				332,019,944
84.011	Migrant Education—State Grant Program			EDA	7,945,576
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	581,810
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	591,054
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	218,769
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			SPA	617,517
	84.013 Subtotal				2,009,150
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	393,862
84.031	Higher Education—Institutional Aid	Maricopa Community Colleges	Unknown	ASA	9,650

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
84.031	Higher Education—Institutional Aid	Arizona Western College	P031S120083, N/A	NAA	308,147
84.031	Higher Education—Institutional Aid	Arizona Western College	B0011282/B0011480	UAA	122,308
	84.031 Subtotal				<u>440,105</u>
84.048	Career and Technical Education—Basic Grants to States			DJA	167,377
84.048	Career and Technical Education—Basic Grants to States			EDA	23,557,299
84.048	Career and Technical Education—Basic Grants to States			UAA	187,199
	84.048 Subtotal				<u>23,911,875</u>
84.051	Career and Technical Education—National Programs			EDA	144,583
84.069	Leveraging Educational Assistance Partnership			PEA	827
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States			DEA	76,674,100
84.129	Rehabilitation Long-Term Training			UAA	130,505
84.144	Migrant Education—Coordination Program			EDA	37,142
84.169	Independent Living—State Grants			DEA	620,427
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind			DEA	725,602
84.181	Special Education—Grants for Infants and Families			DEA	9,094,462
84.181	Special Education—Grants for Infants and Families			SDA	322,815
	84.181 Subtotal				<u>9,417,277</u>
84.184	Safe and Drug-Free Schools and Communities—National Programs			EDA	4,356,076
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			DEA	783,320
84.195	Bilingual Education—Professional Development	Mesa Community College	Unknown	ASA	69,742
84.196	Education for Homeless Children and Youth			EDA	1,281,164
84.200	Graduate Assistance in Areas of National Need			ASA	116,246
84.224	Assistive Technology			NAA	602,982
84.264	Rehabilitation Training—Continuing Education	San Diego State University Foundation	55587CP26997802212	UAA	72,450
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training			DEA	122,549
84.282	Charter Schools			EDA	8,101,234
84.287	Twenty-First Century Community Learning Centers			EDA	31,874,351
84.299	Indian Education—Special Programs for Indian Children			ASA	42,673
84.299	Indian Education—Special Programs for Indian Children			NAA	270,252
	84.299 Subtotal				<u>312,925</u>
84.305	Education Research, Development and Dissemination			EDA	109,772
84.323	Special Education—State Personnel Development			NAA	161,058
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	463,040
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	221,143
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	902,057
	84.325 Subtotal				<u>1,586,240</u>
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			DJA	1,773
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	160,539
	84.326 Subtotal				<u>162,312</u>
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)			EDA	609,491
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	4,259,332
84.336	Teacher Quality Partnership Grants			ASA	2,762,162
84.350	Transition to Teaching			UAA	559,966
84.358	Rural Education			EDA	1,264,708
84.363	School Leadership			ASA	97,187
84.365	English Language Acquisition State Grants			EDA	17,445,794
84.365	English Language Acquisition State Grants			NAA	1,270,778
	84.365 Subtotal				<u>18,716,572</u>
84.366	Mathematics and Science Partnerships			EDA	4,094,218
84.367	Improving Teacher Quality State Grants			BRA	57,528
84.367	Improving Teacher Quality State Grants			DCA	118,283
84.367	Improving Teacher Quality State Grants			DJA	84,626
84.367	Improving Teacher Quality State Grants			EDA	36,610,532
84.367	Improving Teacher Quality State Grants			NAA	516,020
84.367	Improving Teacher Quality State Grants			SDA	393
84.367	Improving Teacher Quality State Grants			SPA	121,438

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
84.367	Improving Teacher Quality State Grants			UAA	12,661
84.367	Improving Teacher Quality State Grants	National Institute for Excellence in Teaching - TAP	U367D130010	ASA	1,954,718
84.367	Improving Teacher Quality State Grants	National Writing Project	Unknown	ASA	10,681
84.367	Improving Teacher Quality State Grants	National Board for Teaching Standards	1405031	NAA	667,303
84.367	Improving Teacher Quality State Grants	National Writing Project	92-AZ03-SEED2012	UAA	2,578
	84.367 Subtotal				<u>40,156,761</u>
84.369	Grants for State Assessments and Related Activities			EDA	7,277,331
84.372	Statewide Longitudinal Data Systems			EDA	1,941,076
84.378	College Access Challenge Grant Program			GVA	386,476
84.378	College Access Challenge Grant Program			PEA	33,524
	84.378 Subtotal				<u>420,000</u>
84.395	ARRA—Race to the Top			GVA	44,898
84.411	Investing in Innovation (i3) Fund	National Writing Project	92AZ03i32013	UAA	71,252
84.413	Race to the Top			EDA	7,121,586
84.413	Race to the Top			GVA	324,228
	84.413 Subtotal				<u>7,445,814</u>
84.418	Promoting Readiness of Minors in Supplemental Security Income			EDA	372,906
84.418	Promoting Readiness of Minors in Supplemental Security Income	State of Utah	146240	GVA	184,905
	84.418 Subtotal				<u>557,811</u>
84.419	Preschool Development Grants			EDA	72,394
84.PERKINS IV	Investor Education Innovation	Maryland State Department of Education	145086-01	UAA	2,505
84.Unknown	Department of Education	Hopi Tribe	15-015	NAA	3,843
84.Unknown	Mathematical Modeling in the Middle Grades (M3)			UAA	4,470
	Total Department of Education				<u>833,860,100</u>
	<u>MILLENNIUM CHALLENGE CORPORATION</u>				
85.003	MCC Domestic Assistance for Overseas Programs			ASA	122,026
	Total Millennium Challenge Corporation				<u>122,026</u>
	<u>MORRIS K. UDALL FOUNDATION</u>				
85.NNI001	Native Nations Institute for Leadership, Management, and Policy			UAA	835,261
	Total Morris K. Udall Foundation				<u>835,261</u>
	<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>				
89.003	National Historical Publications and Records Grants			UAA	3,942
	Total National Archives and Records Administration				<u>3,942</u>
	<u>ELECTION ASSISTANCE COMMISSION</u>				
90.401	Help America Vote Act Requirements Payments			STA	2,533,357
	Total Election Assistance Commission				<u>2,533,357</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	7,713,852
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services			DEA	11,335,022
93.053	Nutrition Services Incentive Program			DEA	1,458,920
	Aging Cluster Subtotal				<u>20,507,794</u>
	<u>TANF Cluster</u>				
93.558	Temporary Assistance for Needy Families			CHA	122,383,130
93.558	Temporary Assistance for Needy Families			DEA	80,115,369
	TANF Cluster Subtotal				<u>202,498,499</u>
	<u>CCDF Cluster</u>				
93.575	Child Care and Development Block Grant			CDA	1,316,937
93.575	Child Care and Development Block Grant			CHA	8,067,011
93.575	Child Care and Development Block Grant			DEA	22,171,591
93.575	Child Care and Development Block Grant			GVA	297,030

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.575	Child Care and Development Block Grant			HSA	879,388
	93.575 Subtotal				32,731,957
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			CHA	13,992,488
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	52,581,550
	93.596 Subtotal				66,574,038
	CCDF Cluster Subtotal				99,305,995
Medicaid Cluster					
93.775	State Medicaid Fraud Control Units			AGA	2,165,459
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	421,083
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	5,676,596
	93.777 Subtotal				6,097,679
93.778	Medical Assistance Program			HCA	7,783,788,000
93.778	Medical Assistance Program	Community Partnership of Southern Arizona	L0901	UAA	5,118
	93.778 Subtotal				7,783,793,118
	Medicaid Cluster Subtotal				7,792,056,256
Other Department of Health and Human Services Programs					
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission			HSA	103,096
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	102,283
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals			DEA	311,522
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services			DEA	420,514
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects			DEA	318,020
93.051	Alzheimer's Disease Demonstration Grants to States			DEA	23,568
93.052	National Family Caregiver Support, Title III, Part E			DEA	2,920,195
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	Association of Public Health Laboratories, Inc.	1U60HM00803	HSA	12,846
93.069	Public Health Emergency Preparedness			HSA	11,686,483
93.069	Public Health Emergency Preparedness			UAA	312,905
93.069	Public Health Emergency Preparedness	National Racial and Ethnic Approaches to Community Health (REACH) Coalition	LTR DTD 032813	UAA	51,182
	93.069 Subtotal				12,050,570
93.070	Environmental Public Health and Emergency Response			HSA	211,948
93.071	Medicare Enrollment Assistance Program			DEA	128,092
93.072	Lifespan Respite Care Program			DEA	64,675
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			HSA	171,813
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			EDA	85,131
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	885,489
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			UAA	185,831
	93.092 Subtotal				1,071,320
93.103	Food and Drug Administration—Research			HSA	61,845
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards			UAA	520,912
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	15,803
93.110	Maternal and Child Health Federal Consolidated Programs			CDA	138,180
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	100,533
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	20,673
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	1,276,439
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health & Science University	9008441-UAHSC	UAA	34,250
93.110	Maternal and Child Health Federal Consolidated Programs	Organization of Teratology Information Specialists	1UG4MC27861-01-00	UAA	9,856
	93.110 Subtotal				1,595,734
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			HSA	1,595,335
93.127	Emergency Medical Services for Children			HSA	335,316

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	226,821
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	289,299
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	513,686
93.136	Injury Prevention and Control Research and State and Community Based Programs			UAA	166,945
	93.136 Subtotal				<u>969,930</u>
93.145	AIDS Education and Training Centers	University of California, San Francisco	6376SC, 7431sc	UAA	187,820
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HSA	1,237,835
93.157	Centers of Excellence			UAA	875,803
93.165	Grants to States for Loan Repayment Program			HSA	202,924
93.184	Disabilities Prevention	University of Colorado, Denver	FY12.003.006	UAA	33,750
93.211	Telehealth Programs			UAA	323,481
93.217	Family Planning—Services	Arizona Family Health Partnership	Unknown	ASA	175,995
93.226	Research on Healthcare Costs, Quality and Outcomes			UAA	459,940
93.234	Traumatic Brain Injury State Demonstration Grant Program			DEA	237,345
93.235	Affordable Care Act (ACA) Abstinence Education Program			HSA	1,222,871
93.240	State Capacity Building			HSA	265,732
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			AGA	8,861
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			GVA	356,993
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			JCA	62,099
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			SPA	6,308
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			UAA	354,895
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	University of California, Los Angeles	UR1 TI024242	ASA	170,490
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	1,934,310
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pascua Yaqui Tribe	LTR DTD 050813	UAA	323,498
	93.243 Subtotal				<u>3,217,454</u>
93.247	Advanced Nursing Education Grant Program			UAA	379,747
93.251	Universal Newborn Hearing Screening			HSA	231,388
93.253	Poison Center Support and Enhancement Grant Program			UAA	80,571
93.262	Occupational Safety and Health Program			UAA	252,530
93.268	Immunization Cooperative Agreements			HSA	94,013,242
93.270	Adult Viral Hepatitis Prevention and Control			HSA	178,923
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance			HSA	3,059,228
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance			UAA	2,295,815
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	APHL	U60CD303019	HSA	600
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	NACDD	5U58DP002759-04	HSA	29,267
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	New Mexico Lab	CCR620358	HSA	66,419
	93.283 Subtotal				<u>5,451,329</u>
93.292	National Public Health Improvement Initiative			HSA	144,993
93.296	State Partnership Grant Program to Improve Minority Health			HSA	147,183
93.301	Small Rural Hospital Improvement Grant Program			UAA	115,118
93.305	National State Based Tobacco Control Programs			HSA	35,187
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	1,081,017
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			UAA	268
	93.323 Subtotal				<u>1,081,285</u>
93.324	State Health Insurance Assistance Program			DEA	889,013
93.336	Behavioral Risk Factor Surveillance System			HSA	27,624
93.358	Advanced Education Nursing Traineeships			ASA	309,713
93.358	Advanced Education Nursing Traineeships			NAA	272,250
93.358	Advanced Education Nursing Traineeships			UAA	343,652
	93.358 Subtotal				<u>925,615</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.359	Nurse Education, Practice Quality and Retention Grants			UAA	570,573
93.448	Food Safety and Security Monitoring Project			HSA	382,465
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			CDA	2,139,710
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			HSA	8,731,690
	93.505 Subtotal				<u>10,871,400</u>
93.507	PPHF National Public Health Improvement Initiative			HSA	259
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review			IDA	570,038
93.516	Affordable Care Act (ACA) Public Health Training Centers Program			UAA	499,593
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; PPHF			HSA	752,758
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges			GVA	333,500
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges			IDA	2,870
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	University of Illinois, Chicago	HBEIE13018	UAA	124,999
	93.525 Subtotal				<u>461,369</u>
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds			HSA	716,515
93.556	Promoting Safe and Stable Families			CHA	8,186,477
93.563	Child Support Enforcement			DEA	50,495,315
93.566	Refugee and Entrant Assistance—State Administered Programs			DEA	7,238,305
93.566	Refugee and Entrant Assistance—State Administered Programs			HSA	73,450
93.566	Refugee and Entrant Assistance—State Administered Programs	International Rescue Committee, Incorporated	LTR DTD 121914	UAA	36,214
	93.566 Subtotal				<u>7,347,969</u>
93.568	Low-Income Home Energy Assistance			ADA	117
93.568	Low-Income Home Energy Assistance			DEA	18,998,177
93.568	Low-Income Home Energy Assistance			GVA	2,759,070
	93.568 Subtotal				<u>21,757,364</u>
93.569	Community Services Block Grant			DEA	5,003,533
93.576	Refugee and Entrant Assistance—Discretionary Grants			DEA	967,139
93.584	Refugee and Entrant Assistance—Targeted Assistance Grants			DEA	1,437,000
93.586	State Court Improvement Program			SPA	556,083
93.590	Community-Based Child Abuse Prevention Grants			CHA	701,033
93.597	Grants to States for Access and Visitation Programs			DEA	356,699
93.599	Chafee Education and Training Vouchers Program (ETV)			CHA	997,464
93.600	Head Start			EDA	178,133
93.600	Head Start	Navajo Nation	90CI0216	ASA	221,596
	93.600 Subtotal				<u>399,729</u>
93.602	Assets for Independence Demonstration Program			ASA	217,536
93.602	Assets for Independence Demonstration Program			NAA	174,245
93.602	Assets for Independence Demonstration Program			UAA	80,868
	93.602 Subtotal				<u>472,649</u>
93.603	Adoption and Legal Guardianship Incentive Payments			CHA	9,495,965
93.617	Voting Access for Individuals with Disabilities, Grants to States			STA	35,355
93.627	Affordable Care Act: Testing Experience and Functional Assessment Tools			HCA	319,000
93.630	Developmental Disabilities Basic Support and Advocacy Grants			DEA	1,609,675
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	532,158
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			UAA	535,756
	93.632 Subtotal				<u>1,067,914</u>
93.643	Children's Justice Grants to States			GVA	483,493
93.645	Stephanie Tubbs Jones Child Welfare Services Program			CHA	8,149,931
93.658	Foster Care—Title IV-E			CHA	123,959,617
93.658	Foster Care—Title IV-E			SPA	1,085,744
	93.658 Subtotal				<u>125,045,361</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.659	Adoption Assistance			CHA	111,904,060
93.667	Social Services Block Grant			CHA	37,543,505
93.667	Social Services Block Grant			DEA	16,523,475
	93.667 Subtotal				<u>54,066,980</u>
93.669	Child Abuse and Neglect State Grants			CHA	158,136
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	2,010,567
93.674	Chafee Foster Care Independence Program			CHA	6,054,094
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance—financed in part by the Prevention and Public Health Fund (PPHF)			HSA	291,688
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs—financed by Prevention and Public Health Funds (PPHF)			HSA	60,822
93.735	State Public Health Approaches for Ensuring QUILTLINE Capacity—Funded in part by Prevention and Public Health Funds (PPHF)			HSA	42,171
93.735	State Public Health Approaches for Ensuring QUILTLINE Capacity—Funded in part by Prevention and Public Health Funds (PPHF)			UAA	227,792
	93.735 Subtotal				<u>269,963</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	21,975
93.745	PPHF: Health Care Surveillance/Health Statistics Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund			HSA	69,355
93.750	PPHF Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges			UAA	39,052
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds			HSA	2,134,648
93.753	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program			HSA	116,024
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			HSA	642,122
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			UAA	35,603
	93.757 Subtotal				<u>677,725</u>
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)			HSA	792,691
93.767	Children's Health Insurance Program			HCA	83,842,000
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	26,443
93.822	Health Careers Opportunity Program			UAA	899,431
93.889	National Bioterrorism Hospital Preparedness Program			HSA	5,199,777
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program			UAA	486,987
93.913	Grants to States for Operation of Offices of Rural Health			UAA	180,724
93.917	HIV Care Formula Grants			HSA	11,506,505
93.917	HIV Care Formula Grants			UAA	661,972
	93.917 Subtotal				<u>12,168,477</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	203,678
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs			HSA	723,873
93.933	Demonstration Projects for Indian Health	University of Alaska, Anchorage	R0261048	UAA	8,495
93.940	HIV Prevention Activities—Health Department Based			HSA	3,792,175
93.940	HIV Prevention Activities—Health Department Based			UAA	126,639
	93.940 Subtotal				<u>3,918,814</u>
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			HSA	1,033,890
93.945	Assistance Programs for Chronic Disease Prevention and Control			HSA	1,423,517
93.945	Assistance Programs for Chronic Disease Prevention and Control			UAA	143,055
	93.945 Subtotal				<u>1,566,572</u>
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	59,857
93.958	Block Grants for Community Mental Health Services			HSA	10,042,736

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.959	Block Grants for Prevention and Treatment of Substance Abuse			ASA	13,636
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	29,706,797
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Community Partnership of Southern Arizona	P0615	UAA	108,115
	93.959 Subtotal				<u>29,828,548</u>
93.969	PPHF Geriatric Education Centers			ASA	25,873
93.970	Health Professions Recruitment Program for Indians			ASA	404,422
93.970	Health Professions Recruitment Program for Indians			UAA	88,305
	93.970 Subtotal				<u>492,727</u>
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants			HSA	1,393,287
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems			HSA	263,638
93.991	Preventive Health and Health Services Block Grant			HSA	434,453
93.994	Maternal and Child Health Services Block Grant to the States			HSA	8,748,647
93.994	Maternal and Child Health Services Block Grant to the States			UAA	23,067
	93.994 Subtotal				<u>8,771,714</u>
93.14IPA1418056	IPA for Dr. Eric Lutz 14IPA1418056			UAA	12,217
93.D04RH23596	Vivir Mejor!: Diabetes System of Prevention and Care	Mariposa Community Health Center	LTR DTD 080912	UAA	14,098
93.H79T1019911	Step Forward	CODAC Behavioral Health Services	1H79TI01991UOFASIR0W01	UAA	25,958
93.H79TI021852	YR 5: EMPOWER - Engaging Motivating Providing Options within Recovery for Veterans	Old Pueblo Community Foundation	H79TI021852	ASA	71,175
93.HHSN27120140014 8P	Outreach Partnership Program			ASA	21,335
93.II-ISA-12-2305-01	State Epidemiological Outcomes Workgroup (SEOW) Communities in Context Years 2 3			ASA	565
93.Unknown	Advanced Practice Nurses for a Healthy Arizona	Scottsdale Healthcare Medical Center	LTR DTD 121812	UAA	524,780
93.Unknown	AZLEND Increasing Family and Advocate Fellow Engagement	Association of University Centers on Disability	UA5MC11068	UAA	5,053
93.Unknown	Department of Health and Human Services			NAA	410,442
93.Unknown	Graduate Nurse Education Demonstration Project	Scottsdale Healthcare Medical Center	Unknown	ASA	436,212
93.Unknown	Health and Human Services	Scottsdale Healthcare Medical Center	N/A	NAA	202,966
93.Unknown	Health and Human Services	Utah State University	100249-002	NAA	306,390
93.Unknown	National Institutes of Health			NAA	185,389
93.Unknown	Strategic Prevention Framework—Partnerships for Success			UAA	296,666
93.Unknown	Support for Knowledge River Library School Internships	Center for Public Service Communications, LLC.	2008-15	UAA	48,203
	Total Department of Health and Human Services				<u>8,852,576,069</u>
	<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
	<u>Foster Grandparent/Senior Companion Cluster</u>				
94.011	Foster Grandparent Program			NAA	665,656
94.016	Senior Companion Program			NAA	525,610
	Foster Grandparent/Senior Companion Cluster Subtotal				<u>1,191,266</u>
	<u>Other Corporation for National and Community Service Programs</u>				
94.002	Retired and Senior Volunteer Program			NAA	151,874
94.003	State Commissions	Corporation for National and Community Service	13CAHAZ001	GVA	206,813
94.006	AmeriCorps			GVA	1,977,488
94.006	AmeriCorps			NAA	383,694
94.006	AmeriCorps			PRA	61,749
94.006	AmeriCorps			UAA	164,330
94.006	AmeriCorps	Public Allies	12EDHWI0010001	ASA	424,290
	94.006 Subtotal				<u>3,011,551</u>
94.009	Training and Technical Assistance			GVA	3,299
94.009	Training and Technical Assistance			UAA	187,809
	94.009 Subtotal				<u>191,108</u>
	Total Corporation for National and Community Service				<u>4,752,612</u>
	<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
95.001	High Intensity Drug Trafficking Areas Program			AGA	690,600
95.001	High Intensity Drug Trafficking Areas Program			PSA	1,322,225
95.001	High Intensity Drug Trafficking Areas Program			UAA	16,436
	95.001 Subtotal				<u>2,029,261</u>
	Total Executive Office of the President				<u>2,029,261</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
<u>SOCIAL SECURITY ADMINISTRATION</u>					
<u>Disability Insurance/SSI Cluster</u>					
96.001	Social Security—Disability Insurance			DEA	36,203,577
	Disability Insurance/SSI Cluster Subtotal				<u>36,203,577</u>
<u>Other Social Security Administration Programs</u>					
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries			DEA	21,679
	Total Social Security Administration				<u>36,225,256</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
97.001	Pilot Demonstration or Earmarked Projects			ADA	315,324
97.008	Non-Profit Security Program			HLA	70,353
97.012	Boating Safety Financial Assistance			GFA	1,646,285
97.029	Flood Mitigation Assistance			MAA	268,097
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	166,099
97.039	Hazard Mitigation Grant			MAA	149,702
97.042	Emergency Management Performance Grants			MAA	5,068,072
97.047	Pre-Disaster Mitigation			GSA	38,039
97.047	Pre-Disaster Mitigation			MAA	119,312
	97.047 Subtotal				<u>157,351</u>
97.052	Emergency Operations Center			HLA	927,224
97.067	Homeland Security Grant Program			ADA	49,939
97.067	Homeland Security Grant Program			AGA	132,792
97.067	Homeland Security Grant Program			HLA	23,138,992
97.067	Homeland Security Grant Program			MAA	463,235
97.067	Homeland Security Grant Program			PSA	1,670,668
	97.067 Subtotal				<u>25,455,626</u>
97.120	Border Interoperability Demonstration Project			HLA	709,653
	Total Department of Homeland Security				<u>34,933,786</u>
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>					
98.001	USAID Foreign Assistance for Programs Overseas	International Research and Exchanges Board (IREX)	S-ECAGD-14-CA-1168	ASA	36,634
98.001	USAID Foreign Assistance for Programs Overseas	World Learning-Transit Europe	AID-167-A-14-00002	ASA	16,875
98.001	USAID Foreign Assistance for Programs Overseas	Georgetown University	UAR-RX2050-705-13-L-12, UAR-RX2050-968-14-K-6	UAA	203,400
	98.001 Subtotal				<u>256,909</u>
98.012	USAID Development Partnerships for University Cooperation and Development			ASA	32,083
98.012	USAID Development Partnerships for University Cooperation and Development	American Council on Education	AEG-A-00-05-00007	ASA	623,222
	98.012 Subtotal				<u>655,305</u>
98.185A000900010100	Integrated Telemedicine and E-Health Program of Albania	International Virtual E-Hospital Foundation	182A000900010100	UAA	97,957
98.AID-486-A-12-00005	The Vocational University Leadership and Innovation Institute (VULII)			ASA	444,597
98.AID-492-LA-12-00002	Pacific Islands Renewable Energy Technical and Vocational Education and Training Project			ASA	462,899
98.AID-OAA-L-11-00005	SC Green Empowerment: Sustainable Energy Education Consortium (SEEC)			ASA	18,418
98.AID-OAA-L-11-00005	Sustainable Energy Education Consortium (SEEC)			ASA	334,707
	Total Agency for International Development				<u>2,270,792</u>
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>					
<u>Department of Education</u>					
84.007	Federal Supplemental Educational Opportunity Grants			ASA	2,649,721
84.007	Federal Supplemental Educational Opportunity Grants			NAA	1,093,122
84.007	Federal Supplemental Educational Opportunity Grants			UAA	712,235
	84.007 Subtotal				<u>4,455,078</u>
84.033	Federal Work-Study Program			ASA	2,903,239
84.033	Federal Work-Study Program			NAA	523,747

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
84.033	Federal Work-Study Program			UAA	2,102,003
	84.033 Subtotal				5,528,989
84.063	Federal Pell Grant Program			ASA	106,630,740
84.063	Federal Pell Grant Program			NAA	37,561,603
84.063	Federal Pell Grant Program			UAA	47,885,209
	84.063 Subtotal				192,077,552
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	2,847,272
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	324,791
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	117,188
	84.379 Subtotal				3,289,251
84.408	Postsecondary Education Scholarships for Veteran's Dependents			UAA	5,317
	Department of Education Subtotal				205,356,187
Department of Health and Human Services					
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			NAA	998,833
	Department of Health and Human Services Subtotal				998,833
	Total Student Financial Assistance Cluster				206,355,020
RESEARCH AND DEVELOPMENT CLUSTER					
Department of Agriculture					
10.RD	Agriculture and Food Research Initiative (AFRI)			ASA	750,935
10.RD	Agricultural Research Service			UAA	1,506,951
10.RD	Department of Agriculture			NAA	345,962
10.RD	Department of Agriculture	Arizona State Forestry Division	WCG 10-302, WBBI 12-601	NAA	46,652
10.RD	Department of Agriculture	GIV	15.0091	NAA	19,880
10.RD	Department of Agriculture	Oklahoma State University	AB-5-67690-NAU	NAA	35,346
10.RD	Department of Agriculture	State of New Mexico	N/A	NAA	6,327
10.RD	Farmers' Market Promotion Program			ASA	14,534
10.RD	Forest Service			NAA	2,288,258
10.RD	Forestry Research			ASA	20,679
10.RD	Household Water Well System Grant Program			ASA	26,903
10.RD	National Institute of Food and Agriculture			NAA	25,813
10.RD	Natural Resources Conservation Service			UAA	27,858
10.RD	Plant and Animal Disease, Pest Control, and Animal Care			ASA	61,624
10.RD	R&D Program			ASA	132,567
10.RD	United States Department of Agriculture			UAA	5,693,318
10.RD	United States Forest Service			UAA	279,019
10.RD	Urban and Community Forestry Program			ASA	996
10.RD		Arizona Department of Agriculture	14-8504-1044-CA, SCBG-FB12-13, SCBGPF0924, SCBGPF1104, SCBGPF1105, SCBGPF1106, SCBGPF1128, SCBGPF1129, SCBGPF12-04, SCBGPF12-19, SCBGPF12-20, SCBGPF13-30, SCBGPF13-07, SCBGPF13-08, SCBGPF13-09, SCBGPF13-11, SCBGPF13-12, SCBGPF13-13, SCBGPF13-18, SCBGPF14-01, SCBGPF14-03, SCBGPF14-07, SCBGPF14-08, SCBGPF14-09, SCBGPF14-13, SCBGPF14-19, SCBGPF14-20, SCBGPF14-31, SCBGPF14-36	UAA	789,770
10.RD		Arizona State Forestry Division	14-DG-11031600-072	ASA	856
10.RD		Arizona State Forestry Division	CCG 13-1303, CCG-12-303, CCG13-1304, UCF12-1308, UFHM-UCF 10-02	UAA	5,479
10.RD		Citrus Research and Development Foundation, Incorporated	13-005NU-784	UAA	120,983
10.RD		Cornell University	2011-67023-30991	ASA	43,478
10.RD		Cornell University	62140-10275	UAA	11,155

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
10.RD		Iowa State University	4162324C, 416-41-07F/2014-68004-21855	UAA	81,716
10.RD		Michigan State University	RC102547A	UAA	3,177
10.RD		National Corn Growers Association	LTR DTD 041613	UAA	47,536
10.RD		North Carolina State University	2009-2396-02, 2010-0640-07/58-0101-9-217, 2011160904, 2011-1609-10/1002445-01	UAA	207,201
10.RD		Northern Arizona University	60025859	UAA	8,808
10.RD		Ohio State University	2010-65615-20672	ASA	9,608
10.RD		Purdue University	8000040009AG,	UAA	3,879
10.RD		Purdue University	800062450/018000.321470.18, 8000067570	UAA	126,648
10.RD		Rutgers University	S1522449	UAA	153,267
10.RD		Sandia National Laboratories	DE-AC04-94AL85000	ASA	93,618
10.RD		Texas A&M University Research Foundation	S110079	UAA	20,940
10.RD		Texas A&M University	06-S140659, 11154	UAA	31,833
10.RD		University of Arizona	2012-68003-19812	ASA	68,681
10.RD		University of California, Davis	201223902-10, 201400966-01, 201403743-01/20147000622524, 201403757-03/, SA14-2309-02/, SA14-2309-09/, SA7734	UAA	198,116
10.RD		University of California, Riverside	2012-67013-19446	ASA	2,651
10.RD		University of Florida	UFDFSP00010476	UAA	6,861
10.RD		University of Hawaii	2012-67020-30234	ASA	11,735
10.RD		University of Maryland	16399-Z5467008/2011-51181-3	UAA	80,360
10.RD		University of Washington	715630, 755034, 763254/201467015-22106	UAA	47,658
10.RD		University of Wyoming	1002548-UA	UAA	18,079
10.RD		Utah State University	120833031, 9092201	UAA	74,321
10.RD		Washington State University	K 735994	UAA	1,315
10.RD		World Cocoa Foundation	58-3148-2-126	UAA	18,042
Department of Agriculture Subtotal					<u>13,571,393</u>
Department of Commerce					
11.RD	Climate and Atmospheric Research			ASA	286,450
11.RD	Measurement and Engineering Research and Standards			ASA	321,093
11.RD	National Institute of Standards and Technology			UAA	5,351
11.RD	National Oceanic and Atmospheric Administration R&D Program			UAA	1,130,663
11.RD	Weather and Air Quality Research			ASA	6,024
11.RD		Adaptation International LLC	NA14OAR4310248	ASA	25,713
11.RD		Arizona State University	12-852	UAA	5,708
11.RD		Columbia University	1(GG008896)/NA13OAR4310184	UAA	390
11.RD		Greater Phoenix Economic Council (GPEC)	07-69-06983	UAA	532,365
11.RD		Nevada System of Higher Education, Board of Regents	663.5105.01	ASA	35,000
11.RD		University Corporation for Atmospheric Research	Z1413604	UAA	13,712
11.RD		University of Arizona	NA10OAR4310185	UAA	100,023
11.RD		University of Colorado	BACKSTOP	ASA	6,690
11.RD		University of Colorado, Boulder	1549745/1000193699/NA12OAR4	UAA	396
11.RD		University of Oklahoma	2014-05	UAA	6,416
11.RD				UAA	2,312
Department of Commerce Subtotal					<u>2,478,306</u>
Department of Defense					
12.RD	Air Force Defense Research Sciences Program			ASA	3,185,047
12.RD	Air Force Office of Scientific Research			UAA	6,655,285
12.RD	Air Force Research Laboratory			UAA	544,546
12.RD	Asian Office of Aerospace Research and Development			UAA	1,311,075
12.RD	Basic, Applied, and Advanced Research in Science and Engineering			ASA	2,524,581
12.RD	Basic and Applied Scientific Research			ASA	3,452,627
12.RD	Basic Scientific Research			ASA	10,225,684
12.RD	Basic Scientific Research - Combating Weapons of Mass Destruction			ASA	1,166,378
12.RD	Contract - Department of Defense			ASA	836,706
12.RD	Defense Advanced Research Projects Agency			UAA	289,030
12.RD	Defense Threat Reduction Agency			NAA	1,990,205
12.RD	Defense Threat Reduction Agency			UAA	517,184

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
12.RD	Defense Threat Reduction Agency	DSTL Porton Down	DSTL10000080074	NAA	286,595
12.RD	Department of Defense			NAA	613,385
12.RD	Department of Defense	Pacific Northwest National Laboratory	162863	NAA	66,707
12.RD	Department of the Army			NAA	128,764
12.RD	Mathematical Sciences Grants Program			ASA	97,314
12.RD	Military Medical Research and Development			ASA	1,562,286
12.RD	National Security Agency			UAA	13,049
12.RD	Naval Air Warfare Center Aircraft Division			UAA	267,821
12.RD	Naval Facilities Engineering Command SW		N62473-14-2-0007	NAA	1,924
12.RD	Naval Postgraduate School			UAA	120,000
12.RD	Naval Supply Systems Command			UAA	51,797
12.RD	Naval Surface Warfare Center			UAA	583,686
12.RD	Office of Naval Research			UAA	2,367,518
12.RD	R&D Program			ASA	1,773,513
12.RD	Research and Technology Development			ASA	2,691,911
12.RD	Space and Naval Warfare Systems Command			UAA	446,526
12.RD	United States Army Contracting Command			UAA	942,804
12.RD	United States Army Corps of Engineers			NAA	17,346
12.RD	United States Army Corps of Engineers			UAA	1,365,566
12.RD	United States Army Corps of Engineers	Pennsylvania State University	4524-NAU-USACE-0085	NAA	14,905
12.RD	United States Army Material Command			UAA	89,042
12.RD	United States Army Medical Research Acquisition Activity			UAA	1,476,356
12.RD	United States Army Research, Development and Engineering Command			UAA	341,004
12.RD	United States Department of Defense			UAA	200,537
12.RD	United States Navy			UAA	42,038
12.RD		Alphacore, Inc.	FA9453-14-M-0106	ASA	41,506
12.RD		American Burn Association	W81XWH-09-2-0194	UAA	40,734
12.RD		Arizona State University	10407	UAA	502
12.RD		BAE Systems	W911QX-13-C-0050	ASA	89,425
12.RD		Baer Engineering and Environmental Consulting Inc	Unknown	ASA	5,610
12.RD		Barron Associates Inc.	W81XWH-12-C-0055	ASA	64,139
12.RD		Bridger Photonics	W911NF-13-C-0066	UAA	129,302
12.RD		California Institute of Technology	67N-1089127, 67C-1090176	UAA	133,915
12.RD		Carnegie Mellon University	N00014-13-1-0835	ASA	86,441
12.RD		Charles River Analytics	FA8650-14-C-6579	ASA	20,248
12.RD		Cornell University	63222-9760	UAA	94,189
12.RD		Defense Engineering Corporation	FA8650-12-D-1376 0004	ASA	56,899
12.RD		Dynamics Research Corporation	GS04T09DBC0017	ASA	22,002
12.RD		Environment and Infrastructure Incorporated	F013000007	UAA	82,489
12.RD		Excet Inc	W911SR-10-D-0020	ASA	110,892
12.RD		FASORtronics LLC	N0001414C0110	UAA	20,070
12.RD		FlexTech Alliance	W911NF-10-3-0001	ASA	52,132
12.RD		Georgia Institute of Technology	RB250G1, RB267G2, RD562-G1	UAA	739,222
12.RD		Hughes Research Laboratories (HRL)	HR0011-09-C-0001	ASA	8,051
12.RD		Integrated Science Technology Inc	W912HQ-13-C-0059	ASA	47,079
12.RD		IST Research LLC	FA8750-14-C-0256	ASA	68,566
12.RD		Jem Engineering	N68335-13-C-0082	ASA	28,393
12.RD		Lockheed Martin Corporation	4101913316	UAA	6,566
12.RD		Luna Innovations, Inc.	W911QX-13-C-0162	ASA	13,385
12.RD		Massachusetts Institute of Technology	7000270214	UAA	2,233
12.RD		Matrix Research Inc	FA-8650-14-D-1722	ASA	22,890
12.RD		MER Corporation (Materials and Electrochemical Research Corporation)	H92222-14-C-0065	UAA	156,002
12.RD		Michigan State University	FA8650-15-1-7525	ASA	60,661
12.RD		MicroBioSystems, LP.	M67854-12-C-6530, N00014-12-C-0540	UAA	116,289
12.RD		Mississippi State University	FA9550-12-1-0135	ASA	48,224
12.RD		MIT: Massachusetts Institute of Technology	W911NF-13-D-0001	ASA	243,690
12.RD		Nano-Bio Manufacturing Consortium	FA8650-13-2-7311	UAA	72,986
12.RD		National Security Innovations (NSI)	FA8650-10-C-6106	ASA	61,019
12.RD		Nerves Incorporated	N66001-15-C-4016	ASA	16,810
12.RD		New Mexico State University	FA9550-13-1-0022	ASA	35,424
12.RD		New Mexico State University	Q01609	UAA	72,236
12.RD		Nonlinear Control Strategies, Inc	FA9550-15-C-0016	ASA	40,457
12.RD		Northrop Grumman	W911NF-14-C-0115	ASA	567,609
12.RD		Northwestern University Evanston	N00014-11-1-0729	ASA	429,365
12.RD		Ohio State University	FA8650-13-2-2347	ASA	117,074
12.RD		Oregon State University	W912HQ-12-C-0004	ASA	50,243
12.RD		PaneraTech Inc	FA8650-14-M-5036	ASA	45,999
12.RD		Pennsylvania State University	W911NF-09-1-0525	ASA	2,857
12.RD		PowerFilm, Inc	W56KGU-14-C-0014	ASA	95,980
12.RD		Princeton University	W911NF-15-1-0003	ASA	71,719
12.RD		QUASAR Federal Systems, Incorporated	HR001110C0102	UAA	45,475

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
12.RD		Raytheon BBN Technologies Corp	HR0011-14-C-0066	ASA	32,825
12.RD		Renaissance Sciences Corporation	N68335-13-C-0136	ASA	92,072
12.RD		Sandia Research Corporation	W91NF-13-C-0060	ASA	64,825
12.RD		Science and Engineering Services, LLC	SC-DARPA-15-01/HR0011-15-C-	UAA	136,769
			C-		
12.RD		Sensintel, Inc.	LTR DTD 120214	UAA	47,955
12.RD		Spectral Energies, LLC	N00014-14-C-0095	ASA	107,897
12.RD		Spectral Imaging Laboratory	F27362	UAA	165,943
12.RD		SRI International	19000240HR001112C0	UAA	145,321
12.RD		Stanford University	60744757114407	UAA	51,870
12.RD		State University of New York Research Foundation	1098964359361	UAA	131,082
12.RD		TASC Inc	FA8650-10-D-6056	ASA	45,254
12.RD		Technical Data Analysis, Inc.	N68335-12-C-0402	ASA	68,846
12.RD		Texas A&M University	HDTRA1-13-1-0030	ASA	82,413
12.RD		The Research Foundation for the State University of New York	FA8750-13-2-0115	ASA	16,189
12.RD		University of Arizona	FA9550-14-1-0073	ASA	260,152
12.RD		University of California, Berkeley	8554	UAA	75,010
12.RD		University of California, Davis	N00014-11-1-0108	ASA	39,172
12.RD		University of California, Los Angeles	1295GNA114	UAA	310,954
12.RD		University of California, Riverside	S000622	UAA	191,978
12.RD		University of California, San Diego	43103402/S9000370/N00014-13	UAA	339,366
12.RD		University of California, Santa Barbara	N00014-10-1-0937	ASA	77,616
12.RD		University of Colorado, Boulder	W912HQ-13-C-0035	ASA	282,829
12.RD		University of Illinois, Champaign/Urbana	W911NF-13-1-0193	ASA	496,238
12.RD		University of Illinois, Champaign/Urbana	2013-03174-02 (AA669)	UAA	303,252
12.RD		University of Illinois, Chicago	W81XWH-13-1-0252	UAA	4,260
12.RD		University of Maryland	N00014-12-1-0124	ASA	81,182
12.RD		University of Memphis	W81XWH-11-2-0171	ASA	439
12.RD		University of Michigan	W911NF-11-1-0391	ASA	181,395
12.RD		University of Michigan	3002950075/N65540-10-C-0003, 3003264626/N65540-10-C-0003	UAA	201,916
12.RD		University of Minnesota	A001650204, A003571415	UAA	394,955
12.RD		University of North Carolina, Chapel Hill	5055037/W911NF-12-1-0539	UAA	44,552
12.RD		University of Oxford	N66001-10-1-4061	ASA	81,749
12.RD		University of Pennsylvania	N00014-08-1-0696	ASA	42,808
12.RD		University of Southern California	W911NF-04-D-0005	ASA	239,828
12.RD		University of Tennessee	8500017317	UAA	59,084
12.RD		University of Texas, Austin	FA9550-14-1-0090	ASA	186,777
12.RD		University of Utah	N66001-12-C-4042	ASA	123,344
12.RD		University of Wisconsin, Madison	483K814	UAA	166,601
12.RD		Victory Solutions Inc.	VSIUAZ958346042014	UAA	76,639
12.RD		Wyle Laboratories	HC1047-05-D-4005	ASA	117,348
12.RD		Zona Technology, Inc.	FA9550-15-C-0006	ASA	84,700
					<hr/> <hr/>
		Department of Defense Subtotal			58,251,146
		Department of Housing and Urban Development			
14.RD		City of Phoenix	CCPAZ0044-11	ASA	39,927
					<hr/> <hr/>
		Department of Housing and Urban Development Subtotal			39,927
		Department of the Interior			
15.RD		Bureau of Indian Affairs		UAA	52,639
15.RD		Bureau of Land Management		NAA	403,792
15.RD		Bureau of Land Management		UAA	353,914
15.RD		Bureau of Land Management	University of Nevada, Reno	NAA	13,873
15.RD		Bureau of Reclamation		NAA	128,194
15.RD		Bureau of Reclamation		UAA	438,251
15.RD		Bureau of Reclamation	Arizona State University	NAA	51,503
15.RD		Bureau of Reclamation	Texas A&M University	NAA	5,129
15.RD		Bureau of Reclamation	University of Arizona	NAA	5,010
15.RD		Challenge Cost Share		ASA	7,870
15.RD		Contract - Department of the Interior		ASA	252
15.RD		Cooperative Research and Training Programs—Resources of the National Park System		ASA	8,863
15.RD		Department of the Interior	Desert Botanical Garden	NAA	1,310
15.RD		Department of the Interior	West Association of Fish and Wildlife Agencies	NAA	7,390
15.RD		Desert and Southern Rockies Landscape Conservation Cooperatives		ASA	37,703
15.RD		Fish and Wildlife Coordination Act		ASA	12,665
15.RD		Fish and Wildlife Service		NAA	115,264
15.RD		Fish and Wildlife Service	Idaho Department of Fish and Game	N/A	16,014

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
15.RD	Fish, Wildlife and Plant Conservation Resource Management			ASA	12,074
15.RD	International Boundary and Water Commission			UAA	171,808
15.RD	National Park Service			NAA	1,165,259
15.RD	National Park Service			UAA	1,435,899
15.RD	R&D Program			ASA	33,497
15.RD	United States Fish and Wildlife Service			UAA	720,494
15.RD	United States Geological Survey			NAA	901,322
15.RD	United States Geological Survey	University of Arizona	2015AZ544B	NAA	4,871
15.RD	United States Geological Survey			UAA	4,079,907
15.RD	United States Geological Survey Research and Data Collection			ASA	95,564
15.RD		Arizona Department of Agriculture	Unknown	ASA	20,709
15.RD		Arizona Department of Agriculture	AZE66	UAA	1,103
15.RD		Arizona Game and Fish Department	1434-03HQURU1580/T011-3, 1434-13HQURU1580, 1434- 13HQURU1580/13-1	UAA	10,817
15.RD		Great Basin Bird Observatory	R14AC00032	UAA	56,308
15.RD		Navajo Nation	BACKSTOP	UAA	9,452
15.RD		Nevada System of Higher Education, Board of Regents	663.4105.01	UAA	11,450
15.RD		University of California, Berkeley	7992	UAA	20,064
15.RD		University of Houston	R080140	UAA	1,723
15.RD		University of Texas, San Antonio	155055UAZ	UAA	1,675
15.RD		University of Wyoming	1001524UAZ	UAA	1,571
	Department of the Interior Subtotal				10,415,203
	<u>Department of Justice</u>				
16.RD	National Institute of Justice			UAA	16,311
16.RD	National Institute of Justice Research, Evaluation, and Development Project Grants			ASA	230,077
16.RD	Postconviction Testing of DNA Evidence to Exonerate the Innocent			ASA	86,041
16.RD	R&D Program			ASA	93,686
16.RD	United States Department of Justice			UAA	218,887
16.RD		American University	2013-R2-CX-0048	ASA	32,806
16.RD		Arizona Criminal Justice Commission	2014-GP-BX-0017	ASA	9,890
16.RD		Arizona Department of Education	15-02-EDSG/2014-CK-BX- 0016	UAA	92,928
16.RD		Arizona Governor's Office for Children	Unknown	ASA	10,483
16.RD		Fairleigh Dickinson University	DOJ0001-01	UAA	86,004
16.RD		Glendale, City of-Police Department	211-MU-BX-0024	ASA	5,996
16.RD		Indiana University	BL4331202UA	UAA	2,865
16.RD		Oregon Social Learning Center	2013-VA-CX-0007	ASA	50,073
16.RD		Phoenix Police Department	2013CKWXX035	ASA	31,126
16.RD		Pima County, Arizona	CT-PCA- 1400000000000000498, CT- PCA-1500000000000000132	UAA	30,158
16.RD		RAND	2014-MU-CX-K003	ASA	78,973
16.RD		Superior Court of Arizona	2014-SM-BX-0002	ASA	20,905
	Department of Justice Subtotal				1,097,209
	<u>Department of Labor</u>				
17.RD	United States Department of Labor			UAA	30,127
17.RD		Arizona Diversity Business Development Center, Inc.	Unknown	ASA	194,831
17.RD		Arizona Governors Office of Workforce Development	ADES15-079125	ASA	207,425
17.RD		Maricopa County Department of Human Services (Head Start)	Unknown	ASA	24,751
	Department of Labor Subtotal				457,134
	<u>Department of State</u>				
19.RD	Public Diplomacy Programs for Afghanistan and Pakistan			ASA	232,587
19.RD	United States Department of State	Institute of International Education	N/A	NAA	133,120
	Department of State Subtotal				365,707
	<u>Department of Transportation</u>				
20.RD	Aviation Research Grants			ASA	273,925
20.RD	Federal Highway Administration			UAA	176,125
20.RD	Federal Highway Administration	Arizona Department of Transportation	ISA/JPA 14-0004670	NAA	47,114
20.RD	Federal Highway Administration	Oregon Department of Transportation	30258	NAA	57,974
20.RD	Federal Highway Administration	Portland State University	204MON467	NAA	1,888
20.RD	R&D Program			ASA	87,163
20.RD		ADOT Research Center	ADOT11-002985	ASA	27,863
20.RD		Booz-Allen Hamilton	DTH61-12-D-00041	ASA	207,522

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
20.RD		Kittelson & Associates, Incorporated	13568/DTFH61-12-D-00041	UAA	41,871
20.RD		Mississippi State University	061300.363199.01/DTRT12-G-U	UAA	56,180
20.RD		Missouri University of Science & Technology	00043620-01	UAA	17,330
20.RD		National Academy Of Science	SHRP L-35(A)	UAA	22,443
20.RD		Resource Systems Group, Inc.	DTFH61-11-C-00015	ASA	23,029
20.RD		Texas A&M University	12-S141208	ASA	31,513
20.RD		University of California, Berkeley	00008606/DTRT13-G-UTC39, 00008607/DTRT13-G-UTC39	UAA	52,807
20.RD		University of Colorado, Denver	DTPH5614HCAP04	ASA	67,167
20.RD		University of Illinois, Chicago	DTRT12-G-UTC22	ASA	48,213
20.RD		University of Maryland	SHA/UM/4-2	ASA	209,550
20.RD		University of Nevada, Reno	DTRT13-G-UTC55	ASA	87,668
20.RD		University of Virginia	GS11255 144094/105204	UAA	810,282
	Department of Transportation Subtotal				2,347,627
	General Services Administration				
39.RD		Dynamics Research Corporation	GS04T09DBC0017	ASA	22,192
	General Services Administration Subtotal				22,192
	National Aeronautics and Space Administration				
43.RD		NASA—Ames Research Center		ASA	1,249,624
43.RD		NASA—Ames Research Center		UAA	272,178
43.RD		NASA—Goddard Space Flight Center		ASA	15,035,047
43.RD		NASA—Goddard Space Flight Center		UAA	26,330,015
43.RD		NASA Headquarters		UAA	11,305,870
43.RD		NASA—Hugh L Dryden Flight Research Center		ASA	181,852
43.RD		NASA Kennedy Space Center		UAA	19,509
43.RD		NASA—Lyndon B Johnson Space Center		ASA	175,880
43.RD		NASA Marshall Space Flight Center		UAA	5,929,781
43.RD		National Aeronautics and Space Administration		NAA	558,015
43.RD		National Aeronautics and Space Administration	Association of University's for Research in Astronomy	NAA	3,961
43.RD		National Aeronautics and Space Administration	Jet Propulsion Laboratory	NAA	40,914
43.RD		National Aeronautics and Space Administration	Lowell Observatory	NAA	89,299
43.RD		National Aeronautics and Space Administration	Planetary Science Institute	NAA	27,269
43.RD		National Aeronautics and Space Administration	University of Tennessee	NAA	47,686
43.RD		Smithsonian Astrophysical Observatory		UAA	141,181
43.RD		Smithsonian Institution		UAA	4,691
43.RD		American Geological Institute	NNX10AD33A; PR# 420032242	ASA	118,992
43.RD		Arizona State University	7790	UAA	53,190
43.RD		Association of Universities for Research in Astronomy, Incorporated	48173, 48376	UAA	112,779
43.RD		Baylor College of Medicine	NCC 9-58 166/RE03701	UAA	40,982
43.RD		California Institute of Technology	NNX14AF26G	ASA	101,103
43.RD		California Institute of Technology	21091253, 21094131	UAA	34,436
43.RD		Carnegie Institution for Science	DTM325002	UAA	111,311
43.RD		Carnegie Institution of Washington	NASW00002	ASA	228,992
43.RD		Cornell University	393616455	ASA	42,109
43.RD		Florida Institute of Technology	201760	UAA	4,270
43.RD		Global Engineering and Materials, Inc.	FFP-2012-SK-0625	ASA	737
43.RD		Jacobs Technology Inc	NNJ13HA01C	ASA	44,776
43.RD		Jet Propulsion Laboratory	Unknown	ASA	4,524,864
43.RD		Jet Propulsion Laboratory	1226582, 1228726, 1270067, 1272218, 1306547, 1319248, 1350372, 1407200, 1407263, 1422779, 1431141, 1433898, 1440265, 1489670/NNN12AA01C, 1490229, 1494629, 1515672, 1523185, 1529346/NNN12AA01C	UAA	5,900,201
43.RD		Johns Hopkins University	117973/NNX13AQ17G, 2002156951	UAA	33,172
43.RD		Lockheed Martin Corporation	LC4101495805	UAA	1,131,050
43.RD		Lowell Observatory	201481500	UAA	3,640
43.RD		Malin Space Science Systems, Inc.	11-0124	ASA	357,935
43.RD		National Institute of Aerospace	C13-2900-UA/2976-UA	UAA	78,919
43.RD		Northwest Research Laboratories	NASA S047P	ASA	43,985
43.RD		Pennsylvania State University	NNA09DA76A	ASA	4,423
43.RD		Planetary Science Institute	NNX10AM83G	ASA	13,658
43.RD		Planetary Science Institute	1291, 1307, 595	UAA	42,289

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
43.RD		Proxemy Research Incorporated	LTR DTD 071914, LTR DTD 011215	UAA	18,934
43.RD		Purdue University	NMX11AG04G	ASA	21,580
43.RD		Rensselaer Polytechnic Institute	NNX13AQ22G	ASA	49,305
43.RD		Rensselaer Polytechnic Institute	B10554	UAA	53,540
43.RD		Science Systems and Applications, Incorporated	21101-12-065	UAA	74,747
43.RD		Seti Institute	SC3061	UAA	18,751
43.RD		Southwest Research Institute	1415GC0049, 699053X, D99004L, D99030L	UAA	218,700
43.RD		Space Micro, Inc.	T15.01-9798	ASA	258,124
43.RD		Space Telescope Science Institute	Unknown	ASA	463,382
43.RD		Space Telescope Science Institute	HSTAR1212101A, HSTAR1213202A, HSTAR1261801A, hstar1262401a, HSTAR12632.005A, HSTAR1265204A, HSTAR13251.01A, HSTAR13917001A, HST-AR-13919.014-A, HSTGO1157601A, HSTGO1206062A, HSTGO1218112A, HSTGO1218801A, HSTGO1222801A, HSTGO1228104A, HSTGO1231404A, HSTGO1232901A, HSTGO1233205A, HSTGO1247301A, HSTGO1248701A, HSTGO1249301A, HSTGO1249812A, hstgo1252802a, HST-GO-12547.08-A, HSTGO1255001A, HSTGO1255101A, HSTGO1255602A, HSTGO1260303A, HSTGO1260603A, HSTGO1261603A, HSTGO1265913A, HSTGO1286001A, HSTGO1286101A, HSTGO1292301A, HSTGO12924.01A, HST-GO-12937.01-A, HSTGO1294502A, HSTGO1295402A, HSTGO12956, HST-GO-12980.03-A, HSTGO1303206A, HSTGO1306701A, HST-GO-13176.01-A, HSTGO1328002A, HSTGO13317003A, HSTGO1334901A, HSTGO13356001A, HSTGO13390001A, HSTGO1339101A, HSTGO13393001A, HSTGO13411001A, HSTGO1341801A, HSTGO13431005A, HSTGO1346708A, HSTGO13665.007A, HSTGO13697004A, HSTGO13711005A, HSTGO13746003A, HST-GO-13786.001-A, HST-GO-13839.002-A, HST-HF2-51349.001-A, HSTHF5131801A	UAA	1,288,001
43.RD		TIPD, LLC	NNX14CP66P	UAA	37,390
43.RD		Universities Space Research Association	NNJ11HE31A	ASA	14,000
43.RD		Universities Space Research Association	03450-45, 223504, 3577004, SOF Su 0061/NAS2-97001	UAA	92,504
43.RD		University Corporation for Atmospheric Research	Z1293566, Z15-16976	UAA	29,341
43.RD		University of Arizona	NNS10AI41H	ASA	865,751
43.RD		University of Arizona	NNX14AR01A	ASA	2,266
43.RD		University of California, Los Angeles	NNM05AA86C:000035	ASA	8,931

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
43.RD		University of California, Los Angeles	1295GSA328	UAA	79,082
43.RD		University of Colorado, Boulder	NNX14AB08G	ASA	113,208
43.RD		University of Colorado, Boulder	1000008166, 1551807	UAA	351,921
43.RD		University of Hawaii	MA150008	UAA	17,170
43.RD		University of Maryland	NNX11AB42G	ASA	42,073
43.RD		University of Pennsylvania	NNX13AE50G	ASA	54,125
43.RD		University of Washington	758684	UAA	47,286
	National Aeronautics and Space Administration Subtotal				78,660,697
	<u>National Endowment for the Humanities</u>				
45.RD	National Endowment for the Humanities			UAA	1,240
45.RD	National Leadership Grants			ASA	9,300
45.RD	Promotion of the Humanities_Office of Digital Humanities			ASA	44,154
45.RD	Promotion of the Humanities_Professional Development			ASA	36,721
45.RD	Promotion of the Humanities_Research			ASA	65,951
45.RD		Arizona Humanities Council	Unknown	ASA	4,722
	National Endowment for the Humanities Subtotal				162,088
	<u>National Science Foundation</u>				
47.RD	Biological Sciences			ASA	4,313,722
47.RD	Computer and Information Science and Engineering			ASA	6,264,428
47.RD	Education and Human Resources			ASA	9,883,815
47.RD	Engineering Grants			ASA	10,843,114
47.RD	Geosciences			ASA	5,599,879
47.RD	Mathematical and Physical Sciences			ASA	6,070,964
47.RD	National Science Foundation			NAA	3,819,152
47.RD	National Science Foundation			UAA	54,112,230
47.RD	ARRA—National Science Foundation			UAA	171,891
47.RD	National Science Foundation	Brigham Young University	N/A	NAA	5,990
47.RD	National Science Foundation	Consortium for Ocean Leadership	BA-98	NAA	307
47.RD	National Science Foundation	Michigan Technological University	111009022	NAA	44,715
47.RD	National Science Foundation	University of Alaska Fairbanks	UAF-15-0020	NAA	49,100
47.RD	National Science Foundation	University of California, Santa Cruz	S0184090	NAA	65,456
47.RD	National Science Foundation	University of Nevada, Las Vegas	OISE-0968421	NAA	71,453
47.RD	National Science Foundation	Woods Hole Research Center	WHRC-NG0451-02	NAA	42,406
47.RD	Office of Cyberinfrastructure			ASA	16,827
47.RD	Office of International and Integrative Activities			ASA	297,295
47.RD	Polar Programs			ASA	8,544
47.RD	R&D Program			ASA	58,910
47.RD	Social, Behavioral, and Economic Sciences			ASA	6,959,723
47.RD	ARRA—Trans-NSF Recovery Act Research Support			ASA	57,522
47.RD		American Physical Society	808790	ASA	102,901
47.RD		American Society for Engineering Education	1224217	ASA	75,116
47.RD		Appalachian State University	EF-1410069	ASA	36,568
47.RD		Arizona State University	12728, 13-008, 14528, F2013UR0024HRD1101728, F2013UR0030HRD1101728, KMS005111-0/SUB/S15UR008, KMS0051-11-65/V13UR009/V201, KMS0051-11-65/V13UR013/V201, KMS00511166 SUB, KMS0051-11-66/SUB, KMS0051-11-67, KMS00511167/S14UR012/S2014u, KMS0051-11-67/SUB, KMS0051-11-67/SUB/S14UR007/, KMS00511167/SUB/S14UR024, KMS00511167/SUB/S14UR025, KMS00511167SUBS14UR021S2014, KMS00511168/V0114UR12/V24, KMS0051-11-68/V14UR004/V201, KMS0051-11-68/V14UR005/V201, KMS0051-11-68/V14UR006/V201, KMS0051-11-68/V14UR007/V201,	UAA	134,102

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
			KMS00511168/V14UR013/V2014U, KMS00511168SUBV14UR011V2014, KMS0051-11-69, KMS0051-11-69/F14UR004/F201, KMS0051-11-69/F14UR005/F201, KMS0051-11-69/F14UR006/F201, KMS0051-11-69/F14UR007/F201, KMS00511169/F14UR020/F201, KMS00511170, KMS0051-11-70/S15UR002/, KMS0051-11-70/S15UR003/, KMS0051-11-70/S15UR004/, KMS0051-11-70/S15UR007/S201, KMS0051166/SUB/F13UR011, V2014gp0002/V14CC002/HRD-11		
47.RD	Associated Universities Incorporated	LTR DTD 010413		UAA	77,661
47.RD	Association of Universities for Research in Astronomy, Incorporated	C10646A		UAA	12,464
47.RD	ARRA—Association of Universities for Research in Astronomy, Incorporated	C22026SB, N10008C-A		UAA	2,091,279
47.RD	Bethel University	LTR DTD 042313		UAA	20,488
47.RD	Caduceus Intelligence Corporation	IIP-1417181		UAA	89,080
47.RD	California State Los Angeles University Auxiliary Services, Incorporated	UA230956		UAA	39,586
47.RD	Carnegie Mellon University	ACI-1443069		ASA	14,128
47.RD	Clarkson University	378-40650-2/IIP1068055		UAA	3,862
47.RD	Colorado State University	DEB-1354732		ASA	48,729
47.RD	Colorado State University	G30628		UAA	7,801
47.RD	Computing Research Association	1136966		ASA	174,339
47.RD	Concord Consortium	DRL-1433761		ASA	26,875
47.RD	Consortium for Ocean Leadership	BA-50/Exp. 342		UAA	3,975
47.RD	Cornell University	335765		ASA	662,689
47.RD	Duke University	EF0905606		UAA	15,500
47.RD	EdLab Group	HRD-1103073		UAA	905
47.RD	Georgia Institute of Technology	1200925		ASA	16,436
47.RD	Georgia Institute of Technology	RA978-G12/CNS-1017265, RA978-G7/CNS-1017265, RC866-G1		UAA	8,826
47.RD	Haverford College	1		UAA	38,567
47.RD	Indiana University	BL-4812502-UA/ACI-1445604		UAA	5,063
47.RD	Inter-American Institute for Global Change Research (Brazil)	CRN3056/GEO-1128040, SGP-CRA #005, TISGPDS2014		UAA	139,481
47.RD	Internet2	1032468		UAA	55,273
47.RD	Maricopa Community Colleges	DUE 1103080		ASA	89,062
47.RD	Marquette University	IIS-1427399		ASA	46,700
47.RD	Massachusetts Institute of Technology	5710003679		UAA	135,506
47.RD	Michigan State University	PHY-1430152		ASA	46,419
47.RD	Michigan State University	RC101209UA, RC104426UA/DRL-1316235		UAA	138,528
47.RD	MIT: Massachusetts Institute of Technology	1334109		ASA	102,573
47.RD	NanoVoltaix, Inc.	1152665		ASA	9,190
47.RD	NAS-National Academy of Sciences	SES-1355547		ASA	2,229
47.RD	National Center for Atmospheric Research (NCAR)	1331490		ASA	100,845
47.RD	National Radio Astronomy Observatory	341287, PO#341379, SOSPA2007347025, SOSPA2008, SOSPA2012 347023, SOSPA2013347041		UAA	63,245
47.RD	National Writing Project	DRL-1224161		ASA	27,958
47.RD	New Jersey Institute of Technology	1100622		ASA	1,231
47.RD	ARRA—New Jersey Institute of Technology	CNS-0844972		ASA	15,438
47.RD	New York Botanical Gardens	EF-1206197		ASA	14,125
47.RD	North Carolina State University	DMS-0946431		ASA	443,272
47.RD	North Carolina State University	2009271903, 2009271905, 2009271910		UAA	207,065
47.RD	Northern Arizona University	1523605		ASA	32,646
47.RD	Northwestern University	SP0011313/PROJ0003099		UAA	8,061
47.RD	Ohio State University	BCS-1430602		ASA	83,740
47.RD	Oregon State University	1140207		ASA	49,499
47.RD	Pennsylvania State University	1457193		ASA	121,500
47.RD	PixelEXX Systems Inc	Unknown		ASA	110,072
47.RD	Princeton University	SUB0000009		UAA	158,381

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
47.RD		ARRA—Purdue University	846358	ASA	14,013
47.RD		San Francisco State University	S130006	UAA	34,820
47.RD		Santa Fe Institute	SF120130925	UAA	67,313
47.RD		South Dakota State University	1010465	ASA	19,913
47.RD		Southern California Earthquake Center	1033462	ASA	7,712
47.RD		Space Micro, Inc.	Unknown	ASA	86,888
47.RD		Stanford University	936421	ASA	5,425
47.RD		State University of New York-Buffalo	DBI1231306	ASA	1,388,312
47.RD		Stevens Institute of Technology	1203198	ASA	8,000
47.RD		Texas A&M University	06-S140689/M1402943/	UAA	63,159
47.RD		TF Health Corp	1446257	ASA	15,979
47.RD		University of Arizona	EEC-0812072	ASA	226,712
47.RD		University of California, Berkeley	EEC-0540879	ASA	98,181
47.RD		University of California, Berkeley	7926	UAA	15,638
47.RD		University of California, Los Angeles	0521 G QA290	UAA	15,868
47.RD		University of California, Santa Cruz	1316834	ASA	86,634
47.RD		University of California, Santa Cruz	S0184224/DRL-1316834	UAA	179,117
47.RD		University of Chicago	FP048906	UAA	100,139
47.RD		University of Colorado	1550458	UAA	6,487
47.RD		University of Georgia	SES-1061966	ASA	4,655
47.RD		University of Georgia	RC3981134787086	UAA	1,029
47.RD		University of Illinois, Champaign/Urbana	ECCS-11022201	ASA	579,528
47.RD		University of Iowa	1338471	ASA	94,255
47.RD		University of Kansas	65499	ASA	18,632
47.RD		University of Maryland	DRL1157534	ASA	36,086
47.RD		University of Maryland	15299-Z4327002	UAA	16,412
47.RD		University of Massachusetts	11-006642 H 00/CMMI-102502	UAA	73,222
47.RD		University of Michigan	1266184	ASA	3,894
47.RD		University of Minnesota	DUE-1355431	ASA	136,738
47.RD		University of Minnesota	DUE-1451245	ASA	3,081
47.RD		University of Missouri	C00041922-1	UAA	80,521
47.RD		University of Montana	PG116603302	UAA	3,976
47.RD		University of Nevada, Las Vegas	968421	ASA	11,412
47.RD		University of Nevada, Reno	113GC000078	UAA	73,678
47.RD		University of New Hampshire	12029	UAA	222,782
47.RD		University of New Mexico	3RK06, 707699-873W	UAA	144,447
47.RD		University of North Carolina, Chapel Hill	5037145/OCI-0940841	UAA	39,618
47.RD		University of North Carolina, Chapel Hill	OCI-0940841	ASA	17,976
47.RD		University of North Texas	1361806	ASA	2,124
47.RD		University of Pittsburgh	1038139	ASA	762
47.RD		University of South Florida	DUE-1322586	ASA	11,000
47.RD		University of Southern California	1033462	ASA	15,286
47.RD		University of Southern California	34208415	UAA	8,340
47.RD		University of Tulsa	1262201	ASA	22,882
47.RD		University of Virginia	1252463	ASA	26,524
47.RD		University of Washington	DUE-1323010	ASA	152,639
47.RD		University of Washington	748104	UAA	34,966
47.RD		University of Wisconsin	EF-1410683	ASA	2,136
47.RD		University of Wisconsin, Madison	DRL-1418352	ASA	104,714
47.RD		US Civilian Research and Development Foundation	RUC17075011EK12	UAA	8,082
47.RD		Vanderbilt University	1252380	ASA	277,959
47.RD		Virginia Tech	938047	ASA	10,147
47.RD		Washington State University	115140 G002786/IOS-1044821	UAA	9,140
		National Science Foundation Subtotal			119,355,375
		<u>Small Business Administration</u>			
59.RD		R&D Program		ASA	31,061
		Small Business Administration Subtotal			31,061
		<u>Smithsonian Institution</u>			
60.RD		Smithsonian Astrophysical Observatory		UAA	1,319,151
		Smithsonian Institution Subtotal			1,319,151
		<u>Department of Veterans Affairs</u>			
64.RD		R&D Program		ASA	49,386
64.RD		United States Department of Veterans Affairs		UAA	142,361
		Department of Veterans Affairs Subtotal			191,747
		<u>Environmental Protection Agency</u>			
66.RD		P3 Award: National Student Design Competition for Sustainability		ASA	24,489
66.RD		Science To Achieve Results (STAR) Research Program		ASA	1,341,155

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
66.RD	United States Environmental Protection Agency			UAA	130,270
66.RD		Border Environmental Cooperation Commission	Unknown	ASA	42,351
66.RD		University of Colorado, Boulder	83560301	ASA	32,713
66.RD		Water Research Foundation	4374	ASA	1,048
	Environmental Protection Agency Subtotal				1,572,026
	Department of Energy				
81.RD	Advanced Research Projects Agency - Energy			ASA	4,723,585
81.RD	Conservation Research and Development			ASA	224,579
81.RD	Contract - Department of Energy			ASA	185,895
81.RD	Department of Energy			NAA	464,646
81.RD	Department of Energy	Los Alamos National Laboratory	269276	NAA	4,754
81.RD	Department of Energy	National Renewable Energy Laboratory	AFC-3-23035-01, AFC-3-23003-01, AEV-5-52005-01	NAA	18,765
81.RD	Department of Energy	University of Oklahoma	2015-46	NAA	23,608
81.RD	Electricity Delivery and Energy Reliability, Research, Development and Analysis			ASA	842,610
81.RD	Fossil Energy Research and Development			ASA	36,600
81.RD	National Nuclear Security Administration			UAA	526,646
81.RD	Nuclear Energy Research, Development and Demonstration			ASA	699,748
81.RD	Office of Science Financial Assistance Program			ASA	2,170,510
81.RD	ARRA—Office of Science Financial Assistance Program			ASA	374,255
81.RD	R&D Program			ASA	141,714
81.RD	Renewable Energy Research and Development			ASA	5,795,658
81.RD	Stewardship Science Grant Program			ASA	90,541
81.RD	United States Department of Energy			UAA	6,193,259
81.RD	ARRA—United States Department of Energy			UAA	322,567
81.RD	Western Area Power Administration			UAA	27,815
81.RD		Alliance for Sustainable Energy, LLC.	XXL32345202	UAA	116,346
81.RD		Applied Materials	DE-AR0000360	ASA	314,986
81.RD		Argonne National Laboratory	Unknown	ASA	108,450
81.RD		Arizona Commerce Authority	AZERCG-2014-02, IAMG-14-03	UAA	161,628
81.RD		Arizona Public Service (APS)	DE-EE0002060	ASA	98,577
81.RD		Arizona State University	14551	UAA	182,401
81.RD		Brookhaven National Laboratory	DE-SC0012704	ASA	4,120
81.RD		Brookhaven National Laboratory	101340, 107946, 241451, 26197/DE-AC02-98CH10886, 270278, 270594, 270595, 281707, 74201, US ATLAS Scholars Program t	UAA	818,489
81.RD		Brookhaven Science Associates, LLC	229873, 281864	UAA	61,717
81.RD		Colorado School of Mines	UGA-0-41025-48	ASA	136,877
81.RD		Cooper Tire & Rubber Company	2012-10006-19391	ASA	127,323
81.RD		Electric Power Research Institute	Unknown	ASA	24,753
81.RD		Electricore, Inc.	DE-EE0006339	ASA	26,754
81.RD		Harvard University	DE-SC0005247	ASA	74,740
81.RD		Harvard University	1237565052017	UAA	124,539
81.RD		International Business Machines Corporation	4913003809/DE-E0006017.000	UAA	27,928
81.RD		Lawrence Berkeley National Laboratory	DE-AC02-05CH11231	ASA	67,410
81.RD		Lawrence Berkeley National Laboratory	DE-AC02-05CH2231	ASA	82,003
81.RD		ARRA - Lawrence Berkeley National Laboratory	DE-AC02-05CH11231	ASA	85,030
81.RD		Lawrence Berkeley National Laboratory	7076948	UAA	229,279
81.RD		Lawrence Livermore National Laboratory	DE-AC52-07NA27344	ASA	50,272
81.RD		Lawrence Livermore National Laboratory	B608799, B608929	UAA	130,910
81.RD		Lawrence Livermore National Security, LLC.	B163250, B599675	UAA	42,147
81.RD		Los Alamos National Laboratory	DE-AC52-06NA25396	ASA	5,811
81.RD		Mississippi State University	3881436296401	UAA	91,436
81.RD		Montana State University	DE-SC0012518	ASA	108,981
81.RD		National Renewable Energy Laboratory	DE-AC36-08GO28308	ASA	249,597
81.RD		National Security Technologies, LLC	169559/DE-AC52-06NA25946	UAA	4,362
81.RD		Navajo Technical College	DE-ED0000129	ASA	21,345
81.RD		North Carolina State University	DE-EE0006521	ASA	58,459
81.RD		Physics, Materials and Applied Mathematics Research, L.L.C.	8042-S1/DE-SC0004311	UAA	43,130
81.RD		Radiation Monitoring Devices Inc.	DE-SC0008292	ASA	148,557
81.RD		Sandia National Laboratories	Unknown	ASA	211,434

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
81.RD		Sandia National Laboratories	1163638, 1163638/1377633, 1163638/1387184, 1163638/1399016, 1163638/1484400, 1163638/1486486, 1163638/1486548, 1203436, 1246768, 1467166, A03341154924, A03341156627 SLA465UA/DE-AR0000465	UAA	376,985
81.RD		Sharp Laboratories of America, Incorporated		UAA	263,507
81.RD		SLAC National Accelerator Laboratory	151395	UAA	223
81.RD		SolarWorld Americas Inc	DE-EE0006806	ASA	880
81.RD		Stanford University	DE-EE-0004946	ASA	285,371
81.RD		Stanford University	85948	UAA	2,534
81.RD		Technic Inc	DE-EE0006814	ASA	48,886
81.RD		Texas Engineering Experiment Station	DE-AR00000220	ASA	170,447
81.RD		University of Arizona	DE-EE-0005942	ASA	22,359
81.RD		University of California, Riverside	DE-FOA-0001010	ASA	192,802
81.RD		University of California, Santa Barbara	DE-AR0000451	ASA	354,831
81.RD		University of Colorado, Boulder	1548804	UAA	11,107
81.RD		University of Florida	DE-NA0002378	ASA	39,634
81.RD		University of Illinois, Champaign/Urbana	DE-OE0000097	ASA	89,460
81.RD		University of Michigan	3002937712	UAA	166,688
81.RD		University of North Carolina, Charlotte	DE-EE0006133	ASA	25,718
81.RD		University of Wyoming	DE FOA 0000287	ASA	112,922
81.RD		Vanderbilt University	19067S5	UAA	132,811
81.RD		Western Research Institute	DE-FE0024075	ASA	29,719
	Department of Energy Subtotal				<u>29,234,430</u>
	Department of Education				
84.RD	Department of Education			NAA	323,788
84.RD	Department of Education	Arizona State University	LOU 13-211	NAA	84,332
84.RD	Education Research, Development and Dissemination			ASA	1,985,958
84.RD	English Language Acquisition State Grants			ASA	380,897
84.RD	Fund for the Improvement of Postsecondary Education			ASA	323,295
84.RD	Graduate Assistance in Areas of National Need			ASA	151,273
84.RD	Indian Education — Special Programs for Indian Children			ASA	435,870
84.RD	Overseas Programs - Group Projects Abroad			ASA	49,861
84.RD	Research in Special Education			ASA	359,048
84.RD	Special Education—Educational Technology Media, and Materials for Individuals with Disabilities			ASA	478,866
84.RD	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			ASA	271,617
84.RD	United States Department of Education			UAA	1,876,033
84.RD		Arizona Board of Regents	AGR 01/01/02	ASA	64,451
84.RD		Arizona Department of Education	E8PD3273	ASA	127,194
84.RD		Arizona Department of Education	11-32-ED	UAA	423,134
84.RD		Arizona State University	13-209	UAA	107,447
84.RD		Blackwater Community School	S299A130020	ASA	40,868
84.RD		Center for Applied Special Technology	R305A110333	ASA	211,322
84.RD		Florida State University	R305F100027	ASA	255,785
84.RD		Georgia State University	R324C120001	ASA	31,009
84.RD		Georgia State University	SP00010919-01	UAA	325,998
84.RD		National Writing Project	Unknown	ASA	1,423
84.RD		Northern Arizona University	R305A140093	ASA	56,999
84.RD		Northern Arizona University	1002362-02/ITQ014	UAA	121,196
84.RD		Ohio State University	60023887	ASA	849,487
84.RD		Pennsylvania State University	R305A130327	ASA	1,456
84.RD		Rutgers University	S374A120060	ASA	34,511
84.RD		Salus University	83401	UAA	31,308
84.RD		Sunnyside Unified School District	D132174	UAA	221,091
84.RD		Texas A&M University	R305A130705-14	ASA	135,456
84.RD		University of Memphis	R305A090528-12	ASA	2,529
84.RD		University of North Texas	R305A120808	ASA	17,677
84.RD		University of Oregon	R324C110004	ASA	981,259
84.RD		University of Tennessee	R32A120085	ASA	37,935
84.RD		University of Texas, El Paso	P120A130061	ASA	88,899
84.RD		Western Michigan University	6840	UAA	10,286
	Department of Education Subtotal				<u>10,899,558</u>
	Morris K. Udall Foundation				
85.RD	Stewart L. Udall and Morris K. Udall Foundation			UAA	273,536
	Morris K. Udall Foundation Subtotal				<u>273,536</u>

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
	Department of Health and Human Services				
93.RD	Administration for Children and Families			UAA	51,249
93.RD	Agency for Healthcare Research and Quality			UAA	305,324
93.RD	Aging Research			ASA	1,154,830
93.RD	Alcohol Research Programs			ASA	1,121,598
93.RD	Allergy and Infectious Diseases Research			ASA	3,180,331
93.RD	Arthritis, Musculoskeletal and Skin Diseases Research			ASA	278,029
93.RD	Biomedical Research and Research Training			ASA	5,381,954
93.RD	Blood Diseases and Resources Research			ASA	533,024
93.RD	Cancer Biology Research			ASA	351,049
93.RD	Cancer Cause and Prevention Research			ASA	1,443,638
93.RD	Cancer Control			ASA	742,101
93.RD	Cancer Detection and Diagnosis Research			ASA	241,796
93.RD	Cancer Research Manpower			ASA	90,513
93.RD	Cancer Treatment Research			ASA	288,580
93.RD	Cardiovascular Diseases Research			ASA	56,246
93.RD	Centers for Disease Control and Prevention			UAA	778,575
93.RD	Child Abuse and Neglect Discretionary Activities			ASA	107,678
93.RD	Child Health and Human Development Extramural Research			ASA	3,124,733
93.RD	Contract - Department of Health and Human Services			ASA	2,784,735
93.RD	Department of Health and Human Services			UAA	357,520
93.RD	Diabetes, Digestive, and Kidney Diseases Extramural Research			ASA	3,418,886
93.RD	Discovery and Applied Research for Technological Innovations to Improve Human Health			ASA	322,294
93.RD	Drug Abuse and Addiction Research Programs			ASA	6,421,216
93.RD	Environmental Health			ASA	127,916
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	2,647,193
93.RD	Extramural Research Programs in the Neurosciences and Neurological Disorders			ASA	1,201,911
93.RD	Food and Drug Administration			UAA	198,507
93.RD	Health Resources and Services Administration			UAA	833,260
93.RD	Human Genome Research			ASA	1,855,855
93.RD	International Research and Research Training			ASA	12,353
93.RD	John E. Fogarty International Center			UAA	13,781
93.RD	Maternal and Child Health Federal Consolidated Programs			ASA	340,259
93.RD	Medical Library Assistance			ASA	831,008
93.RD	Mental Health National Research Service Awards for Research Training			ASA	242,082
93.RD	Mental Health Research Career/Scientist Development Awards			ASA	159,844
93.RD	Mental Health Research Grants			ASA	672,928
93.RD	Microbiology and Infectious Diseases Research			ASA	324,656
93.RD	Minority Health and Health Disparities Research			ASA	1,632,369
93.RD	National Cancer Institute			UAA	18,006,412
93.RD	National Center for Chronic Disease Prevention and Health Promotion			UAA	824,457
93.RD	National Center for Complementary and Alternative Medicine			UAA	333,473
93.RD	National Center on Sleep Disorders Research			ASA	544,047
93.RD	National Eye Institute			UAA	1,580,008
93.RD	National Heart, Lung, and Blood Institute			UAA	11,619,825
93.RD	National Human Genome Research Institute			UAA	9,384
93.RD	National Institute for Occupational Safety and Health			UAA	612,549
93.RD	National Institute of Allergy and Infectious Disease			UAA	7,229,566
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	1,294,569
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	3,512,896
93.RD	National Institute of Dental and Craniofacial Research			UAA	598,486
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	3,593,417
93.RD	National Institute of Environmental Health Sciences			UAA	5,373,258
93.RD	National Institute of General Medical Sciences			UAA	6,340,179
93.RD	National Institute of Mental Health			UAA	1,115,686
93.RD	National Institute of Neurological Disorders and Stroke			UAA	3,413,305
93.RD	National Institute of Nursing Research			UAA	559,810
93.RD	National Institute on Aging			UAA	2,529,366
93.RD	National Institute on Alcohol Abuse and Alcoholism			UAA	172,354
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	2,769,915
93.RD	National Institute on Drug Abuse			UAA	2,006,744
93.RD	National Institute on Minority Health Disparities			UAA	690,626
93.RD	National Institutes of Health			NAA	3,836,270
93.RD	National Institutes of Health			UAA	2,144,037
93.RD	National Institutes of Health	Native Americans for Community Action	N/A	NAA	12,117
93.RD	National Institutes of Health	Salish Kootenai College	24-185-NRH14-NAU	NAA	53,819
93.RD	National Institutes of Health	TGEN	Barker-14-01	NAA	8,656
93.RD	National Institutes of Health	University of Arizona	Y562157, 187736	NAA	30,740
93.RD	National Institutes of Health	University of California	2009-2157	NAA	60,285
93.RD	NIEHS Superfund Hazardous Substances—Basic Research and Education			ASA	223,577
93.RD	Nursing Research			ASA	303,604
93.RD	Oral Diseases and Disorders Research			ASA	3,095

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.RD	R&D Program			ASA	2,220,036
93.RD	Research and Training in Complementary and Alternative Medicine			ASA	206,351
93.RD	Research on Healthcare Costs, Quality and Outcomes			ASA	549,732
93.RD	Research Related to Deafness and Communication Disorders			ASA	1,488,124
93.RD	Substance Abuse and Mental Health Services Administration			UAA	124,321
93.RD	Substance Abuse and Mental Health Services_Projects of Regional and National Significance			ASA	45,868
93.RD	Trans-NIH Research Support			ASA	617,414
93.RD		4D Technology Corporation	2R44RR02817002	UAA	4,253
93.RD		Albert Einstein College of Medicine	31550C/P01GM068036, 31574C	UAA	355,900
93.RD		American College of Radiology	4701	UAA	6,903
93.RD		American Lung Association	LTR DTD111009	UAA	152,960
93.RD		Arizona Alzheimer's Disease Consortium	AGR 06/17/13	ASA	9,146
93.RD		Arizona Cancer Therapeutics LLC	LTR DTD 112213	UAA	17,061
93.RD		Arizona Department of Child Safety	Unknown	ASA	76,721
93.RD		Arizona Department of Health Services	Unknown	ASA	402,837
93.RD		Arizona Department of Health Services	ADHS13-033569, ADHS13-036542, HS160052	UAA	176,192
93.RD		Arizona Governor's Council on Developmental Disabilities	2011G994902	ASA	85,777
93.RD		Arizona State University	10383, 10418, 11588, 12-756, 13-064, 15-595, 15600, LOU13141	UAA	631,548
93.RD		Banner Alzheimer's Institute	P30AG019610-13	ASA	46,191
93.RD		Banner Health	P30 AG019610-15	ASA	240,814
93.RD		Banner Health Research Institute	U01 AG016976-16	ASA	1,830
93.RD		Banner Health System	01010214834/0432-02-39825, 4350244244, LMS 0432-02-29908/2P30AG019, LMS#0432-02-29905, LMS#0432-02-29907	UAA	171,206
93.RD		Baylor College of Medicine	101750901/1R01CA172511	UAA	114,833
93.RD		Biopico System	Unknown	ASA	15,458
93.RD		Biosensics, LLC	LTR DTD 071812, LTR DTD 092313, LTR DTD 092512	UAA	100,316
93.RD		Biosensing Instrument	1R44GM106579-01	ASA	33,704
93.RD		Blackrock Microsystems	Unknown	ASA	10,133
93.RD		Boston University	4500001725	UAA	6,909
93.RD		Bowling Green State University	1R01HD078412-01A1	ASA	51,695
93.RD		Brain and Behavior Research Foundation	18731	UAA	33,577
93.RD		Brigham and Women's Hospital	106476, 107223	UAA	78,119
93.RD		BrightOutcome Incorporated	LTR DTD 062712	UAA	21,804
93.RD		Caracal Incorporated	1R44CA144322	UAA	36,263
93.RD		Carnegie Mellon University	1090324267420	UAA	179,661
93.RD		Caucasoco Scientific Research Center	U19 AI089702	ASA	9,649
93.RD		Cedars-Sinai	1132089	UAA	179,569
93.RD		Children's Hospital Los Angeles	P2015-0084	UAA	45,990
93.RD		Children's Hospital of Philadelphia	FP00013013_SUB164_01, LTR DTD 102312	UAA	30,003
93.RD		Cincinnati Children's Hospital Medical Center	131950, 134377	UAA	256,627
93.RD		Claremont Graduate University	U01 HL097839	ASA	84,103
93.RD		Clemson University	1731-209-2010186	UAA	119,425
93.RD		Columbia University	1R01GM104960-01	ASA	312,487
93.RD		Columbia University	9 (GG006900)/PO G04426, 9(GG006900-34)	UAA	10,852
93.RD		Community Partnership of Southern Arizona	LOA1301	UAA	26,927
93.RD		Dmetrix, Incorporated	4 R44 AG035446, LTR DTD 061014	UAA	110
93.RD		Duke University	161411/187937, 2031897/HHS0100201000001 C, 203-2594, 2033407, 303-4320, 3035292	UAA	607,799
93.RD		Eden Medical, Incorporated	5R4308372-03	UAA	137,289
93.RD		Electrical Geodesics Inc	R43 NS077598-02	ASA	23,625
93.RD		Emory University	R01 AI110720	ASA	214,959
93.RD		Emory University	T108311, T237846, T269994	UAA	119,923
93.RD		Engineering Arts	4R24GM106704-03	ASA	257,873
93.RD		Florida International University	800001205-01	ASA	36,153
93.RD		Florida State University	R21HD072286	ASA	124,381
93.RD		Fox Chase Chemical Diversity Center, Incorporated	1R43AI104121-UAZ	UAA	4,609
93.RD		Genefluidics, Incorporated	R44AI088756-UOFA	UAA	186,997
93.RD		George Mason University	R01 DA032639-01A1	ASA	89,520
93.RD		Georgetown University	R33 CA177466	ASA	42,366

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.RD		Georgetown University	410701_GR409442-UA/PP-44420	UAA	44,483
93.RD		Georgia Regents University	29975-2	UAA	131,032
93.RD		Georgia State University	R01 CA126858	ASA	198,244
93.RD		Giner, Incorporated	2R44DK070400-05A1 (GI2063), R43DK100999	UAA	283,741
93.RD		Group Health Cooperative	2014101503	UAA	7,826
93.RD		Gynecologic Oncology Group	CA101165, CA101165 CCO-P-GOG-0225	UAA	36,087
93.RD		H. Lee Moffitt Cancer Center and Research Institute	R01CA170595-02	ASA	103,051
93.RD		Hawaii Pacific University	R34 DA031306	ASA	496
93.RD		Health Research, Incorporated	4760-02/5U01DD00104102	UAA	16,061
93.RD		HealthTell, Inc.	1R43CA183360-01	ASA	34,366
93.RD		ICF International, LLC	14KBSK0049	UAA	8,355
93.RD		Indiana University	IN4682011UA, IN4687706UA, IN4687713UA	UAA	266,486
93.RD		ARRA—International Genomics Consortium	HHSN261201000059C	UAA	535
93.RD		Inter Tribal Council of Arizona, Incorporated	U261IHS0077-01-01/U26IHS3	UAA	149,272
93.RD		Johns Hopkins University	R01 HD076881	ASA	59,145
93.RD		Johns Hopkins University	2001532544, 638000001	UAA	189,013
93.RD		Kaiser Permanente	R01 DK099277	ASA	61,954
93.RD		Kaiser Permanente	1, 1474-01, R01CA164128/R01CA164128-01A	UAA	22,986
93.RD		Mad Pow Media Solutions LLC	R41 MD008832	ASA	34,831
93.RD		Maricopa Integrated Health System (MIHS)	1R03HS022148-01A1	ASA	18,812
93.RD		Massachusetts General Hospital	1R21NR013471-01A1	ASA	29,743
93.RD		Massachusetts General Hospital	225183/HHSF223201400115C	UAA	23,676
93.RD		Mayo Clinic	63384145/1U01EB017185-01, 63449184/5U54CA153605-04, 6378070/U01CA154300, 63851291/5U54CA153605	UAA	156,316
93.RD		Mayo Clinic-Rochester	DP1 DA031340	ASA	12,107
93.RD		Mayo Clinic Scottsdale	7P01CA077839-13	ASA	122,187
93.RD		McKing Consulting Corporation	200-2012-F-53729	ASA	8,395
93.RD		MD Anderson Cancer Research	5R01BR11453-05	ASA	21,770
93.RD		Medical University of South Carolina	MUSC14-045/1R56HL123478-01	UAA	34,026
93.RD		Molecular Neuroimaging	R42NS055475	UAA	30,923
93.RD		Mount Sinai School of Medicine	0255-5571-4609	UAA	14,234
93.RD		National Association of Hispanic Nurses	Unknown	ASA	11,994
93.RD		Native American Connections Administration	PPW-TI-14-005	ASA	40,081
93.RD		New York University	F6906-01	UAA	141,406
93.RD		North Carolina State University	2014-1146-01/1R21EY022174-0	UAA	16,759
93.RD		Northern Arizona University	1002020-01, 1002447-01, IHD31CP	UAA	564,237
93.RD		Northwestern University	60036404UA/R01AR065473	UAA	18,031
93.RD		Northwestern University Evanston	P30 DA027828	ASA	8,967
93.RD		NRG Oncology	ACC/Alberts - NCCORP-01, UoIA - Yr.1	UAA	34,313
93.RD		Nuvox Pharma, LLC	HHSN26820140045C	UAA	11,261
93.RD		Ohio State University	R01 AT005216-04	ASA	41,612
93.RD		Ohio State University	RF01347752 / 7R01EY02090104	UAA	36,448
93.RD		Oregon Health & Science University	R01 OH009676	ASA	63,877
93.RD		Oregon Health & Science University	1002195_UArizona/R01AI0216 4, 1004031_UAZ_KROUSE, 9004157_UA_Nikolich-Zugich, CA-32102	UAA	90,025
93.RD		Oregon Research Institute	LTR DTD 9/17/12, R01AA019671	UAA	119,890
93.RD		Palo Alto Institute of Research and Education	LIA001201	UAA	5,112
93.RD		Pennsylvania State University	R01 HD032336	ASA	243,779
93.RD		Pennsylvania State University	UAZ HL098115/5 U10 HL098115, UAZHL098115, UAZHL098115/U10HL098115	UAA	198,332
93.RD		Radiation Effects Research Foundation (Japan)	HHSN272200900059C	UAA	93,732
93.RD		Rehabilitation Institute of Chicago (RIC)	R24 HD050821	ASA	8,186
93.RD		Research Technologies, Incorporated	1312021284450815L	UAA	58,189
93.RD		Research Triangle Institute	1R01MH093426-01A1	ASA	36,865

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.RD		Rhode Island Hospital	7137063	UAA	4,602
93.RD		RTI International	14312021340552125L	UAA	14,014
93.RD		Rutgers University	R01AA021657	ASA	172,942
93.RD		San Francisco State University	S12-0001	UAA	42,863
93.RD		Sonoran Biosciences	R41AR064080	ASA	68,991
93.RD		Stanford University	R01HD067511	ASA	127,190
93.RD		Stanford University	2650584050957A	UAA	290,025
93.RD		State University of New York Research Foundation	90CT7002-02-00	ASA	11,706
93.RD		State University of New York Research Foundation	65765-1112908-2, 69131	UAA	301,438
93.RD		Sun Health Research Institute	U01 AG016976-13	ASA	27,578
93.RD		Teachers College Columbia University	R01DA014385	ASA	158,236
93.RD		Techshot Incorporated	2R44DK072647-04A1	UAA	203,276
93.RD		Temple University	R21LM011941	ASA	40,893
93.RD		Temple University	P0142554/360848-05440-02	UAA	22,256
93.RD		TERROS, Inc.	1H79T1024867-01	ASA	109,917
93.RD		TF Health Corp	R43 HL123164	ASA	341,433
93.RD		The Center for Comprehensive Care and Diagnosis of Inherited Blood Disorders	CIBDIX2014HRSA-AZHSC-1	UAA	10,883
93.RD		The EMMES Corporation, LLC	U01CA121947	UAA	1,057,942
93.RD		Tohono O'odham	14-009	UAA	17,535
93.RD		Translational Genomics Research Institute	HUENTELMAN-14-01/R01 AG0489	UAA	66,220
93.RD		Tulane University	TULHSC51713/14	UAA	31,947
93.RD		University of Alabama, Birmingham	1R01NS088533-01	ASA	7,186
93.RD		University of Arizona	R01 MH097803	ASA	183,187
93.RD		University of Arizona	1R01CA151708-01A1	ASA	64,636
93.RD		University of California, Davis	R01HL116490	ASA	16,323
93.RD		University of California, Davis	201118057-5/2U54OH007550-11, 201222844-01, 20122469302, 20130349501, 201303496-02/1R56AI107263	UAA	286,317
93.RD		University of California, Irvine	R01DC003681	ASA	34,933
93.RD		University of California, Los Angeles	U45ES006173	ASA	225,116
93.RD		University of California, Los Angeles	1215 G SA079/, 2000GPM600, 5415-S-PA036	UAA	143,871
93.RD		University of California, San Diego	R01HL109222	ASA	227,330
93.RD		University of California, San Diego	53237874/5P01HL098053-05	UAA	29,211
93.RD		University of California, San Francisco	7760sc, 7853SC	UAA	582,223
93.RD		University of Cincinnati	006883/5U01NS069763-04, 6883	UAA	210,004
93.RD		University of Colorado, Denver	FY12.583.001 U AZ, FY14.347.007/5T42OH009229-0	UAA	30,207
93.RD		University of Colorado, Denver	FY11219007	UAA	4,277
93.RD		University of Florida	13102, UFDSP00010218, UFDSP00010733	UAA	228,792
93.RD		University of Hawaii	7R21DK091722-03	ASA	48,209
93.RD		University of Houston	U18 DP003350	ASA	253,139
93.RD		University of Illinois	2011-06586-11-00 AS, 5P50CA106743-10	UAA	46,541
93.RD		University of Illinois, Champaign/Urbana	R01 GM108584	ASA	54,091
93.RD		University of Illinois, Chicago	2010-07207-03-00/5P01HL09, 2012-04562-03-00, 2013-00537-01-00, 5P60MD003424	UAA	547,198
93.RD		University of Iowa	1001104264, W000228447	UAA	26,185
93.RD		University of Louisville	ULRF 09-1102H1-01	UAA	22,910
93.RD		University of Maryland	U01 FS001418	ASA	58,260
93.RD		University of Maryland	105992001	UAA	45,225
93.RD		University of Maryland, Baltimore County	7R01DA034618-02	ASA	35,545
93.RD		University of Massachusetts, Amherst	R01CA133908	ASA	6,475
93.RD		University of Michigan	R01HL125440	ASA	27,246
93.RD		University of Michigan	3001413084-PNT, 3001922370BPT, 3002111999-SHN, 50000029493000691503RPT, 50000029493001300049PIII, U10CA32102	UAA	233,789
93.RD		University of Minnesota	P004058501, P004130801	UAA	80,602
93.RD		University of Mississippi Medical Center	66102700414-04UAZ, 66550021114UA	UAA	61,895
93.RD		University of Missouri, Columbia	C00041867-1/1R01DE23342-01A	UAA	47,120
93.RD		University of Nebraska	36-5360-2141-110	UAA	10,200
93.RD		University of New Mexico	R01 DA034097	ASA	143,863
93.RD		University of North Carolina	5050160/1R21HD076157-01A1, 531229	UAA	21,271

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures
93.RD		University of North Carolina, Chapel Hill	U01-HD-060299	ASA	171,794
93.RD		University of North Texas	R01 DA023957	ASA	18,430
93.RD		University of North Texas	RN00132009001	UAA	592
93.RD		University of Pittsburgh	R01DA036832	ASA	509,666
93.RD		University of Pittsburgh	0016570-1, 0029465-1, 0036811 (123875-1), 0040478(124095-1)	UAA	498,138
93.RD		University of Rochester	415917G, 415919G, 415922G, 415971-G	UAA	14,275
93.RD		University of South Carolina	1R01HL112787-01A1	ASA	54,282
93.RD		University of South Carolina	122003	UAA	1,321
93.RD		University of Southern California	U54 CA143907	ASA	9,097
93.RD		University of Texas, Austin	2R01NS056839-11	ASA	98,453
93.RD		University of Texas, Dallas	R01 DC010494	ASA	80,817
93.RD		University of Texas, Dallas	1402244/R01GM102575, LTR DTD 061214, LTR DTD 060614	UAA	101,150
93.RD		University of Texas, Houston	0008027H, 0009919H, 0010610H, 0010667A /764341 /5 U01 HL0	UAA	118,394
93.RD		ARRA - University of Texas, Houston	90TR0004-01	ASA	51,461
93.RD		University of Texas, San Antonio	U01 CA086402	ASA	68,065
93.RD		University of Utah	10029580/2T42OH008414, 10034012-ARZ, 10036512-02/ 2309114-30	UAA	473,415
93.RD		University of Washington	756271/1P50MH100023-01, 760067, 761790	UAA	649,724
93.RD		University of Wisconsin, Madison	552K672	UAA	7,881
93.RD		Valley Fever Solutions, Incorporated	1U01AI112406	UAA	17,373
93.RD		Vanderbilt University	U01 CA152662	ASA	4,700
93.RD		Vanderbilt University	VUMC38448	UAA	78,920
93.RD		Viamet Pharmaceuticals, Incorporated	LTR DTD 061512, LTR DTD 080614	UAA	147,555
93.RD		Virgin Instruments	1R44GM104596-01A1	ASA	85,725
93.RD		Virobay Incorporated	1921/1R41CA192455-01R	UAA	25,989
93.RD		Walter R. McDonald & Associates	HHSP23320095656	ASA	18,717
93.RD		Washington University in St. Louis	1R01HG007178-01A1	ASA	259,194
93.RD		Washington University in St. Louis	WU-13-115, WU-13-186, WU- 13-27/PO2916314W, WU-14- 281	UAA	168,657
93.RD		Yale University	A07593M10A10552, A08094M11A10894, M15A11796 (A09585)	UAA	76,591
93.RD		Zero To Three	HHSP23320095657WC	ASA	12,582
	Department of Health and Human Services Subtotal				<u>151,222,717</u>
	Department of Homeland Security				
97.RD	Contract - Department of Homeland Security			ASA	166,455
97.RD	Department of Homeland Security			NAA	1,655,841
97.RD	Department of Homeland Security			UAA	2,185,502
97.RD	Federal Emergency Management Agency			UAA	198,379
97.RD	Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection			ASA	97,120
97.RD		Purdue University	2009-ST-061-CI0001	ASA	65,334
97.RD		Stanford University	60187534-103160-A/HSHQDC-	UAA	158,648
	Department of Homeland Security Subtotal				<u>4,527,279</u>
	Agency for International Development				
98.RD	United States Agency for International Development			ASA	2,707,306
98.RD	United States Agency for International Development			UAA	151,971
98.RD		Auburn University	14-AGR-368044-UA	UAA	12,432
98.RD		Colorado State University	EEM-A-00-10-00001	ASA	152,176
98.RD		East West Management Institute	Unknown	ASA	23,615
98.RD		Fundacion Salvadorea para el Desarrollo Economico y Social	Unknown	ASA	21,891
98.RD		Futures Group	AID-OAA-A-10-00067	ASA	153,622
98.RD		Institute of International Education	AID-OAA-A-12-00039	ASA	70,001
98.RD		International Research and Exchanges Board (IREX)	S-ECAGD-14-CA-1038	ASA	67,595
98.RD		La Fundacion Nacional para el Desarrollo	AID-519-A-0003	ASA	55,175
98.RD		NetHope Inc	AID-CIO-A-10-00001	ASA	29,986
98.RD		Purdue University	206766	ASA	13,140
98.RD		Purdue University	206766	UAA	5,707

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2015

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantees (Appendix)	Expenditures
98.RD		Regional Security System	Unknown	ASA	198,367
98.RD		University of Iowa	1001140012	UAA	9,868
98.RD		Virginia Polytechnic Institute and State University	42597619101	UAA	107,465
	Agency for International Development Subtotal				<u>3,780,317</u>
	Total Research and Development Cluster				<u>490,275,826</u>
	Total Expenditures of Federal Awards				<u>\$ 14,237,121,369</u>

State of Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 1 - Significant Accounting Policies

Basis of Presentation—The information in this 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, 2015; and were accounted for using the modified accrual and full 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 the State of Arizona expends, 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 *2015 Catalog of Federal Domestic Assistance*. When a CFDA number was unknown, the first two digits applicable to the federal agency, if known, were used, followed by the federal contract number. If the federal contract number was also unknown, the identifying number was composed of the first two digits applicable to the federal agency followed by the word "unknown." For programs within the Research and Development Cluster, the first two digits applicable to the federal agency followed by 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 Expenditures of Federal Awards
Year Ended June 30, 2015

Note 4 - Loan Programs

OMB Circular, Subpart B, §310(b)(6), requires that loans and loan guarantees outstanding at year-end be included in either the schedule or a note to the schedule. Only administrative costs incurred for loan and loan guarantee programs are included in the schedule, therefore, loan and loan guarantees outstanding at June 30, 2015, are described below and were calculated in accordance with OMB Circular A-133, Subpart B, §205(b).

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	Loan Balances Outstanding at June 30, 2015
Education and Human Resources	47.076	\$ 200,402
ARRA—Trans-NSF Recovery Act Research Support	47.082	370,253
Federal Perkins Loan Program—Federal Capital Contributions	84.038	27,566,261
Nursing Faculty Loan Program (NFLP)	93.264	6,174,190
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	2,427,198
Nursing Student Loans	93.364	1,017,450
ARRA—Nurse Faculty Loan Program	93.408	416,646

In addition, the universities distribute loans from a federal loan program the U.S. Department of Education administers. As of the year ended June 30, 2015, the universities distributed \$903,475,698 of Federal Direct Student Loans (CFDA number 84.268).

Note 5 - Food Commodities

Food commodities the State receives 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 2015 totaled \$44,442,031 and the amounts, by CFDA number, are presented as follows:

CFDA Number	Program Title	Amount
10.555	National School Lunch Program	\$30,662,354
10.565	Commodity Supplemental Food Program	3,358,091
10.569	Emergency Food Assistance Program (Food Commodities)	10,421,586

State of Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

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 \$12,485,645 for the year ended June 30, 2015.

Note 7 - Immunization Cooperative Agreements

The Immunization Cooperative Agreements (CFDA number 93.268) expenditures of \$94,013,242 include \$87,198,956 worth of vaccines. Vaccines the Department of Health Services administered are included in the definition of federal awards and, accordingly, are included in the amount presented in the schedule.

Note 8 - Unemployment Insurance (CFDA Number 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.

The amount presented in the schedule consists of the following:

Regular unemployment compensation benefits	\$314,476,701
Federal Additional Compensation (FAC) Recoupment	(528,617)
Unemployment compensation for federal employees	2,984,551
Unemployment compensation for ex-service members	2,426,541
Administrative costs	<u>36,781,349</u>
Total expenditures	<u>\$356,140,525</u>

Note 9 - Contingent Liabilities

Although the schedule 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, if any, that may be disallowed by the grantor cannot be determined at this time.

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified		
	Yes	No	
Internal control over financial reporting:			
Material weaknesses 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 Child Nutrition Cluster (10.553/10.555/10.556/10.559), Child and Adult Care Food Program (10.558), Unemployment Insurance (17.225), State Cemetery Grants (64.203), Special Education Cluster (IDEA) (84.027/84.173), Title I Grants to Local Educational Agencies (84.010), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), Twenty-First Century Community Learning Centers (84.287), Improving Teacher Quality State Grants (84.367), Medicaid Cluster (93.775/93.777/93.778), and Children's Health Insurance Program (93.767), 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>	___	
--	----------	-----	--

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
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.195	Section 8 Project-Based Cluster
17.258/17.259/17.278	WIA Cluster

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.225	Unemployment Insurance
20.205/20.219	Highway Planning and Construction Cluster
20.509	Formula Grants for Rural Areas
64.203	State Cemetery Grants
84.027/84.173	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.367	Improving Teacher Quality State Grants
93.558	TANF Cluster
93.575/93.596	CCDF Cluster
93.775/93.777/93.778	Medicaid Cluster
93.563	Child Support Enforcement
93.658	Foster Care—Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
96.001	Disability Insurance/SSI Cluster
84.007/84.033/84.038/84.063/ 84.268/84.379/84.408/ 93.264/93.342/93.364/93.408/ 93.925	Student Financial Assistance Cluster
R&D	Research and Development Cluster

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

Auditee qualified as low-risk auditee?	Yes	No
	—	<u>X</u>

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	<u>X</u>	—
---	----------	---

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Financial Statement Findings

2015-01

The Arizona Department of Administration should prepare financial statements in a timely manner

Criteria: The Arizona Department of Administration (Department) should issue accurate and timely financial statements for the State of Arizona to satisfy the audit requirements imposed by federal and state laws and regulations, grants, contracts, and long-term debt agreements.

Condition and context: The Director of the Department is responsible for establishing and maintaining the State's accounting systems and preparing accurate and timely financial reports, including the State's *Comprehensive Annual Financial Report (CAFR)*. In accordance with Arizona Revised Statutes (A.R.S.) §41-703, the Director has the authority to promulgate rules, regulations, and procedures to carry out his responsibilities. Further, A.R.S. §35-131(l) requires state agencies and other organizations included in the State's reporting entity to submit all necessary financial statements or information to the Department to be used in preparing the State's CAFR. However, those statutes did not include provisions to enforce compliance, and as a result, state agencies did not always comply with the established deadlines. The Department had a November 2015 deadline for the receipt of audited financial statements in order to issue the State's CAFR by December 31, 2015. Specifically, 14 state agencies had a November 2015 deadline to submit their audited financial statements; however, only 9 met this deadline, and the Arizona Department of Transportation (ADOT) did not submit its audited financial statements until April 22, 2016.

Effect: Since various state agencies did not submit all necessary financial statements or financial information to the Department in a timely manner, the Department was unable to prepare and issue the State's CAFR by its December 31, 2015 deadline. Delays in financial reporting may result in rating agencies lowering the State's ratings for bonds and certificates of participation. Also, the State's Single Audit Reporting Package will be issued late (see finding 2015-101), which could result in a loss of federal funding.

Cause: State statutes do not provide the Director of the Department with enforcement power to ensure that state agencies comply with department rules, regulations, and procedures for financial reporting. Further, see findings 2015-12 and 2015-13 for additional detail regarding ADOT's late submission.

Recommendation: To help ensure that the Department receives all financial information necessary to prepare and issue the State's CAFR in a timely manner, the Department should:

- Seek the authority to enforce rules, regulations, and procedures over financial reporting.
- Establish enforcement actions for agencies' failure to submit such information by the required deadlines.

This finding is also reported as a federal finding. See finding 2015-101.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-02

The State of Arizona should strengthen its internal control policies and procedures and system controls over its ProcureAZ purchasing system

Criteria: ProcureAZ is the State's Web-based procurement and purchasing system. Therefore, the State should have effective internal control policies and procedures and system controls over the ProcureAZ system. In addition, the State should monitor that those controls are in place and are being followed.

Condition and context: The State did not have effective internal control policies and procedures and system controls over its ProcureAZ system. As a result, auditors noted the following:

- The user roles established in the system did not appropriately separate duties. For example, a user can both enter and approve a purchase requisition and/or purchase order, and further, receive the goods ordered. Also, a user can enter an invoice in the system and approve it for payment.
- The document approval process in the system for each agency was not always set up properly. Several agencies did not establish adequate approval levels in the system to ensure all transactions received the appropriate level of review and approval.
- There was limited training required for state agencies that requested or established their own user access. As a result, agencies may not fully understand their responsibilities for granting user access to ensure that the user roles did not conflict with existing access or ensure appropriate separation of duties.
- There was no formal policy or procedures in place to ensure user access was removed for terminated employees by the State Procurement Office (SPO) and state agencies.
- The ProcureAZ system lacked reports and audit logs to allow the state agencies and the SPO to monitor user access and activity in the system. Without these reports, individual agencies and the SPO were unable to identify user access or activity in the system that may be inappropriate and should be investigated.

Effect: The State may have an increased risk of misuse, waste, theft of public monies, and unauthorized purchases.

Cause: The State did not have sufficient internal control policies and procedures and system controls, lacked detailed training to properly assign user roles and approval levels, and remove user access for terminated employees. In addition, the ProcureAZ system did not have sufficient reporting tools or audit logs to generate the information needed to monitor user access and activity within the system.

Recommendation: To help improve internal controls over the State's ProcureAZ system, the Arizona Department of Administration (ADOA) should develop and implement internal control policies and procedures, establish system controls, and provide trainings to help ensure duties are appropriately separated, transactions are properly reviewed and approved, and terminated employees' system access is

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

removed in a timely manner. Specifically, the ADOA and state agencies should perform a comprehensive review to ensure employees' access and the user roles granted are needed and compatible with their job responsibilities, and correct any incompatible duties identified. Further, the ADOA should develop system reports and audit logs to review and monitor user access and activities. Lastly, the ADOA should implement monitoring and oversight procedures to help ensure state agencies have properly implemented the State's ProcureAZ system's policies and procedures.

2015-03

The Department of Administration should improve security over its information technology resources

Criteria: To effectively maintain and secure financial and sensitive information, the Arizona Department of Administration (Department) should establish internal control policies and procedures that include practices to help prevent, detect, and respond to instances of unauthorized access or use, manipulation, damage, or loss to its information technology (IT) resources that are based on acceptable IT industry practices. The Department's IT resources include its systems, network, infrastructure, and data.

Condition and context: The Department did not:

- Identify and categorize data by sensitivity and take appropriate action to protect sensitive information.
- Develop and implement a department-wide IT security risk assessment process.
- Have policies and procedures or a process in place to ensure its IT resources were configured securely.
- Log and monitor key user and system activity.
- Have a process to ensure compliance with its IT policies and procedures department-wide including monitoring and reporting on noncompliance issues.

Effect: There is an increased risk that the Department may not prevent or detect unauthorized access or use, manipulation, damage, or loss to its IT resources.

Cause: The Department was unaware its policies and procedures lacked critical elements related to IT security and did not evaluate its policies and procedures against current IT standards and best practices.

Recommendation: To help ensure the Department is able to effectively maintain and secure its IT resources, the Department should ensure that its policies and procedures over securing its IT resources are reviewed against current IT standards and best practices, updated where needed, approved, and communicated department-wide, as appropriate. The policies and procedures should be monitored for compliance and include the following:

- Identifying, categorizing, and inventorying sensitive information and developing security measures to protect it, such as implementing controls to prevent unauthorized access to the information. The Department's policies and procedures should include the security categories into which information should be classified as well as the state statutes and federal regulations that impact those categories.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

- Conducting an IT security risk assessment process, when there are changes to the IT resources or at least annually, that includes identification of risk scenarios that could impact the Department, including the scenarios' likelihood and magnitude, documentation and dissemination of results, review by appropriate personnel, and prioritization of risks for remediation. Threats identified as part of the Department's IT security vulnerability scans should also be incorporated into the IT security risk assessment process.
- Developing and implementing policies and procedures for configuration management. Such policies and procedures should ensure the Department configures its IT resources to provide only essential capabilities to help prevent unauthorized connection of devices or transfer of information. Additionally, the Department should review IT resources' functions and services to determine which functions and services it should eliminate.
- Performing proactive logging and monitoring. The Department should log key user and system activity that could result in potential security incidents such as unauthorized access. The Department should determine what events to log, configure the system to generate the logs, and decide how often to monitor these logs for indicators of potential attacks or misuse of IT resources. Also, the Department should maintain activity logs where users with administrative access privileges cannot alter them.
- Establishing and implementing a formal security compliance policy and process, which consists of obtaining regular confirmation of compliance from process owners, ensuring that internal and external compliance reviews are performed against internal policies, and implementing a process to monitor and report on noncompliance issues. As a component of their compliance policy, the Department should include an enforcement mechanism to ensure that policies are effective and being followed.

2015-04

The Department of Administration should improve access controls over its information technology resources

Criteria: The Arizona Department of Administration (Department) should have effective internal control policies and procedures to control access to its information technology (IT) resources, which include its systems, network, infrastructure, and data.

Condition and context: The Department did not have adequate policies and procedures to control access to its IT resources. Specifically, the Department did not:

- Ensure all user accounts are uniquely identifiable and assigned to an individual employee.
- Periodically review user access to ensure access remained necessary and appropriate.
- Ensure generic user accounts are appropriately limited.
- Ensure compliance with its Access Control Policy by removing user accounts for terminated employees.

Effect: There is an increased risk that the Department may not prevent or detect unauthorized access or use, manipulation, damage, or loss of IT resources, including sensitive and confidential information.

Cause: The Department focused its efforts on the day-to-day operations and did not prioritize its review of IT policies and procedures or assess against IT best practices.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Recommendation: To help prevent and detect unauthorized access or use, manipulation, damage, or loss to its IT resources, the Department should establish effective policies and procedures that include the following:

- Performing a periodic, comprehensive review of all existing employee access accounts to ensure network and system access granted is unique to each employee, needed, and compatible with job responsibilities.
- Reviewing all generic and administrator accounts to eliminate or minimize their use where possible.
- Removing employees' access immediately upon their termination.

2015-05

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

Criteria: Information technology (IT) service contracts between the Arizona Department of Administration's Data Center (Data Center) and other state agencies should be complete, up to date, and include all parties' responsibilities. Well-documented and up-to-date service contracts provide staff with repeatable processes and clear expectations. In addition, the Data Center should maintain a comprehensive 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: Current 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 service contracts between the Data Center and state agencies are complete and up to date, the Data Center should strengthen its IT services policies and procedures. The procedures should include establishing a comprehensive listing of the state agencies' systems maintained and clarifying the specific roles and responsibilities that all parties play in disaster recovery efforts. Further, the Data Center should ensure that the services provided are appropriately identified on the listing, state agency systems are prioritized for recovery based on their relative importance, and the listing is updated as the needs of the state agency changes. The information from the listing should also be included in the IT

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

service contract with each state agency and provided either in summary form or a contract revision to each state agency.

This finding is similar to prior-year finding 2014-01.

2015-06

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. In addition, this technical bulletin requires agencies to restrict the use of the p-cards to acquiring or paying for goods and services that will be used for a valid public purpose. Further, Attorney General Opinion I10-003 directs that the expenditure of public monies must be for a public purpose in which the expenditure does not exceed the worth of the direct benefits enjoyed by the public body.

Condition and context: The Department of Health Services (Department) used p-cards to purchase gift cards and gifts (gifts) for patients of the Arizona State Hospital during the month of December 2014. The Department indicated the gifts were purchased to be used as rewards for patient behavior; however, it was unable to provide evidence that the gifts given to the patients were used for that purpose or demonstrate the public purpose of the gifts.

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 individual state agencies' management to implement their own p-card policies and procedures that conform to the State's 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: To help prevent and detect potential fraud, waste, and abuse related to p-card transactions, the Department should establish specific agency policies and procedures over p-cards and GAO should establish monitoring and oversight procedures to help ensure that individual state agencies have properly developed and implemented p-card policies and procedures, as directed by the GAO's *Statewide Purchasing Card (P-Card) Policies and Procedures* and Attorney General Opinion I10-003.

This finding is similar to prior-year finding 2014-02.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-07

The State of Arizona should strengthen its conflict-of-interest practices

Criteria: Arizona Revised Statutes (A.R.S.) §38-503 regarding conflicts of interest states that any public officer or employee of a state agency who has, or whose relative has, a substantial interest in any contract, sale, purchase, or service to that particular public agency shall make known that interest in that state agency's official records and shall refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale, or purchase. Further, financial accounting standards require that financial statements include disclosures of significant related-party transactions. To comply with these requirements, the State's General Accounting Office (GAO) issued Technical Bulletin No. 09-6, which requires all members of management to file an Annual Declaration and Disclosure form with their agency. The agency must file the form even if there are no conflicts noted and maintain the form for administrative and audit purposes. In addition, state agencies must complete and submit to the GAO Form 51 each year if the agency has any related-party transactions that aggregate to \$100,000 or more for financial statement reporting purposes.

Condition and context: Several state agencies did not have controls in place to ensure that employees in management positions completed an annual conflict-of-interest declaration and, as a result, the agencies could not determine if there were any conflicts of interest or related-party transactions.

Effect: There is a risk that a conflict of interest may exist and related-party transactions were not reported to GAO for disclosure in the State's financial statements. Further, expenditures may have occurred that resulted in employee personal gain or were otherwise inappropriate.

Cause: The agencies were not aware that all employees in management positions must complete a conflict-of-interest declaration annually.

Recommendation: The GAO should ensure that all management employees complete a conflict-of-interest Annual Declaration and Disclosure form to help ensure compliance with A.R.S. §38-503 and GAO's Technical Bulletin No. 09-6. In addition, when conflicts of interest exist, those employees with a conflict must refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale, or purchase. Further, if an agency has related-party transactions that aggregate to \$100,000 or more, they should be reported to GAO for disclosure in the State's financial statements.

2015-08

The Department of Revenue should improve access controls over its information technology resources

Criteria: The Department of Revenue (Department) should have effective internal control policies and procedures to control access to its information technology (IT) resources, which includes its systems, network, infrastructure, and data.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Condition and context: The Department drafted new written internal control policies in May 2015; however, these policies had not yet been fully implemented with documented procedures. As a result, the Department had not performed periodic reviews of user access, group accounts, or logs to:

- Restrict access to sensitive files and information on the network.
- Remove access rights for terminated employees and unused user accounts.
- Eliminate administrator access assigned to standard accounts.
- Ensure that all passwords were changed on a periodic basis.

Effect: There is an increased risk that the Department may not prevent or detect unauthorized access or use, manipulation, damage, or loss of IT resources, including sensitive and confidential information.

Cause: The Department's new policies had not been fully implemented.

Recommendation: To help prevent and detect unauthorized access or use, manipulation, damage, or loss to its IT resources, the Department should implement its new policies and document procedures over management of access controls across its IT resources, including:

- Performing a periodic, comprehensive review of all existing employee access accounts to ensure that network and system access granted is needed and compatible with user job responsibilities and adjusting user access accordingly.
- Reviewing file share rights to ensure unnecessary access is not granted to users.
- Removing or disabling employees' network and systems access immediately upon their termination.
- Reviewing all administrator access accounts to eliminate or minimize their use when possible.
- Strengthening and enforcing password policies by requiring all employees to change passwords on a periodic basis, including establishing requirements and time frames for changing service account passwords.

2015-09

The Department of Revenue should improve security over its information technology resources

Criteria: To effectively maintain and secure financial and sensitive information, the Department of Revenue (Department) should establish internal control policies and procedures that include practices to help prevent, detect, and respond to instances of unauthorized access or use, manipulation, damage, or loss to its information technology (IT) resources that are based on acceptable IT industry practices. The Department's IT resources include its systems, network, infrastructure, and data.

Condition and context: The Department drafted new written internal control policies to align with the State's guidance on best practices for state agencies to follow for IT security; however, these policies had not yet been fully implemented with documented procedures. As a result, the Department did not:

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

- Conduct a structured department-wide IT security risk assessment process that is performed at least annually and includes identification of threats and vulnerabilities, documentation of results, review by appropriate personnel, and prioritization of risks for remediation. In addition, the Department did not incorporate any risks identified as part of the IT security vulnerability scans performed into the IT security risk assessment process.
- Have a plan to remediate or mitigate identified threats and vulnerabilities.
- Have an adequate process to evaluate and test patches to ensure system functionality is not affected by recently released updates, verify the applicability of the patches applied to all IT resources, and ensure patches were up-to-date.
- Have a process in place to ensure its IT resources are configured securely.
- Identify and classify data by sensitivity and take appropriate action to protect sensitive information.
- Enter into written security agreements with local governments and businesses that access its IT resources that outline information system connections' security requirements.
- Proactively log and monitor key user and system security activity.
- Establish a process to respond to security incidents.
- Provide continuous training to keep IT personnel up to date on IT security risks, controls, and practices.

Effect: There is an increased risk that the Department may not prevent or detect unauthorized access or use, manipulation, damage, or loss to its IT resources.

Cause: The Department's new policies had not been fully implemented.

Recommendation: To help ensure that the Department is able to effectively maintain and secure its IT resources, the Department should continue to implement its new policies over securing its IT resources and ensure that documented procedures are developed that include the following:

- Conducting an IT security risk assessment process at least annually that includes identification of risk scenarios that could impact the Department, including the scenarios' likelihood and magnitude; documentation and dissemination of results; evaluation by appropriate personnel; and prioritization of risks identified for remediation. Also, any threats and vulnerabilities identified as part of the Department's IT security vulnerability scans should be incorporated into the IT security risk assessment process.
- Developing a formal process for vulnerability scans that includes performing IT vulnerability scans on a periodic basis and utilizing tools and techniques to automate parts of the process by using standards for software flaws and improper configuration, formatting procedures to test for the presence of threats and vulnerabilities, and measuring the impact of identified threats and vulnerabilities. In addition, the Department should analyze vulnerability scan reports and results, and remediate legitimate vulnerabilities as appropriate.
- Developing patch-management policies and procedures to ensure patches are evaluated, tested, and applied in a timely manner once the vendor makes them available.
- Configuring IT resources to provide only essential capabilities so that they do not provide more functionality than is necessary, including provisions and controls to ensure that unauthorized or unneeded software is not installed or used.
- Identifying, categorizing, and inventorying sensitive information and developing security measures to protect it, such as implementing controls to prevent unauthorized access to the information. The

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Department's policies and procedures should include the security categories into which information should be classified, as well as the state statutes and federal regulations that impact the categories.

- Establishing written security agreements with external organizations requiring access to its IT resources that outline IT resource connections' security requirements.
- Performing proactive logging and log monitoring. The Department should identify the IT resources and functions in each system that should be logged. Also, the Department should determine how frequently logs are monitored and who is responsible for ensuring that logging occurs and ensuring logs are reviewed. In addition, the Department should establish standard response actions for possible detected events, including reporting the security status of the Department and its IT resources to critical personnel. Finally, the Department should establish provisions for log security and retention.
- Establishing and documenting a process to identify and respond to security incidents. This process should include developing and testing an incident response plan and training staff responsible for the plan. The plan should define reportable incidents and address steps on how to identify and handle security incidents that include preparation, detection and analysis, containment, eradication, and recovery. The plan should also coordinate incident handling activities with contingency planning activities, and incorporate lessons learned from ongoing incident handling in the incident response procedures. The incident response plan should be distributed to appropriate personnel and updated, as necessary. Suspected incidents should be reported to individuals responsible for responding so incidents can be tracked and documented. The Department should also ensure these policies and procedures follow regulatory and statutory requirements, provide a mechanism for assisting users in handling and reporting security incidents, and make disclosures to affected individuals and appropriate authorities should an incident occur.
- Developing a plan to provide continuous training on IT security risks, controls, and practices for the Department's IT personnel. In addition, the Department should develop a training program for all employees that provides a basic understanding of information security, user actions to maintain security, and instructions on how to recognize and report potential indicators of security threats, including threats department employees generate. In addition, provide immediate training for new employees and provide training to all employees on an on-going basis as determined by the Department.

2015-10

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

Criteria: The Department of Revenue (Department) should continue to strengthen its 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 the corrective action.

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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.

This finding is similar to prior-year finding 2014-03.

2015-11

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

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

Condition and context: The DES had a disaster recovery plan for its IT resources; however, the Department did not evaluate, test, and update its plan annually. The Department of Child Safety (DCS) also uses these IT resources.

Effect: The DES and DCS risk disruption of operations; inaccurate or incomplete financial, federal program, or management information; expensive recovery efforts; and financial losses because of inadequate disaster recovery controls. In addition, service disruption in the event of a disaster, system or equipment failure, or other interruption could result in significant harm or inconvenience to the State and its citizens.

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

Recommendation: To help ensure the continuity of the DES and DCS operations and that electronic information and data are not lost in the event of a disaster, system or equipment failure, or other interruption, the DES 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 similar to prior-year finding 2014-05. This finding is also reported as a federal finding. See finding 2015-115.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Other auditors' findings:

The other auditors who audited the Arizona Department of Transportation, Arizona Health Care Cost Containment System, and the Arizona State Lottery reported the following findings:

2015-12

Sub-ledger Reconciliations

Criteria: Internal controls would dictate that procedures be designed, implemented and followed for the reconciliation of general subledger accounts to prevent, detect and correct potential misstatements.

Condition: Due to a change in administration, key personnel, as well as an implementation of a significant entity wide system upgrade, the Arizona Department of Transportation did not have a system of internal controls that would enable management to timely and properly reconcile the general ledger subledger accounts to ensure they were complete and presented in accordance with accounting principles generally accepted in the United States in a timely manner.

Effect: There were misstatements of various general ledger accounts that resulted in material audit adjustments.

Cause: Reconciliation procedures were not performed timely and controls were either not properly designed or implemented, or designed controls were not performed as designed.

Recommendation: In order to strengthen internal controls, we recommend management review its current policies and determine whether the policies should be revised. We also recommend management review the implementation of current procedures to determine that procedures are being performed as designed.

2015-13

Year-End Adjustments and Preparation of the Financial Statements

Criteria: Internal controls would dictate that an adequate review process be put in place to prevent a material misstatement from going undetected and uncorrected.

Condition: Due to a change in administration, key personnel, as well as an implementation of a significant entity wide system upgrade, the Arizona Department of Transportation did not have a system of internal controls that would enable management to conclude the financial statements and related disclosures, and the schedule of expenditures of federal awards were complete and presented in accordance with accounting principles generally accepted in the United States of America in a timely manner.

The Arizona Department of Transportation requested us to assist in drafting the financial statements. We also proposed material audit adjustments in order to draft the financial statements. These entries related to internal controls over the year-end close-out process. The absence of a complete control procedures or

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

processes in this area is considered a material weakness because there were material misstatements of the financial statements that occurred and not prevented or detected by Arizona Department of Transportation's internal control processes.

Effect: Audit adjustments were proposed and subsequently approved and recorded by management to present the financial statements in accordance with generally accepted accounting principles. Those entries included:

- 1) Audit adjustments were proposed and subsequently recorded by management to properly record beginning fund balances.
- 2) Audit adjustments were proposed and subsequently recorded by management to properly report cash balances and outstanding warrants (checks).
- 3) Audit adjustments were proposed and subsequently recorded by management to properly report accounts payable, capital outlay and expenditures.
- 4) Audit adjustments were proposed and subsequently recorded by management to properly report accounts receivable, deferred inflows of resources and revenue.
- 5) Audit adjustments were proposed and subsequently recorded by management to properly record distributions to Arizona counties and cities that were improperly capitalized during the year.
- 6) Audit adjustments were proposed and subsequently recorded by management to properly report interfund balances and transfers.

Cause: The finance department did not have an adequate conversion processes and personnel to prepare the year-end financial statements for external reporting purposes.

Recommendation: We recommend the Arizona Department of Transportation continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to identify year end closing adjustments. Should the Arizona Department of Transportation elect to establish the "full oversight" of the financial statement preparation, we suggest management establish effective review policies and procedures, including, but not limited to, the following functions: review the adequacy of financial statement disclosures by completing a disclosure checklist; review and approve schedules and calculations supporting the amounts included in the notes to the financial statements; apply analytic procedures to the draft financial statements; and perform other procedures considered necessary by management.

2015-14

Improve controls over purchasing and disbursements

Criteria: A strong and efficient system of internal controls over purchasing and disbursements is critically important to governmental organizations. Internal controls over the purchasing, procurement, contracting and accounts payable processes should be established and maintained to include limitations on purchasing authority, proper segregation of duties, and appropriate reviews of invoices and warrants.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Condition: During fiscal year 2015, an Arizona Health Care Cost Containment System (AHCCCS) internal investigation identified an employee embezzlement. The embezzlement involved AHCCCS' Contracts and Purchasing Administrator, who used their position to initiate and approve vendor invoices related to a multi-service contract. The Contracts and Purchasing Administrator was then able to use his long tenure and standing within AHCCCS to obtain possession of the paper warrants prior to their mailing to the vendor. In many instances, the vendor invoices were fraudulent. However, in some instances, the vendor invoices were legitimate and the invoices were subsequently adjusted off by the vendor for an unknown reason. AHCCCS believes the fraud occurred over a ten-year period (2006-2015) and the total cumulative amount misappropriated is estimated at \$5,757,728. The funds were misappropriated from AHCCCS' administrative budget, which approximates \$200 million annually.

Effect: For the period from fiscal year 2006 through fiscal year 2015, AHCCCS estimates that their Contracts and Purchasing Administrator misappropriated \$5,757,728 of fraudulent vendor payments under a multi-service contract. The funds were misappropriated from AHCCCS' administrative budget, which approximates \$200 million annually. See findings 2015-127 for effect on federal awards administered by AHCCCS.

Cause: Using his authority, tenure and standing within AHCCCS, the Contracts and Purchasing Administrator was able to circumvent existing controls to misappropriate funds. The Contracts and Purchasing Administrator had the authority to initiate and approve the vendor invoices under his delegated procurement authority and position. Additionally, he was able to use his long tenure and standing within AHCCCS to obtain possession of the paper warrants prior to their mailing to the vendor.

Recommendation: We recommend that AHCCCS review their existing internal control environment surrounding purchasing and disbursements to limit delegated procurement authority and to ensure proper segregation of duties. We also recommend that AHCCCS enforce its existing policies to ensure that the distribution of paper warrants, as well as the review and approval of any paper warrants prior to their distribution, must be segregated from individuals who initiate a purchase requisition and or the payment request. Finally, we recommend that AHCCCS periodically audit vendor accounts and reconcile vendor receipt detail to AHCCCS payment detail.

This finding is also reported as a federal finding. See finding 2015-127.

2015-15

Accounting and reporting components of net position

Criteria: For the Arizona State Lottery (Lottery), we believe that paragraph 12.117 of the American Institute of Certified Public Accountants, (AICPA) State and Local Governments 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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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.

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, and does not represent a liability in our view, rather it is the underlying 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 \$20.8 million. A portion of this estimate is attributable to forfeited prizes is approximately \$5.7 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.

This finding is similar to prior-year finding 2014-07.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-16

Regularly review third-party service reports

Criteria: Third party service organizations are entities that provide outsourcing activities that are relevant to the control environments at user organizations. The Statements on Standards for Attestation Engagements (SSAE) No. 16, Type II, report is an independent auditor's report on the design and operating effectiveness of key controls at a service organization. A SSAE No. 16, Type II, report 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 SSAE No. 16, Type II, 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.

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 the SSAE No. 16 report 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.

This finding is similar to prior-year finding 2014-08.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Federal Award Findings and Questioned Costs

2015-101

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

Criteria: Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, §.320, requires the State to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than 9 months after fiscal year-end.

Condition and context: The federal reporting deadline for the State's Single Audit Reporting Package was March 31, 2016; however, the State did not issue its Single Audit Reporting Package until June 2016 because of the late issuance of the State's Comprehensive Annual Financial Report (CAFR).

Effect: The late submission affects all federal programs the State administered; however, this finding does not result in a deficiency in internal control over compliance or noncompliance for the individual federal programs, as this was not caused by the programs' administration.

Cause: As discussed in finding 2015-01, the late completion of the State's CAFR contributed to the late submission of its Single Audit Reporting Package.

Recommendation: The State should improve its financial reporting process so that it can submit its Single Audit Reporting Package to the federal audit clearinghouse no later than 9 months after fiscal year-end.

2015-102

CFDA No. and Name: Various
Award Numbers and Years: Various
Federal Agency: Various
Compliance Requirement: Allowable Costs/Cost Principles
Questioned Costs: \$166,663

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 did not comply with the allowable costs/cost principles requirements with respect to Arizona Strategic Enterprise Technology (ASET) Office's 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 of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

state agencies to pay for these services with a 0.2 percent charge of the agency's total payroll expenditures each pay period. A portion of the charge is for technology project oversight services ASET provides and administration of the State and Local Implementation Grant Program (SLIGP). However, these services were determined to be unallowable because the services involved were not chargeable in accordance with the relative benefits received.

Effect: The State's Department of Administration (Department) has determined these charges totaled \$166,663 during fiscal year 2015. The Department has not compiled the information for disallowed costs by federal program for each agency. It was not practical to extend our auditing procedures sufficiently to determine whether 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 the SLIGP administration costs and, therefore, was not caused by the federal programs' administration.

Recommendation: The State should ensure that services provided within the Information Technology Fund are not charged to federal programs unless treated as direct costs or allocated using an equitable allocation basis. 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 if the bill is enacted into law.

This finding is similar to prior-year finding 2014-101.

2015-103

CFDA No. and Name:	Various
Award Numbers and Years:	Various
Federal Agency:	Various
Compliance Requirement:	Allowable Costs/Cost Principles
Questioned Costs:	\$9,494,055

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 did not comply with the allowable costs/cost principles requirements with respect to the following legislatively mandated fund transfers:

- House Bill 2004 of the 51st Legislature, First Special Session, Chapter 4, §7, and House Bill 2707 of the 51st Legislature, Second Regular Session, Chapter 13, §8, directed the transfer of monies from the

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

State's Risk Management Revolving Fund to the Arizona Navigable Stream Adjudication Commission for unpaid legal obligations.

- House Bill 2703 of the 51st Legislature, Second Regular Session, Chapter 18, §138, mandated fund balance transfers from the State's Automation Operations Fund to the State's Automation Projects Fund.
- House Bill 2703 of the 51st Legislature, Second Regular Session, Chapter 18, §139, mandated fund balance transfers from the Special Employee Health Insurance Trust Fund to the State's General Fund to help provide adequate support and maintenance for state agencies.

Further, the Department of Public Safety (Public Safety) transferred monies from its Automation Operations and Risk Management Funds to a fund that was used to pay department-wide and administrative costs.

A portion of these balances transferred included federal monies and was therefore unallowable since 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 \$9,494,055 during fiscal year 2015. The Department has not compiled the information for the disallowed costs by federal program for each grantor agency. 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 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 state agencies that had legislatively mandated or directed transfers.

Cause: The noncompliance for the mandated and directed transfers resulted from state legislation and, therefore, was not caused by the federal programs' administration. Further, for the transfers completed by the Public Safety, the Public Safety was unaware that transfers that include federal monies should be based on the relative benefits received.

Recommendation: The State should ensure that legislatively mandated and directed 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. Finally, the Department should ensure all agencies are aware that transfers that include federal monies should be based on the relative benefits received.

This finding is similar to prior-year finding 2014-102.

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

2015-104

Cluster Name:	Student Financial Assistance Cluster
CFDA No. and Name:	84.007 Federal Supplemental Educational Opportunity Grants 84.033 Federal Work-Study Program 84.038 Federal Perkins Loan Program—Federal Capital Contributions 84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans 84.379 Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) 84.408 Postsecondary Education Scholarships for Veteran’s Dependents
Award Numbers and Year:	Various; July 1, 2014 through June 30, 2015
Federal Agency:	U.S. Department of Education
CFDA No. and Name:	93.264 Nurse Faculty Loan Program (NFLP) 93.342 Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students 93.364 Nursing Student Loans 93.408 ARRA—Nurse Faculty Loan Program 93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds
Award Numbers and Year:	Various; July 1, 2014 through June 30, 2015
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	N/A

Criteria: For the Federal Pell Grant and Federal Direct Student Loans programs, 34 CFR §§685.309(b) and 690.83(b)(2) require institutions to accurately report student enrollment status changes to the National Student Loan Data System (NSLDS). Student enrollment status changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves of absence. These changes must be reported within 30 days, unless an enrollment reporting roster will be submitted within 60 days.

Condition and context: The three universities administering the Student Financial Assistance Cluster did not have adequate internal control procedures to ensure that all student enrollment status changes were reported to the NSLDS accurately and/or within the required time periods. Specifically, the following deficiencies were noted:

- The University of Arizona (UofA)—For 6 of 25 students tested, auditors noted errors in the students’ enrollment status changes reported to the NSLDS.
- Arizona State University (ASU)—For 2 of 40 students tested, auditors noted enrollment status changes

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

were reported 18 days late to the NSLDS.

- Northern Arizona University (NAU)—For 3 of 25 students tested, auditors noted errors in the students' enrollment status changes reported to the NSLDS, and a change for 1 of the 25 students tested was reported 229 days late to the NSLDS.

Effect: The universities did not comply with the enrollment-reporting requirements of 34 CFR §§685.309(b) and 690.83(b)(2). Consequently, student enrollment statuses in the NSLDS were not always accurate and/or reported in a timely manner.

Cause: The universities used a third-party servicer to report enrollment status changes to NSLDS but did not have adequate internal control procedures to verify that changes were reported to the NSLDS accurately and/or in a timely manner. Further, UofA and NAU did not have adequate internal control procedures to identify all student enrollment status changes within their accounting systems.

Recommendation: The universities should implement internal control procedures to ensure that they identify all student enrollment status changes required to be reported, accurately report the changes, and monitor changes submitted by the third-party servicer to ensure the student enrollment status changes reported to the NSLDS are accurate and reported within required timelines.

2015-105

CFDA No. and Name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years:	H126A130002, 2013; H126A140002, 2014; and H126A150002, 2015
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 11 of 40 applications tested. Specifically, for 11 of 40 applications tested, it took the Administration between 66 and 192 days, or an average of 128 days, to either determine if the applicants were eligible for the program or close the case. For 3 of the 11 items tested, the Administration had a properly signed extension letter in the case file, but failed to determine eligibility within the extended time period. For another 4 of the 11 items 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 3 of the 11 items tested, an extension letter was not prepared. Finally, for 1

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

item tested, the Administration included 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 prior-year finding 2014-104.

2015-106

CFDA No. and Name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years:	H126A130002, 2013; H126A140002, 2014; and H126A150002, 2015
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	None

Criteria: In accordance with 29 U.S. Code §722(b)(3)(F), the Department of Economic Security (Department) must develop an individualized plan for employment as soon as possible, but no later than 90 days after the date of eligibility determination, unless the Department and the eligible individual agree to an extension of that deadline to a specific date the individualized plan for employment will be completed.

Condition and context: The Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), lacked policies and procedures for the timely completion of individualized plans for employment. Consequently, for two of ten case files tested, the Administration did not develop an individualized plan for employment within 90 days or obtain an extension.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Specifically, it took the Administration 102 days to document the individualized plan for employment in one case file and 93 days for the other case file.

Effect: Failure to develop timely individualized plans for employment may result in delayed services.

Cause: The Administration did not have policies and procedures in effect to ensure that individualized plans for employment were developed no later than 90 days after the determination of eligibility or the agreed-upon extension date.

Recommendation: To help ensure compliance with grant requirements, the Administration should establish written policies and procedures that include the following:

- Ensuring a participant's individualized plan for employment is completed no later than 90 days after the eligibility determination date or within the extension period.
- Preparing a letter before the end of the 90-day period to establish a specific extension of time when an individualized plan of employment cannot be completed within 90 days. Both the Administration and the applicant should sign this letter.

In addition, the Administration should provide adequate supervision of its case workers and enforce its policies and procedures to help ensure compliance with grant requirements.

2015-107

CFDA No. and Name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years:	H126A130002, 2013; H126A140002, 2014; and H126A150002, 2015
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Earmarking
Questioned Costs:	None

Criteria: In accordance with 29 U.S. Code §730(d), the Department of Economic Security (Department) must reserve at least 15 percent of their Vocational Rehabilitation (VR) allotment for the provision of pre-employment transition services to students with disabilities who are eligible, or potentially eligible, for VR services.

Condition and context: The Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), lacked policies and procedures to ensure this requirement was met. The Administration did not establish a reserve for the provision of pre-employment transition services to students with disabilities who are eligible, or potentially eligible, for VR services. Consequently, the Administration expended only \$5,493,003, or 9.9 percent of the fiscal year 2015 allotment, for the provision of pre-employment transition services.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Effect: Failure to establish policies and procedures could result in not providing services to potential clients.

Cause: The Administration did not have policies and procedures to ensure that the amounts of funds available for the pre-employment transition services were reserved.

Recommendation: To help ensure compliance with earmarking requirements, the Administration should establish written policies and procedures to reserve the required amount of the VR allotment for pre-employment transition services to students with disabilities who are eligible, or potentially eligible, for VR services.

2015-108

CFDA No. and Name:	17.225 Unemployment Insurance
Award Numbers and Years:	UI-18007-09-55-A-4, 2009; UI-21086-11-55-A-4, 2011; UI-22261-12-55-A-4, 2012; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; and UI-26521-15-55-A-4, 2015
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Reporting
Questioned Costs:	None

Criteria: In accordance with 29 CFR §97.20(b)(1)-(3) and (b)(6), Subpart C, the Department of Economic Security (Department) must report financial information through authorized reports in accordance with federal agency instructions, maintain internal controls over reporting to provide reasonable assurance that federal program reports are accurate and reliable, and report information that agrees to its financial records.

Condition and context: The Department's Unemployment Insurance Administration (Administration) did not accurately prepare or provide support for various fiscal year 2015 unemployment insurance reports. Additionally, the Administration submitted its quarterly ETA 581—Contribution Operations report, ETA 227—Overpayment Detection and Recovery Activities report, and ETA 227—EUC—Overpayment Detection and Recovery Activities report without an independent review and approval by a knowledgeable person. Further, the Administration did not document an independent review of its ETA 191—Financial Status of UCFE/UCX report. Auditors noted errors in 4 of the 13 reports tested. Specifically, auditors noted the following:

- For the March 31, 2015, quarterly ETA 581—Contribution Operations report, the financial management system did not support amounts reported for Liquidated Contributory Employers Receivables of \$3,672,800 and for Liquidated Reimbursing Employers Receivables of \$134,639.
- For the September 30, 2014, quarterly ETA 227—Overpayment Detection and Recovery Activities report, UI and UCFE/UCX Nonfraud Recovered for Other States was reported as \$0 although system reports identified \$120,115 and \$456 in recoveries, respectively. Additionally, the Administration could not support the following reported amounts:

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

	Section A. Overpayments Established—Causes		
Cause	UI	UCFE/UCX	EB
Total—Fraud, Nonfraud, and Penalty	\$4,046,115	\$34,657	\$3,133

	Section C. Recovery/Reconciliation					
	Fraud			Nonfraud		
Item	UI	UCFE/UCX	EB	UI	UCFE/UCX	EB
Additions (Subtractions)	\$(1,790,037)	\$16,980	\$(42,958)	\$(3,174,276)	\$(57,998)	\$169,449

- For the September 30, 2014, quarterly ETA 227—EUC—Overpayment Detection and Recovery Activities report, the Administration could not support the following reported amounts:

	Section A. Overpayments Established—Causes	
Cause	UI	UCFE/UCX
Fraud—Total	\$595,087	\$1,923
Nonfraud—Total	\$182,089	\$891

	Section C. Recovery/Reconciliation			
	Fraud		Nonfraud	
Item	UI	UCFE/UCX	UI	UCFE/UCX
Additions (Subtractions)	\$(830,933)	\$(1,496)	\$(1,814,742)	\$23,346

- For the June 30, 2015, quarterly Trade Act Participation Report (TAPR), the Administration did not report 3rd, 2nd, and 1st Quarter Wages Prior to Participation for the 225 participants who had not exited the program.

Effect: The Administration submitted incorrect financial data to the federal grantor that may result in potential errors in analysis or other determinations. This finding did not result in questioned costs because the reports were not used to request reimbursement of federal expenditures.

Cause: The Administration did not adequately implement review procedures to ensure that all relevant financial data was included on the ETA 581, ETA 227, and TAPR reports. Furthermore, as a result of some programming deficiencies in system-generated reports, the Administration made manual adjustments to the ETA 581 and ETA 227 reports to report ending balances that were not supported by the financial management system, and critical information was omitted from the TAPR reports.

Recommendation: To help ensure compliance with reporting requirements, the Administration should establish written policies and procedures that include retaining documentation to support the amounts reported on federal reports. Also, the policies and procedures should require a knowledgeable person's documented review of federal reports before they are submitted to the U.S. Department of Labor to help ensure they are complete and accurate. Finally, the Administration should investigate the system

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

deficiencies and correct programming errors to ensure that the generated internal reports are accurate and support various financial information.

2015-109

CFDA No. and Name:	17.225 Unemployment Insurance
Award Numbers and Years:	UI-18007-09-55-A-4, 2009; UI-21086-11-55-A-4, 2011; UI-22261-12-55-A-4, 2012; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; and UI-26521-15-55-A-4, 2015
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	None

Criteria: In accordance with the program-integrity requirements of the Trade Adjustment Assistance Extension Act of 2011, Public Law 112-40, §§251(a)-(b) and 252(a), the Department of Economic Security (Department) must:

- Charge an employer's unemployment compensation account when the employer or its agent's actions led to an improper payment and a pattern of failure has been established.
- Impose a monetary penalty of not less than 15 percent to claimants whose fraudulent acts result in overpayments.
- Maintain policies and procedures to identify overpayments and classify them in a manner that allows the Department to take appropriate follow-up action.

Also, in accordance with the quality control requirements of 20 CFR §§602.11(d) and 602.21(c), the Department is required to operate a quality control program to assess the accuracy of unemployment insurance benefit payments and denied claims. The *Benefit Accuracy Measurement State Operations Handbook, ET Handbook No. 395, 5th Edition* (Handbook), requires the Department to complete a minimum number of case investigations within a specified time frame and a summary of investigation that includes a narrative explaining pertinent facts for each case. Further, case findings should be accurately reported and recorded.

Condition and context: The Department's Unemployment Insurance Administration (Administration) did not comply with program-integrity requirements designed to address improper unemployment compensation payments. Specifically, auditors noted the following deficiencies:

- The Administration did not always evaluate and document the adequacy of employer information request responses related to employee separations and did not have a process to determine whether a pattern of untimely or inadequate responses existed. As a result, the Administration may not have charged employers' unemployment compensation accounts when the employer or its agent's actions led to an improper payment.
- The Administration did not properly classify 2 of 40 overpayments tested. Specifically, 1 overpayment was classified as nonfraud although fraudulent. As a result, the Administration failed to assess the

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

required 15 percent fraud penalty to the claimant. Additionally, another overpayment was classified as Regular Unemployment Compensation although the overpayment was for the 2008 Emergency Unemployment Compensation (EUC) program, and therefore, monies were not returned to the EUC program. In addition, for 2 of 40 overpayments tested, the Administration did not accurately identify the method of detection. As a result of these errors, the ETA 227—Overpayment Detection and Recovery Activities report and ETA 227—EUC—Overpayment Detection and Recovery Activities report were inaccurate.

In addition, the Administration did not comply with the quality control requirements. Specifically, the Administration's Benefit Accuracy Measurement Unit (BAM Unit) did not always follow its policies and procedures to ensure it completed the minimum number of cases during the time frame specified in the Handbook. Specifically, for fiscal year 2015, the BAM Unit completed only 23 percent of case investigations within 60 days instead of the required 70 percent, and 58 percent of case investigations within 90 days instead of the required 95 percent. Further, for 9 of 40 cases tested, a summary of investigation was not completed. Additionally, for 1 of 40 cases tested, the BAM Unit incorrectly reported the total overpayment of \$106 as \$118 to the Department of Labor.

Effect: The Administration did not comply with the program-integrity requirements. In addition, failure to operate the BAM Unit program in accordance with the quality control requirements can result in noncompliance with federal regulations and failure to identify overpaid, underpaid, or erroneously denied claims. Failure to accurately report case findings inhibits the Administration's ability to evaluate performance and assess the accuracy of unemployment insurance payments.

Cause: The Administration did not have adequate policies and procedures or did not always follow its policies and procedures to comply with program-integrity requirements. In addition, for quality control requirements, the BAM Unit did not have adequate policies and procedures in place to complete case investigations in a timely manner and did not always follow its policies and procedures to complete a summary of investigation. In addition, the BAM Unit did not have adequate policies and procedures for supervisory reviews.

Recommendation: To help ensure compliance with program-integrity requirements, the Administration should follow its policies and procedures to ensure that each overpayment is accurately identified and to evaluate and document the adequacy of employer information request responses related to employee separations. Also, the Administration should develop detailed policies and procedures to determine whether a pattern of untimely or inadequate responses exists and charge an employer's unemployment compensation account when the employer or its agent's actions led to an improper payment.

In addition, to comply with the quality control requirements, the BAM Unit should develop policies and procedures to help ensure it completes the minimum number of case investigations in a timely manner and establish guidelines for the type of cases required to have a supervisory review and the appropriate level of review. Finally, the BAM Unit should follow its policies and procedures to complete a summary of investigation that includes a narrative explaining pertinent case facts.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-110

CFDA No. and Name:	17.225 Unemployment Insurance
Award Numbers and Years:	UI-18007-09-55-A-4, 2009; UI-21086-11-55-A-4, 2011; UI-22261-12-55-A-4, 2012; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; and UI-26521-15-55-A-4, 2015
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Cash Management
Questioned Costs:	None

Criteria: In accordance with 31 CFR §§205.11, 205.12(b), and 205.33, Subchapter A, the Department of Economic Security (Department) must request federal monies in accordance with the funding techniques agreed to in the Treasury-State Agreement. In addition, the funds transfer amount should be the amount the Department expects to disburse.

Condition and context: The Department's Financial Services Administration (Administration) did not always comply with the applicable funding technique's terms. Specifically, for two of nine funds transfers tested, the Administration requested funds transfers for \$1,029,555 and \$1,757,310, which were \$104,163 and \$22,934, respectively, more than the amount needed for expected expenditures. Further, two additional transfers totaling \$2,581,300 were requested 1 day earlier than the established dates in the Treasury-State Agreement.

Effect: The Administration did not comply with the cash management requirements, which resulted in a positive cash balance for 2 weeks.

Cause: The Administration had ineffective procedures to ensure that funds transfers were correct according to the supporting documentation and requested in accordance with the Treasury-State Agreement. According to the Administration, when requesting monies pursuant to the Treasury-State Agreement, the monies are not always available for disbursement the following day because of a lag time in its financial system.

Recommendation: To help ensure compliance with the cash management requirements, the Administration should develop detailed procedures to determine the amount of monies needed for immediate cash requirements and ensure that the funds transfer amount is properly supported and requested according to the Treasury-State Agreement. Additionally, the Administration should work with the U.S. Treasury to ensure the Treasury-State Agreement allows for funds to be requested in time for disbursement.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-111

CFDA No. and Name:	17.225 Unemployment Insurance
Award Numbers and Years:	UI-18007-09-55-A-4, 2009; UI-21086-11-55-A-4, 2011; UI-22261-12-55-A-4, 2012; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; and UI-26521-15-55-A-4, 2015
Federal Agency:	U.S. Department of Labor
Compliance Requirement	Eligibility
Questioned Costs:	\$6,240

Criteria: In accordance with 20 CFR §§602, Appendix A, 6013(A)(1)-(3) and (B), the Department of Economic Security (Department) is required to obtain sufficient information to support eligibility and document eligibility determinations. Specifically, the Department is required to determine eligibility in accordance with 26 U.S. Code §3304(a)(10) and Arizona Revised Statute §23-775(2). Under these provisions, an employee discharged for misconduct connected with his work is ineligible for unemployment compensation.

Condition and context: For 1 of 40 case records tested, the Department's Unemployment Insurance Administration (Administration) provided unemployment compensation to a claimant without adequate support. Specifically, the Administration did not obtain sufficient evidence to determine whether or not the claimant was discharged for misconduct, resulting in a questioned cost of \$6,240.

Effect: Benefits were issued to recipients 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: The Administration did not follow its policies and procedures to request, review, and document facts in the applicant's case record to support eligibility decisions.

Recommendation: The Administration should enforce its policies and procedures to ensure that each decision regarding eligibility or ineligibility is supported by documentation maintained in the applicant's case record.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-112

Cluster Name:	TANF Cluster
CFDA No. and Name:	93.558 Temporary Assistance for Needy Families
Award Numbers and Years:	1302AZTANF and 1302AZTAN3, 2013; 1402AZTANF and 1402AZTAN3, 2014; and 1502AZTANF and 1502AZTAN3, 2015
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Eligibility
Questioned Costs:	\$106

Criteria: In accordance with 45 CFR §233.20(a)(2), standard needs tables should be used to determine the need of TANF applicants and recipients and the amount of the assistance payment.

Condition and context: For 1 of 40 case records tested, the Department of Economic Security's Division of Benefits and Medical Eligibility, Family Assistance Administration (Administration), provided cash assistance to an applicant utilizing the incorrect standard needs tables to calculate the benefit amount, resulting in an overpayment of \$106.

Effect: Benefits were issued to a recipient for an incorrect amount. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding.

Cause: Due to human error, upon updating client information, incorrect needs tables were linked to the client's profile.

Recommendation: The Administration should ensure that upon updating client information into the system, all changes are supported by documentation and maintained in the applicant's records or case files.

2015-113

Cluster Name:	CCDF Cluster
CFDA No. and Name:	93.575 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Award Numbers and Years:	G1301AZCCDF, 2013; G1401AZCCDF, 2014; and G1501AZCCDF, 2015
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirements:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Costs:	\$272

Criteria: In accordance with the Department of Economic Security's Child Care Administration's (Administration) provider contracts for child care providers, providers are required to maintain accurate sign-

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

in/sign-out records for a minimum of 5 years. In addition, providers should bill only for hours reported on the sign-in/sign-out records.

Condition and context: For 3 of 40 child care subsidies tested, the child care provider did not maintain documentation of the hours billed, or the child care provider billed for hours not provided.

Effect: The Administration may pay for child care that was not provided.

Cause: According to the Administration, given the volume of child care provided and corresponding support, the Administration does not review all documentation from the providers to support amounts billed. In addition, the Administration does not require providers to submit with their billings statements all documentation of billable hours for child care provided, but requires the provider to retain documentation for 5 years and submit documentation if requested by the Administration.

Recommendation: The Administration should regularly remind providers to retain documentation supporting hours billed for 5 years and that billing statements should be based on actual child care hours provided.

2015-114

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.

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

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 all federal programs.

This finding is similar to prior-year finding 2014-108.

2015-115

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:	7AZ400AZ4, 2014 and 2015
Federal Agency:	U.S. Department of Agriculture
CFDA No. and Name:	17.225 Unemployment Insurance
Award Numbers and Years:	UI-18007-09-55-A-4, 2009; UI-21086-11-55-A-4, 2011; UI-22261-12-55-A-4, 2012; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; and UI-26521-15-55-A-4, 2015
Cluster Name:	WIA Cluster
CFDA No. and Name:	17.258 WIA/WIOA Adult Program 17.259 WIA/WIOA Youth Activities 17.278 WIA/WIOA Dislocated Worker Formula Grants
Award Numbers and Years:	AA-20181-10-55-A-4, 2010; AA-21382-11-55-A-4, 2011; AA-22922-12-55-A-4, 2012; AA-24079-13-55-A-4, 2013; AA-25340-14-55-A-4, 2014; and AA-26766-15-55-A-4, 2015
Federal Agency:	U.S. Department of Labor
CFDA No. and Name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award Numbers and Years:	H126A130002, 2013; H126A140002, 2014; and H126A150002, 2015
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:	1302AZTANF and 1302AZTAN3, 2013; 1402AZTANF and 1402AZTAN3, 2014; and 1502AZTANF and 1502AZTAN3, 2015
Cluster Name:	CCDF Cluster
CFDA No. and Name:	93.575 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

Award Numbers and Years: G1301AZCCDF, 2013; G1401AZCCDF, 2014; and G1501AZCCDF, 2015

CFDA No. and Name: 93.563 **Child Support Enforcement**

Award Numbers and Years: 1404AZ4005, 2014; and 1504AZCSES, 2015

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

Award Numbers and Years: 1401AZ1401, 2014; and 1501AZFOST, 2015

CFDA No. and Name: 93.659 **Adoption Assistance**

Award Numbers and Years: 1401AZ1407, 2014; and 1501AZADPT, 2015

CFDA No. and Name: 93.667 **Social Services Block Grant**

Award Numbers and Years: G1301AZSOSR, 2013; G1401AZSOSR, 2014; G1501AZSOSR, 2015

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; 04-1204AZDI00, 2014; and 04-1504AZDI00, 2015

Federal Agency: **U.S. Social Security Administration**

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

Questioned Costs: N/A

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

Condition and context: The DES had a disaster recovery plan for its IT resources; however, the DES did not evaluate, test, and update its plan annually. The Department of Child Safety (DCS) also uses these IT resources.

Effect: The DES and DCS risk disruption of operations; inaccurate or incomplete financial, federal program, or management information; expensive recovery efforts; and financial losses because of inadequate disaster recovery controls. In addition, service disruptions in the event of a disaster, system or equipment failure, or other interruption could result in significant harm or inconvenience to the State and its citizens. This finding could potentially affect all federal programs the DES and DCS administered.

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

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

Recommendation: To help ensure the continuity of the DES and DCS operations and that electronic information and data are not lost in the event of a disaster, system or equipment failure or other interruption, the DES 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 similar to prior-year finding 2014-109. This finding was also reported as a financial reporting finding. See finding 2015-11.

2015-116

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 Number and Years: 7AZ300AZ3, 2010, 2011, 2012, 2013, 2014, 2015
CFDA No. and Name: 10.558 Child and Adult Care Food Program
Award Numbers and Years: 7AZ300AZ3, 2011, 2012, 2013, 2014, 2015;
 7AZ300AZ4, 2013, 2014, 2015
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: H027A120007, 2012; H027A130120, 2013; H027A140007, 2014;
 H173A120003, 2012; H173A130003, 2013; H173A140003, 2014
CFDA No. and Name: 84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years: S010A120003, 2012; S010A130003, 2013; S010A140003, 2014
CFDA No. and Name: 84.287 Twenty-First Century Community Learning Centers
Award Numbers and Years: S287C120003, 2012; S287C130003, 2013; S287C140003, 2014
CFDA No. and Name: 84.367 Improving Teacher Quality State Grants
Award Numbers and Years: S367A120049, 2012; S367A130049, 2013; S367A140049, 2014
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) and (5), the Department of Education (Department) must ensure that subrecipients expending \$500,000 or more in federal awards meet the required single audit reporting requirements within 9 months of the subrecipient's year-end. In addition, the Department must review the single audit reports, issue management decisions on audit findings within 6 months after receiving the subrecipient's audit report, and ensure that the subrecipient takes prompt and appropriate corrective action on the audit findings.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Condition and context: During fiscal year 2015 for these programs, the Department disbursed approximately \$1 billion in federal awards and contracts to 1,083 subrecipients. However, the Department did not have adequate policies and procedures in place to ensure that all subrecipients expending \$500,000 or more in federal awards met the required single audit requirements. Specifically, for 5 of 60 subrecipients tested, the Department did not obtain the subrecipients' single audit reports. In addition, for one of the five subrecipients, the subrecipient's single audit report identified an audit finding related to a federal program the Department awarded to the subrecipient. However, as the single audit report was not obtained, the Department did not issue a management decision and did not follow up on the audit finding. Further, for one of the five subrecipients, it did not have a single audit performed.

Effect: Subrecipients may not have had single audits performed, or a subrecipient's single audit may not have been reviewed so that the Department could issue management decisions and otherwise follow up on federal findings. This finding could potentially affect other federal programs that the Department administered.

Cause: The Department did not have adequate policies and procedures to ensure all subrecipients expending more than \$500,000 in federal awards met the required single audit requirements. In addition, the Department did not include federal awards from other sources in its calculation used to determine if a subrecipient met the threshold requiring a single audit.

Recommendation: The Department should evaluate and update, as appropriate, its policies and procedures to help ensure it can determine whether subrecipients are subject to the single audit requirements and ensure that it receives all required single audit reports and issues management decisions on any findings attributable to federal monies the Department awards to the subrecipient.

This finding is similar to prior-year finding 2014-116.

2015-117

CFDA No. and Name:	10.558 Child and Adult Care Food Program
Award Numbers and Years:	7AZ300AZ3, 2011, 2012, 2013, 2014, 2015; 7AZ300AZ4, 2013, 2014, 2015
Federal Agency:	U.S. Department of Agriculture
Compliance Requirement:	Eligibility
Questioned Costs:	Unknown

Criteria: In accordance with 7 CFR §226.6, the Department of Education (Department) must establish application review procedures to determine the eligibility of recipients awarded program monies. In addition, the Department should deny the recipient's application if it does not meet all of the eligibility requirements. Further, in accordance with 7 CFR §226.15-19, recipients must submit specific required eligibility information with their application to the Department demonstrating their capability to operate the program in accordance with federal regulations. Lastly, in accordance with 7 CFR §226.18, the Department must obtain and approve

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

the written agreements that recipients enter into with each of their sponsored day care homes specifying the rights and responsibilities of the parties participating in the program.

Condition and context: During fiscal year 2015 for these programs, the Department disbursed over \$49 million in program monies to a total of 334 subrecipients. However, the Department did not always obtain required eligibility information demonstrating their capability to operate the program in accordance with federal regulations. Specifically, for 16 of 40 subrecipients tested, the Department did not collect all required eligibility information. Also, for two of the subrecipients tested, the Department did not review and approve the written agreements between subrecipients and their sponsored day care homes.

Effect: Federal monies could have been awarded to subrecipients who were ineligible to participate in the program. It was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding.

Cause: The Department had not established adequate application review procedures to ensure that all eligibility requirements were met prior to awarding federal monies to its subrecipients. In addition, the Department's staff were not aware that some of the eligibility information required by the federal regulations was not being collected. The Department used predesigned forms to instruct subrecipients to submit documentation of information for eligibility determinations, but did not ensure that the forms addressed all the required information.

Recommendation: The Department should establish application review procedures to help ensure that all eligibility requirements are met prior to awarding federal monies to its subrecipients. In addition, the Department should revise its existing forms and instructions to ensure that all required information is collected from the subrecipients.

2015-118

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:	H027A120007, 2012; H027A130120, 2013; H027A140007, 2014; H173A120003, 2012; H173A130003, 2013; H173A140003, 2014
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Earmarking
Questioned Costs:	Unknown

Criteria: In accordance with 34 CFR §§300.705(a)-(b), 300.815, and 300.816, the Department of Education (Department) must distribute any monies it has not reserved for state administration or other state-level activities to eligible local educational agencies (LEAs) based on a formula the regulations specify. The formula includes a base payment amount calculated using historical grant award data that the Department must adjust annually based on criteria the regulations specify. In addition, the Department must distribute

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

all remaining unused grant monies after adjustments to the LEAs based proportionally on the number of enrolled children with disabilities and the number of children living in poverty.

Condition and context: The Department did not have adequate policies and procedures to ensure that it distributed the appropriate amount of program monies to each LEA. Specifically, the Department’s method for calculating base payment adjustments did not follow the required formula for allocating program monies. In addition, the Department proportionately allocated unused program monies in the following fiscal year based on enrolled children with disabilities and the number of children living in poverty instead of proportionally redistributing those monies to eligible LEAs in the current fiscal year.

Effect: The Department may have distributed improper amounts to the LEAs. It was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding.

Cause: The Department’s method for calculating base payment adjustments and allocating unused program monies did not comply with the criteria specified in federal regulations.

Recommendation: The Department should revise its policies and procedures to ensure that program monies are distributed to LEAs in accordance with federal regulations.

2015-119

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:	H027A120007, 2012; H027A130120, 2013; H027A140007, 2014; H173A120003, 2012; H173A130003, 2013; H173A140003, 2014
CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A120003, 2012; S010A130003, 2013; S010A140003, 2014
CFDA No. and Name:	84.287 Twenty-First Century Community Learning Centers
Award Numbers and Years:	S287C120003, 2012; S287C130003, 2013; S287C140003, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A120049, 2012; S367A130049, 2013; S367A140049, 2014
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 themselves or request and review service organizations’ internal control audit reports of significant outsourced functions.

Condition and context: The Department outsourced certain information technology (IT) functions, such as change management, storage, backup, and recovery, of its Grants Management Enterprise (GME) System

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

and related data for processing federal grants. The Department relies on the service organization's internal controls to ensure that changes to its GME system are properly managed, vital grant information is properly backed up and secured, and that the GME system and related 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 suitably designed and operating effectively. In addition, the Department did not ensure that the service organization's contract required such an audit or access to the service organization's records for the Department to perform its own review and 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 were not properly backed up and secured, and that the GME system and related 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's 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. Further, the Department has not been successful in negotiating with the service organization to amend the contract to require an SSAE No. 16 audit.

Recommendation: To help ensure that 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 suitably designed and operating effectively. Such audits should be performed on a periodic basis and should be reviewed by the Department, including a followup on any internal control weaknesses identified. Alternatively, the Department should monitor 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.

This finding is similar to prior-year finding 2014-119.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-120

CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A120003, 2012; S010A130003, 2013; S010A140003, 2014
CFDA No. and Name:	84.287 Twenty-First Century Community Learning Centers
Award Numbers and Years:	S287C120003, 2012; S287C130003, 2013; S287C140003, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A120049, 2012; S367A130049, 2013; S367A140049, 2014
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Level of Effort
Questioned Costs:	\$48,416

Criteria: In accordance with 34 CFR §299.5, a local educational agency (LEA) may receive its full allocation of program monies only if the State determines that the LEA maintained its required level of effort for the preceding year. In addition, the State should not include community services, capital outlay, or debt service expenditures in its level of effort calculations.

Condition and context: The Department of Education (Department) prepares the calculations for determining the LEAs' compliance with the level of effort requirement. However, the Department did not have adequate internal controls to ensure that only the appropriate expenditures were included in the calculation of the LEAs' required level of effort. Specifically, for 15 of 40 LEAs tested, the Department incorrectly included debt service expenditures in the level of effort calculations.

Effect: Auditors performed additional procedures and determined that 12 LEAs received excess funding allocations of \$48,416. This finding has the potential to affect other federal programs that the Department administered.

Cause: The Department's formula to calculate level of effort incorrectly included debt service expenditures. In addition, the Department did not adequately review the calculations for propriety.

Recommendation: To help ensure the Department complies with 34 CFR §299.5, it should implement adequate internal controls over its level-of-effort calculations for LEAs, including the independent review of the calculations for propriety.

This finding is similar to prior-year finding 2014-111.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-121

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:	H027A120007, 2012; H027A130120, 2013; H027A140007, 2014; H173A120003, 2012; H173A130003, 2013; H173A140003, 2014
CFDA No. and Name:	84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years:	S010A120003, 2012; S010A130003, 2013; S010A140003, 2014
CFDA No. and Name:	84.287 Twenty-First Century Community Learning Centers
Award Numbers and Years:	S287C120003, 2012; S287C130003, 2013; S287C140003, 2014
CFDA No. and Name:	84.367 Improving Teacher Quality State Grants
Award Numbers and Years:	S367A120049, 2012; S367A130049, 2013; S367A140049, 2014
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Suspension and Debarment
Questioned Costs:	Unknown

Criteria: In accordance with 2 CFR §§180 and 3485 and 34 CFR §80.35, the Department of Education (Department) is prohibited from contracting with or making subawards to any party that is suspended or debarred or otherwise excluded from participating in federal assistance programs.

Condition and context: For these federal programs, the Department disbursed over \$664 million in federal grant monies during the fiscal year to a total of 629 subrecipients consisting of Arizona local educational agencies. However, the Department did not always verify the subrecipients were not suspended or debarred, or otherwise excluded from participating in the federal programs. Specifically, for 4 out of the 40 subrecipients tested, the Department could not provide a certification signed by an authorized official at the entity or other documentation from its subrecipients certifying they were not suspended or debarred or otherwise excluded from participating in federal assistance programs. Auditors performed additional audit procedures and determined that no payments were made to suspended or debarred parties for those subrecipients tested.

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

Cause: The Department did not always follow its policies and procedures to collect a certification from its subrecipients certifying that they were not suspended or debarred or otherwise excluded from participating in federal assistance programs.

Recommendation: The Department should follow its existing policies and procedures to verify that subrecipients are not suspended or debarred or otherwise excluded from participating in federal assistance programs prior to making awards. Documentation of this verification must be retained. The verification can

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

also be accomplished by checking the Excluded Parties List System maintained by the General Services Administration or adding a clause or condition to the contracts.

2015-122

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, 2010, 2011, 2012, 2013, 2014, 2015
CFDA No. and Name: 10.558 Child and Adult Care Food Program
Award Numbers and Years: 7AZ300AZ3, 2011, 2012, 2013, 2014, 2015;
 7AZ300AZ4, 2013, 2014, 2015
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: H027A120007, 2012; H027A130120, 2013; H027A140007, 2014;
 H173A120003, 2012; H173A130003, 2013; H173A140003, 2014
CFDA No. and Name: 84.010 Title I Grants to Local Educational Agencies
Award Numbers and Years: S010A120003, 2012; S010A130003, 2013; S010A140003, 2014
CFDA No. and Name: 84.287 Twenty-First Century Community Learning Centers
Award Numbers and Years: S287C120003, 2012; S287C130003, 2013; S287C140003, 2014
CFDA No. and Name: 84.367 Improving Teacher Quality State Grants
Award Numbers and Years: S367A120049, 2012; S367A130049, 2013; S367A140049, 2014
Federal Agency: U.S. Department of Education

Compliance Requirement: Subrecipient Monitoring
Questioned Costs: N/A

Criteria: The Department of Education’s (Department) Grants Management Enterprise (GME) system and accounting software application used to upload data to the State’s general ledger are vital for approving and disbursing federal awards and monitoring subrecipients for compliance with federal program requirements. Consequently, the Department should have effective policies and procedures in place to ensure access granted to its GME system and accounting software application are authorized and data changes or modifications are authorized, documented, logged, and monitored.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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

- The activities of users with administrative access privileges to both the GME system and accounting software application were not monitored.
- Modifications to data in the data tables for both the GME system and accounting software application were not logged and monitored to ensure changes were properly authorized and documented.
- Modifications to the GME system by the Department's outside service provider were not documented.

Effect: There is an increased risk that the Department may not prevent or detect unauthorized access or use, manipulation, modifications, damage, or loss to its GME system and accounting software application. Also, 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. This finding could potentially affect other federal programs that the Department administered.

Cause: The Department's efforts to develop and implement policies and procedures over the GME system have been delayed because of the turnover of key employees responsible for administering the system. Further, because the Department planned on discontinuing the use of the accounting software application on June 30, 2015, it did not allocate resources to developing and implementing policies and procedures for the application.

Recommendation: To help prevent and detect unauthorized access or use, manipulation, modifications, damage, or loss to its GME system and accounting software application and to control changes made to its GME system, the Department should develop and implement written policies and procedures to address the following:

- Logging and monitoring users' access and activities for the GME system and accounting software application, especially users with administrative-level access and elevated access privileges.
- Logging and monitoring all changes to data tables in both the GME system and accounting software application to ensure that all changes are independently authorized, documented, reviewed, tested, and approved prior to implementation.
- Logging and maintaining documentation for all GME system changes by the Department's outside service provider.

This finding is similar to prior-year finding 2014-120.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-123

CFDA No. and Name:	84.048 Career and Technical Education—Basic Grants to States 84.243 Tech-Prep Education
Award Numbers and Years:	S010A090003, 2009; S010A110003, 2011; S010A120003, 2012; S010A130003, 2013
Federal Agency:	U.S. Department of Education
Compliance Requirements:	Procurement and Subrecipient Monitoring
Questioned Costs:	\$582,057

Criteria: The Department of Education (Department) is responsible for awarding over \$1.1 billion in federal awards and contracts to local educational agencies. Therefore, it is imperative that department management and employees who are involved in making federal 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 department management and its employees disclose conflicts of interest when their activities have a personal or business interest or employment with another entity to which the Department awards grants and contracts, and abstain from any involvement in an award decision when a conflict of interest exists.

Condition and context: The Department did not have adequate internal control policies and procedures to ensure that management and employees who were responsible for awarding federal monies and monitoring subrecipients did not have conflicts of interest with its subrecipients. Additionally, the Department did not ensure that management and employee conflicts of interest were disclosed and recorded in accordance with the state personnel rules and laws and federal regulations. Specifically, the Department's Career and Technical Education (CTE) Programs of Study Director (CTE Director) did not disclose conflicts of interest and did not abstain from making award decisions for the Career and Technical Education—Basic Grants to States and the Tech-Prep Education programs awarded to joint technical education districts (JTED). These conflicts of interest are described below.

During our followup on similar prior years' audit findings, we determined that conflicts of interest existed between the CTE Director and at least three other department employees and a JTED to which the CTE Director awarded federal monies. Specifically, auditors identified instances of the JTED making payments to or on behalf of the CTE Director and three other employees during fiscal years 2011 through 2013 with federal monies from the Tech-Prep Education program. These payments were made to cover the CTE Director's travel expenses totaling \$8,462, some of which were abusive, including travel beyond what was considered necessary, excessive meal charges, and airline upgrades, and to department employees totaling \$33,258 for services provided to the JTED. The CTE Director and the other three department employees did not disclose these payments. The CTE Director's conflict-of-interest form was last updated on March 12, 2015; however, the CTE Director failed to disclose the conflict of interest with the JTED.

Additionally, the following instances of noncompliance were identified that are indicative of management personnel overriding the Department's policies and procedures for granting and monitoring federal awards and contracts for the Tech-Prep Education program:

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

- During fiscal years 2012 and 2013, the CTE Director awarded the JTED \$217,038 in additional federal award funding over the original \$250,000 award made in 2011. The additional monies awarded did not follow standard department procedures, and the monies were taken from prior awards to other JTEDs. The CTE Director also entered into additional agreements (Memorandums of Understanding) with JTED officials and three department employees for them to provide services under this federal award for payment, all without the appropriate department management approval. This Tech-Prep Education program ended in fiscal year 2011; however, this particular JTED was the only subrecipient that received and spent additional funding from the grant. The Department had no documentation supporting that the award was made based on competitive considerations, and there was no documentation justifying why it was awarded solely to this particular JTED.
- During fiscal years 2011 through 2013, the CTE Director participated in \$346,547 of the JTED's total \$467,038 Tech-Prep Education program expenditures. In particular, the CTE Director was involved with the JTED's day-to-day operations and management, including approving purchase requests, indicative of an employment or contractual employment relationship with the JTED. As previously discussed, the CTE Director and three other department employees received payments directly from the JTED or the JTED paid expenditures such as meals and travel on their behalf. Further, the CTE Director was responsible for monitoring the JTED for compliance with federal requirements but had no documentation to support that such monitoring was performed. Expenditures totaling \$263,812 from the \$346,547 associated with the CTE Director were tested, and supporting documentation for these expenditures was inadequate, did not comply with federal requirements or the Department's policies, and appeared abusive.

Audit procedures were extended from fiscal years 2011 through 2015 and found that the conflicts of interest existed as far back as fiscal year 2011. However, auditors were unable to extend auditing procedures sufficiently to determine whether other federal awards or other years prior to 2011 were affected. Based on the auditing procedures performed, auditors found that the conflicts of interest continued to exist during fiscal years 2014 through 2015 for the Career and Technical Education—Basic Grants to States program. Auditors reviewed the supporting documentation for the JTED's expenditures of federal monies for the Career and Technical Education—Basic Grants to States program totaling \$106,463 for fiscal year 2014 and \$158,666 for fiscal year 2015, and identified expenditures totaling \$93,958 and \$141,552, respectively, that either evidenced the conflict of interest still existed or the supporting documentation was inadequate and did not comply with federal requirements or the Department's policies. For example, auditors identified instances of the JTED making payments totaling \$7,823 directly to the CTE Director for his travel expenses and a payment to another department employee for services provided to the JTED. As a result, auditors identified questioned costs totaling \$582,057 for fiscal years 2011 through 2015. This amount consists of the questioned costs of \$346,547 resulting from the conflicts of interests for the Tech-Prep Education federal awards made during fiscal years 2011 through 2013 and questioned costs of \$93,958 and \$141,552 for the conflicts of interests and other expenditures that were not properly supported for the Career and Technical Education—Basic Grants to States program awarded to the JTED for fiscal years 2014 and 2015, respectively.

Effect: Federal grant monies were awarded to a subrecipient by a member of department management when a conflict of interest existed in violation of state personnel rules, A.R.S. §38-501 et seq., and 34 CFR §80.36. Further, auditors found evidence that improper payments and abuse had occurred in relation to the

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

monies awarded and expended by the JTED. In addition, this finding could potentially affect other federal programs that the Department administered.

Cause: The State's policies regarding conflict of interest were not followed. In response to the prior years' audit findings, the Department revised its conflict-of-interest policies and procedures in March 2015, and the CTE Director completed a new conflict-of-interest statement as of March 12, 2015; however, the revised statement did not disclose the conflict of interest with the JTED. Although the CTE Director overrode certain internal control procedures, the Department failed to properly separate responsibilities and allowed the CTE Director to have unfettered control over awarding federal monies and monitoring subrecipients.

Recommendation: To help ensure that the Department's management and employees comply with conflict-of-interest rules, laws, and regulations, and to help ensure that federal awards are made in accordance with its policies and procedures, the Department should:

- Provide regular communication to department management and employees on state and federal conflict-of-interest rules, laws, and regulations as well as the Department's policies and procedures for disclosing and recording conflicts of interest.
- Continue to require department management and employees to make annual conflict-of-interest statement disclosures.
- Monitor all disclosed conflicts of interest on a periodic basis, such as annually, and ensure that those with conflicts of interest abstain from involvement in decisions for which conflicts exist.
- Maintain a centralized file of all conflict-of-interest disclosures made. All disclosures should be reflected in the Department's records and kept in a centralized file that is made available for public inspection.
- Ensure the proper use and control of federal monies by properly monitoring program activities to ensure required policies and procedures are consistently followed. The Department should enforce existing policies and procedures requiring that all federal award decisions be adequately documented and supported as part of the subrecipient-monitoring process. Additionally, the Department should ensure that no single employee has the ability to approve awards, approve amendments to those awards, and monitor and approve subrecipient award expenditures.
- Institute policies and procedures that effectively oversee management and address the risk of management override. For example, department management should strengthen their understanding of the business and control climates, brainstorm potential fraud risks within the Department's federal programs, cultivate a strong whistleblower system, and consistently maintain an appropriate level of independence and skepticism.

This finding is similar to prior-year finding 2014-122.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-124

CFDA No. and Name: 64.203 **State Cemetery Grants**
Award Numbers and Year: FAI AZ-09-04, 2014
FAI AZ-09-08, 2014
Federal Agency: **U.S. Department of Veterans Affairs**
Compliance Requirement: Special Tests and Provisions
Questioned Costs: None

Criteria: In accordance with 29 CFR §5.5(a)(3)(ii)(A), a contractor or subcontractor must submit weekly a copy of the certified payrolls for each week in which any contract work is performed.

Condition and context: For contract work performed for the Department of Veterans' Services, the Arizona Department of Administration (ADOA) collected the required weekly certified payrolls. ADOA received certified payrolls from 35 contractors and subcontractors during fiscal year 2015; however, ADOA did not always receive them on a timely basis. Specifically, auditors noted for 30 of those contractors and subcontractors, the certified payrolls were not always submitted to ADOA on a weekly basis, for each week in which contract work was performed. Further, auditors determined the ADOA did not have policies and procedures to identify whether it received all required certified payrolls weekly.

Effect: Noncompliance with 29 CFR §5.5. This finding could potentially affect other federal programs with similar requirements that the ADOA administers.

Cause: The ADOA did not have adequate policies and procedures in place to ensure all required certified payrolls were submitted on a weekly basis.

Recommendation: The ADOA should develop and implement effective policies and procedures to identify the contractors and subcontractors that are required to submit weekly certified payrolls and ensure all required certified payrolls are received timely.

2015-125

CFDA No. and Name: 64.203 **State Cemetery Grants**
Award Numbers and Year: FAI AZ-09-04, 2014
FAI AZ-09-08, 2014
Federal Agency: **U.S. Department of Veterans Affairs**
Compliance Requirements: Cash Management and Reporting
Questioned Costs: None

Criteria: In accordance with 38 CFR §41.300(a-b), the Department of Veterans' Services (Department) is required to identify all monies received and expended and the federal programs under which they were

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

received and maintain internal control over federal programs that provides reasonable assurance that it is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. In addition, 38 CFR §41.300(d) requires the State to prepare appropriate financial statements, including a schedule of expenditures of federal awards (SEFA).

Condition and context: During the fiscal year, the Department received reimbursement for federal program expenditures totaling \$8,777,307 and only recorded program expenditures of \$8,088,263. Auditors performed additional procedures and determined the Department requested and received reimbursements for \$689,044 of program-related expenditures that were not identified as federal within its financial reporting system.

Effect: The Department's records did not properly identify \$689,044 of federal program expenditures, which resulted in excess cash balances for the program for 9 consecutive months of the fiscal year, which ranged from \$458,400 to \$1,549,954. Further, the expenditures for the State Cemetery Grants program were underreported on the State's SEFA. The State's SEFA was adjusted for this error.

Cause: The Department did not follow its existing policies and procedures to ensure expenditures were properly identified as federal program expenditures within its financial reporting system.

Recommendation: The Department should follow its policies and procedures to ensure program expenditures are properly recorded in its accounting records and the State's SEFA.

Other auditors' findings:

The other auditors who audited the Arizona Department of Transportation and the Arizona Health Care Cost Containment System reported the following findings:

2015-126

CFDA No. and Name: Not applicable

Questioned Costs: N/A

Criteria: The single audit should have been completed by March 31, 2016.

Condition and context: Due to a change in administration, key personnel, as well as an implementation of a significant entity wide system upgrade, the Arizona Department of Transportation did not complete their schedule of expenditures of federal awards and single audit in a timely manner.

Effect: The Arizona Department of Transportation is not in compliance with the grant agreements, and will be considered a high risk auditee for future reporting periods.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Cause: The schedule of expenditures of federal awards and single audit were not completed on a timely basis.

Recommendation: We recommend the Arizona Department of Transportation continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure timely completion of the schedule of expenditures of federal awards and single audit.

2015-127

Cluster Name:	Medicaid Cluster
CFDA No. and Name:	93.778 Medical Assistance Program
Award Numbers and Year:	Various, July 1, 2014 through June 30, 2015
CFDA No. and Name:	93.767 Children's Health Insurance Program
Award Numbers and Year:	Various, July 1, 2014 through June 30, 2015
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Allowable Costs/Cost Principles
Questioned Costs:	\$2,941,326 (\$2,816,400 from the Medical Assistance Program (Title XIX) – 93.778 and \$124,926 from the Children's Health Insurance Program (Title XXI) – 93.767)

Criteria: A strong and efficient system of internal controls over purchasing and disbursements is critically important to governmental organizations. Internal controls over the purchasing, procurement, contracting and accounts payable processes should be established and maintained to include limitations on purchasing authority, proper segregation of duties, and appropriate reviews of invoices and warrants.

Condition and context: During fiscal year 2015, an Arizona Health Care Cost Containment System (AHCCCS) internal investigation identified an employee embezzlement. The embezzlement involved AHCCCS' Contracts and Purchasing Administrator, who used his position to initiate and approve vendor invoices related to a multi-service contract. The Contracts and Purchasing Administrator was then able to use his long tenure and standing within AHCCCS to obtain possession of the paper warrants prior to their mailing to the vendor. In many instances, the vendor invoices were fraudulent. However, in some instances, the vendor invoices were legitimate and the invoices were subsequently adjusted off by the vendor for an unknown reason. AHCCCS believes the fraud occurred over a ten year period (2006-2015) and the total cumulative amount misappropriated is estimated at \$5,757,728. The funds were misappropriated from AHCCCS' administrative budget, which approximates \$200 million annually.

Effect: For the period from fiscal year 2006 through fiscal year 2015, AHCCCS estimates that their Contracts and Purchasing Administrator misappropriated \$5,757,728 of fraudulent vendor payments under a multi-service contract. The funds were misappropriated from AHCCCS' administrative budget, which approximates \$200 million annually. As these funds were administrative disbursements, there is a federal share with \$2,816,400 allocated to Title XIX (93.778) and \$124,926 allocated to Title XXI (93.767).

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Cause: Using his authority, tenure and standing within AHCCCS, the Contracts and Purchasing Administrator was able to circumvent existing controls to misappropriate funds. The Contracts and Purchasing Administrator had the authority to initiate and approve the vendor invoices under his delegated procurement authority and position. Additionally, he was able to use his long tenure and standing within AHCCCS to obtain possession of the paper warrants prior to their mailing to the vendor.

Recommendation: We recommend that AHCCCS review their existing internal control environment surrounding purchasing and disbursements to limit delegated procurement authority and to ensure proper segregation of duties. We also recommend that AHCCCS enforce its existing policies to ensure that the distribution of paper warrants, as well as the review and approval of any paper warrants prior to their distribution, must be segregated from individuals who initiate a purchase requisition and the payment request. Finally, we recommend that AHCCCS periodically audit vendor accounts and reconcile vendor receipt detail to AHCCCS payment detail.

(This page is left intentionally blank)

Appendix

(This page is left intentionally blank)

State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2015

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
CHA	Arizona Department of Child Safety
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
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

State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2015

Agency Code

SPA
STA
UAA
VSA
WFA

Agency

Arizona Supreme Court
Office of the Secretary of State
University of Arizona
Arizona Department of Veterans' Services
Water Infrastructure Finance Authority of Arizona

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

Financial Statement Findings

2015-01

The Arizona Department of Administration should prepare accurate financial statements in a timely manner

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

Anticipated completion date: 2018

Concur. The FY15 State of Arizona Comprehensive Annual Financial Report (CAFR) was impeded due to the delay of receipt of the financial statements for the Arizona Department of Transportation (ADOT). The ADOT financial statements are a significant portion of the State's financial activity. The delay is the result of complete turnover in ADOT's staff producing the agency's financial statements and the limited availability of other resources to assist due to the implementation of the State's new accounting system. The CAFR has been accurately prepared. Timeliness is the issue, and is one of the fundamental thresholds of financial reporting. Timely issue of the CAFR is vital to other reporting requirements and deadlines. Arizona Revised Statutes (A.R.S.) §35-131 clearly requires State agencies and other organizations that are part of the State's reporting entity to submit all necessary financial statements and other information in accordance with the policies and procedures of the Arizona Department of Administration, General Accounting Office. This includes adherence to the established time frames and deadlines. However, there are no specific provisions in the law for actions that may be taken to enforce such compliance. We can continue to explore potential options for enforcement actions and will continue to work with State agencies to effectively resolve the issue of timely submission of financial information.

2015-02

The State of Arizona should strengthen its internal control policies and procedures and system controls over its ProcureAZ purchasing system.

Name(s) of contact person(s): Clark Partridge, State Comptroller; and Judy Wentz, State Procurement Office Assistant Director

Anticipated completion date: 2018

Concur. The State has already addressed some of these issues and will continue to identify and pursue appropriate corrective actions. The State has an audit report (GAO Security User Audit Report) to monitor the creation and approval of invoices in ProcureAZ. This report identifies the creator and final approver for each invoice and is available to all users with the appropriate reporting role in ProcureAZ. The State is also in the process of creating two audit reports that will provide assistance in monitoring purchase requesters and purchase approvers. Once approved, these reports will be available to all users with the appropriate reporting role in ProcureAZ. The State also plans to staff the position responsible for defining e-procurement system policies and procedures.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-03

The Department of Administration should improve security over its information technology resources

Name of contact person and title: Darrell, Davis, Chief Privacy Officer

Anticipated completion date: December 31, 2016

The Department of Administration (ADOA) has recently begun implementing a Security Information and Event Management service and an Enterprise Directory Services solution that will be implemented throughout the Executive Branch agencies. These solutions will provide the Executive Branch Agencies with the increased abilities to identify their assets, perform risk-assessments, ensure policy compliance, log and monitor key activity and identify non-compliance. Both of these solutions are enterprise class solutions and ADOA is a pilot agency. ADOA anticipates these solutions will be fully implemented within our department by December 31, 2016.

2015-04

The Department of Administration should improve access controls over its information technology resources

Name of contact person and title: Darrell Davis, Chief Privacy Officer

Anticipated completion date: May 31, 2017

The Department of Administration has recently begun implementing a Security Information and Event Management service and an Enterprise Directory Services solution that will be implemented throughout the Executive Branch agencies. These solutions will provide the Executive Branch Agencies with increased abilities to ensure proper identification and authorization for all user accounts and access. They will also provide a more mature monitoring, reporting, auditing, logging and compliance. We anticipate that ADOA will have these solutions fully implemented and the new processes documented within our department by May 31, 2017.

2015-05

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

Name of contact person and title: Darrell Davis, Chief Privacy Officer

Anticipated completion date: June 30, 2017

ADOA will develop agency specific language within our inter-agency agreements for the specific services we deliver and what specific services we do not deliver, to include disaster recovery, for each agency. We will also work with the agencies to get them executed. ADOA anticipates we can have these new agreements created and delivered to the agencies by June 30, 2017.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-06

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

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

Anticipated completion date: June 30, 2016

Concur. The State understands the importance of internal controls over purchasing cards. We will continue to review and update monitoring and oversight procedures as appropriate, as well as work with State agencies to ensure compliance with established policies.

The Department of Health Services has instituted procedures that require documentation be maintained with the Controller's Office 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 and will now include the doctor's order for the reward. All supporting documentation will be maintained as part of the agency's records for five years past the end of the fiscal year of the purchase.

2015-07

The State of Arizona should strengthen its conflict of interest practices

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

Anticipated completion date: June 30, 2017

Concur. We will review the conflict of interest statute and policy, along with the related compliance, and determine appropriate actions.

2015-08

The Department of Revenue should improve access controls over its information technology resources

Agency: Department of Revenue

Name of contact person and title: Francis Becker, Senior Internal Auditor

Anticipated completion date: January 2017

The Department was previously written up for this same finding in a separate performance audit back in September of 2015. The timing of this finding dates back as far as 24 months, and since this time, the Department has made tremendous strides in remediating this finding. Specifically, the Department has fully implemented various information security program policies that address each point in this finding. The Department has been actively identifying, creating, and implementing associated procedures to accompany these policies. As these procedures are implemented, the Department conducts various analyses' to confirm that the Departments current practices mirror all applicable policies and procedures.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-09

The Department of Revenue should improve security over its information technology resources

Agency: Department of Revenue

Name of contact person and title: Francis Becker, Senior Internal Auditor

Anticipated completion date: January 2017

The Department was previously written up for this same finding back in September of 2015 in a separate performance audit report. The timing of this finding dates back as far as 24 months, and since this time, the Department has made tremendous strides in remediating this finding. Specifically, the Department has fully implemented various information security program policies that address each point in this finding. The Department has been actively identifying, creating, and implementing associated procedures to accompany these policies. As these procedures are implemented, the Department conducts various analyses' to confirm that the Departments current practices mirror all applicable policies and procedures. This includes enhancing the Departments new hire training, annual recertification training, and creating additional training mechanisms, such as computer based training, to keep Department employees abreast of its information security program policies and related requirements.

2015-10

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

Agency: Department of Revenue

Name of contact person and title: Francis Becker, Senior Internal Auditor

Anticipated completion date: Unknown

The Department will continue to expand its manual procedures over this process. To fully remediate this finding however, the Department must expand its current IT functionality over this process, which will require additional funding that is not currently available. The Department is continually implementing manual procedures to mitigate the associated risks and is currently researching automation tools that would efficiently and effectively remediate any remaining deficiencies over this process.

2015-11

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

Name of contact person and title: Lori J. Cunningham, Deputy Chief Information Officer

Anticipated completion date: June 30, 2018

The Division of Technology Services (DTS) agrees with the finding and provides the following action plan. Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the OAG audit. The current Department of Economic Security (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 drill was completed in 2010 and included a failover to an

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

IBM mainframe located in Boulder, Colorado. Currently encrypted data from the mainframe is simultaneously stored in a secondary secured location. For State Fiscal Year (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. DES is on schedule to complete this move by end of SFY16.

Over the last 6 months, DTS has made significant strides in ensuring the reliability and availability of customers' data. Notably due to two significant accomplishments:

- With the acquisition of new technology that addresses data stored on tape, DTS can now say that 100% of all Mainframe Data (both disk and tape {virtual}) is dynamically duplicated and encrypted at a remote secure site. Because of this, there can be no loss of mainframe data due to an incident (disaster) that occurs at the primary or backup Datacenter.
- Along with the launching of this new data storage technology, DTS has executed three disaster recovery drills during 2015 that take advantage of this new infrastructure. These drills were iterative in nature and designed to validate the availability of timely backup data, along with the ability to process and present this data in a manner that is identical to our current production environment. Validation and testing continues on a regular basis. The Disaster Recovery architecture being utilized during our drills eliminates the need to 'restore' data, traditionally a lengthy process requiring off-site tape being transported and loading of databases onto disk drives for access. Our mirrored data environment guarantees that user and program data is stored simultaneously and identically at two separate physical locations, thus eliminating the need to restore.

Milestones and Anticipated Completion Dates

- A. Migrate the data center to new location --COMPLETED
- B. Review and modify Recovery Plan -- SFY17
- C. Perform annual test -- SFY16 testing completed prior to data center relocation. The DTS continues working toward full annual DR testing as problems are discovered and resolved
- D. Document overall testing strategies, testing frequencies, and test results—SFY17 on target
- E. Implement technology appropriate to ensure continuity of operations—SFY18 will see DES creating a disaster recovery environment with implementation and testing of this new environment in SFY18

Other auditors' findings:

The other auditors who audited the Arizona Department of Transportation, the Arizona Health Care Cost Containment System, and the Arizona State Lottery reported the following corrective action plans:

2015-12

Arizona Department of Transportation Sub-ledger Reconciliations

Name of contact person and title: Tim Newton, Controller

The Arizona Department of Transportation (ADOT) concurs with the finding and is actively working on implementing controls that will help prevent, detect and correct material misstatements. The implementation

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

of the new statewide financial system (AFIS) greatly impacted the Arizona Department of Transportation's ability to prepare the Comprehensive Annual Financial Report. Specifically, the reporting functionality within the new system was not fully developed which made it very difficult to calculate accrual data. The Arizona Department of Transportation is in the process of developing our own data warehouse which will improve reporting capabilities and is also contracting with a consulting firm to develop and implement appropriate controls. It is anticipated that preliminary controls will be in place by June 30, 2016 with more mature controls being developed over the following 12 months.

2015-13

Arizona Department of Transportation Year-End Adjustments and Preparation of the Financial Statements

Name of contact person and title: Tim Newton, Controller

The Arizona Department of Transportation concurs with the finding and is actively working on implementing controls that will help prevent, detect and correct material misstatements. The implementation of the new statewide financial system (AFIS) greatly impacted the Arizona Department of Transportation's ability to prepare the Comprehensive Annual Financial Report. Specifically, the reporting functionality within the new system was not fully developed which made it very difficult to calculate accrual data. The Arizona Department of Transportation is in the process of developing our own data warehouse which will improve reporting capabilities and is also contracting with a consulting firm to help develop and implement appropriate controls. It is anticipated that preliminary controls will be in place by June 30, 2016 with more mature controls being developed over the following 12 months.

2015-14

Improve controls over purchasing and disbursements

Name of contact person and title: Jeffery Tegen, Assistant Director

Anticipated completion date: December 31, 2015

Arizona Health Care Cost Containment System (AHCCCS) will ensure assets are properly safeguarded and controlled and internal control policies and procedures are reviewed, strengthened and followed so that no single individual has control over the purchasing process to initiate a transaction, approve that transaction and have access to the paper warrant. AHCCCS has contracted with an Independent CPA to review, assess and provide recommendations for purchasing and accounts payable internal control policies and procedures. The Agency has worked with the Arizona State Procurement Office to reduce the previously unlimited delegation authority to a revised limited delegated procurement authority of \$10,000. In addition, AHCCCS has established a policy that all payment transactions must utilize the central warrant mailing service provided by the Arizona Department of Administration – General Accounting Office in conjunction with the July 1, 2015 implementation of the new Statewide Accounting System. Finally, AHCCCS will aggressively prosecute the accused former employee and exhaust all available remedies to recover all embezzled assets in the timeliest manner possible.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-15

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 agreed with the auditor to revise the presentation of prize liability this year and will seek to find an appropriate presentation in future years.

2015-16

Regularly review third-party service reports

Agency: Arizona State Lottery

We have formally requested IGT (formerly GTech) to complete a SOC Report, type II for period of nine months 07/01/15 through 03/31/16 to remedy this finding.

Federal Award Findings and Questioned Costs

2015-101

CFDA No.: N/A

Agency: Department of Administration

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

Anticipated completion date: 2018

The FY15 State of Arizona Single Audit Reporting Package is expected to be completed in June 2016. The Single Audit Reporting Package is dependent upon the completion of the State's Comprehensive Annual Financial Report (CAFR) which has been held up due to the delay of receipt of the financial statements for the Arizona Department of Transportation (ADOT). The ADOT financial statements are a significant portion of the State's financial activity. The delay is the result of complete turnover in ADOT's staff producing the agency's financial statements and the limited availability of other resources to assist due to the implementation of the State's new accounting system. The State will develop and implement a plan to allow submission of the Single Audit by the established March 31 due date.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-102

CFDA No.: Various

Agency: Department of Administration

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

Anticipated completion date: July 1, 2015

The State has continued to make improvements and has implemented methodology believed to be consistent with established cost principles effective for FY16. This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (DHHS-CAS) for the payment and appropriate resolution of the questioned costs.

2015-103

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 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. It should be noted the number of fund transfers required by legislation have diminished significantly.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-104

Student Financial Assistance Cluster

CFDA No.: 84.007 Federal Supplemental Educational Opportunity Grants

84.033 Federal Work-Study Program

84.038 Federal Perkins Loan Program—Federal Capital Contributions

84.063 Federal Pell Grant Program

84.268 Federal Direct Student Loans

84.379 Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)

84.408 Postsecondary Education Scholarships for Veteran's Dependents

93.264 Nurse Faculty Loan Program (NFLP)

93.342 Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students

93.364 Nursing Student Loans

93.408 ARRA—Nurse Faculty Loan Program

93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds

Agency: **University of Arizona (UofA)**

Name of contact person and title: Elizabeth Acree, Assistant Vice President, Enrollment Management & University Registrar

Anticipated completion date: March 31, 2016

The UofA will take the following corrective actions in response to the enrollment reporting issues.

Issue: Incorrect enrollment status due to imbedded repeat code rules within our PeopleSoft SIS.

Response: Two students were reported with more units than they should have due to a system configuration that determines the counting of class attempts and the GPA value of repeated coursework. This configuration matches the UofA's academic policy, but inadvertently caused withdrawn classes that violated university repeat policy to count as attempted units. The repeat process was initiated half-way through the term so the effect on student enrollment was inadvertent and not realized.

- Process Correction: PeopleSoft repeat codes for withdrawn classes will be reconfigured to exclude them from the repeat process and thus withdrawn classes will not count as attempted units, even though this conflicts with UofA's academic policy. This correction will be in effect beginning with the next term, Summer 2016.

Issue: Perceived withdrawal, not accurate

Response: One student was reported correctly for Spring 2015 as full-time. The first Spring 2015 SSCR was processed prior to our first submission to NSC which caused the student to appear as withdrawn for a second time and consequently dropped from the SSCR roster. The student was subsequently reported as full-time for Spring 2015, but this was not recognized due to the student's missing status on the SSCR.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

- Process Correction: On December 31, 2015, the NSC implemented an enhancement, which sends to NSLDS students who 1) previously appeared on a Clearinghouse roster and 2) are actively enrolled at a school. This enhancement will prevent this issue from occurring in the future.

Issue: Withdrawals

Response: Three students processed withdrawals after the final NSC batch file for the term had been submitted.

- Process Correction: Registrar's Office has created a report to identify late or retroactive changes in enrollment status for students receiving federal aid. Registrar's staff will update NSLDS records if the transaction results in a different enrollment status for the student. This correction will be in effect beginning with the current term, Spring 2016.

All individual student records have been updated in NSLDS as of March 10, 2016.

Agency: **Arizona State University (ASU)**

Name of contact person and title: Marilyn Mulhollan, Assistant Vice President Financial Services

Anticipated completion date: November 30, 2016

The National Student Clearinghouse (NSC) serves as a single point of contact for the collection and timely exchange of accurate enrollment, degree, and certificate data, which NSC submits to the National Student Loan Data System (NSLDS) on behalf of most postsecondary institutions in the U.S., including ASU. Specifically, ASU submits a monthly file of graduated students to the NSC for submission to NSLDS. For the two students in the audit finding degrees were posted shortly after the monthly graduation file was sent and the cut-off for NSLDS submission was missed.

ASU will implement internal procedures to ensure that the graduated student files are submitted to NSC in a timely manner to support reporting to NSLDS within the required 60 day reporting period. This may include sending graduated status changes more frequently, and monitoring when these files are submitted by NSC to NSLDS.

Agency: **Northern Arizona University (NAU)**

Name of contact person and title: Leslie Lloyd, Director-Operations and Compliance, Scholarships & Financial Aid

Anticipated completion date: April 18, 2016

In regard to the deficiencies noted by the auditors, NAU has addressed the enrollment status changes that were inaccurately reported to NSLDS for 3 of 25 students tested:

Through an internal review of our enrollment reporting practices in April 2015 it was determined that the withdrawal date for students who unofficially withdrew from the semester was being reported outside the required timeframe. Through the collaboration of the Office of Scholarships and Financial Aid and the Registrar's office, NAU developed a new process that would report this population accurately. Our first

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

correction file to NSC occurred on October 20, 2015. Since then we have run this process regularly. The 2014-2015 year is the last year that these errors occurred.

Of students tested, 1 of 25 was reported 229 days late to NSLDS:

The late reporting by NSC to NSLDS of the one student occurred in May, 2015. We will improve our current process of spot checking. We will spot check 50 enrollment records each quarter. We will evidence our review by initialing and dating the NSC file once the review has been complete.

2015-105

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

Agency: Department of Economic Security

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

Anticipated completion date: June 2015

Rehabilitation Services Administration (RSA) has reviewed the findings on the 40 sample cases tested and agrees with the findings.

In relation to these findings, RSA would like for it to be noted 6,369 cases were moved through the eligibility determination process during federal fiscal year 2015. The applied risk stratification sample assessment accounts for less than one percent of the total work completed by RSA staff as it relates to eligibility determination.

RSA began working with the Office of Inspector General (OIG), Office of Research, Analysis and Planning (RAP) in March 2015. Implementation of OIG/RAP recommendations and RSA's execution of internal monitoring, tracking, and weekly audits began in June 2015. Since June 14, 2015, RSA staff determined eligibility on 2,069 clients within an average of 42.6 days and a median of 35 days. This results in an average compliance rate of 90.1%. The reduction in number of days to determine eligibility is a result of several factors. In June 2014, RSA implemented a centralized tracking mechanism whereby every application and associated eligibility was monitored. A weekly list of pending eligibilities is produced and disseminated to all counselors, supervisors, and management. Follow up and responses are required to be produced and are reviewed by executive management with additional follow up and action taken as necessary. Additionally, a measure of eligibility determination timeliness was added to both the counselor and supervisor performance rating. Counselors and supervisors who demonstrated an inability to meet eligibility timelines 90% of the time received a "Does Not Meet" rating and corrective action plans have been instituted.

RSA will continue to intensely monitor, manage and ensure that RSA staff understands and adheres to applicable eligibility policies and procedures in order to meet the eligibility compliance requirements.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

RSA will conduct the following activities:

1. Implement a training module to train supervisors and counselors on the automated eligibility tracking mechanisms through RSA's case management system.
2. Ensure eligibility extension letters are prepared prior to the 60 day eligibility timeline and ensure that this documentation is signed by the applicant and retained in the client's file.
3. Continue to provide mandatory eligibility compliance training to all newly hired supervisors and counselors. The course will be followed by a mandatory Eligibility Compliance Test with a requirement to pass the test with a 100%.
4. Continue to include a performance measure on the supervisor and counselor Managing Accountability and Performance (MAP) to track compliance and institute Performance Improvement Plans with supervisors and counselors who are not meeting the 60 day eligibility timeframe or have failed to execute a valid eligibility extension with required client signatures.
5. Continue utilizing an aging tracking report which alerts counselors, supervisors, managers, deputies, and administrators of timeliness of eligibility determination.
6. Continue to conduct weekly eligibility audits and a roll up audit on a monthly basis and alert counselors, supervisors, managers, deputies, and administrators of results.
7. Continue to track eligibility compliance results on weekly scorecard metrics.

2015-106

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

Agency: Department of Economic Security

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

Anticipated completion date: December 2016

Rehabilitation Services Administration (RSA) has reviewed the findings and agrees with the findings.

RSA will conduct the following activities:

1. Update the Extension of Individualized plan for employment (IPE) Implementation form in the case management system.
2. Ensure eligibility extension letters are prepared prior to the 90 day IPE timeline and ensure that this documentation is signed by the applicant and retained in the client's file.
3. Mandate the use of the Action Alert list in the case management system.
4. Develop an IPE implementation training module with emphasis on IPE timeline compliance.
5. Implement IPE implementation training for all new counselors and supervisors. The course will be followed by a mandatory IPE implementation compliance test with a requirement to pass the test with 100%.
6. Utilize an aging tracking report which alerts counselors, supervisors, managers, deputies, and the director of Vocational Rehabilitation cases exceeding the 90 day IPE implementation timeframe.
 - o Provide a list of untimely cases to the supervisors for action

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

- Require supervisors to provide a report of actions taken to implement the IPE or move to close the case
- 7. Require regional managers to review untimely case reports biweekly to identify trends by office/counselor.
- 8. Implement Performance Improvement Plans and/or provide coaching opportunities for staff consistently not meeting timelines.
- 9. Continue to include a performance measure on the supervisor and counselor Managing Accountability and Performance (MAP) to track compliance and institute Performance Improvement Plans with supervisors and counselors who are not meeting the 90 IPE implementation timeframe or have failed to execute valid IPE extensions with required client signatures.
- 10. Continue to track IPE compliance results on weekly scorecard metrics.

2015-107

CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Agency: Department of Economic Security
Name of contact person and title: Kristen Mackey, Policy Manager
Anticipated completion date: June 2016

Rehabilitation Services Administration (RSA) has reviewed the findings and agrees with the findings.

RSA will conduct the following activities:

1. Separate budgets have been set up in the statewide financial system, earmarking 15% of the State's Vocational Rehabilitation allotment for each fiscal year, for the provision of services under pre-employment transition services.
 - This will ensure that required funds are reserved and expenditures identified and tracked separately to meet the threshold.
2. The Division of Employment and Rehabilitation Services' Finance and Budget Unit (FBU) will prepare a monthly expenditure report to track the data pertaining to pre-employment transition services.
3. Develop separate function codes so staff can document and record time spent on pre-employment transition service provision.
4. Inform affected field staff of ability to record time with separate function code when conducting pre-employment transition services with clients and potentially eligible clients.
5. Explore alternative service programming options to increase pre-employment transition services expenditures.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-108

CFDA No.: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Name of contact persons and titles: Wendy Ecker, Assistant Financial Manager; Rose Delgado, Business Analyst Manager; Baiyina Dotson, Business & Technology Solutions (BTS) Management Analyst; Jacqueline Butera, Program Projects Specialist II; and Susan Standen, TAA State Coordinator

Anticipated completion date: Various

ETA-191 Report

Anticipated completion date: Effective immediately

The Administration implemented new review procedures for the ETA 191 report, effective December 2015. A UI Accountant II will prepare the report and provide the data for management's review prior to the quarterly submittal. The UI Budget manager will review the data and a draft of the report, for quality control. To ensure timely filing of the ETA 191 report, approval or feedback will be provided to the Accountant II no later than 22nd day of the month following the quarter end date, for final revisions and transmittal in the state menu to the Department of Labor (DOL).

ETA-581 Report

Anticipated completion date: September 30, 2016

The ETA-581 (Quarter ending 03-31-15) Contributory Liquidated and Reimbursing Employer Receivable amounts requires modification and resubmission. In addition, the ETA-581 report requires system review and modification to capture the accurate receivable amounts. The Business Technology Solutions (BTS) unit will assist with the review and will provide the universe of data for the Contributory Liquidated and Reimbursing Employer Receivable amounts. The ETA-581 will be amended and resubmitted to DOL with the adequate Contributory Liquidated and Reimbursing Employer Receivable amounts. In addition, knowledgeable program specialist staff will review the ETA581 report before submission to ensure the information being transmitted to DOL is correct. The estimated completion date is to occur no later than September 30, 2016.

ETA 227 Report

Anticipated completion date: December 31, 2016

The Administration agrees that the system deficiencies should be investigated and programming errors corrected to ensure that the generated internal reports are accurate and support data contained on the ETA 227 report.

The BTS unit is currently performing a thorough investigation of the ETA 227 report in order to identify existing deficiencies. An analyst has been assigned to this task and has identified a few potential causes for discrepancy. This is a lengthy process as every transaction that can impact an overpayment and the ETA

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

227 report, has to be executed individually and the results analyzed for accuracy. One issue has been identified and programming changes for that issue are currently being tested.

A secondary review process for the ETA 227 report, prior to transmittal to DOL, was implemented effective January 1, 2016. The last two quarterly submissions were reviewed and approved by upper management (quarter ending 12/31/2015 and quarter ending 3/31/2016) for quality control. Procedures are under development to clearly identify compilation of the quarterly ETA 227 report by support staff and the secondary review process by upper management.

Trade Act Participation Report (TAPR)

Completed as of March 2016

The TAPR was not programmed to capture the wages prior to participation for individuals who had not yet exited due to interpretation of the Federal Specifications. The TAPR is now programmed to capture the wages prior to participation; this data was included in the two most recent TAPRs – Quarter ending 12/31/15 and Quarter ending 3/31/16.

The TAPR is programmed by our system host, America's Job Link Alliance (AJLA). Technical support with AJLA explained that the capturing of wages prior to participation on the TAPR is not a mandatory requirement by the Department of Labor; however, the TAPR is now capturing this data. Below is the explanation from AJLA technical support as to why the TAPR was not capturing the wages prior to participation for participants who had not yet exited the program:

Why wasn't the TAPR capturing wages prior to participation on Trade Adjustment Assistance (TAA) participants who had not yet exited?

- a. The instructions in the TAPR Handbook appear to require the reporting of prior to participation wages consistent with outcome reporting. No specific edit check for date exists for the prior to participation wages based on date of participation and the TAPR handbook does not specifically say that prior to participation wages must be reported prior to exit. Rather as noted below, the Handbook implies that these wages are for performance outcomes, which are all exit based, not participation based. While D.2 indicates that information should appear within six months following the report quarter referenced in the data element, this appears to be a non-mandatory requirement.
 - i. D. 01: Employment and Job Retention Information
 1. This section tracks performance-related outcomes for the participant, including:
 - a. Whether the participant was employed in the first, second, third and fourth quarter after exit,
 - b. Type of verification used to identify participant's reemployment status in the first, second, third and fourth quarter after exit,
 - c. The type of employment that the participant may have obtained after exit,
 - d. Whether the participant was recalled by their trade affected employment.
 2. The 21 Data elements that report information in this section should appear within six months following the report quarter referenced in the data element.
 - ii. D. 02: Wage Record Information
 1. This section tracks information that is used to track the participant's performance outcomes in the program, including:

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

- a. Wage data for three quarters prior to participation, and
 - b. Wage date for four quarters after program exit.
 2. Data elements that report information in this section should appear within six months following the report quarter referenced in the data element
- 2) Are we now capturing the wages prior to participation for those TAA participants who have not yet exited?
- a. Yes, we have reported the wages prior to participation for both the 12/31/2015 and 03/31/2016 quarters.

2015-109

CFDA No.: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Name of contact persons and titles: Miryam Valenzuela, Benefits Operation Manager; Maria Perez-Parra, Continuous Improvement and Integrity Unit Acting Manager; and Connie Chavez, BAM Unit Supervisor

Anticipated completion date: Various

Improper Payments

Anticipated completion date: September 30, 2016

Pattern of Failure—The Department agrees that it did not always evaluate and document the adequacy of employer responses related to employee separations and did not have a process in place to determine whether a pattern of inadequate responses existed.

The Administration identified the need to LEAN the process of evaluating and documenting the adequacy of employer information (maximize customer value while minimizing waste) in an effort to properly code the untimely and inadequate responses. During the LEAN process, a diversified group met to ensure that all aspects were taken into consideration. In February 2016, the Administration added three staff members to the Base Period Unit to replace staff lost due to attrition. Secondly, the Administration increased the number of documents that each staff member must work daily from 60 to 80.

During the LEAN process it was identified that an additional eleven adjudication staff were needed to work the number of documents presented to the department for processing. The Administration is in the process of hiring the additional staff. Effective May 17, 2016, all State Information Data Exchange System documents presented to the department are coded as “unworked” to ensure every document is reviewed for proper coding. UIA Policy Broadcast #131 will be revised to ensure compliance with UIPL 02-12 Pattern of Failure. The revision will include procedures for running queries to determine whether the employer has met the Pattern of Failure criteria.

Erroneous classification of overpayment—The Administration agrees that 2 out of 40 overpayments tested were incorrectly classified and 2 out of 40 cases tested the method of detection was not identified properly.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

In an effort to make it easier for claimants and staff to understand the overpayment classification, additional wording has been added to the overpayment determinations. All adjudication and Benefit Payment Control (BPC) staff were given an overview of the changes implemented in February 2016.

Operations Manager will meet with supervisors and staff to provide feedback and guidance. The supervisor will monitor to ensure the appropriate staff completes the Administrative Penalties Training in reference to A.R.S. §23-778.

The BPC supervisors conduct a weekly review on a minimum number of overpayment cases, every effort will be made to detect potential errors and will address them immediately.

Benefit Accuracy Measurement (BAM)

Anticipated completion date: December 31, 2016

The Department agrees with the BAM untimeliness findings. There was a major change in the reporting structure for the BAM Unit. The BAM Unit, which included one supervisor and six investigator positions, was moved under the supervision of the Office of Accountability (OA) beginning January 2013. This structure continued through June 2015 at which time the BAM unit was transferred back to the Unemployment Insurance Administration (UIA). In 2014, the BAM Unit lost 50 percent of their experienced investigators due to turnover. OA management chose to only fill two of the three vacant positions; however, one of the newly hired staff lacked adjudication experience.

Upon return of the unit to UIA, the UI Program Management staff identified and implemented several strategies to assist in improving the BAM timeliness. These strategies included staff training, weekly monitoring of the cases assigned, hiring of an additional investigator position, prior BAM experienced staff working untimely cases and performance improvements plans when necessary. Current BAM procedures will be updated to include the number of days a case must be submitted to the supervisor for review. The number of days will allow the supervisor sufficient time to review the case and return to the investigator for any corrections and meet the Department of Labor BAM timeliness requirements.

The Department will establish guidelines for the types of cases and the percent of cases that must be reviewed by the supervisor prior to sign off. The Department also agrees that there was no summary of investigation written in nine out of the forty cases tested and the total overpayment of one of the forty cases was incorrectly reported. The total overpayment should have been \$106.00 and was reported as \$118.00. As part of the supervisor sign off process, each case will be reviewed to ensure that the written summary is present and the correct over paid dollar amounts are entered in each case file. If no summary is present or keying errors are identified, the case will be returned to the investigator to write the summary and / or correct the entry prior to the supervisor signing off.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-110

CFDA No.: 17.225 Unemployment Insurance
Agency: Department of Economic Security
Name of contact person and title: David Steuber, Principal Managing Analyst
Anticipated completion date: June 1, 2015

The overdrawn amounts were due to errors contained within the sheet performing the calculations for the draw. As of May 2015, the sheets were corrected. We have built check figures into the sheet to ensure the proper amounts are being drawn and the cash on hand adjustments are being made appropriately.

Guidelines have been further established and all administrative draws are now being performed in accordance with department procedures to ensure that revenue is received in compliance with the Treasury-State Agreement. All administrative draws are coordinated by our funds control team via email.

2015-111

CFDA No.: 17.225 Unemployment Insurance
Agency: Department of Economic Security
Name of contact person and title: Miryam Valenzuela, Benefits Operations Manager
Anticipated completion date: Effective immediately

The Administration agrees with the recommendation. The deputy who issued this decision is no longer with the Administration; therefore, we are unable to address this concern with the individual. However, the Administration has facilitated Enhancement Training to adjudication staff to strengthen fact finding techniques. The Benefit Timeliness and Quality (BTQ) unit conducts weekly quality reviews to assure that policies and procedures are followed in accordance to 20 CFR. Based on BTQ results, supervisors provide feedback to the deputies. The supervisors also see that the deputies complete applicable trainings.

2015-112

TANF Cluster
CFDA No.: 93.558 Temporary Assistance for Needy Families
Agency: Department of Economic Security
Name of contact person and title: Eleanore Pressey, Human Services Program Developmental Specialist
Anticipated completion date: December 31, 2016

The Administration agrees with the recommendation. The causes of the identified error were twofold: 1) the client did not report changes to income timely, resulting in a potential overpayment for the benefit month of

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

February 2015; and 2) the assigned caseworker did not apply income changes in the correct month, and did not report the potential overpayment to the overpayment department. To ensure that clients receive correct benefits, the agency will follow its current policies and procedures for updating client information, and maintaining supporting documentation for changes made to client case files. In addition, the agency will continue the existing processes of quality assurance reviews and reinforce case management standards through periodic caseworker training.

2015-113

CCDF Cluster

CFDA No.: 93.575 Child Care and Development Block Grant

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Agency: Department of Economic Security

Name of contact person and title: Brook Herrera, CCA Program Administrator

Anticipated completion date: Present and ongoing

The Child Care Administration will regularly remind providers to retain documentation supporting hours billed for the required 5 years and remind providers the importance of ensuring billing statements are based on actual child care hours provided. We will do this at initial training, additional trainings, during site visits, as well as placing reminders in the provider newsletter.

2015-114

CFDA No.: N/A

Agency: Department of Economic Security

Name of contact person and title: Kim A Smith, Accounting Administrator, Division of Business and Finance

Anticipated completion date: June 2016

New chart of account object codes have been established and are loaded into the Agency's profile in the new statewide financial system for implementation for payment transactions in state fiscal year 2016. These new object codes will be used to identify financial transactions as either subrecipient activity or vendor/contact activity. Department of Economic Security (DES) programs will begin using new guidelines that were developed, to identify subrecipient relationships that will be reported on the Schedule of Expenditures of Federal Awards (SEFA). The Agency-wide policy is in the final development stage with an expected completion date of June 2016. Policy and procedures will address standardized account coding for subrecipients to ensure department uniformity and the process to reconcile reported amounts provided to subrecipients from each federal program for SEFA reporting.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-115

SNAP Cluster

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

CFDA No.: 17.225 Unemployment Insurance

WIA Cluster

CFDA No.: 17.258 WIA/WIOA Adult Program

17.259 WIA/WIOA Youth Activities

17.278 WIA/WIOA Dislocated Workers Formula Grants

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

TANF Cluster

CFDA No.: 93.558 Temporary Assistance for Needy Families

CCDF Cluster

CFDA No.: 93.575 Child Care and Development Block Grant

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

CFDA No.: 93.563 Child Support Enforcement

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

CFDA No.: 93.659 Adoption Assistance

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: Lori J. Cunningham, Deputy Chief Information Officer

Anticipated completion date: June 30, 2018

The Division of Technology Services (DTS) agrees with the finding and provides the following action plan. Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the Office of the Auditor General (OAG) audit. The current Department of Economic Security (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 drill was completed in 2010 and included a failover to an IBM mainframe located in Boulder, Colorado. Currently encrypted data from the mainframe is simultaneously stored in a secondary secured location. 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. DES is on schedule to complete this move by end of SFY16.

Over the last 6 months, DTS has made significant strides in ensuring the reliability and availability of customers' data. Notably due to two significant accomplishments:

- With the acquisition of new technology that addresses data stored on tape, DTS can now say that 100% of all Mainframe Data (both disk and tape {virtual}) is dynamically duplicated and encrypted at a remote

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

secure site. Because of this, there can be no loss of mainframe data due to an incident (disaster) that occurs at the primary or backup Datacenter.

- Along with the launching of this new data storage technology, DTS has executed three disaster recovery drills during 2015 that take advantage of this new infrastructure. These drills were iterative in nature and designed to validate the availability of timely backup data, along with the ability to process and present this data in a manner that is identical to our current production environment. Validation and testing continues on a regular basis. The Disaster Recovery architecture being utilized during our drills eliminates the need to 'restore' data, traditionally a lengthy process requiring off-site tape being transported and loading of databases onto disk drives for access. Our mirrored data environment guarantees that user and program data is stored simultaneously and identically at two separate physical locations, thus eliminating the need to restore.

Milestones and Anticipated Completion Dates

F. Migrate the data center to new location—COMPLETED

G. Review and modify Recovery Plan—SFY17

H. Perform annual test—SFY16 testing completed prior to data center relocation. The DTS continues working toward full annual DR testing as problems are discovered and resolved

I. Document overall testing strategies, testing frequencies, and test results—SFY17 on target

J. Implement technology appropriate to ensure continuity of operations—SFY18 will see DES creating a disaster recovery environment with implementation and testing of this new environment in SFY18

2015-116

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.: 84.287 Twenty-First Century Community Learning Centers

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, 2016

The Arizona Department of Education (ADE) agrees with this finding. To ensure that ADE complies with federal A-133 audit requirements, the Director of Federal Monitoring and the Federal Compliance Auditor will develop and implement a procedure by June 30, 2016 to ensure that all subrecipients required to have a Single Audit performed have sent a copy to ADE. By June 30, 2016, the Director of Federal Monitoring

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

and the Federal Compliance Auditor will acquire a complete listing of all entities from AFIS, the Annual Financial Report and the Audit Evaluation form to verify if there was \$500,000 in federal expenditures and to request a copy of the audits from these entities. The Director of Federal Monitoring and the Federal Compliance Auditor will compare the list of entities identified by the Grants Unit that need to receive a single audit to those listed on the Federal Clearinghouse website. After identifying these entities, the Grants Unit will send email notifications to all entities that are required to have a single audit but did not submit one to the ADE and will send follow up notifications to these same entities if they did not submit their single audit to ADE. If an entity does not submit their single audit to ADE by March 31st of each year, ADE may withhold their federal grant monies.

Finally, the Director of Federal Monitoring will ensure that all staff responsible for monitoring subrecipients have been properly trained on OMB Circular A-133 requirements by June 30, 2016.

2015-117

CFDA No.: 10.558 Child and Adult Care Food Program
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: March 10, 2016

The Arizona Department of Education (ADE) agrees with this finding. Because the U.S. Department of Agriculture (USDA) previously identified the same issue and documented it in its Management Evaluation of ADE's Child and Adult Care Food Program (CACFP), the program already took action to address and resolve this issue. Specifically, ADE revised its CACFP management plan to ensure that all sponsoring organizations document site level eligibility information and this change has been implemented in both the initial application and the renewal application. The revision allows ADE to successfully evaluate whether a site meets the eligibility criteria for receiving CACFP benefits.

2015-118

Special Education Cluster (IDEA)
CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
Agency: Department of Education
Name of contact person and title: Lisa Eddy, Chief Auditor
Anticipated completion date: August 12, 2016

Prior to August 12, 2016, the Arizona Department of Education (ADE), Exceptional Student Services Finance Director will review ADE's current policies and procedures to allocate Individuals with Disabilities Education Act (IDEA) Basic Entitlement and IDEA Preschool Entitlement funds to local educational agencies (LEAs) annually and revise them to ensure that program monies are distributed to LEAs in accordance with federal

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

regulations. Specifically, the revised policies and procedures will include steps to ensure that the funding formula is properly followed as it relates to new charter schools. Additionally, the policies and procedures will include steps to take when funds have been awarded to LEAs and are neither accessed nor needed due to a charter school closing or other eligible LEAs declining the funds. Finally, the revised policies and procedures will include steps to ensure that ADE obtains each new LEA's special education count reported as of October 1 of their first year of operation.

2015-119

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.: 84.287 Twenty-First Century Community Learning Centers

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, 2016

The Arizona Department of Education (ADE) agrees with this finding and has contracted with an audit firm to perform annual SSAE No. 16 audits of the service organization that performs certain Grants Management Enterprise IT functions. ADE worked with the service organization for over 9 months to coordinate the audit and first asked the service organization to identify and contract with an audit firm to perform the audit. However, the service organization did not perform the activities necessary to procure an audit firm efficiently or effectively and as a result, ADE took on this responsibility itself and went through the necessary process to procure an audit firm. However, once an audit firm was identified and contracted with, the service organization would not allow the audit firm to perform its work and it believed it should be compensated monetarily by ADE for the time taken to answer the auditors' questions and provide documentation for the audit. ADE worked through its legal counsel to ensure that the audit was performed and that the service organization cooperated with the audit firm. Once these issues were resolved, the audit firm performed the audit for the time period 4/1/15 through 2/29/16 and sent a report draft to ADE in March 2016. ADE has reviewed the draft, which includes very few exceptions noted by the auditors with no significant issues or control deficiencies identified. Because of all of these actions taken by ADE to procure the audit firm and to receive and review the audit report, ADE considers this finding resolved.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-120

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
CFDA No.: 84.287 Twenty-First Century Community Learning Centers
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, 2016

The Arizona Department of Education (ADE) agrees with this finding and is in the process of taking action to ensure that all maintenance of effort calculations for Title I are calculated correctly. Specifically, the Title I Deputy Associate Superintendent (DAS) will work with the Information Technology (IT) unit by ensuring that the calculations for determining local educational agencies (LEAs) maintenance of effort are performed properly and include only appropriate data. As an additional check to ensure accuracy of these calculations, the DAS of Title I will review a sample of these calculations for accuracy and compliance with federal regulations.

2015-121

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.: 84.287 Twenty-First Century Community Learning Centers
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, 2016

The Arizona Department of Education (ADE) agrees with this finding. To ensure that ADE has sufficient certification (through the General Statement of Assurance-GSA) that subrecipients are not suspended or debarred or otherwise excluded from receiving federal awards, the Deputy Associate Superintendent (DAS) of Grants Management and the Director of Technology will implement revised written policies and procedures for collecting and verifying the information on GSA forms from all subrecipients that verify that they are not suspended or debarred or otherwise excluded by June 30, 2016. The revised written policies and procedures will include a pre- award, post- award, and ongoing monthly monitoring to ensure that federal awards are not made to subrecipients who are suspended or debarred or otherwise excluded from participating in federal assistance programs. Additionally, the policies and procedures will include a process for verifying the completeness of the GSA and the accuracy and status of their DUNS number. If a subrecipient fails to submit their GSA to ADE by July 1, ADE will withhold their federal grant monies.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-122

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

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.: 84.287 Twenty-First Century Community Learning Centers

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, 2016

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 ensure that written policies and procedures for user access and change control have been fully implemented by June 30, 2016. Additionally, the DAS of Grants Management and the Director of Technology are working with the vendor to develop change management reports that log ADE's internal user activity, as well as the user activity of the service provider. In addition to logging and monitoring user activities, the DAS and Director of Technology are working with the service provider to limit staff who have administrative-level access by creating additional roles within GME that are better segregated to the duties required of the user's position. Additionally, the DAS of Grants Management and the Director of Technology have implemented procedures for requesting and reviewing system enhancements prior to implementation to ensure changes are authorized and adequately tested.

2015-123

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

CFDA No.: 84.243 Tech-Prep Education

Agency: Department of Education

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

Anticipated completion date: June 30, 2016

The Arizona Department of Education (ADE) agrees with this finding. ADE has taken many agency-wide actions to help ensure that all management and staff are aware of and comply with conflict of interest rules,

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

laws and regulations and to help ensure that all federal grant awards are made in accordance with ADE policies and procedures. Specifically:

- In 2015, ADE created an Ethics Committee which regularly provides and publishes guidance to all ADE employees on many topics involving employee ethics, including conflicts of interest.
- In 2015, ADE required all staff in management positions and who had access to any of ADE's payment systems complete and sign an Annual Declaration and Disclosure Form. This form is required by the State of Arizona GAO Technical Bulletin 09-06 and serves as a control against potential conflict of interest issues.
- In March 2016, ADE updated and expanded the Annual Declaration and Disclosure Form process to include all ADE staff, and these forms must be submitted to Human Resources by June 15th of each year. This process has been documented via an annual Outlook reminder and all of these records are maintained by the ADE Human Resources unit.
- When ADE employees disclose a potential conflict of interest situation via the Annual Declaration and Disclosure Form, the Deputy Superintendent and the Chief Financial Officer follow up with the employee and determine if the situation warrants further follow up.
- In April 2015, ADE reorganized the Grants Unit from the program side of the agency to the operations side and placed it organizationally under Business and Finance reporting directly to the Chief Financial Officer. This change was made to increase fiscal oversight of the agency's grants process.
- In April 2015, the Deputy Superintendent and the Chief Financial Officer assembled an agency-wide task team which regularly met from April through September of 2015 and developed written guidance for managing and overseeing all aspects of federal grants. The guidance specifically focuses on program area versus Grants Unit responsibilities for grants and emphasizes that all grants are required to be approved by the appropriate levels of ADE staff. All ADE program staff involved with federal grants received training on this guidance and the guidance has been fully implemented agency-wide.

2015-124

CFDA No.: 64.203 State Cemetery Grants

Agency: Department of Veterans' Services

Name of contact person and title: Luis A. Marquez, Chief Financial Officer

Anticipated completion date: June 30, 2016

The Arizona Department of Veterans' Services (ADVS) agrees with this finding. ADVS will request assurances from the Arizona Department of Administration (ADOA) that it will develop and implement effective policies and procedures to identify contractors and subcontractors that are required to submit weekly certified payrolls and ensure all required certified payrolls have been submitted in a timely basis. Furthermore, ADVS will request periodic confirmation from ADOA that required weekly certified payrolls have been received in a timely basis.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-125

CFDA No.: 64.203 State Cemetery Grants
Agency: Department of Veterans' Services
Name of contact person and title: Luis A. Marquez, Chief Financial Officer
Anticipated completion date: June 30, 2016

The Arizona Department of Veterans' Services (ADVS) agrees with this finding. ADVS will correct the transactions identified in the auditor's report to report them accurately. ADVS worked with the Arizona General Accounting Office to adjust the State's Schedule of Expenditures of Federal Awards (SEFA) for this error. Furthermore, ADVS has created a full time Grants Administrator position and will hire a qualified candidate to ensure compliance with its policies and procedures and, in this manner, avoid a similar situation from reoccurring.

Other auditors' findings:

The other auditors who audited the Arizona Department of Transportation and the Arizona Health Care Cost Containment System reported the following corrective action plans:

2015-126

CFDA No.: N/A
Agency: Department of Transportation
Name of contact person and title: Tim Newton, Controller
Anticipated completion date: June 30, 2016

The Arizona Department of Transportation concurs with the finding and is actively working on implementing controls that will help prevent, detect and control material misstatements. The implementation of the new statewide financial system (AFIS) greatly impacted the Arizona Department of Transportation's ability to prepare the Comprehensive Annual Financial Report. Specifically, the reporting functionality within the new system was not fully developed which made it very difficult to calculate accrual data. The Arizona Department of Transportation is in the process of developing our own data warehouse which will improve reporting capabilities and is also contracting with a consulting firm to help develop and implement appropriate controls. It is anticipated that preliminary controls will be in place by June 30, 2016 with more mature controls being developed over the following 12 months.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2015

2015-127

Medicaid Cluster

CFDA No.: 93.778 Medical Assistance Program

CFDA No.: 93.767 Children's Health Insurance Program

Agency: Arizona Health Care Cost Containment System

Name of contact person and title: Jeffery Tegen, Assistant Director

Anticipated completion date: December 31, 2015

Arizona Health Care Cost Containment System (AHCCCS) will ensure assets are properly safeguarded and controlled and internal control policies and procedures are reviewed, strengthened and followed so that no single individual has control over the purchasing process to initiate a transaction, approve that transaction and have access to the paper warrant. AHCCCS has contracted with an Independent CPA to review, assess and provide recommendations for purchasing and accounts payable internal control policies and procedures. The Agency has worked with the Arizona State Procurement Office to reduce the previously unlimited delegated procurement authority to a revised limited delegated procurement authority of \$10,000. In addition, AHCCCS has established a policy that all payment transactions must utilize the central warrant mailing service provided by the Arizona Department of Administration – General Accounting Office in conjunction with the July 1, 2015 implementation of the new Statewide Accounting System. Finally, AHCCCS will aggressively prosecute the accused former employee and exhaust all available remedies to recover all embezzled assets in the timeliest manner possible.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Status of Federal Award Findings and Questioned Costs

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
10.560 State Administrative Expenses for Child Nutrition
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
14.267 Continuum of Care Program
15.605 Sports 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)
17.258 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
17.225 Unemployment Insurance
17.225 ARRA—Unemployment Insurance
20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

20.233 Border Enforcement Grants
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
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
84.374 Teacher Incentive Fund
84.385 ARRA—Teacher Incentive Fund, Recovery Act
84.184 Safe and Drug-Free Schools and Communities—National Programs
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
84.369 Grants for State Assessments and Related Activities
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
93.558 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
93.719 ARRA—State Grants to Promote Health Information Technology

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

- 93.720 ARRA—Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative
- 93.775 State Medicaid Fraud Controls 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
- 93.268 Immunization Cooperative Agreements
- 93.712 ARRA—Immunization
- 93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
- 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
- 93.917 HIV Care Formula Grants
- 93.959 Block Grants for Prevention and Treatment of Substance Abuse
- 96.001 Social Security—Disability Insurance
- 97.042 Emergency Management Performance Grants
- 97.067 Homeland Security Grant Program

Finding No.: 2014-101, 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 for technology project oversight and administration of the state and local implementation grant program are no longer incurred within this fund, this was corrected as of July 1, 2015. 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 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 will continue efforts to develop a solution to this issue.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

CFDA No.: Various
Finding No.: 2014-102, 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. Transfer of monies from funds with Federal equity will 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 will continue to work with DHHS-CAS and appropriate bodies within the State to find an equitable resolution to this issue.

CFDA No.: Not applicable
Finding No.: 2014-103
Agency: Department of Administration
Status: Partially corrected

The State is committed to properly stating expenditures of Federal grants and other Federal Financial Assistance. We have added to our procedures for the current processes, and will continue to update as appropriate. Further, the State implemented a new accounting system on July 1, 2015. This will significantly enhance the capability to track and report the transfers of Federal monies between agencies.

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.: 2014-104, 2013-104, 12-104, 11-106, 10-108
Agency: Department of Economic Security
Status: Not Corrected

Rehabilitation Services Administration (RSA) began working with the Office of Inspector General (OIG), Office of Research, Analysis and Planning (RAP) in March 2015. Implementation of OIG/RAP recommendations and RSA's execution of internal monitoring, tracking, and weekly audits began in June 2015. Since June 14, 2015, RSA staff determined eligibility on 2,069 clients within an average of 42.6 days and a median of 35 days. This results in an average compliance rate of 90.1%. The reduction in number of days to determine eligibility is a result of several factors. In June 2014, RSA implemented a centralized

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

tracking mechanism whereby every application and associated eligibility was monitored. A weekly list of pending eligibilities is produced and disseminated to all counselors, supervisors, and management. Follow up and responses are required to be produced and are reviewed by Executive Management with additional follow up and action taken as necessary. Additionally, a measure of eligibility determination timeliness was added to both the counselor and supervisor performance rating. Counselors and supervisors who demonstrated an inability to meet eligibility timelines 90% of the time received a "Does Not Meet" rating and corrective action plans have been instituted.

RSA will continue to intensely monitor, manage and ensure that RSA staff understands and adheres to applicable eligibility policies and procedures in order to meet the eligibility compliance requirements.

RSA will conduct the following activities:

1. Implement a training module to train supervisors and counselors on the automated eligibility tracking mechanisms through Libera, RSA's case management system.
2. Ensure eligibility extension letters are prepared prior to the 60 day eligibility timeline and ensure that this documentation is signed by the applicant and retained in the client's file.
3. Continue to provide mandatory Eligibility Compliance training to all newly hired supervisors and counselors. The course will be followed by a mandatory Eligibility Compliance Test with a requirement to pass the test with a 100%.
4. Continue to include a performance measure on the supervisor and counselor Managing Accountability and Performance (MAP) to track compliance and institute Performance Improvement Plans with supervisors and counselors who are not meeting the 60 day eligibility timeframe or have failed to execute a valid eligibility extension with required client signatures.
5. Continue utilizing an aging tracking report which alerts counselors, supervisors, managers, Deputies, and Administrators of timeliness of eligibility determination.
6. Continue to conduct weekly eligibility audits and a roll up audit on a monthly basis and alert counselors, supervisors, managers, Deputies, and Administrators of results.
7. Continue to track eligibility compliance results on weekly scorecard metrics.

CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Finding No.: 2014-105, 2013-105
Agency: Department of Economic Security
Status: Fully Corrected

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

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.: 2014-106, 2013-106, 12-106, 10-109
Agency: Department of Economic Security
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
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
Finding No.: 2014-107, 2013-108, 12-105
Agency: Department of Economic Security
Status: Fully Corrected

CFDA No.: 93.044 Special Program for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045 Special Program 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
CFDA No.: Not applicable
Finding No.: 2014-108
Agency: Department of Economic Security
Status: Partially Corrected

New chart of account object codes have been established and are loaded into the Agency's profile in the new statewide financial system for implementation for payment transactions in state fiscal year 2016. These new object codes will be used to identify financial transactions as either subrecipient activity or vendor activity. DES programs will begin using new guidelines that were developed, to identify subrecipient relationships that will be reported on the schedule of expenditures of federal awards (SEFA). The Agency-wide policy is in the final development stage with an expected completion date of June 2016. Policy and

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

procedures will address standardized account coding for subrecipients to ensure department uniformity and the process to reconcile reported amounts provided to subrecipients from each federal program for SEFA reporting.

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
17.258 WIA Adult Program
17.259 WIA Youth Activities
17.278 WIA Dislocated Workers Formula Grants
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
93.558 Temporary Assistance for Needy Families
93.563 Child Support Enforcement
93.658 Foster Care—Title IV-E
93.667 Social Services Block Grant
96.001 Social Security—Disability Insurance

Finding No.: 2014-109

Agency: Department of Economic Security

Status: Not corrected

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 Office of the Auditor General (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 drill was completed in 2010 and included a failover to an IBM mainframe located in Boulder, Colorado. Currently encrypted data from the mainframe is simultaneously stored in a secondary secured location. 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. The DES is on schedule to complete this move by end of SFY16.

Over the last 6 months, the Division of Technology Services (DTS) has made significant strides in ensuring the reliability and availability of customers' data. Notably due to 2 significant accomplishments:

- With the acquisition of new technology that addresses Data stored on Tape, DTS can now say that 100% of all Mainframe Data (both Disk and Tape {virtual}) is dynamically duplicated and encrypted at a remote secure site. Because of this, there can be no loss of mainframe data due to an incident (disaster) that occurs at the primary or backup Datacenter.
- Along with the launching of this new data storage technology, DTS has executed three (3) Disaster Recovery drills during 2015 that take advantage of this new infrastructure. These drills were iterative in nature and designed to validate the availability of timely backup data, along with the ability to process and present this data in a manner that is identical to our current production environment. Validation and testing continues on a regular basis. The Disaster Recovery architecture being utilized during our drills

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

eliminates the need to 'restore' data, traditionally a lengthy process requiring off-site tape being transported and loading of databases onto disk drives for access. Our mirrored data environment guarantees that user and program data is stored simultaneously and identically at two (2) separate physical locations, thus eliminating the need to restore.

Milestones and Anticipated Completion Dates

- A. Migrate the data center to new location -- COMPLETED
- B. Review and modify Recovery Plan -- SFY17
- C. Perform annual test -- SFY16 testing completed prior to data center relocation. The DTS continues working toward full annual DR testing as problems are discovered and resolved
- D. Document overall testing strategies, testing frequencies, and test results -- SFY17 on target
- E. Implement technology appropriate to ensure continuity of operations -- SFY18 will see DES creating a disaster recovery environment with implementation and testing of this new environment in SFY18.

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Finding No.: 2014-110
Agency: Department of Education
Status: Fully corrected

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.367 Improving Teacher Quality State Grants
Finding No.: 2014-111
Agency: Department of Education
Status: Not corrected

The Title I Deputy Associate Superintendent (DAS) is continually in the process of ensuring that independent reviews of local educational agencies (LEAs) level of effort calculations are performed for accuracy and compliance with federal regulations. Additionally, the Title I DAS is in the process of developing procedures to ensure that the calculations are reviewed by a non-Title I knowledgeable staff member. According to the Title I DAS, the maintenance of effort (MoE) file for this year has been received. Once those reductions are made, the LEAs can request waivers from the Department of Education. That can take several weeks. Final allocations with all adjustments were performed mid-August 2015.

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Finding No.: 2014-112
Agency: Department of Education
Status: Partially corrected

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

The Title I Deputy Associate Superintendent (DAS) is in the process of developing policies and procedures requiring an independent review of the calculations used to determine the amount of program monies earmarked by the Arizona Department of Education (ADE) for school improvement activities to ensure that the calculations are accurate. The Title I DAS reviewed these calculations for FY15 and ensured that the calculations were performed accurately for FY16 on August 1, 2015. 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 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 Deputy Associate Superintendent 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 the Arizona Department of Education (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.

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—Grants 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.: 2014-113, 2013-113, 12-114, 11-114, 10-117, 09-123, 08-118, 07-104, 06-107

Agency: Department of Education

Status: Partially corrected

The Grants Deputy Associate Superintendent (DAS) developed a written procedure to identify refunds due to the Arizona Department of Education (ADE) from the local educational agencies (LEAs). The procedures outline that a monthly report will be sent to the ADE program areas, which began on April 1, 2015, that identifies all entities and grants that have refunds due to ADE. Beginning in July 1, 2015, a dashboard was set up for each program area to verify the refunds due to ADE. Grants will update this dashboard monthly for the program areas to regularly review. Additionally, the Grants system now has automatic system holds to place on any LEA that has refunds due. Thus, the finding will be partially corrected by 6/30/15 but will need additional time during FY16 to completely correct.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
Finding No.: 2014-114
Agency: Department of Education
Status: Fully corrected

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.367 Improving Teacher Quality State Grants
Finding No.: 2014-115
Agency: Department of Education
Status: Fully corrected

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
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.010 Title I Grants to Local Educational Agencies
84.184 Safe and Drug-Free Schools and Communities—National Programs
84.367 Improving Teacher Quality State Grants
Finding No.: 2014-116
Agency: Department of Education
Status: Not corrected

To ensure that the Arizona Department of Education (ADE) complies with federal A-133 audit requirements, the Director of Federal Monitoring and the Federal Compliance Auditor will develop and implement a procedure by June 30, 2016 to ensure that all subrecipients required to have a Single Audit performed have sent a copy to ADE. By June 30, 2016, the Director of Federal Monitoring and the Federal Compliance Auditor will acquire a complete listing of all entities from AFIS, the Annual Financial Report and the Audit Evaluation form to verify if there was \$500,000 in federal expenditures and to request a copy of the audits from these entities. The Director of Federal Monitoring and the Federal Compliance Auditor will compare the list of entities identified by the Grants Unit that need to receive a single audit to those listed on the Federal Clearinghouse website. After identifying these entities, the Grants Unit will send email notifications to all entities that are required to have a single audit but did not submit one to the ADE and will send follow up notifications to these same entities if they did not submit their single audit to ADE. If an entity does not submit their single audit to ADE by March 31st of each year, ADE may withhold their federal grant monies.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Finally, the Director of Federal Monitoring will ensure that all staff responsible for monitoring subrecipients have been properly trained on OMB Circular A-133 requirements by June 30, 2016.

CFDA No.: 84.367 Improving Teacher Quality State Grants
Finding No.: 2014-117
Agency: Department of Education
Status: Fully corrected

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
Finding No.: 2014-118
Agency: Department of Education
Status: Fully corrected

CFDA No.: 84.027 Special Education—Grants to States
 84.173 Special Education—Preschool Grants
 84.010 Title I Grants to Local Educational Agencies
 84.184 Safe and Drug-Free Schools and Communities—National Programs
 84.367 Improving Teacher Quality State Grants
Finding No.: 2014-119
Agency: Department of Education
Status: Partially corrected

The Arizona Department of Education (ADE) contracted with an audit firm to perform annual SSAE No. 16 audits of the service organization that performs certain Grants Management Enterprise IT functions. The audit firm performed the audit for the time period 4/1/15 through 2/29/16 and sent a report draft to ADE in March 2016. ADE reviewed the draft and the firm finalized it also in March 2016. Very few exceptions were noted by the auditors in the report with no significant issues or control deficiencies.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 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
84.027 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
84.010 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
84.184 Safe and Drug-Free Schools and Communities—National Programs
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 State Grants
84.386 ARRA—Education Technology State Grants, Recovery Act
84.377 School Improvement Grants
84.388 ARRA—School Improvement Grants, Recovery Act
84.365 English Language Acquisition State Grants
84.367 Improving Teacher Quality State Grants

Finding No.: 2014-120, 2013-112, 12-115, 11-113, 10-115, 09-121, 08-115

Agency: Department of Education

Status: Partially corrected

To help prevent and detect unauthorized access to the Grants Management Enterprise (GME) system, the Deputy Associate Superintendent (DAS) of Grants Management will ensure that written policies and procedures for user access and change control have been fully implemented by June 30, 2016. Additionally, the DAS of Grants Management and the Director of Technology are working with the vendor to develop change management reports that log ADE's internal user activity, as well as the user activity of the service provider. In addition to logging and monitoring user activities, the DAS and Director of Technology are working with the service provider to limit staff who have administrative-level access by creating additional roles within GME that are better segregated to the duties required of the user's position. Additionally, the DAS of Grants Management and the Director of Technology have implemented procedures for requesting and reviewing system enhancements prior to implementation to ensure changes are authorized and adequately tested.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.010 Title I Grants to Local Educational Agencies
84.184 Safe and Drug-Free Schools and Communities—National Programs
84.367 Improving Teacher Quality State Grants

Finding No.: 2014-121

Agency: Department of Education

Status: Fully corrected

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
10.560 State Administrative Expenses for Child Nutrition
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.010 Title I Grants to Local Educational Agencies
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
84.391 ARRA—Special Education Grants to States, Recovery Act
84.048 Career and Technical Education—Basic Grants to States

Finding No.: 2014-122, 2013-110

Agency: Department of Education

Status: Not corrected

The Arizona Department of Education (ADE) has taken many agency-wide actions to help ensure that all management and staff are aware of and comply with conflict of interest rules, laws and regulations and to help ensure that all federal grant awards are made in accordance with ADE policies and procedures. Specifically:

- In 2015, ADE created an Ethics Committee which regularly provides and publishes guidance to all ADE employees on many topics involving employee ethics, including conflicts of interest.
- In 2015, ADE required all staff in management positions and who had access to any of ADE's payment systems complete and sign an Annual Declaration and Disclosure Form. This form is required by the State of Arizona GAO Technical Bulletin 09-06 and serves as a control against potential conflict of interest issues.
- In March 2016, ADE updated and expanded the Annual Declaration and Disclosure Form process to

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

include all ADE staff, and these forms must be submitted to Human Resources by June 15th of each year. This process has been documented via an annual Outlook reminder and all of these records are maintained by the ADE Human Resources unit.

- When ADE employees disclose a potential conflict of interest situation via the Annual Declaration and Disclosure Form, the Deputy Superintendent and the Chief Financial Officer follow up with the employee and determine if the situation warrants further follow up.
- In April 2015, ADE reorganized the Grants Unit from the program side of the agency to the operations side and placed it organizationally under Business and Finance reporting directly to the Chief Financial Officer. This change was made to increase fiscal oversight of the agency's grants process.
- In April 2015, the Deputy Superintendent and the Chief Financial Officer assembled an agency-wide task team which regularly met from April through September of 2015 and developed written guidance for managing and overseeing all aspects of federal grants. The guidance specifically focuses on program area versus Grants Unit responsibilities for grants and emphasizes that all grants are required to be approved by the appropriate levels of ADE staff. All ADE program staff involved with federal grants received training on this guidance and the guidance has been fully implemented agency-wide.

CFDA No.: 14.267 Continuum of Care Program
Finding No.: 2014-123
Agency: Department of Housing
Status: Fully corrected

CFDA No.: 93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
Finding No.: 2014-124
Agency: Department of Health Services
Status: Fully corrected

CFDA No.: 93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance
Finding No.: 2014-125
Agency: Department of Health Services
Status: Partially corrected

Department of Health Services (ADHS) started its FFATA reporting in April 2015. A total of 249 subrecipients across all ADHS programs have been identified as requiring FFATA reporting. As of August 18, 2015, 167 of these have had FFATA reports submitted and accepted. ADHS plans to continue with this process to ensure FFATA compliance.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-126
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-127
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-128
Agency: Department of Emergency and Military Affairs
Status: Partially corrected

Draw downs were compiled by either the Grants Coordinator or CFO and reviewed and authorized by either the ADEM Director or Deputy Director. Authorized draws are then completed by either the Chief Finance Officer or the Grants Coordinator.
As of October 2015 this became fully corrected.

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-129
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-130
Agency: Department of Emergency and Military Affairs
Status: Partially corrected

Both programmatic and financial oversight of subrecipients is being conducted. The agency has developed standardized documentation and both desk and on-sight monitoring is being conducted. Annual workshops

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

have been completed both in September 2014 and 2015. Documentation of visits, desk monitoring and other written communication is being maintained in the subrecipient files. Subrecipients are reimbursed based upon successful programmatic and financial review. Copies of subrecipient A-133's are maintained in the subrecipient files. However, we have not developed or implemented procedures for disseminating management decision letters or obtaining corrective action plans from subrecipients.

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-131
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 97.042 Emergency Management Performance Grants
Finding No.: 2014-132
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects
Finding No.: 2014-133, 2013-121
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects
Finding No.: 2014-134
Agency: Department of Emergency and Military Affairs
Status: Fully corrected

CFDA No.: 98.AID-486-A-12-00005 The Vocational University Leadership and Innovation Institute (VULII)
Finding No.: 2014-135
Agency: Arizona State University
Status: Fully corrected

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

CFDA No.: 93.778 Medical Assistance Program
Finding No.: 2014-136
Agency: Arizona Health Care Cost Containment System
Status: Fully corrected

CFDA No.: 84.048 Career and Technical Education—Basic Grants to States
Finding No.: 2013-111
Agency: Department of Education
Status: Fully corrected

CFDA No.: 84.365 English Language Acquisition State Grants
Finding No.: 2013-114
Agency: Department of Education
Status: Fully corrected

CFDA No.: 84.048 Career and Technical Education—Basic Grants to States
Finding No.: 2013-115
Agency: Department of Education
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: Partially corrected

Department of Health Services (ADHS) started its FFATA reporting in April 2015. A total of 249 subrecipients across all ADHS programs have been identified as requiring FFATA reporting. As of August 18, 2015, 167 of these have had FFATA reports submitted and accepted. ADHS plans to continue with this process to ensure FFATA compliance.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

CFDA No.: 12.400 Military Construction, National Guard
Finding No.: 12-120
Agency: Department of Emergency and Military Affairs
Status: Not corrected

Policies and procedures have been implemented. However, during the State fiscal year there were unforeseen circumstances that caused excessive delays in closing of the only military construction project that was ongoing during the period. All military construction grants were closed by the close of the State fiscal year.