

State of Arizona

Single Audit Report

Year Ended June 30, 2016



A Report to the Arizona Legislature

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 and special reviews of school districts, state agencies, and the programs they administer.

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Audit Staff

Jay Zsorey, Director

Nicole Franjevic, Manager and Contact Person

Rick Meyer, Manager

Contact Information

Arizona Office of the Auditor General

2910 N. 44th St.

Ste. 410

Phoenix, AZ 85018

(602) 553-0333

www.azauditor.gov



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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent auditors' report on internal control over financial reporting and
on compliance and other matters based on an audit of basic financial
statements performed in accordance with *Government Auditing Standards***

The Honorable Doug Ducey, Governor
State of Arizona

The Honorable Steve Yarbrough, President
Arizona State Senate

The Honorable J. D. Mesnard, 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, 2016, 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, 2017. 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 Thunderbird School of Global Management, 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 discretely presented component units whose audits were not performed in accordance with *Government Auditing Standards*. For those state agencies and discretely presented component units 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 2016-01, 2016-02, 2016-03, 2016-04, 2016-05, and 2016-06 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 2016-07, 2016-08, 2016-09, and 2016-10 to be significant deficiencies.

Compliance and other matters

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

State of Arizona's response to findings

The State's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. 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, 2017



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 the Uniform Guidance**

The Honorable Doug Ducey, Governor
State of Arizona

The Honorable Steve Yarbrough, President
Arizona State Senate

The Honorable J.D. Mesnard, 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, 2016, except for the major federal programs listed below:

Program/cluster title

Highway Planning and Construction Cluster
Medical Assistance Program (part of Medicaid Cluster)
Children's Health Insurance Program

Administered by

Arizona Department of Transportation
Arizona Health Care Cost Containment System
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, Inc., which were reported as discretely presented component units and expended \$3,620,659 and \$2,206,354 in federal awards, respectively, that are not included in the State's schedule of expenditures of federal awards for the year ended June 30, 2016. Our audit, described below, did not include the operations of the Thunderbird School of Global Management and the ASU Preparatory Academy, Inc. because these entities engaged other auditors to perform an audit

in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management’s responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the Uniform Guidance. Those standards and the Uniform Guidance 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 and Adult Care Food Program, Special Education Cluster (IDEA), Rehabilitation Services—Vocational Rehabilitation Grants to States, and Adoption Assistance

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

<u>Program/cluster title (CFDA number)</u>	<u>Compliance requirement</u>	<u>Finding number</u>
Child and Adult Care Food Program (10.558)	Eligibility	2016-104
Special Education Cluster (IDEA) (84.027/84.173)	Earmarking	2016-105
	Level of effort	2016-106
Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126)	Eligibility	2016-115
	Earmarking	2016-116
	Special tests and provisions	2016-117
Adoption Assistance (93.659)	Cash management	2016-114

Qualified opinion on Child and Adult Care Food Program, Special Education Cluster (IDEA), Rehabilitation Services—Vocational Rehabilitation Grants to States, and Adoption Assistance

In our opinion, except for the noncompliance described in the basis for qualified opinion paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that

could have a direct and material effect on the Child and Adult Care Food Program (10.558), Special Education Cluster (IDEA) (84.027/84.173), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), and Adoption Assistance (93.659) for the year ended June 30, 2016.

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, 2016.

Other matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2016-101, 2016-102, 2016-103, 2016-107, 2016-108, 2016-109, 2016-110, 2016-111, 2016-112, 2016-113, 2016-118, 2016-119, 2016-120, 2016-122, 2016-123, 2016-124, and 2016-125. Our opinion on each major federal program is not modified with respect to these matters.

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 the Uniform Guidance, 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 2016-101, 2016-104, 2016-105, 2016-106, 2016-108, 2016-112, 2016-113, 2016-114, 2016-115, 2016-116, and 2016-117 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 2016-102, 2016-107, 2016-110, 2016-111, 2016-118, 2016-119, 2016-121, 2016-122, 2016-123, 2016-124, and 2016-125 to be significant deficiencies.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

State of Arizona's response to findings

The State's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. 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 schedule of expenditures of federal awards required by the Uniform Guidance

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, 2016, 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, 2017, 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 the Uniform Guidance 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 30, 2017



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles **Unmodified**

Internal control over financial reporting

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal awards

Internal control over major programs

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Type of auditors' report issued on compliance for major programs

Unmodified on all programs except for Child and Adult Care Food Program (10.558), Special Education Cluster (IDEA) (84.027/84.173), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), and Adoption Assistance (93.659), which were qualified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

Identification of major programs

CFDA number	Name of federal program or cluster
10.551/10.561	SNAP Cluster
10.553/10.555/ 10.556/10.559	Child Nutrition Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA number	Name of federal program or cluster
10.558	Child and Adult Care Food Program
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
15.605/15.611	Fish and Wildlife Cluster
17.225	Unemployment Insurance
20.205/20.219	Highway Planning and Construction Cluster
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	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)
93.558	TANF Cluster
93.575/93.596	CCDF Cluster
93.775/93.777/93.778	Medicaid Cluster
93.268	Immunization Cooperative Agreements
93.658	Foster Care—Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse

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

Auditee qualified as low-risk auditee? **No**

Other matters

Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR 200.511(b)? **Yes**

Financial statement findings

2016-01

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

Criteria—The Department of Administration (Department) should ensure the State's Comprehensive Annual Financial Report (CAFR) that includes its financial statements, note disclosures, required supplementary information, and other financial schedules is accurate and issued within the required timelines 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 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(I) requires state agencies and other organizations included in the State's reporting entity to submit all necessary financial statements and other required 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 2016 deadline to receive audited financial statements in order to issue the State's CAFR by December 31, 2016. Specifically, 14 state agencies had a November 2016 deadline to submit their audited financial statements; however, only 5 met this deadline. Further, the State's implementation of a new accounting system has contributed to the delay.

Effect—Since various state agencies did not submit all necessary financial statements and other required information to the Department in a timely manner, the Department was unable to prepare and issue the State's CAFR by its December 31, 2016, 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 2016-101), 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, the implementation of the new accounting system created delays in the Department preparing the State's CAFR and submitting it for audit.

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.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-01 and is also reported as a federal finding. See finding 2016-101.

2016-02

The Department of Insurance should improve its workers' compensation claim management process over insolvent insurance carriers

Criteria—The Arizona Department of Insurance (Department) should have effective internal controls in place to ensure the workers' compensation claims and associated liabilities reported in the insurance department guaranty funds (guaranty funds) for insolvent insurance carriers are accurate and complete.

Condition and context—During fiscal year 2016, the Department used a third-party service organization to distribute approximately \$12.1 million in insolvent insurance carriers' workers' compensation claims. Further, the service organization established the reserve balances that the Department used to estimate the guaranty funds' future liabilities. The June 30, 2016, liability was approximately \$149 million. However, the Department did not establish adequate policies and procedures to ensure the claims paid and related reserve balances were accurate and complete. Specifically, the Department did not maintain adequate independent records to enable it to review and reconcile the claims and reserve balance data the service organization provided.

Effect—The Department could reimburse the service organization for invalid claimants or for inaccurate claim amounts. Further, the guaranty funds' estimated future liability may be misstated.

Cause—The Department received a monthly list of the insolvent insurance carriers' workers' compensation claims that the service organization processed and the reserve balances and reviewed the list to ensure that the detailed report totals agreed to the summary report totals. However, because of system limitations, the Department did not have records or controls to verify claimant information on the monthly lists were accurate and complete.

Recommendation—To help ensure the Department reimburses the service organization for the proper amounts and that estimated reserve balances are appropriate, the Department should establish independent records of workers' compensation claimant information and internal controls to reconcile those records to the data the service organization provided for accuracy and completeness.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-03

State agencies should improve their risk-assessment process to include information technology security

Criteria—The State faces risks of reporting inaccurate financial information and exposing sensitive data. An effective internal control system for the State's agencies should include an agency-wide risk-assessment process that involves members of an agency's administration and information technology (IT) management as they seek to achieve their objectives to report accurate financial information and protect sensitive data. An effective risk-assessment process provides the basis for developing appropriate risk responses and should include defining objectives to better identify risks and define risk tolerances, and identifying, analyzing, and responding to identified risks.

Condition and context—Auditors reviewed the information technology security risk-assessment process at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is responsible for all of the DCS' controls over the risk-assessment process. We determined that these agencies' annual risk-assessment processes did not include an agency-wide IT security risk assessment over their IT resources, which include their systems, networks, infrastructure, and data. Also, these agencies did not identify and classify sensitive information. Further, these agencies did not evaluate the impact disasters or other system interruptions could have on their critical IT resources.

Effect—There is an increased risk that these agencies' administrators and IT management may not effectively identify, analyze, and respond to risks that may impact their IT resources.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help ensure these agencies have effective policies and procedures to identify, analyze, and respond to risks that may impact their IT resources, these agencies need to implement an agency-wide IT risk-assessment process. IT policies and procedures should be reviewed against current IT standards and best practices, updated when needed, and implemented entity-wide, as appropriate. Further, staff should be trained on IT policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Conduct an IT risk-assessment process at least annually**—A risk-assessment process should include the identification of risk scenarios, including the scenarios' likelihood and magnitude; documentation and dissemination of results; review by appropriate personnel; and prioritization of risks identified for remediation. An IT risk assessment could also incorporate any unremediated threats identified as part of an entity's security vulnerability scans. (DOA, DES, DOR)
- **Identify, classify, inventory, and protect sensitive information**—Security measures should be developed to identify, classify, and inventory sensitive information and protect it, such as implementing controls to prevent unauthorized access to that information. Policies and procedures should include the security categories into which information should be classified, as well as any state statutes and federal regulations that could apply, and require disclosure to affected parties if sensitive information covered by state statutes or federal regulations is compromised. (DOA, DES, DOR)
- **Evaluate the impact disasters or other system interruptions could have on critical IT resources**—The evaluation should identify key business processes and prioritize the resumption of these functions within time frames acceptable to the entity in the event of contingency plan activation. Further, the evaluation's results should be considered when updating its disaster recovery plan. (DES, DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year findings 2015-03 and 2015-09.

2016-04

State agencies should improve access controls over their information technology resources

Criteria—Logical and physical access controls help to protect a state agency's information technology (IT) resources, which include its systems, network, infrastructure, and data, from unauthorized or inappropriate access or use, manipulation, damage, or loss. Logical access controls also help to ensure that authenticated users access only what they are authorized to. Therefore, an agency should have effective internal control policies and procedures to control access to its IT resources.

Condition and context—Auditors reviewed access controls over information technology resources at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is partially responsible for DCS' access controls. We determined that these agencies did not have adequate policies and procedures or consistently implement their policies and procedures to help prevent or detect unauthorized or inappropriate access to their IT resources.

Effect—There is an increased risk that these agencies may not prevent or detect unauthorized or inappropriate access or use, manipulation, damage, or loss of their IT resources, including sensitive and confidential information.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help prevent and detect unauthorized access or use, manipulation, damage, or loss to these agencies' IT resources, these agencies need to develop and implement effective logical and physical access policies and procedures over their IT resources. IT policies and procedures should be reviewed against current IT standards and best practices, updated when needed, and implemented entity-wide, as appropriate. Further, staff should be trained on IT policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Review user access**—A periodic, comprehensive review should be performed of all existing employee accounts to help ensure that network and system access granted is needed and compatible with job responsibilities. (DOA, DES, DCS, DOR)
- **Remove terminated employees' access to its IT resources**—Employees' network and system access should immediately be removed upon their terminations. (DOA, DES, DOR)
- **Review contractor and other nonentity account access**—A periodic review should be performed on contractor and other nonentity accounts with access to an entity's IT resources to help ensure their access remains necessary and appropriate. (DOA, DES, DCS, DOR)
- **Review all shared accounts**—Shared network access accounts should be reviewed and eliminated or minimized when possible. (DOA, DES, DOR)
- **Manage shared accounts**—Shared accounts should be used only when appropriate and in accordance with an established policy authorizing the use of shared accounts. In addition, account credentials should be reissued on shared accounts when a group member leaves. (DOA, DES, DOR)
- **Review and monitor key activity of users**—Key activities of users and those with elevated access should be reviewed for propriety. (DOA, DES, DCS, DOR)
- **Improve network and system password policies**—Network and system password policies should be improved and ensure they address all accounts. (DOA, DES, DOR)

- **Manage employee-owned and entity-owned electronic devices connecting to the network**—The use of employee-owned and entity-owned electronic devices connecting to the network should be managed, including specifying configuration requirements and the data appropriate to access; inventorying devices; establishing controls to support wiping data; requiring security features, such as passwords, antivirus controls, file encryption, and software updates; and restricting the running of unauthorized software applications while connected to the network. (DOA, DES)
- **Manage remote access**—Security controls should be utilized for all remote access. These controls should include appropriate configuration of security settings such as configuration/connections requirements and the use of encryption to protect the confidentiality and integrity of remote sessions. (DOA, DES)
- **Review data center access**—A periodic review of physical access granted to the data center should be performed to ensure that it continues to be needed. (DOA, DES)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year findings 2015-02, 2015-04, and 2015-08.

2016-05

State agencies should improve their configuration management processes over their information technology resources

Criteria—A well-defined configuration management process, including a change management process, is needed to ensure that a state agency's information technology (IT) resources, which include its systems, network, infrastructure, and data, are configured securely and that changes to these IT resources do not adversely affect security or operations. IT resources are typically constantly changing in response to new, enhanced, corrected, or updated hardware and software capabilities and new security threats. An agency should have effective written configuration management internal control policies and procedures to track and document changes made to its IT resources.

Condition and context—Auditors reviewed the information technology configuration management processes at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is partially responsible for the DCS' controls over configuration management. We determined that these agencies' have written policies and procedures for managing changes to their IT resources; however, some of these agencies' policies and procedures lacked critical elements. Also, these agencies did not have policies and procedures to ensure IT resources were configured securely.

Effect—There is an increased risk that these agencies' IT resources may not be configured appropriately and securely and that changes to those resources could be unauthorized or inappropriate or could have unintended results without proper documentation, authorization, review, testing, and approval prior to being applied.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help prevent and detect unauthorized, inappropriate, and unintended changes to these agencies' IT resources, these agencies need to update their policies and procedures over their configuration management processes. IT policies and procedures should be reviewed against current IT standards and best practices, updated when needed, and implemented entity-wide, as appropriate. Further, staff should be trained on IT policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Establish and follow change management processes**—For changes to IT resources, a change-management process should be established for each type of change, including emergency changes and other changes that might not follow the normal change-management process. Further, all changes should follow the applicable change-management process and should be appropriately documented. (DOA, DOR)
- **Review proposed changes**—Proposed changes to IT resources should be reviewed for appropriateness and justification, including consideration of the changes' security impact. (DOA, DOR)
- **Document changes**—Changes made to IT resources should be logged and documented, and a record should be retained of all change details, including a description of the change, the departments and systems impacted, the individual responsible for making the change, test procedures performed and the test results, security impact analysis results, change approvals at each appropriate phase of the change management process, and a post-change review. (DOA, DOR)
- **Rollback changes**—Rollback procedures should be established that include documentation necessary to back out changes that negatively impact IT resources. (DOA, DOR)
- **Test**—Changes should be tested prior to implementation, including performing a security impact analysis of the change. (DOA, DOR)
- **Separate responsibilities for the change-management process**—Responsibilities for developing and implementing changes to IT resources should be separated from the responsibilities of authorizing, reviewing, testing, and approving changes for implementation or, if impractical, performing a post-implementation review of the change to confirm the change followed the change management process and was implemented as approved. (DOA, DOR)
- **Configure IT resources appropriately and securely**—The functionality of IT resources should be limited to ensure it is performing only essential services and maintaining appropriate and secure configurations for all systems. (DOA, DES, DOR)
- **Manage software installed on employee computer workstations**—For software installed on employee computer workstations, policies and procedures should be developed to address what software is appropriate and the process for requesting, approving, installing, monitoring, and removing software on employee computer workstations. (DES, DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year findings 2015-03 and 2015-09.

2016-06

State agencies should improve security over their information technology resources

Criteria—The selection and implementation of security controls for a state agency's information technology (IT) resources, which include its systems, network, infrastructure, and data, are important because they reduce the risks that arise from losing confidentiality, integrity, or availability of information that

could adversely impact the agency's operations or assets. Therefore, an agency should implement internal control policies and procedures for an effective IT security process that includes practices to help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources.

Condition and context—Auditors reviewed the security controls over information technology resources at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is responsible for all of the DCS' controls over information technology security. We determined that these agencies did not have sufficient written IT security policies and procedures over their IT resources.

Effect—There is an increased risk that these agencies may not prevent or detect the loss of confidentiality, integrity, or availability of systems and data.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to these agencies' IT resources, these agencies need to further develop their policies and procedures over IT security. IT policies and procedures should be reviewed against current IT standards and best practices, updated when needed, and implemented entity-wide, as appropriate. Further, staff should be trained on IT policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Perform proactive logging and log monitoring**—Key user and system activity should be logged, particularly for users with administrative access privileges and remote access, along with other activities that could result in potential security incidents such as unauthorized or inappropriate access. An entity 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. Finally, activity logs should be maintained where users with administrative access privileges cannot alter them. (DOA, DES, DOR)
- **Prepare and implement an incident response plan**—An incident response plan should be developed, tested, and implemented for an entity's IT resources, and staff responsible for the plan should be trained. The plan should 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 incident response personnel and updated as necessary. Security incidents should be reported to incident response personnel so they can be tracked and documented. Policies and procedures should also follow regulatory and statutory requirements, provide a mechanism for assisting users in handling and reporting security incidents, and making disclosures to affected individuals and appropriate authorities if an incident occurs. (DES, DOR)
- **Provide training on IT security risks**—A plan should be developed to provide continuous training on IT security risks, including a security awareness training program for all employees that provides a basic understanding of information security, user actions to maintain security, and how to recognize and report potential indicators of security threats, including threats employees generate. Security awareness training should be provided to new employees and on an ongoing basis. (DOA, DES, DOR)
- **Perform IT vulnerability scans**—A formal process should be developed for vulnerability scans that includes performing vulnerability scans of its IT resources 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 vulnerabilities, measuring the impact of identified vulnerabilities, and approving privileged access while scanning systems containing highly

sensitive data. In addition, vulnerability scan reports and results should be analyzed and legitimate vulnerabilities remediated as appropriate, and information obtained from the vulnerability-scanning process should be shared with other departments of the entity to help eliminate similar vulnerabilities. (DOA, DES, DOR)

- **Apply patches**—Patches to IT resources should be evaluated, tested, and applied in a timely manner once the vendor makes them available. (DOA, DES, DOR)
- **Secure unsupported software**—Establish a strategy for assessing and securing any software that the manufacturer no longer updates and supports. (DES)
- **Protect sensitive or restricted data**—Restrict access to media containing data the entity, federal regulation, or state statute identifies as sensitive or restricted. Such media should be appropriately marked indicating the distribution limitations and handling criteria for data included on the media. In addition, media should be physically controlled and secured until it can be destroyed or sanitized using sanitization mechanisms with the strength and integrity consistent with the data's security classification. (DOA, DES)
- **Develop and document a process for awarding IT vendor contracts**—A process should be developed and documented to ensure the consideration of IT risks, costs, benefits, and technical specifications prior to awarding IT vendor contracts. In addition, contracts should include specifications addressing the management, reliability, governance, and security of the entity's IT resources. Further, for cloud services, ensure service contracts address all necessary security requirements based on best practices, such as physical location of data centers. Finally, IT vendors' performance should be monitored to ensure conformance with vendor contracts. (DOA, DES, DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year findings 2015-02, 2015-03, and 2015-09.

2016-07

State agencies should improve their contingency planning procedures for their information technology resources

Criteria—It is critical that the State's agencies have contingency planning procedures in place to provide for the continuity of operations and to help ensure that vital information technology (IT) resources, which include an agency's systems, network, infrastructure, and data, can be recovered in the event of a disaster, system or equipment failure, or other interruption. Contingency planning procedures include having a comprehensive, up-to-date contingency plan; taking steps to facilitate the plan's activation; and having system and data backup policies and procedures.

Condition and context—Auditors reviewed the contingency planning procedures at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is responsible for all of the DCS' controls over contingency planning. We determined that these agencies' contingency plans lacked certain key elements related to restoring operations in the event of a disaster or other system interruption of their IT resources. Also, although these agencies were performing system and data backups, they did not have documented policies and procedures for performing the backups or testing them to ensure they were operational and could be used to restore their IT resources.

Effect—These agencies risk not being able to provide for the continuity of operations, recover vital IT systems and data, and conduct daily operations in the event of a disaster, system or equipment failure, or other interruption, which could cause inaccurate or incomplete system and data recovery.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help ensure these agencies' operations continue in the event of a disaster, system or equipment failure, or other interruption, these agencies need to further develop their contingency planning procedures. IT policies and procedures should be reviewed against current IT standards and best practices, updated when needed, and implemented entity-wide, as appropriate. Further, staff should be trained on IT policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Update the contingency plan and ensure it includes all required elements to restore operations**—Contingency plans should be updated at least annually for all critical information or when changes are made to IT resources, and updates to the plan should be communicated to key personnel. The plan should include essential business functions and associated contingency requirements, including recovery objectives and restoration priorities and metrics as determined in the entity's business-impact analysis; contingency roles and responsibilities and assigned individuals with contact information; identification of critical information assets and processes for migrating to the alternative processing site; processes for eventual system recovery and reconstitution to return the IT resources to a fully operational state and ensure all transactions have been recovered; and review and approval by appropriate personnel. The contingency plan should also be coordinated with incident-handling activities and stored in a secure location, accessible to those who need to use it, and protected from unauthorized disclosure or modification. (DOA, DES, DOR)
- **Move critical operations to a separate alternative site**—Policies and procedures should be developed and documented for migrating critical IT operations to a separate alternative site for essential business functions, including putting contracts in place or equipping the alternative site to resume essential business functions, if necessary. The alternative site's information security safeguards should be equivalent to the primary site. (DOA, DES, DOR)
- **Test the contingency plan**—A process should be developed and documented to perform regularly scheduled tests of the contingency plan and document the tests performed and results. This process should include updating and testing the contingency plan at least annually or as changes necessitate, and coordinating testing with other plans of the entity such as its continuity of operations, cyber incident response, and emergency response plans. Plan testing may include actual tests, simulations, or table top discussions and should be comprehensive enough to evaluate whether the plan can be successfully carried out. The test results should be used to update or change the plan. (DOA, DES, DOR)
- **Train staff responsible for implementing the contingency plan**—An ongoing training schedule should be developed for staff responsible for implementing the plan that is specific to each user's assigned role and responsibilities. (DOA, DES, DOR)
- **Backup systems and data**—Establish and document policies and procedures for testing IT system software and data backups to help ensure they could be recovered if needed. Policies and procedures should require system software and data backups to be protected and stored in an alternative site with security equivalent to the primary storage site. Backups should include user-level information, system-level information, and system documentation, including security-related documentation. In addition, critical information system software and security-related information should be stored at an alternative site or in a fire-rated container. (DOA, DES, DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-11.

2016-08

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 each 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.

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

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-05.

2016-09

The Department of Administration's State Procurement Office should strengthen its policies and procedures over monitoring its contract with its ProcureAZ vendor

Criteria—The Department of Administration's State Procurement Office (SPO) contracted with a vendor to support and host the State's procurement system (ProcureAZ). This vendor also used a subcontractor to perform some of these services for the ProcureAZ system. Accordingly, the SPO should monitor the vendor and its subcontractor to help ensure they have met the terms and conditions of the contract.

Condition and context—Based on review of the contract and the applicable amendments, auditors noted there were several deficiencies related to SPO ensuring the contractor and its subcontractor adhered to the contract requirements over the ProcureAZ system, as follows:

- The contract provided for the State to perform an audit or inspection of the vendor records as they relate to the ProcureAZ system; however, the SPO did not monitor the vendor's internal controls or require that a service organization internal control audit in accordance with Statement on Standards for Attestation Engagements (SSAE) No. 16, Type II, be performed and submitted to the SPO.
- The contract required the vendor to demonstrate, at least once a year, the successful recovery of the ProcureAZ system should a disaster occur; however, auditors determined the SPO did not obtain and review the results of the annual disaster recovery assessment from the vendor.
- The SPO was not always aware of all the terms and conditions in the contract. Specifically, auditors requested the SPO to provide reports of purchases that were created and approved by the same user, but the SPO was unable to generate the reports from the ProcureAZ system. These reports were included within the scope of the contract work, and therefore, SPO should have generated and reviewed these reports during the year.
- The contract included service levels agreements (SLAs) that the vendor should meet. However, the SPO did not have a process in place to track and monitor these results to ensure the service levels were being met. As such, auditors were unable to determine if the vendor complied with this requirement.

Effect—The SPO may not be able to ensure the vendor and its subcontractor are fulfilling their contract responsibilities or obtain the necessary information or data and assurances that the vendor's system of internal controls are operating effectively.

Cause—The SPO did not have written policies and procedures to monitor and ensure the vendor and its subcontractor met all requirements set forth in the contract. In addition, throughout the contract period there was turnover with the personnel responsible for overseeing the contract.

Recommendations—The SPO should develop and implement comprehensive procurement policies and procedures to help ensure that it monitors its vendor and subcontractor compliance with the terms and conditions of the ProcureAZ contract.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-10

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

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

Condition and context—The Department is responsible for collecting and reporting state income taxes. While testing the Department's procedures for collecting and reporting state income tax revenues, auditors noted additional procedures that the Department should perform to help ensure all state income taxes are collected and reported. Certain information has been omitted from this finding because of its sensitive nature. Therefore, specific details, including detailed recommendations, were verbally communicated to those officials directly responsible for implementing corrective action.

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

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

Recommendations—The Department should implement additional procedures necessary to compensate for the omitted procedures.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-10.

Federal award findings and questioned costs

2016-101

CFDA number and name: Not applicable

Questioned costs: N/A

Criteria—In accordance with 2 U.S. Code of Federal Regulations (CFR) §200.512, the State must 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, 2017; however, the State did not issue its single audit reporting package until June 2017 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 2016-01, 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.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-101.

2016-102

CFDA number and name: Not applicable

Questioned costs: N/A

Criteria—In accordance with 2 §CFR 200.302(b), the State should have effective control over, and accountability for, all funds. This should include preparing an accurate schedule of expenditures of federal awards (SEFA) and reconciling its general ledger accounting records that support the SEFA to the various state agencies’ accounting subsystems that post financial information to the State’s general ledger accounting system. This will help ensure all transactions are accounted for and recorded in the proper accounting period.

Condition and context—The Department of Administration (Department) implemented a new state-wide general ledger accounting system on July 1, 2015, and required all state agencies to use the new system to account for their financial transactions. However, many state agencies use their own subsystems to initially process financial transactions and facilitate their case management of federal programs. Although the subsystems interface with the state-wide general ledger, the Department did not have policies and procedures to ensure that each agency reconciled its financial data recorded on the subsystems and posted to the state-wide general ledger for completeness and accuracy. As a result, not all subsystems were reconciled to the state-wide general ledger, resulting in numerous errors on the SEFA. In addition, the Department experienced delays in obtaining information from the state-wide general ledger for auditors to perform the necessary procedures on the SEFA. Further, agencies did not properly identify subrecipients in the state-wide general ledger and incorrectly included payments to vendors and other agencies as subrecipients on the SEFA. The State corrected all significant errors identified.

Effect—On the State’s original SEFA, federal program expenditures and amounts provided to subrecipients were misstated by \$49 million and \$89.5 million, respectively. In addition, the State submitted its single audit reporting package 3 months late to the federal audit clearinghouse. See audit finding 2016-101.

Cause—The Department implemented a new state-wide general ledger accounting system at the beginning of the fiscal year and did not provide sufficient guidance to state agencies for recording their federal program activity on the system and for preparing the SEFA. The State relies on some state agencies to prepare their own SEFAs for compilation into the State’s SEFA and a number of these agencies experienced difficulties compiling accurate federal program expenditure information from the state-wide general ledger in part due to the system’s complexity.

Recommendation—To help ensure all of the State’s financial transactions are accurately recorded in the state-wide general ledger and on the State’s SEFA, the Department should improve its policies and procedures to assist state agencies in reporting federal expenditures using the proper accounting basis, properly accounting for payments to subrecipients and vendors, and verifying that monies passed through to other state agencies are not duplicated on the SEFA. Further, the Department should communicate these policies and procedures to all state agencies. In addition, the agencies should prepare detailed policies and procedures for reconciling financial data on the subsystems and posted to the state-wide general ledger for completeness and accuracy. Lastly, state agencies should seek assistance, as necessary, from the Department.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-114.

2016-103

CFDA numbers and names:	Various
Award numbers and years:	Various
Federal agency:	Various
Compliance requirement:	Allowable costs/cost principles
Questioned costs:	Unknown

Criteria—In accordance with 2 CFR §200.405(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 transfers:

- Senate Bill 1469 of the 52nd Legislature, First Regular Session, Chapter 8, §135, mandated transfers from the State’s Automation Operations Fund to its Automation Projects Fund.
- House Bill 2695 of the 52nd Legislature, Second Regular Session, Chapter 117, §157, mandated transfers from the Special Employee Health Insurance Trust Fund to the State’s General Fund to help provide support and maintenance for state agencies.

Further, the Department of Public Safety (Public Safety) transferred monies from its Risk Management Fund to a fund to pay department-wide 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 not finalized the calculation for the federal portion of these transfers that occurred during fiscal year 2016; however, it is estimated that questioned costs will exceed \$25,000. It was not practical to extend our auditing procedures sufficiently to determine the amount of questioned costs that resulted from this finding or to identify all the federal programs this finding affected. Once calculated, this amount will be subject to the U.S. Department of Health and Human Services’ review and approval. 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 transfers resulted from state legislation and, therefore, was not caused by the federal programs’ administration. Further, for the Public Safety transfers, the noncompliance resulted from an agency decision to transfer monies that included federal monies from its Risk Management Fund to a fund to pay department-wide administrative costs.

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.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-103.

2016-104

CFDA number and name:	10.558 Child and Adult Care Food Program
Award numbers and years:	7AZ300AZ3, 2014, 2015, 2016; 7AZ300AZ4, 2014, 2015, 2016
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. Additionally, in accordance with 7 CFR §226.16, recipients are eligible to participate in the program only if the budgeted administrative costs do not exceed 15 percent of estimated program reimbursements. Recipient budgeted administrative costs may exceed the limit if the Department determines that the recipient will have adequate funding to provide meals to participants and waives the requirement. The Department must document this waiver and submit it to the federal grantor. Lastly, in accordance with 7 CFR §226.18, the Department must obtain and approve the written agreements that subrecipients enter into with each of their sponsored day care homes ensuring that they contain required rights and responsibilities of the parties participating in the program.

Condition and context—During fiscal year 2016, the Department disbursed over \$52 million in program monies to a total of 343 subrecipients for this program. However, the Department did not always obtain required eligibility information demonstrating a subrecipient’s capability to operate the program in accordance with federal regulations. Specifically, for 4 of 60 subrecipients tested, the Department did not collect all required eligibility information. In addition, for one of the subrecipients tested, the Department determined a participant to be eligible for the program even though budgeted administrative costs exceeded the federally mandated limit and the Department did not waive the limit. Further, for 7 of the subrecipients tested, the Department approved written agreements between subrecipients and their sponsored day care homes that did not contain the required rights and responsibilities.

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 did not always follow its application review procedures to ensure that all eligibility requirements were met prior to awarding federal monies to its subrecipients. In addition, the Department’s review procedures for calculating the limit for budgeted administrative costs did not follow the requirements of 7 CFR §226.16. Further, the Department had not established adequate review procedures to ensure that written agreements that subrecipients enter into with each of their sponsored day care homes contained the required rights and responsibilities.

Recommendation—The Department should follow its existing policies and procedures to ensure that all eligibility requirements are met prior to awarding federal monies to its subrecipients. In addition, the Department should revise its review procedures to ensure that budgeted administrative costs are limited or written waivers are granted in accordance with the requirements of 7 CFR §226.16. Finally, the Department should establish adequate review procedures to ensure that the subrecipients’ written agreements with their sponsored day care homes contain the required rights and responsibilities.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-117.

2016-105

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A130120, 2013; H027A140007, 2014; H027A150007, 2015; H173A130003, 2013; H173A140003, 2014; H173A150003, 2015
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 specified in federal regulations. 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 all remaining unused program 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 instead of proportionally redistributing those monies to eligible LEAs in the current fiscal year.

Effect—The Department may have distributed improper amounts of program monies 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 it distributes program monies to LEAs in accordance with federal regulations.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-118.

2016-106

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A130120, 2013; H027A140007, 2014; H027A150007, 2015; H173A130003, 2013; H173A140003, 2014; H173A150003, 2015
Federal agency:	U.S. Department of Education
Compliance requirement:	Level of effort
Questioned costs:	None

Criteria—In accordance with 34 CFR §300.203(a), a local educational agency (LEA) is eligible to receive program monies only if the State determines that the LEA has demonstrated that it will meet its required level of effort. The State must provide LEAs the opportunity to meet the level of effort requirement based on the comparison of the following sources: (1) local funds only, (2) the combination of state and local funds, (3) local funds only on a per capita basis, and (4) the combination of state and local funds on a per capita basis. The LEA will have demonstrated that it met the required level of effort if at least one of the sources show that the LEA’s budgeted expenditures, for the education of children with disabilities, were not less than actual expenditures for the preceding fiscal year.

Condition and context—The Department did not have adequate policies and procedures to ensure that the LEAs were provided the opportunity to meet the level of effort requirement. Specifically, the Department did not permit LEAs to demonstrate that they met the required level of effort based on a comparison of local funds only or local funds only on a per capita basis.

Effect—The Department could have inappropriately denied federal monies to LEAs who were eligible to participate in the program.

Cause—The Department did not have adequate policies and procedures to ensure that LEAs were provided the opportunity to demonstrate that they met the level of effort requirement based on the sources specified in federal regulations.

Recommendation—The Department should revise its policies and procedures to ensure that LEAs are provided the opportunity to demonstrate that they meet the level of effort requirement in accordance with federal regulations, including the use of local funds only or local funds only on a per capita basis.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-107

Cluster name:	Child Nutrition Cluster
CFDA numbers and names:	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, 2014, 2015, 2016
Federal agency:	U.S. Department of Agriculture
Compliance requirement:	Eligibility
Questioned costs:	Unknown (10.555 National School Lunch Program)

Criteria—In accordance with 42 U.S. Code §1766a, the Department of Education (Department) can approve subrecipients as eligible to serve after-school snacks for free regardless of the participants' income eligibility if the site at which the snacks are served is located in the attendance area of a school in which at least 50 percent of the enrolled children are income eligible for free and reduced price school meals. Alternatively, if the site at which snacks are served is not located in such an area, the Department can approve subrecipients as eligible to serve after-school snacks for free, reduced price, or full price to participants based on their income eligibility.

Condition and context—The Department's application system has been programmed to calculate the percentage of participants who were eligible for free and reduced price school meals using historical data, and department staff review this system calculation to determine if the school site is eligible to serve after-school snacks for free. For 1 of 40 subrecipients tested, department staff did not review the eligibility calculation and approved 2 of the subrecipients' 30 site applications to serve free after-school snacks to all of the participants in the after-school program. Both sites were located in the attendance areas of schools that had less than 50 percent of enrolled children who were income eligible for free and reduced price school meals. Auditors tested 20 additional subrecipients and did not identify any additional noncompliance.

Effect—During fiscal year 2016, the Department paid the subrecipient \$17,683 of federal program monies for serving after-school snacks based on the highest reimbursement rate for all snacks served at the two sites noted above. This resulted in an overpayment to the subrecipient. It was not practical to extend our auditing procedures to determine the amount of questioned costs, if any, that may have resulted from this finding.

Cause—The Department did not always follow its policies and procedures for reviewing the calculated percentage of enrolled children who were income eligible for free and reduced price school meals when reimbursing its subrecipients for the after-school snack program.

Recommendation—The Department should provide training to department staff to ensure they approve subrecipient site applications in accordance with the Department's documented policies and procedures. Specifically, department staff should review its system calculation to determine if the site is located in the

attendance area of a school in which at least 50 percent of enrolled children are income eligible for free and reduced price school meals. In addition, the Department should consider implementing a detailed review procedure to ensure that subrecipients are reimbursed at the proper rates.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-108

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A130120, 2013; H027A140007, 2014; H027A150007, 2015; H173A130003, 2013; H173A140003, 2014; H173A150003, 2015
Federal agency:	U.S. Department of Education
Compliance requirements:	Procurement and subrecipient monitoring
Questioned costs:	\$3,539 (84.027 Special Education—Grants to States)

Criteria—The Department of Education (Department) is responsible for awarding over \$1 billion in federal awards and contracts to local educational agencies and other organizations. Therefore, it is imperative that department employees who are involved in making federal award decisions comply with the State's personnel rules, Arizona Revised Statutes (A.R.S.) §38-501 et seq., and 2 CFR §200.317. These rules, laws, and regulations require that department employees disclose conflicts of interest when they have a personal or business interest in or are employed by an entity to which the Department awards grants and contracts, and that they abstain from any involvement in an award decision when a conflict of interest exists.

Condition and context—The Department did not ensure that employee conflicts of interest were disclosed and recorded in accordance with the state personnel rules and laws and federal regulations. In addition, the Department did not ensure that an employee with a conflict of interest abstained from any involvement in award decisions and monitoring program compliance. Specifically, a state university employed three department employees—an associate superintendent, a program administrator, and a program specialist—to develop and teach classes that were partially funded by the SELECT program grant the Department awarded to the university. However, on the annual disclosure forms these employees submitted, the associate superintendent did not disclose the employment with the university, and the program administrator and program specialist did not describe the employment sufficiently to clearly indicate that a conflict existed for the SELECT program. Further, the program administrator was responsible for approving the annual intergovernmental agreement between the Department and the university, assisting the university in recruiting teachers for the program, and monitoring program compliance. The university paid \$3,539 in SELECT program monies to the program administrator during the fiscal year, and auditors questioned this amount because of the employee's conflict of interest and these incompatible job responsibilities. Auditors did not question the amounts paid to the other two employees because the employees were not responsible for making award decisions or monitoring program compliance, and the expenditures for teaching the SELECT program classes complied with program requirements.

Effect—Conflicts of interest were not adequately disclosed, and federal grant monies were awarded to a subrecipient by department employees when a conflict of interest existed in violation of state personnel rules, A.R.S. §38-501 et seq., and 2 CFR §200.317.

Cause—The State's policies regarding conflict of interest were not followed.

Recommendation—To help ensure that the Department’s employees comply with conflict-of-interest rules, laws, and regulations, and to help ensure that federal awards are made in accordance with department policies and procedures, the Department should enforce existing policies and procedures requiring employees to complete and update disclosures for any conflicts of interest as they arise and to abstain from making award and compliance decisions that involve entities for which conflicts of interest exist.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2016-109

CFDA number and name: 84.048 **Career and Technical Education—Basic Grants to States**
Award numbers and years: V048A130003, 2013; V048A140003, 2014; V048A150003, 2015
Federal agency: **U.S. Department of Education**
Compliance requirements: Procurement and subrecipient monitoring
Questioned costs: \$56,659

Criteria—The Department of Education (Department) is responsible for awarding over \$1 billion in federal awards and contracts to local educational agencies and other organizations. Therefore, it is imperative that department employees who are involved in making federal award decisions comply with the State’s personnel rules, Arizona Revised Statutes (A.R.S.) §38-501 et seq., and 2 CFR §200.317. These rules, laws, and regulations require that department employees disclose conflicts of interest when they have a personal or business interest in or are employed by an entity to which the Department awards grants and contracts, and that they abstain from any involvement in an award decision when a conflict of interest exists.

Condition and context—The Department did not ensure that 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 Program’s Study Director (CTE Director) did not disclose conflicts of interest and did not abstain from making award decisions for the program awarded to joint technical education districts (JTED). These conflicts of interest are described below.

During our follow-up on similar prior years’ audit findings, we determined that conflicts of interest existed between the CTE Director and a JTED to which the CTE Director awarded federal monies during fiscal year 2016 until November 2015 when the CTE Director’s employment with the Department was terminated. Specifically, the JTED made payments to the CTE Director with federal monies from the Career and Technical Education—Basic Grants program. These payments were made to cover the CTE Director’s travel expenses totaling \$1,900, some of which were abusive, including excessive meal charges and a rental car upgrade. The CTE Director did not disclose these payments. The CTE Director’s annual disclosure form was last updated on March 12, 2015; however, the CTE Director failed to disclose the conflict of interest with the JTED.

In addition, supporting documentation was inadequate and did not comply with federal requirements or the Department’s policies for \$56,659 of program expenditures for the period July 2015 through November 2015 out of total program expenditures of \$57,476 for this period.

Effect—A department employee awarded federal grant monies to a subrecipient when a conflict of interest existed in violation of state personnel rules, A.R.S. §38-501 et seq., and 2 CFR §200.317. Further, improper payments and abuse occurred in relation to the monies awarded to 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 addition, 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 annual disclosure form as of March 12, 2015; however, the revised form did not disclose the conflict of interest with the JTED. As the CTE Director’s employment was terminated in November 2015, an updated annual disclosure form was not completed during fiscal year 2016. 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 employees comply with conflict-of-interest rules, laws, and regulations, and to help ensure that federal awards are made in accordance with department policies and procedures, 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 can approve awards, approve amendments to those awards, and monitor and approve subrecipient award expenditures.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-123.

2016-110

CFDA number and name:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Award numbers and years:	15157AZAZ7W1003, 2015; 15157AZAZ7W1006, 2015; 15157AZAZ7W1002, 2015; 16167AZAZ7W1003, 2016; 16167AZAZ7W1006, 2016
Federal agency:	U.S. Department of Agriculture
Compliance requirement:	Subrecipient monitoring
Questioned costs:	N/A

Criteria—Pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information specified in 2 CFR §200.331(a).

Condition and context—The Department of Health Services (Department) passed through \$27 million to subrecipients during fiscal year 2016 and did not include all of the required information in the subaward documents that were provided to the subrecipients. Specifically, the documents did not include the subrecipient’s unique entity identifier, the federal award identification number, the total amount of the federal award, the federal awarding agency’s name, the pass-through entity’s name, the contact information for the pass-through entity’s awarding official, and the CFDA number and name. Further, the Department did not identify the dollar amount made available under each federal award and the CFDA number at the time of disbursement.

Effect—The Department did not comply with subrecipient-monitoring requirements. Auditors performed additional audit work and determined that the Department worked closely with the subrecipients to ensure compliance with program requirements.

Cause—The Department was unaware that the information was required to be included in the subaward documents.

Recommendation—To ensure the Department complies with subrecipient-monitoring requirements, it should update subaward documents to ensure that they include all information specified in 2 CFR §200.331(a) prior to making additional federal awards. Further, current subaward agreements should be updated to include all subaward requirements.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-111

Cluster name:	TANF Cluster
CFDA number and name:	93.558 Temporary Assistance for Needy Families
Award numbers and years:	1502AZTANF, 2015; 1602AZTANF, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Suspension and debarment
Questioned costs:	None

Criteria—In accordance with 45 CFR §75.213, nonfederal entities are prohibited from contracting or making subawards to any party that is debarred, suspended, or otherwise excluded from or ineligible for participating in federal assistance programs or activities.

Condition and context—The Department of Child Safety (Department) did not always follow its policies and procedures to verify that vendors providing goods or services paid with federal monies of \$25,000 or more had not been suspended, debarred, or otherwise excluded from participating in federal assistance programs. Specifically, for 4 of 17 vendors tested, the Department did not follow its policies and procedures and verify that the vendors were not suspended or debarred by obtaining a certification from the vendor as outlined in their contract or verifying the vendor had not been suspended or debarred using the System for Awards Management (SAMS) the General Services Administration maintains. Auditors performed additional procedures for the vendors tested and determined no payments were made to suspended or debarred parties.

Effect—The Department could make payments to suspended or debarred vendors.

Cause—Not all department staff were aware that the Department had policies and procedures to help ensure payments were not made to parties that were debarred, suspended, or otherwise excluded from participating in federal assistance programs, and accordingly, such policies and procedures were not always followed.

Recommendation—The Department should follow its existing policies and procedures to document its determinations that vendors being paid over \$25,000 or more in federal monies have not been suspended, debarred, or otherwise excluded from participating in federal assistance programs or activities. This verification should be accomplished by requiring vendors to provide the certification outlined in the Department’s contract or by checking the vendors’ status on SAMS.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2016-112

CFDA number and name: 93.658 **Foster Care—Title IV-E**
Award numbers and years: 1501AZFOST, 2015; 1601AZFOST, 2016
Federal agency: **U.S. Department of Health and Human Services**
Compliance requirement: Eligibility
Questioned costs: Unknown

Criteria—In accordance with 45 CFR §1356.30(f), for a child care institution such as a foster care group home to be eligible for Title IV-E funding, the Department of Child Safety (Department) must address safety considerations associated with employees who have direct contact with children. The State’s safety consideration standards are outlined in A.R.S. §8-804(B)(3) and require the Department to complete a background check using the State’s central registry for all employees of contracted and subcontracted child care institutions that provide direct services to children. The background check must be completed within a reasonable period after an employee’s hire date.

Condition and context—The Department did not always follow its policies and procedures to ensure that it completed background checks of its contracted and subcontracted child care institutions’ employees within a reasonable period after their hire date. Specifically, for 2 of 12 child care institutions tested, the Department did not complete employee background checks until 7 to 13 months after the child care institution submitted a new hire’s information to the Department.

Effect—The Department paid the two child care institutions an estimated \$22,451 in federal funds for the audit period July 1, 2015 through June 30, 2016 when background checks had not been completed for the new hires. In addition, the Department paid these child care institutions additional federal funds in the following fiscal year. It was not practical to extend our auditing procedures to determine the amount of questioned costs, if any, that may have resulted from this finding. However, the Department subsequently performed the background checks, and all employees passed the background check.

Cause—The Department did not enforce its existing policies and procedures to perform background checks of new hires at child care institutions within a reasonable period after their hire date.

Recommendation—The Department should ensure that it performs and completes background checks of new hires at child care institutions within 2 weeks of their hire date. Also, the Department should review its records of all current child care institutions to verify they are complete and employees’ information is current. In addition, payments should be made only to child care institutions that have met all the required federal compliance requirements, and the Department’s records should include documentation that these compliance requirements have been met.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-113

CFDA number and name:	93.658 Foster Care—Title IV-E
Award numbers and years:	1501AZFOST, 2015; 1601AZFOST, 2016
CFDA number and name:	93.659 Adoption Assistance
Award numbers and years:	1501AZADPT, 2015; 1601AZADPT, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Reporting
Questioned costs:	None

Criteria—In accordance with 2 CFR §§200.61 and 200.62, the Department of Child Safety (Department) must maintain effective internal controls to provide reasonable assurance over the reliability of reporting for internal and external reports. The Department should design proper internal controls to provide reasonable assurance that transactions are properly recorded and accounted for to permit the preparation of reliable federal reports.

Condition and context—The Department did not accurately compile and review the CB-496, Title IV-E Programs Quarterly Financial Reports. Specifically, the Department incorrectly reported expenditures for line items such as maintenance payments, administrative costs, training costs, and total costs for the September 2015 and March 2016 reports for both foster care and adoption assistance. In addition, on the March 2016 report, the average monthly number of children assisted was overstated for both programs. The remaining quarterly reports were not tested because similar errors were expected. The Department provided corrected reports to the federal agency after auditors brought the errors to its attention.

Effect—The reports the Department submitted included errors that ranged from \$52,249 to \$1,165,411 for the adoption assistance program and \$4,675 to \$9,364,876 for the foster care program that could affect future budget allocations from the federal grantor agency. However, this finding did not result in questioned costs because the reports were not used to request reimbursement of federal expenditures.

Cause—The Department's staff did not completely understand the State's new general ledger accounting system to compile the reports accurately.

Recommendation—To help ensure the CB-496 reports are accurate and complete, the Department should establish more detailed policies and procedures to help staff responsible for compiling its federal reports understand the reporting requirements and compilation process for preparing these reports. In addition, a knowledgeable employee should perform a detailed review of the reports and reconcile them to supporting records.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-114

CFDA number and name:	93.659 Adoption Assistance
Award numbers and years:	1501AZADPT, 2015; 1601AZADPT, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Cash management
Questioned costs:	None

Criteria—In accordance with 31 CFR §§205.11, 205.12(b), and 205.33(a), the Department of Child Safety (Department) must request federal monies in accordance with the funding techniques agreed to in the Treasury-State Agreement. The Department uses an average clearance methodology to request funding from the federal agency for payments to vendors and service providers. For the average clearance methodology, the Department should only request funds for the exact amount of the disbursements to be paid in three days.

Condition and context—The Department did not always follow the cash management funding technique pattern outlined in the State of Arizona’s Treasury-State Agreement when requesting federal funds for payments to its vendors and service providers. Specifically, for 2 of 40 cash drawdowns tested, the Department drew down more than the amount required to meet its expected cash-management needs. The Department requested over \$2.8 million and \$42,000 more, respectively, than what was needed for the program’s expenditures. Further, auditors analyzed the program’s cash balances and noted that for approximately 4 months of the fiscal year, the Department maintained a positive cash balance ranging from \$2,182,678 up to \$17,479,549 that was not reduced from the amount of future cash-management requests. During this time period, the Department maintained almost \$6.8 million in federal funds for more than a month. The Department noted the error in applying the funding technique in August 2016, corrected its procedures at that time, and remitted monies back to the federal agency.

Effect—The Department did not comply with the required cash-management funding technique outlined in the Treasury-State Agreement, which resulted in a positive cash balance for 125 days. However, the Department remitted interest earned back to the federal government for these positive cash balances.

Cause—The Department had ineffective procedures to ensure that staff completed and reviewed cash-management requests using the proper funding techniques outlined in the Treasury-State Agreement.

Recommendation—To help ensure compliance with the Treasury-State Agreement, the Department should develop detailed policies and procedures to ensure the amount of cash drawdown requests is calculated based on the approved funding techniques and provide training to staff responsible for preparing the drawdown requests. Also, future cash drawdown requests should be reduced for any positive cash balances to ensure monies requested are for the Department’s immediate cash needs. In addition, a knowledgeable employee should review and approve cash drawdown requests to ensure they comply with the Department’s cash management funding techniques and are compared to the program’s cash balances.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2016-115

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015 and H126A160002, 2016
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 applicant is eligible for vocational rehabilitation services within 60 days after the applicant 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 ineligibility within 60 days for 2 of 40 applications tested. Specifically, it took the Administration 69 and 118 days to determine the applicants were not eligible for the program.

Effect—Noncompliance with program requirements and failure to make timely eligibility determinations may result in delayed services.

Cause—The Administration did not follow its policies and procedures and react to system alerts that open applications were close to the 60-day eligibility determination requirement.

Recommendation—To help ensure eligibility determinations are made within 60 days after the applicant has submitted an application or the applicant has agreed to an extension, the Administration should provide adequate supervision of its case workers and enforce its policies and procedures to follow up on computer information system alerts that open applications are close to the 60-day eligibility determination requirement. If the eligibility determination cannot be completed within the 60-day period, the applicant and Administration should agree to an extension.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-105.

2016-116

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015 and H126A160002, 2016
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 its 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, and it did not have a way to properly monitor which of its expenditures would meet this requirement.

Effect—Noncompliance with program requirements and failure to establish policies and procedures could result in not providing sufficient employment transition services to students with disabilities.

Cause—The Administration did not have policies and procedures related to providing pre-employment transition services to students with disabilities.

Recommendation—To help ensure compliance with earmarking requirements, the Administration should establish written policies and procedures to reserve and monitor 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.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-107.

2016-117

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015 and H126A160002, 2016
Federal agency:	U.S. Department of Education
Compliance requirement:	Special tests and provisions
Questioned costs:	N/A

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 for an eligible individual as soon as possible, but no later than 90 days after the eligibility determination date, 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 for eligible individuals. Consequently, for 6 of 60 case files tested, the Administration did not develop an individualized plan for employment within 90 days of the eligibility determination date or the agreed-upon extension date. Specifically, it took the Administration between 96 and 173 days to document the individualized plan for employment in the case files.

Effect—Noncompliance with program requirements and 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 eligibility determination date or the agreed-upon extension date.

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

- Ensuring individualized plans for employment are 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 program participant 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 program requirements.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-106.

2016-118

CFDA number and name:	17.225 Unemployment Insurance
Award numbers and years:	UI-21086-11-55-A-4, 2011; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; UI-26521-15-55-A-4 and UI-27101-15-55-A-4, 2015; and UI-27963-16-55-A-4 and UI-28119-16-60-A-4, 2016
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 (6), 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 2016 unemployment insurance reports. Specifically, 3 of 12 reports tested contained the following errors:

- For the March 31, 2016, quarterly ETA 581—Contribution Operations report, the Department’s financial management system did not support the liquidated contributory employers receivables amount of \$3,390,455 and the liquidated reimbursing employers receivables amount of \$440,094.
- For the June 30, 2016, quarterly ETA 227—Overpayment Detection and Recovery Activities report, the Administration could not support the following reported amounts:

	Section C. Recovery/Reconciliation	
	Fraud Additions (Subtractions)	Nonfraud Additions (Subtractions)
UI	\$(1,087,765)	\$(1,677,203)
UCFE/UCX	(48,639)	45,004
EB	59,416	

- For the March 31, 2016, quarterly ETA 227—EUC—Overpayment Detection and Recovery Activities report, the Administration could not support the following reported amounts:

	Section C. Recovery/Reconciliation	
	Fraud Additions (Subtractions)	Nonfraud Additions (Subtractions)
UI	\$(348,180)	\$(266,191)
UCFE/UCX	8,717	

Effect—The Administration submitted unsupported 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—Because 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.

Recommendation—To help ensure federal reports are accurate and complete, the Administration should investigate the system reporting deficiencies and correct programming errors to ensure that reports generated are accurate.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-108.

2016-119

CFDA number and name:	17.225 Unemployment Insurance
Award numbers and years:	UI-21086-11-55-A-4, 2011; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; UI-26521-15-55-A-4 and UI-27101-15-55-A-4, 2015; and UI-27963-16-55-A-4 and UI-28119-16-60-A-4, 2016
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 was established.
- Maintain policies and procedures to identify credits and charges to employer accounts that allows the Department to take appropriate action in determining if an employer has established a “pattern of failure” and determining whether to charge an employer a penalty.

Also, in accordance with the quality control requirements of 20 CFR §§602.11(d) and 602.21(b)-(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 select and 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 recorded and reported to the U.S. Department of Labor.

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, 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.

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 ensure it selected or completed the minimum number of cases during the time frame specified in the Handbook. Specifically, for fiscal year 2016, the BAM Unit did not select any denied claims during the first prescribed time period although it was required to select 2 monetary, 2 separations, and 2 nonseparation denied cases. Also, the BAM Unit completed only 39 percent of case investigations within 60 days instead of the required 70 percent, and 53 percent of case investigations within 90 days instead of the required 95 percent. Further, for 2 of 40 cases tested, a summary of investigation was not completed. Lastly, for 2 of 40 cases tested, the BAM Unit incorrectly reported case findings to the U.S. 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 to comply with program-integrity requirements. In addition, for the quality control requirements, the BAM Unit did not always follow its policies and procedures to select and perform case investigations and prepare a summary of investigations performed. Also, 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 develop detailed policies and procedures to determine whether a pattern of untimely or inadequate responses existed and charge an employer’s unemployment compensation account when the employer or its agent’s actions led to an improper payment.

In addition, to help ensure compliance with the quality control requirements, the BAM Unit should follow its policies and procedures to help ensure it selects and 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 supervisory review. Also, the BAM Unit should follow its policies and procedures to complete a summary of investigation that includes a narrative explaining pertinent case facts.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-109.

2016-120

Cluster name:	CCDF Cluster
CFDA numbers and names:	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; C1501AZCCDF, 2015; and G1601AZCCDF, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirements:	Activities allowed or unallowed and allowable costs/cost principles
Questioned costs:	\$206

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-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 2 of 21 child care subsidies tested, the child care provider did not retain 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 billing 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.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-121

Cluster name:

CFDA numbers and names:

SNAP Cluster

10.551 **Supplemental Nutrition Assistance Program**
10.561 **State Administrative Matching Grants for the Supplemental Nutrition Assistance Program**

Award number and years:

7AZ400AZ4, 2014, 2015, and 2016

Federal agency:

U.S. Department of Agriculture

CFDA number and name:

Award numbers and years:

17.225 **Unemployment Insurance**

UI-21086-11-55-A-4, 2011; UI-23879-13-55-A-4, 2013; UI-26382-14-60-A-4 and UI-25189-14-55-A-4, 2014; UI-26521-15-55-A-4 and UI-27101-15-55-A-4, 2015; and UI-27963-16-55-A-4 and UI-28119-16-60-A-4, 2016

Federal agency:

U.S. Department of Labor

CFDA number and name:

Award numbers and years:

Federal agency:

84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States**

H126A150002, 2015 and H126A160002, 2016

U.S. Department of Education

Cluster name:

CFDA number and name:

Award numbers and years:

TANF Cluster

93.558 **Temporary Assistance for Needy Families**

1402AZTANF, 2014; 1502AZTANF and 1502AZTAN3, 2015; and 1602AZTANF and 1602AZTAN3, 2016

Cluster name:

CFDA numbers and names:

Award numbers and years:

CFDA number and name:

Award numbers and years:

CFDA number and name:

Award numbers and years:

CFDA number and name:

Award numbers and years:

Federal agency:

CCDF Cluster

93.575 **Child Care and Development Block Grant**

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

G1301AZCCDF, 2013; G1401AZCCDF, 2014; C1501AZCCDF, 2015; and G1601AZCCDF, 2016

93.658 **Foster Care—Title IV-E**

1501AZFOST, 2015 and 1601AZFOST, 2016

93.659 **Adoption Assistance**

1501AZADPT, 2015 and 1601AZADPT, 2016

93.667 **Social Services Block Grant**

G1401AZSOSR, 2014; G1501AZSOSR, 2015; and G1601AZSOSR, 2016

U.S. Department of Health and Human Services

Compliance requirements:

Activities allowed or unallowed, allowable costs/cost principles, cash management, eligibility, matching, level of effort, earmarking, period of availability of federal funds/period of performance, reporting, and special tests and provisions

Questioned costs:

N/A

Criteria—It is critical that the Department of Economic Security (Department) have contingency-planning procedures in place to provide for the continuity of operations and to help ensure that vital information technology (IT) resources, which include its systems, network, infrastructure, and data, can be recovered in

the event of a disaster, system or equipment failure, or other interruption. Contingency-planning procedures include having a comprehensive, up-to-date contingency plan; taking steps to facilitate activation of the plan; and having system and data backup policies and procedures.

Condition and context—The Department's contingency plan lacked certain key elements related to restoring operations in the event of a disaster or other system interruption of its IT resources and did not include all systems. Also, although the Department was performing system and data backups, it did not have documented policies and procedures for performing the backups or testing them to ensure they were operational and could be used to restore its IT resources. The Department of Child Safety (DCS) also uses the Department's IT resources.

Effect—The Department and DCS risk not being able to provide for the continuity of operations, recover vital IT systems and data, and conduct daily operations in the event of a disaster, system or equipment failure, or other interruption, which could cause inaccurate or incomplete system and data recovery. This finding could potentially affect all federal programs the Department and DCS administer.

Cause—The Department's corrective action plan was only partially completed as of June 30, 2016.

Recommendation—To help ensure department operations continue in the event of a disaster, system or equipment failure, or other interruption, the Department needs to further develop its contingency-planning procedures. The information below provides guidance and best practices to help the Department achieve this objective:

- **Update the contingency plan and ensure it includes all required elements to restore operations**—Contingency plans should be updated at least annually for all critical information or when changes are made to IT resources, and updates to the plan should be communicated to key personnel. The plan should include essential business functions and associated contingency requirements, including recovery objectives and restoration priorities and metrics as determined in the entity's business-impact analysis; contingency roles and responsibilities and assigned individuals with contact information; identification of critical information assets and processes for migrating to the alternative processing site; processes for eventual system recovery and reconstitution to return the IT resources to a fully operational state and ensure all transactions have been recovered; and review and approval by appropriate personnel. The contingency plan should also be coordinated with incident-handling activities and stored in a secure location, accessible to those who need to use it, and protected from unauthorized disclosure or modification.
- **Move critical operations to a separate alternative site**—Policies and procedures should be developed and documented for migrating critical IT operations to a separate alternative site for essential business functions, including putting contracts in place or equipping the alternative site to resume essential business functions, if necessary. The alternative site's information security safeguards should be equivalent to the primary site.
- **Test the contingency plan**—A process should be developed and documented to perform regularly scheduled tests of the contingency plan and document the tests performed and results. This process should include updating and testing the contingency plan at least annually or as changes necessitate, and coordinating testing with other plans of the entity such as its continuity of operations, cyber incident response, and emergency response plans. Plan testing may include actual tests, simulations, or table top discussions and should be comprehensive enough to evaluate whether the plan can be successfully carried out. The test results should be used to update or change the plan.
- **Train staff responsible for implementing the contingency plan**—An ongoing training schedule should be developed for staff responsible for implementing the plan that is specific to each user's assigned role and responsibilities.

- **Backup systems and data**—Establish and document policies and procedures for testing IT system software and data backups to help ensure they could be recovered if needed. Policies and procedures should require system software and data backups to be protected and stored in an alternative site with security equivalent to the primary storage site. Backups should include user-level information, system-level information, and system documentation, including security-related documentation. In addition, critical information system software and security-related information should be stored at an alternative site or in a fire-rated container.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2015-115. This finding was also reported as a financial reporting finding. See finding 2016-07.

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:

2016-122

Cluster name:	Highway Planning and Construction Cluster
CFDA numbers and names:	20.205 Highway Planning and Construction 20.219 Recreational Trails Program
Award number and year:	Various, 2015
Federal agency:	U.S. Department of Transportation
Compliance requirement:	Subrecipient monitoring
Questioned costs:	None

Criteria—Title 2 CFR Part 200, Subpart D, requires that all pass-through entities determine at the time of the award, that an entity is a subrecipient. Further, they must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes a unique identifier at the time of the subaward.

Condition and context—The Arizona Department of Transportation (Department), at the time of subaward, did not clearly identify to the subrecipient as a subaward, and did not have unique subrecipient identifiers included in the subaward contracts.

Effect—The Department is not in compliance with grant provisions and internal control weaknesses over subrecipient monitoring.

Cause—Management oversight.

Recommendation—In order to comply with the Uniform Guidance, we recommend the Department review procedures to ensure current procedures require that a determination of subrecipient is made at the time of the subaward and each subrecipient has a unique identifier.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-123

Cluster name:	Highway Planning and Construction Cluster
CFDA numbers and names:	20.205 Highway Planning and Construction 20.219 Recreational Trails Program
Award number and year:	Various, 2015
Federal agency:	U.S. Department of Transportation
Compliance requirement:	Subrecipient monitoring
Questioned costs:	None

Criteria—Title 2 CFR Part 200, Subpart F, requires that all recipients must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. That schedule must include the total amount provided to subrecipients from each Federal program.

Condition and context—Due to a change in administration, key personnel, as well as the implementation of the Uniform Guidance, the Arizona Department of Transportation (Department) did not have a system of internal controls that would enable management to timely and properly identify expenditures that were subawards to be disclosed on the SEFA. The identification process is highly manual, and has an increased risk of error.

Effect—The Department is not in compliance with the grant agreements.

Cause—Management oversight.

Recommendation—We recommend the Department evaluate its internal control processes to determine if an award is a subaward prior to expenditure and that a system be put in place to more easily identify expenditures that were subawards to be disclosed on the SEFA.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2016-124

CFDA number and name:	93.767 Children’s Health Insurance Program
Award number and year:	21-W-00064/9; July 1, 2015 through June 30, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Eligibility
Questioned costs:	\$40,037

Criteria—According to the Arizona Health Care Cost Containment System (AHCCCS) eligibility requirements, the Kidscare eligibility category allows enrollment/participation for participants through age 18. The month after reaching the age of 19 and maintaining other eligibility criteria, participants should be moved out of the Kidscare eligibility category and into a comparable AHCCCS program. Internal controls should be in place to provide reasonable assurance that participants are moved out of the Kidscare eligibility category the month after they turn 19 (aged out).

Condition and context—In order to test eligibility, we selected a sample of 40 participants to verify the participant met the applicable eligibility criteria. In connection with our testing, we noted one instance where a participant was enrolled in the Kidscare eligibility category and was not transferred from the Kidscare eligibility category the month after they turned 19. As a result of this exception, we expanded our testing to the entire population of the Kidscare eligibility category to ensure that participants were being properly transferred out of the Kidscare eligibility category the month after the participant turned 19 (aged out). Using eligibility data, we identified 235 individuals enrolled in the Kidscare eligibility category who were not transferred timely out of the Kidscare eligibility category in the month after the participant turned 19 in fiscal year 2016.

Effect—AHCCCS pays contracted health plans to provide services to the participants in the Kidscare eligibility category using a capitated per member, per month payment methodology. As a result, given the 235 exceptions and the number of months participants were incorrectly left in the eligibility category we determined that AHCCCS improperly paid to contracted health plans approximately \$40,037 as a result of the untimely transfer between eligibility categories.

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

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

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2016-125

CFDA number and name:	93.767 Children's Health Insurance Program
Award number and year:	21-W-00064/9; July 1, 2015 through June 30, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Eligibility
Questioned costs:	N/A

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

Condition and context—In order to test eligibility, we selected a sample of 40 participants to verify the participant met the applicable eligibility criteria. In connection with our testing, we noted one instance where a participant was enrolled in the Kidscare eligibility category with an open eligibility determination that was not set to expire at the end of their eligibility period. The participant was noted as eligible for the month of June 2016 and capitation payments in the amount of \$153.34 were made for the participant.

Effect—AHCCCS pays contracted health plans to provide services to the participants in the Kidscare eligibility category using a capitated per member, per month payment methodology. As a result, given the exception AHCCCS improperly overpaid contracted health plans for one month of the capitated rate as a result of the open determination.

Cause—AHCCCS' eligibility department had combined a participant file that previously had assigned two AHCCCS identifying numbers. As the files were combined the older of the two files had an open eligibility determination for the Kidscare eligibility category that was not closed and as such the member was still shown as eligible for the Kidscare population.

Recommendation—We recommend that AHCCCS establish policies and procedures to ensure that all previous eligibility files that are required to be merged with a current file be closed at the time of the merger to avoid any open determinations. We further recommend that AHCCCS review the size and compliment of their eligibility department to ensure the staffing is adequate to address eligibility changes in a timely manner.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

STATE SECTION

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
PEACE CORPS						
08.PC-14-8-064	Professional Campus Recruitment Services			ASA	\$ 26,111	
	Total Peace Corps				<u>26,111</u>	<u>-</u>
DEPARTMENT OF AGRICULTURE						
SNAP Cluster						
10.551	Supplemental Nutrition Assistance Program			DEA	1,411,616,154	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	76,047,142	\$ 2,420,784
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	8,215,075	3,971,731
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	1,946,230	119,049
	10.561 Subtotal				<u>86,208,447</u>	<u>6,511,564</u>
	SNAP Cluster Subtotal				<u>1,497,824,601</u>	<u>6,511,564</u>
Child Nutrition Cluster						
10.553	School Breakfast Program			DCA	23,789	
10.553	School Breakfast Program			DJA	189,853	
10.553	School Breakfast Program			EDA	91,316,379	91,316,379
	10.553 Subtotal				<u>91,530,021</u>	<u>91,316,379</u>
10.555	National School Lunch Program			DCA	33,659	
10.555	National School Lunch Program			DJA	424,935	
10.555	National School Lunch Program			EDA	307,696,923	307,687,451
10.555	National School Lunch Program			SDA	265,163	
	10.555 Subtotal				<u>308,420,680</u>	<u>307,687,451</u>
10.556	Special Milk Program for Children			EDA	47,885	47,885
10.559	Summer Food Service Program for Children			EDA	4,707,171	4,572,206
	Child Nutrition Cluster Subtotal				<u>404,705,757</u>	<u>403,623,921</u>
Food Distribution Cluster						
10.565	Commodity Supplemental Food Program			HSA	4,093,527	963,419
10.568	Emergency Food Assistance Program (Administrative Costs)			DEA	1,823,007	1,514,619
10.569	Emergency Food Assistance Program (Food Commodities)			DEA	13,502,080	
	Food Distribution Cluster Subtotal				<u>19,418,614</u>	<u>2,478,038</u>
Other Department of Agriculture Programs						
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	1,954,322	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	384,296	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			UAA	21,830	
	10.025 Subtotal				<u>2,360,448</u>	<u>-</u>
10.028	Wildlife Services			GFA	4,390	
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	193,232	
10.163	Market Protection and Promotion			AHA	276,396	
10.170	Specialty Crop Block Grant Program—Farm Bill			AHA	598,677	340,723
10.170	Specialty Crop Block Grant Program—Farm Bill			UAA	14,600	
	10.170 Subtotal				<u>613,277</u>	<u>340,723</u>
10.171	Organic Certification Cost Share Programs			AHA	45,615	44,787
10.215	Sustainable Agriculture Research and Education	Utah State University	14029901/140867004, 140867002, 140867047-136	UAA	17,977	
10.215	Sustainable Agriculture Research and Education	Western Sustainable Agriculture Research and Education	1002627	UAA	8,349	
	10.215 Subtotal				<u>26,326</u>	<u>-</u>
10.217	Higher Education—Institution Challenge Grants Program			UAA	111,927	49,479
10.227	1994 Institutions Research Program	Dine College	2011-38424-30522	UAA	1,577	
10.304	Homeland Security—Agricultural			UAA	187,998	
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	43,067	
10.311	Beginning Farmer and Rancher Development Program			UAA	181,812	48,871
10.329	Crop Protection and Pest Management Competitive Grants Program			UAA	297,111	
10.330	Alfalfa and Forage Research Program	University of California, Davis	201500048-02	UAA	21,837	
10.460	Risk Management Education Partnerships			UAA	96,808	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	132,562	
10.479	Food Safety Cooperative Agreements			HSA	206,709	
10.500	Cooperative Extension Service			UAA	3,809,728	191,034
10.500	Cooperative Extension Service	Kansas State University	S15156, S16118/2014-48661-22370, S15094/2014-48661-22370, S15144/2013-48696-21184, S15021/2010-48661-21868	UAA	41,547	
10.500	Cooperative Extension Service	Michigan State University	RC103176AA	UAA	3,368	
10.500	Cooperative Extension Service	Pennsylvania State University	5201-UA-USDA-2628	UAA	4,584	
10.500	Cooperative Extension Service	University of Nebraska, Lincoln	25-6329-0086-305	UAA	18,155	
10.500	Cooperative Extension Service	University of Wyoming	1002139/130677012/2013-4700	UAA	3,929	
10.500	Cooperative Extension Service	Washington State University	108815 G003345, 108815-G003474	UAA	13,220	
	10.500 Subtotal				<u>3,894,531</u>	<u>191,034</u>

See accompanying notes to schedule.

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.547	Professional Standards for School Nutrition Employees			EDA	44,419	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	119,380,198	26,968,539
10.558	Child and Adult Care Food Program			EDA	53,357,524	52,677,533
10.560	State Administrative Expenses for Child Nutrition			EDA	5,200,268	
10.572	WIC Farmers' Market Nutrition Program (FMNP)			HSA	141,301	3,126
10.575	Farm to School Grant Program			EDA	7,069	
10.576	Senior Farmers Market Nutrition Program			HSA	72,137	
10.578	WIC Grants to States (WGS)			HSA	106,854	11,169
10.579	Child Nutrition Discretionary Grants Limited Availability			EDA	1,272,380	1,272,380
10.582	Fresh Fruit and Vegetable Program			EDA	3,508,436	3,432,749
10.652	Forestry Research			GFA	22,013	
10.664	Cooperative Forestry Assistance			FOA	3,655,233	931,914
10.664	Cooperative Forestry Assistance			UAA	5,634	
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1301.14.043466	UAA	1,647	
	10.664 Subtotal				<u>3,662,514</u>	<u>931,914</u>
10.674	Wood Utilization Assistance			FOA	156,225	69,008
10.676	Forest Legacy Program			FOA	76,346	
10.683	National Fish and Wildlife Foundation			GFA	41,135	
10.762	Solid Waste Management Grants			NAA	143,262	
10.912	Environmental Quality Incentives Program			GFA	80,954	
10.960	Technical Agricultural Assistance			UAA	140,166	127,424
10.11-CS-11031200-023	Arizona Bald Eagle Management Program			GFA	27,626	
10.11-CS-11031203-021	US Forest Service Boat Docks			GFA	124,173	
10.12-25-A-5732	Expanding Markets and Market Coordination for Native American and Other Specialty Crop Producers Using LocalFresh.info			UAA	3,707	
10.13-CR-11031600-044	Arizona Rangeland Monitoring and VGS Enhancement			UAA	147,530	
10.13-CS-11030504-019	Range Monitoring			UAA	21,222	
10.14-CR-11031600-54	Arizona Rangeland Education, Outreach and Monitoring			UAA	40,440	
10.14-JV-11221633-091	Documentation of Human Skeletal Remains and Funerary Objects from Tonto National Forest, Phase II			UAA	38,138	
10.15-9419-0280-CA	Swine Surveillance			UAA	14,400	
10.AG-8371-P-14-0055	Documentation of Human Skeletal Remains and Funerary Objects from Tonto National Forest			UAA	311	
10.AG-8371-P-15-0026	NAGPRA Documentation Project for Apache—Sitgreaves National Forest			ASA	56,937	
10-JV-11221636-261, 12-CS-11030700-018, 14-CS-11030420-042, 10-DG-11031600-050	Forest Service			NAA	38,220	
10.SSDPG-01	San Xavier Cooperative Association—Small Socially Disadvantage Producer Program	Apex Applied Technology, Incorporated	LTR DTD 040815/SSDPG-01	UAA	5,187	
10.Unknown	Forest Service			NAA	1,000	
10.Unknown	AzNN SNAP-Ed Local Implementation Services			UAA	3,260,747	23,944
	Total Department of Agriculture				<u>2,121,837,434</u>	<u>498,806,203</u>
<u>DEPARTMENT OF COMMERCE</u>						
<u>Economic Development Cluster</u>						
11.307	Economic Adjustment Assistance			CAA	97,714	
	Economic Development Cluster Subtotal				<u>97,714</u>	
<u>Other Department of Commerce Programs</u>						
11.303	Economic Development—Technical Assistance			NAA	100,446	
11.549	State and Local Implementation Grant Program			ADA	494,581	
11.611	Manufacturing Extension Partnership			CAA	800,435	
	Total Department of Commerce				<u>1,493,176</u>	<u>-</u>
<u>DEPARTMENT OF DEFENSE</u>						
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	732,664	
12.300	Basic and Applied Scientific Research			ASA	9,600	
12.300	Basic and Applied Scientific Research			GFA	150,972	
	12.300 Subtotal				<u>160,572</u>	<u>-</u>
12.357	ROTC Language and Culture Training Grants	Institute of International Education	2012-GO-ASU	ASA	376,774	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	2603UAZ28GO015P01, 2603UAZ28, 2012GOUA	UAA	493,170	
	12.357 Subtotal				<u>869,944</u>	<u>-</u>
12.400	Military Construction, National Guard			MAA	40,543	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			GFA	61,572	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	28,542,907	
	12.401 Subtotal				<u>28,604,479</u>	<u>-</u>
12.431	Basic Scientific Research			ASA	104,383	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-ASU-1-SSC-280-PO2	ASA	897,282	46,189
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	NSEPU631073UAARAH98, 2340UAZ12	UAA	328,354	
	12.550 Subtotal				<u>1,225,636</u>	<u>46,189</u>

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
12.579	Language Training Center	Institute of International Education	2603-ASU-8-GO-017-P03, 2603-ASU-8-LTC-LT4-PO2, 2603-ASU-8-LTC-LT5-P04	ASA	238,587	
12.614	Community Economic Adjustment Assistance for Advance Planning and Economic Diversification			CAA	311,670	
12.630	Basic, Applied, and Advanced Research in Science and Engineering			GFA	1,074	
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Academy of Applied Science	LTR 9/21/06	ASA	17,381	
	12.630 Subtotal				18,455	-
12.632	Legacy Resource Management Program			GFA	150,299	
12.800	Air Force Defense Research Sciences Program			GFA	167,620	
12.900	Language Grant Program			ASA	71,671	
12.901	Mathematical Sciences Grants Program			ASA	76,561	
12.901	Mathematical Sciences Grants Program			UAA	14,919	
	12.901 Subtotal				91,480	-
12.902	Information Security Grants			ASA	60,217	
12.910	Research and Technology Development			UAA	269,211	
12.H98210-16-2-0002	Undergraduate Arabic Flagship Program	Institute of International Education	0054-UAZ-9-ARA-280-P01	UAA	94,264	
12.W9124A-05-D-0002	Business Enterprise Program/FT Huachuca			DEA	4,993,820	
12.W9124A-12-C-0011	Water Wise and Energy Smart			UAA	44,746	
	Total Department of Defense				38,250,261	46,189
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Section 8 Project—Based Cluster						
14.195	Section 8 Housing Assistance Payments Program			HDA	53,483,097	-
	Section 8 Project—Based Cluster Subtotal				53,483,097	-
HOPE VI Cluster						
14.866	Demolition and Revitalization of Severely Distressed Public Housing	City of Phoenix	IGA 133412	ASA	11,847	
	HOPE VI Cluster Subtotal				11,847	-
Housing Voucher Cluster						
14.871	Section 8 Housing Choice Vouchers			HDA	1,317,849	1,142,893
	Housing Voucher Cluster Subtotal				1,317,849	1,142,893
Other Department of Housing and Urban Development Programs						
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	9,463,183	9,217,912
14.231	Emergency Solutions Grant Program			DEA	1,728,291	1,644,802
14.239	Home Investment Partnerships Program			HDA	5,582,775	4,986,047
14.241	Housing Opportunities for Persons with AIDS			HDA	195,687	189,220
14.256	ARRA—Neighborhood Stabilization Program, Recovery Act			HDA	675,000	675,000
14.267	Continuum of Care Program			HDA	4,621,729	4,372,542
14.401	Fair Housing Assistance Program—State and Local			AGA	587,239	
14.Unknown	Pima County Homeless Street Count Project	Community Partnership of Southern Arizona	HSSIROW	UAA	16,634	
	Total Department of Housing and Urban Development				77,683,331	22,228,416
DEPARTMENT OF THE INTERIOR						
Fish and Wildlife Cluster						
15.605	Sport Fish Restoration			GFA	7,387,221	
15.611	Wildlife Restoration and Basic Hunter Education			GFA	19,915,705	
	Fish and Wildlife Cluster Subtotal				27,302,926	-
Other Department of the Interior Programs						
15.156	Tribal Climate Resilience			NAA	223,829	
15.224	Cultural and Paleontological Resources Management			PRA	43,890	
15.225	Recreation Resource Management			GFA	9,341	
15.228	BLM Wildland Urban Interface Community Fire Assistance			FOA	582,249	343,244
15.231	Fish, Wildlife and Plant Conservation Resource Management			GFA	789,524	
15.231	Fish, Wildlife and Plant Conservation Resource Management			NAA	26,958	
	15.231 Subtotal				816,482	-
15.236	Environmental Quality and Protection Resource Management			EVA	878	
15.236	Environmental Quality and Protection Resource Management			GFA	131,544	
15.236	Environmental Quality and Protection Resource Management			MIA	257,622	
	15.236 Subtotal				390,044	-
15.237	Rangeland Resource Management			UAA	50,450	
15.238	Challenge Cost Share			GFA	23,076	
15.238	Challenge Cost Share			UAA	8,426	
	15.238 Subtotal				31,502	-
15.517	Fish and Wildlife Coordination Act			GFA	333,672	
15.538	Lower Colorado River Multi-Species Conservation Program			GFA	459,412	
15.608	Fish and Wildlife Management Assistance			GFA	111,593	
15.608	Fish and Wildlife Management Assistance			UAA	6,109	
	15.608 Subtotal				117,702	-

State of Arizona
Schedule of expenditures of federal awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
15.615	Cooperative Endangered Species Conservation Fund			AHA	46,428	
15.615	Cooperative Endangered Species Conservation Fund			GFA	956,608	
	15.615 Subtotal				1,003,036	-
15.616	Clean Vessel Act			GFA	242,157	190,814
15.626	Enhanced Hunter Education and Safety Program			GFA	239,760	
15.631	Partners for Fish and Wildlife			GFA	40,000	
15.634	State Wildlife Grants			GFA	1,351,178	
15.637	Migratory Bird Joint Ventures			GFA	1,940	
15.650	Research Grants (Generic)			GFA	23,656	
15.654	National Wildlife Refuge System Enhancements			GFA	149,664	
15.657	Endangered Species Conservation—Recovery Implementation Funds			ASA	12,793	
15.657	Endangered Species Conservation—Recovery Implementation Funds			GFA	177,271	
	15.657 Subtotal				190,064	-
15.663	National Fish and Wildlife Foundation			GFA	99,296	
15.664	Fish and Wildlife Coordination and Assistance Programs			FOA	23,198	
15.664	Fish and Wildlife Coordination and Assistance Programs			GFA	24,668	
	15.664 Subtotal				47,866	-
15.669	Cooperative Landscape Conservation			UAA	39,296	
15.808	U.S. Geological Survey—Research and Data Collection			GFA	313,025	
15.810	National Cooperative Geologic Mapping			GSA	153,630	
15.814	National Geological and Geophysical Data Preservation			GSA	7,758	
15.904	Historic Preservation Fund Grants-In-Aid			PRA	782,127	81,660
15.916	Outdoor Recreation—Acquisition, Development and Planning			PRA	935,047	
15.922	Native American Graves Protection and Repatriation Act			UAA	14,765	
15.923	National Center for Preservation Technology and Training			ASA	14,715	
15.923	National Center for Preservation Technology and Training			PRA	14,715	
	15.923 Subtotal				29,430	-
15.944	Natural Resource Stewardship			GFA	41,326	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			NAA	21,274	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	380,282	
	15.945 Subtotal				401,556	-
15.954	National Park Service Conservation, Protection, Outreach, and Education			GFA	12,660	
15.954	National Park Service Conservation, Protection, Outreach, and Education			UAA	10,822	
	15.954 Subtotal				23,482	-
15.50730W0330	Bureau of Reclamation Restricted Endowment			ASA	6,672,715	
15.A15PX00768	Water Resources Technical Training Program for American Indians and Alaska Natives			UAA	131,821	
	Total Department of the Interior				43,296,094	615,718
<u>DEPARTMENT OF JUSTICE</u>						
16.017	Sexual Assault Services Formula Program			HSA	257,070	253,793
16.320	Services for Trafficking Victims	CODAC Behavioral Health Services	LTR DTD 032516	UAA	1,863	
16.320	Services for Trafficking Victims	Tucson Police Department	OVC-2015-4069	UAA	1,863	
	16.320 Subtotal				3,726	-
16.523	Juvenile Accountability Block Grants			GVA	198,804	188,302
16.523	Juvenile Accountability Block Grants			SPA	87,745	
	16.523 Subtotal				286,549	188,302
16.526	OWW Technical Assistance Initiative			NAA	383,501	
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			GVA	719,058	660,311
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States			SPA	53,697	
	16.540 Subtotal				772,755	660,311
16.543	Missing Children's Assistance	City of Phoenix	2009-MC-CX-K013	AGA	14,555	
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	71,634	
16.554	National Criminal History Improvement Program (NCHIP)			JCA	319,949	188,095
16.554	National Criminal History Improvement Program (NCHIP)			PSA	21,650	
	16.554 Subtotal				341,599	188,095
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			EDA	1,169,815	1,112,893
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			UAA	107,250	
	16.560 Subtotal				1,277,065	1,112,893
16.575	Crime Victim Assistance			AGA	310,961	
16.575	Crime Victim Assistance			DCA	70,728	
16.575	Crime Victim Assistance			DJA	58,957	
16.575	Crime Victim Assistance			NAA	132,736	

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
16.575	Crime Victim Assistance			PSA	10,808,877	10,309,785
16.575	Crime Victim Assistance			SPA	9,480	
	16.575 Subtotal				<u>11,391,739</u>	<u>10,309,785</u>
16.576	Crime Victim Compensation			JCA	1,315,944	1,259,326
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona	18110	UAA	165,872	
16.588	Violence Against Women Formula Grants			GVA	2,559,632	2,284,109
16.588	Violence Against Women Formula Grants			NAA	103,971	
	16.588 Subtotal				<u>2,663,603</u>	<u>2,284,109</u>
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			GVA	157,586	138,594
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			NAA	28,220	
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			UAA	25,896	
	16.589 Subtotal				<u>211,702</u>	<u>138,594</u>
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			GVA	147,399	127,984
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	37,083	
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	48,649	
16.593	Residential Substance Abuse Treatment for State Prisoners			JCA	207,187	168,781
	16.593 Subtotal				<u>292,919</u>	<u>168,781</u>
16.606	State Criminal Alien Assistance Program			DCA	5,695,907	
16.609	Project Safe Neighborhoods			JCA	45,081	
16.726	Juvenile Mentoring Program	National 4-H Council	2015-JU-FX-0015, 2014-JU-FX-0025	UAA	118,593	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	874,606	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	2,968,605	2,424,112
16.738	Edward Byrne Memorial Justice Assistance Grant Program			PSA	397,315	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			SPA	47,139	
	16.738 Subtotal				<u>4,287,665</u>	<u>2,424,112</u>
16.741	DNA Backlog Reduction Program			PSA	750,450	
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	75,559	68,582
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	13,904	
	16.742 Subtotal				<u>89,463</u>	<u>68,582</u>
16.750	Support for Adam Walsh Act Implementation Grant Program			PSA	189,016	
16.754	Harold Rogers Prescription Drug Monitoring Program			JCA	198,455	137,572
16.812	Second Chance Act Reentry Initiative			ASA	56,883	
16.812	Second Chance Act Reentry Initiative			DCA	25,212	
	16.812 Subtotal				<u>82,095</u>	<u>-</u>
16.813	NICS Act Record Improvement Program			JCA	357,322	
16.813	NICS Act Record Improvement Program			SPA	129,529	
	16.813 Subtotal				<u>486,851</u>	<u>-</u>
16.816	John R. Justice Prosecutors and Defenders Incentive Act			SPA	35,767	35,767
16.820	Postconviction Testing of DNA Evidence to Exonerate the Innocent			UAA	189,279	
16.922	Equitable Sharing Program			PSA	609,815	
16.9361C	SJI Strengthening Probate Courts			SPA	11,817	
16.2016-02	DEATASKFORCE			PSA	60,361	
16.2014WEAX0033	Community-Defined Solutions to Violence Against Women Program offered by US Department of Justice, Office of Violence Against Women	Pima County Attorney Office	CTPCA1500000000000000032	UAA	10,235	
16.2015-DE-BX-K002	Body Worn Camera Training and Technical Assistance TTA Provider	CNA Institute for Public Research	16-ASU-1-1376	ASA	190,788	
	Total Department of Justice				<u>32,649,270</u>	<u>19,358,006</u>
<u>DEPARTMENT OF LABOR</u>						
<u>Employment Service Cluster</u>						
17.207	Employment Service/Wagner-Peyser Funded Activities			ADA	537,845	
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	12,321,756	
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	526,475	
17.207	Employment Service/Wagner-Peyser Funded Activities			UAA	305,905	
17.207	Employment Service/Wagner-Peyser Funded Activities			VSA	562,447	85,119
	17.207 Subtotal				<u>14,254,428</u>	<u>85,119</u>
17.801	Disabled Veterans' Outreach Program (DVOP)			DEA	2,159,350	
17.804	Local Veterans' Employment Representative Program			DEA	1,374,354	
	Employment Service Cluster Subtotal				<u>17,788,132</u>	<u>85,119</u>
<u>WIA/WIOA Cluster</u>						
17.258	WIA/WIOA Adult Program			CAA	360,647	
17.258	WIA/WIOA Adult Program			DEA	16,334,039	15,166,770
17.258	WIA/WIOA Adult Program			GVA	230,653	195,380
	17.258 Subtotal				<u>16,925,339</u>	<u>15,362,150</u>
17.259	WIA/WIOA Youth Activities			ADA	39,383	
17.259	WIA/WIOA Youth Activities			DEA	13,643,283	13,631,628
	17.259 Subtotal				<u>13,682,666</u>	<u>13,631,628</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
17.278	WIA/WIOA Dislocated Worker Formula Grants			DEA	18,507,019	15,790,168
	WIA/WIOA Cluster Subtotal				<u>49,115,024</u>	<u>44,783,946</u>
Other Department of Labor Programs						
17.002	Labor Force Statistics			ADA	809,731	
17.005	Compensation and Working Conditions			ICA	115,522	
17.225	Unemployment Insurance			ADA	19,687	
17.225	Unemployment Insurance			DEA	329,753,154	
	17.225 Subtotal				<u>329,772,841</u>	<u>-</u>
17.235	Senior Community Service Employment Program			DEA	979,632	916,116
17.245	Trade Adjustment Assistance			DEA	916,359	
17.268	H-1B Job Training Grants			CAA	261,366	
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	578,426	
17.273	Temporary Labor Certification for Foreign Workers			DEA	140,226	
17.281	WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training			DEA	92,832	92,832
17.503	Occupational Safety and Health—State Program			ICA	2,071,867	
17.504	Consultation Agreements			ICA	748,794	
17.600	Mine Health and Safety Grants			MIA	304,367	
	Total Department of Labor				<u>403,695,119</u>	<u>45,878,013</u>
DEPARTMENT OF STATE						
19.009	Academic Exchange Programs—Undergraduate Programs			ASA	375,305	
19.009	Academic Exchange Programs—Undergraduate Programs	International Research and Exchanges Board (IREX)	FY16-YALI-CL-ASU-03, FY16-YALI-PM-ASU-01	ASA	93,094	
19.009	Academic Exchange Programs—Undergraduate Programs	Institute for Training and Development	SECAGD15CA1035BC, SECAGD15CA1035	UAA	338,723	
	19.009 Subtotal				<u>807,122</u>	<u>-</u>
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education	3067_ASU_S-ECAGD-15-CA-1017_07012015	ASA	220,797	
19.011	Academic Exchange Programs—Special Academic Exchange Programs	American Institute of Maghrib Studies	LTR DTD 110101	UAA	125,123	
19.021	Investing in People in The Middle East and North Africa			ASA	435,663	
19.040	Public Diplomacy Programs			ASA	68,244	
19.040	Public Diplomacy Programs			NAA	10,000	
	19.040 Subtotal				<u>78,244</u>	<u>-</u>
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			ASA	187,434	
19.400	Academic Exchange Programs—Graduate Students	Institute of International Education	3216_ASU_4.6.16	ASA	43,551	
19.408	Academic Exchange Programs—Teachers	International Research and Exchanges Board (IREX)	FY16-ILEP-ASU-01	ASA	175,984	
19.501	Public Diplomacy Programs for Afghanistan and Pakistan			ASA	217,280	
19.AID-306-TO-15-00062	PROMOTE: Afghan Women's Leadership in the Economy (AWLE)	Development Alternatives, Inc.	1002611-15S-004	ASA	4,972	
19.Unknown	US-Iran Collaboration on Sustainable, Resilient Cities	National Academy Of Science	20000004433	UAA	6,012	
	Total Department of State				<u>2,302,182</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION						
Highway Planning and Construction Cluster						
20.205	Highway Planning and Construction			ADA	131,008	
20.205	Highway Planning and Construction			ASA	5,773	
20.205	Highway Planning and Construction			DTA	762,631,393	63,367,111
20.205	Highway Planning and Construction			GFA	93,997	
20.205	Highway Planning and Construction			PSA	506,497	
	20.205 Subtotal				<u>763,268,668</u>	<u>63,367,111</u>
20.219	Recreational Trails Program			DTA	1,162,500	1,162,500
20.219	Recreational Trails Program			PRA	1,305,333	1,048,759
	20.219 Subtotal				<u>2,467,833</u>	<u>2,211,259</u>
	Highway Planning and Construction Cluster Subtotal				<u>765,736,501</u>	<u>65,578,370</u>
Federal Transit Cluster						
20.500	Federal Transit—Capital Investment Grants			DTA	208,984	
	Federal Transit Cluster Subtotal				<u>208,984</u>	<u>-</u>
Transit Services Program Cluster						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			DTA	2,726,386	1,230,054
20.516	Job Access And Reverse Commute Program			DTA	150,658	106,971
20.521	New Freedom Program			DTA	10,351	10,270
	Transit Services Program Cluster Subtotal				<u>2,887,395</u>	<u>1,347,295</u>
Highway Safety Cluster						
20.600	State and Community Highway Safety			ASA	45,338	
20.600	State and Community Highway Safety			DTA	193,226	
20.600	State and Community Highway Safety			GFA	23,070	
20.600	State and Community Highway Safety			GHA	5,794,581	4,596,166
20.600	State and Community Highway Safety			NAA	6,801	
20.600	State and Community Highway Safety			PSA	12,931	
20.600	State and Community Highway Safety			SPA	24,682	

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
20.600	State and Community Highway Safety			UAA	51,268	
	20.600 Subtotal				6,151,897	4,596,166
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			LLA	80,156	
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			PSA	642	
	20.601 Subtotal				80,798	-
20.616	National Priority Safety Programs			GHA	2,858,849	1,871,759
20.616	National Priority Safety Programs			NAA	3,444	
20.616	National Priority Safety Programs			UAA	32,591	
	20.616 Subtotal				2,894,884	1,871,759
	Highway Safety Cluster Subtotal				9,127,579	6,467,925
Other Department of Transportation Programs						
20.106	Airport Improvement Program			DTA	3,292,497	
20.200	Highway Research and Development Program			DTA	112,050	
20.215	Highway Training and Education			ASA	55,908	
20.215	Highway Training and Education			DTA	72,443	
	20.215 Subtotal				128,351	-
20.218	Motor Carrier Safety Assistance			DTA	435,359	
20.218	Motor Carrier Safety Assistance			PSA	1,749,418	
	20.218 Subtotal				2,184,777	-
20.232	Commercial Driver's License Program Improvement Grant			DTA	38,914	
20.233	Border Enforcement Grants			PSA	3,243,646	
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements			DTA	352,342	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort			DTA	590	
20.317	Capital Assistance to States—Intercity Passenger Rail Service			DTA	53,120	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	1,752,866	1,464,556
20.509	Formula Grants for Rural Areas			DTA	9,808,488	7,204,814
20.520	Paul S. Sarbanes Transit in the Parks			DTA	264,776	
20.700	Pipeline Safety Program State Base Grant			CCA	998,037	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	103,791	36,866
20.933	National Infrastructure Investments			DTA	8,915,754	
20.DTFH6415600142	Federal Highway Administration			NAA	9,072	
	Total Department of Transportation				809,219,530	82,099,826
DEPARTMENT OF THE TREASURY						
CDFI Cluster						
21.020	Community Development Financial Institutions Program			UAA	13,354	
	CDFI Cluster Subtotal				13,354	-
Other Department of the Treasury Programs						
21.PL113-6X1350	NFMC_RND7			HDA	12,570	12,570
21.PL113-76X1350	NFMC_RND8			HDA	16,892	16,803
21.PL113-76X1350	NFMC_RND9			HDA	357,788	357,788
	Total Department of the Treasury				400,604	387,161
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964			AGA	316,343	
	Total Equal Employment Opportunity Commission				316,343	-
GENERAL SERVICES ADMINISTRATION						
39.003	Donation of Federal Surplus Personal Property			ADA	2,119,998	
	Total General Services Administration				2,119,998	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
43.001	Science			ASA	62,506	
43.001	Science	SETI Institute	SC-3177	UAA	38,907	
	43.001 Subtotal				101,413	-
43.NAS526555	UA Sky Ambassador Program	Space Telescope Science Institute	HSTEO13393001A	UAA	23,852	
43.NAS71407	Curriculum and Training Support for Navigator's Extra-Solar Planet Research	Jet Propulsion Laboratory	1251186	UAA	54,163	
43.Unknown	American Indian Mobile Educational Resources (AIMER)			NAA	7,451	
43.Unknown	Space Grant Program			NAA	107,716	
	Total National Aeronautics and Space Administration				294,595	-
NATIONAL ENDOWMENT FOR THE ARTS						
45.024	Promotion of the Arts—Grants to Organizations and Individuals			ASA	69,796	
45.024	Promotion of the Arts—Grants to Organizations and Individuals			EDA	3,096	
45.024	Promotion of the Arts—Grants to Organizations and Individuals			UAA	23,002	
	45.024 Subtotal				95,894	-

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
45.LTR DTD 100715	2015 Music + Festival, Bernstein/Adams/Berio, October 17 - 18, 2015			UAA	2,000	
45.Unknown	NEA Challenge Grant Endowment			UAA	62,608	
45.Unknown	Poetry Out Loud Southern Arizona Regional Partner			UAA	2,407	
	Total National Endowment for the Arts				<u>162,909</u>	<u>-</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>						
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	7020-2016, GG01-6281-2014, GG05-6390-2015, GG11-5951-2013	ASA	3,940	
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	7023-2016, GG02-6282-2014, GG03-6283-2014, GG08-6153-2014	NAA	1,858	
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG1061552014, GG0462842014, 7004-2015, 70022015	UAA	21,124	
	45.129 Subtotal				<u>26,922</u>	<u>-</u>
45.149	Promotion of the Humanities—Division of Preservation and Access			NAA	20,645	
45.149	Promotion of the Humanities—Division of Preservation and Access			UAA	11,939	
	45.149 Subtotal				<u>32,584</u>	<u>-</u>
45.164	Promotion of the Humanities—Public Programs			ASA	13,862	
45.Unknown	National Dialogue on Immigration Project	International Coalition of Sites of Conscience	LTR DTD 011314	UAA	5,500	
45.Unknown	NEH/ASM Educational Endowment			UAA	358,986	
	Total National Endowment for the Humanities				<u>437,854</u>	<u>-</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>						
45.301	Museums for America			ASA	46,799	
45.310	Grants to States			NAA	69,415	
45.310	Grants to States	City of Scottsdale	IGA 7/21/15	STA	3,426,174	644,218
45.310	Grants to States			ASA	25,043	
	45.310 Subtotal				<u>3,520,632</u>	<u>644,218</u>
45.313	Laura Bush 21st Century Librarian Program			UAA	232,043	
45.313	Laura Bush 21st Century Librarian Program	University of Tennessee	A121113S001	UAA	31,915	
	45.313 Subtotal				<u>263,958</u>	<u>-</u>
	Total Institute of Museum and Library Services				<u>3,831,389</u>	<u>644,218</u>
<u>NATIONAL SCIENCE FOUNDATION</u>						
47.050	Geosciences			GSA	1,692,320	343,173
47.050	Geosciences			NAA	38,877	7,786
	47.050 Subtotal				<u>1,731,197</u>	<u>350,959</u>
47.074	Biological Sciences			NAA	154,332	
47.076	Education and Human Resources			NAA	878,650	45,320
47.076	Education and Human Resources			UAA	197,038	
	47.076 Subtotal				<u>1,075,688</u>	<u>45,320</u>
47.079	Office of International Science and Engineering			NAA	61,258	
47.080	Office of Cyberinfrastructure	University of California, San Diego	48975932	GSA	14,475	
47.082	ARRA—Trans-NSF Recovery Act Research Support			UAA	370,253	
47.Unknown	Modeling Effective Research Ethics			NAA	6,000	
	Total National Science Foundation				<u>3,413,203</u>	<u>396,279</u>
<u>SMALL BUSINESS ADMINISTRATION</u>						
59.007	7(j) Technical Assistance			CAA	52,317	
59.058	Federal and State Technology Partnership Program			CAA	93,844	
	Total Small Business Administration				<u>146,161</u>	<u>-</u>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>						
64.124	All-Volunteer Force Educational Assistance			VSA	362,309	
64.203	Veterans Cemetery Grants Program			VSA	5,640,592	
64.CSP474	IPA for Amani Mikail			UAA	31,021	
64.LTR DTD 052814	United States Department of Veterans Affairs			UAA	29,545	
64.LTR DTD 060515	Research Salary (A. Escalante) - IPA (CSP 588)			UAA	8,101	
64.LTR DTD 072910	IPA for Dr. Bryan Angelo Panizales Roxas			UAA	56,353	
64.LTR DTD 082013	Assignment Agreement—Southern Arizona VA Health Care System (SAVAHCS)			UAA	43,890	
64.LTR DTD 103015	IPA Agreement for Karen Blohm-Mangone			UAA	2,223	
64.LTR DTD 110711	IPA Agreement for Karen Blohm-Mangone			UAA	2,164	
64.VA258P0428	Contract Providing Veterinary Services to The VA Hospital			UAA	1,850	
	Total Department of Veterans Affairs				<u>6,178,048</u>	<u>-</u>

State of Arizona
 Schedule of expenditures of federal awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
ENVIRONMENTAL PROTECTION AGENCY						
Clean Water State Revolving Fund Cluster						
66.458	Capitalization Grants for Clean Water State Revolving Funds			WFA	8,852,453	
	Clean Water State Revolving Fund Cluster Subtotal				<u>8,852,453</u>	<u>-</u>
Drinking Water State Revolving Fund Cluster						
66.468	Capitalization Grants for Drinking Water State Revolving Funds			EVA	1,171,018	
66.468	Capitalization Grants for Drinking Water State Revolving Funds			WFA	19,690,620	
	66.468 Subtotal				<u>20,861,638</u>	<u>-</u>
	Drinking Water State Revolving Fund Cluster Subtotal				<u>20,861,638</u>	<u>-</u>
Other Environmental Protection Agency Programs						
66.001	Air Pollution Control Program Support			EVA	2,037,549	195,687
66.032	State Indoor Radon Grants			AEA	95,220	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	495,751	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			NAA	403,998	
	66.034 Subtotal				<u>899,749</u>	<u>-</u>
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,749,803	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	114,795	
66.454	Water Quality Management Planning			EVA	65,650	52,457
66.460	Nonpoint Source Implementation Grants			ADA	69,672	
66.460	Nonpoint Source Implementation Grants			EVA	1,884,277	1,052,049
66.460	Nonpoint Source Implementation Grants			GFA	131,720	
	66.460 Subtotal				<u>2,085,669</u>	<u>1,052,049</u>
66.509	Science To Achieve Results (STAR) Research Program			ASA	132,935	
66.509	Science To Achieve Results (STAR) Research Program	Yurok Tribe	3017	NAA	65,945	
	66.509 Subtotal				<u>198,880</u>	<u>-</u>
66.514	Science To Achieve Results (STAR) Fellowship Program			ASA	34,076	
66.605	Performance Partnership Grants			AHA	428,236	
66.605	Performance Partnership Grants			EVA	2,935,985	
66.605	Performance Partnership Grants			SBA	77,738	
	66.605 Subtotal				<u>3,441,959</u>	<u>-</u>
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	24,139	
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			NAA	153,224	
	66.608 Subtotal				<u>177,363</u>	<u>-</u>
66.708	Pollution Prevention Grants Program			EVA	25,910	
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			NAA	27,090	
66.801	Hazardous Waste Management State Program Support			EVA	1,029,154	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	1,654,528	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			EVA	511,309	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	544,739	
66.808	Solid Waste Management Assistance Grants			NAA	455,328	
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants			NAA	171,872	
66.815	Environmental Workforce Development and Job Training Cooperative Agreements			NAA	28,960	
66.817	State and Tribal Response Program Grants			EVA	1,996,154	
66.931	International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs	Border Environmental Cooperation Commission	TAA14-006	EVA	9,510	
66.Unknown	Arizona Mater Watershed Stewards (MWS) Educational Outreach and Technical Support			UAA	35,468	
66.Unknown	Environmental Protection Agency	ABT Associates Inc.	44416	NAA	11,341	
66.Unknown	Environmental Protection Agency	United South and Eastern Tribes Inc.	N/A	NAA	26,602	
66.Unknown	Environmental Protection Agency	Walker River Paiute Tribe	30342	NAA	10,342	
	Total Environmental Protection Agency				<u>47,153,111</u>	<u>1,300,193</u>
DEPARTMENT OF ENERGY						
81.041	State Energy Program			ADA	22,230	
81.041	State Energy Program			GVA	1,005	
	81.041 Subtotal				<u>23,235</u>	<u>-</u>
81.042	Weatherization Assistance for Low-Income Persons			ADA	85,114	39,108
81.042	Weatherization Assistance for Low-Income Persons			GVA	8,061	
81.042	Weatherization Assistance for Low-Income Persons			HDA	603,864	514,499
	81.042 Subtotal				<u>697,039</u>	<u>553,607</u>
81.049	Office of Science Financial Assistance Program			NAA	110,787	
81.049	Office of Science Financial Assistance Program			UAA	11,302	
	81.049 Subtotal				<u>122,089</u>	<u>-</u>

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
81.086	Conservation Research and Development			CAA	204,002	
81.089	Fossil Energy Research and Development	MicroBio Engineering Inc		ASA	6,721	
81.119	State Energy Program Special Projects		Agrmnt dated 1/19/16	GVA	107,654	
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program			NAA	8,967	
81.1480737	GTRI: Global Threat Reduction Initiative for the University of Arizona Campus Tucson, AZ	Sandia National Laboratories	1480737	UAA	4,170	
81.AFC-5-520044-03	National Renewable Energy Laboratory			NAA	18,760	
81.Unknown	Department of Energy	American Indian Science and Engineering Society	N/A	NAA	4,765	
81.Unknown	Department of Energy	Utah Clean Energy	N/A	NAA	41,406	
81.Unknown	Department of Energy	Alliance for Sustainable Energy	AEV-6-52000-01	NAA	1,201	
	Total Department of Energy				<u>1,240,009</u>	<u>553,607</u>
<u>DEPARTMENT OF EDUCATION</u>						
<u>Special Education Cluster (IDEA)</u>						
84.027	Special Education—Grants to States			ASA	76,980	
84.027	Special Education—Grants to States			DCA	64,222	
84.027	Special Education—Grants to States			DJA	96,202	
84.027	Special Education—Grants to States			EDA	184,674,586	170,719,736
84.027	Special Education—Grants to States			NAA	376,184	
84.027	Special Education—Grants to States			SDA	536,615	
84.027	Special Education—Grants to States			SPA	538,938	
84.027	Special Education—Grants to States			UAA	124,638	
84.027	Special Education—Grants to States	Navajo Nation	N/A, C010643	NAA	556,286	
	84.027 Subtotal				<u>187,044,651</u>	<u>170,719,736</u>
84.173	Special Education—Preschool Grants			EDA	4,964,224	3,557,941
84.173	Special Education—Preschool Grants			SDA	73,060	
	84.173 Subtotal				<u>5,037,284</u>	<u>3,557,941</u>
	Special Education Cluster (IDEA) Subtotal				<u>192,081,935</u>	<u>174,277,677</u>
<u>TRIO Cluster</u>						
84.042	TRIO—Student Support Services			ASA	1,083,160	
84.042	TRIO—Student Support Services			NAA	278,831	
84.042	TRIO—Student Support Services			UAA	203,945	
	84.042 Subtotal				<u>1,565,936</u>	<u>-</u>
84.044	TRIO—Talent Search			NAA	367,508	
84.047	TRIO—Upward Bound			ASA	791,949	
84.047	TRIO—Upward Bound			NAA	777,625	
	84.047 Subtotal				<u>1,569,574</u>	<u>-</u>
84.066	TRIO—Educational Opportunity Centers			NAA	440,822	
	TRIO Cluster Subtotal				<u>3,943,840</u>	<u>-</u>
<u>Other Department of Education Programs</u>						
84.002	Adult Education—Basic Grants to States			EDA	11,632,423	9,627,139
84.010	Title I Grants to Local Educational Agencies			EDA	332,325,499	328,642,056
84.010	Title I Grants to Local Educational Agencies			SDA	100,539	
	84.010 Subtotal				<u>332,426,038</u>	<u>328,642,056</u>
84.011	Migrant Education—State Grant Program			ASA	137,893	
84.011	Migrant Education—State Grant Program			EDA	8,123,502	7,113,630
	84.011 Subtotal				<u>8,261,395</u>	<u>7,113,630</u>
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	381,625	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	308,310	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	699	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			SPA	714,067	660,309
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Arizona Western College	B0011282/B0011480	UAA	118,214	
	84.013 Subtotal				<u>1,522,915</u>	<u>660,309</u>
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	587,755	
84.021	Overseas Programs - Group Projects Abroad			UAA	82,276	
84.031	Higher Education—Institutional Aid			ASA	3,057	
84.031	Higher Education—Institutional Aid	Arizona Western College	P031S120083	NAA	277,961	23,700
	84.031 Subtotal				<u>281,018</u>	<u>23,700</u>
84.048	Career and Technical Education—Basic Grants to States			DJA	23,288	
84.048	Career and Technical Education—Basic Grants to States			EDA	21,023,769	19,172,328
84.048	Career and Technical Education—Basic Grants to States			SDA	59,411	
84.048	Career and Technical Education—Basic Grants to States			UAA	191,070	
	84.048 Subtotal				<u>21,297,538</u>	<u>19,172,328</u>
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States			DEA	84,352,242	
84.129	Rehabilitation Long-Term Training			UAA	278,386	

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.144	Migrant Education—Coordination Program			EDA	130,068	
84.169	Independent Living—State Grants			DEA	240,170	
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind			DEA	514,815	
84.181	Special Education—Grants for Infants and Families			DEA	9,058,724	4,217,675
84.181	Special Education—Grants for Infants and Families			SDA	281,311	
	84.181 Subtotal				<u>9,340,035</u>	<u>4,217,675</u>
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities—National Programs)			EDA	2,541,181	2,072,078
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			DEA	416,282	
84.195	Bilingual Education—Professional Development	Mesa Community College (MCC)	575779, R591649 PO 491951, PO511322	ASA	2,107	
84.196	Education for Homeless Children and Youth			EDA	1,615,523	1,040,697
84.200	Graduate Assistance in Areas of National Need			ASA	68,398	
84.206	Javits Gifted and Talented Students Education			EDA	15,931	
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training			DEA	54,331	
84.282	Charter Schools			EDA	3,536,961	3,234,760
84.287	Twenty-First Century Community Learning Centers			EDA	31,113,528	30,099,372
84.299	Indian Education—Special Programs for Indian Children			ASA	108,291	
84.299	Indian Education—Special Programs for Indian Children			NAA	323,630	
	84.299 Subtotal				<u>431,921</u>	<u>-</u>
84.323	Special Education—State Personnel Development			EDA	19,391	
84.323	Special Education—State Personnel Development			NAA	357,822	
	84.323 Subtotal				<u>377,213</u>	<u>-</u>
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	466,194	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	482,162	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	587,519	
	84.325 Subtotal				<u>1,535,875</u>	<u>-</u>
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			DJA	37,190	
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	161,256	1,163
	84.326 Subtotal				<u>198,446</u>	<u>1,163</u>
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)			EDA	714,066	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	4,595,263	2,640,859
84.336	Teacher Quality Partnership Grants			ASA	1,926,020	
84.350	Transition to Teaching			UAA	496,047	
84.358	Rural Education			EDA	816,466	814,486
84.365	English Language Acquisition State Grants			ASA	381,309	
84.365	English Language Acquisition State Grants			EDA	15,073,792	14,565,813
84.365	English Language Acquisition State Grants			NAA	1,028,538	
	84.365 Subtotal				<u>16,483,639</u>	<u>14,565,813</u>
84.366	Mathematics and Science Partnerships			EDA	3,574,792	3,169,868
84.366	Mathematics and Science Partnerships	Imagine Schools	15.0131	NAA	30,015	
	84.366 Subtotal				<u>3,604,807</u>	<u>3,169,868</u>
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			ASA	120,969	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			BRA	352,292	296,250
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			DCA	67,602	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			DJA	30,930	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			EDA	32,767,580	31,236,056
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			NAA	633,428	135,618
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			SDA	7,709	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			SPA	122,792	113,369
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			UAA	354,964	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Institute for Excellence in Teaching - TAP	AGR 02/11/14	ASA	2,811,150	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Writing Project	09-AZ04-SEED2012, 09-AZ04-SEED2016	ASA	9,239	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Board for Teaching Standards	1405031	NAA	832,697	192,272
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Writing Project	92-AZ03-SEED2012, 92AZ03SEED2016LI	UAA	12,827	
	84.367 Subtotal				<u>38,124,179</u>	<u>31,973,565</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.368	Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)			EDA	264,490	
84.369	Grants for State Assessments and Related Activities			EDA	8,184,402	
84.372	Statewide Longitudinal Data Systems			EDA	134,982	
84.374	Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)			ASA	6,970,580	3,710,733
84.374	Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)			DJA	90,255	
	84.374 Subtotal				<u>7,060,835</u>	<u>3,710,733</u>
84.377	School Improvement Grants			EDA	10,069,196	9,415,365
84.395	ARRA—Race to the Top			GVA	294,581	
84.411	Investing in Innovation (i3) Fund	National Writing Project	92AZ03i32013, 92-AZ03-i3DP2015	UAA	118,564	
84.413	Race to the Top			EDA	3,998,889	2,179,875
84.418	Promoting Readiness of Minors in Supplemental Security Income			EDA	1,031,077	
84.418	Promoting Readiness of Minors in Supplemental Security Income	State of Utah	146240	GVA	206,199	49,199
	84.418 Subtotal				<u>1,237,276</u>	<u>49,199</u>
84.419	Preschool Development Grants			CDA	974,043	941,109
84.419	Preschool Development Grants			EDA	8,506,422	7,141,435
	84.419 Subtotal				<u>9,480,465</u>	<u>8,082,544</u>
84.LTR DTD 062515	Conceptual Mathematics Partnership for Arizona's Secondary Student (COMPASS)	Flowing Wells School District	LTR DTD 062515	UAA	51,966	
84.Unknown	National American Indian Rehab			NAA	283,274	
84.Unknown	Mathematical Modeling in the Middle Grades (M3)			UAA	63,934	
	Total Department of Education				<u>816,883,887</u>	<u>656,784,891</u>
<u>MILLENNIUM CHALLENGE CORPORATION</u>						
85.003	MCC Domestic Assistance for Overseas Programs			ASA	7,034	
	Total Millennium Challenge Corporation				<u>7,034</u>	<u>-</u>
<u>MORRIS K. UDALL FOUNDATION</u>						
85.LTR DTD 012716	Udall Foundation Workplan 2016			UAA	37,192	
85.NNI001	Native Nations Institute for Leadership, Management, and Policy			UAA	1,112,767	
	Total Morris K. Udall Foundation				<u>1,149,959</u>	<u>-</u>
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>						
89.003	National Historical Publications and Records Grants			STA	24,054	10,000
89.003	National Historical Publications and Records Grants			UAA	750	
	89.003 Subtotal				<u>24,804</u>	<u>10,000</u>
	Total National Archives and Records Administration				<u>24,804</u>	<u>10,000</u>
<u>ELECTION ASSISTANCE COMMISSION</u>						
90.401	Help America Vote Act Requirements Payments			STA	824,968	
	Total Election Assistance Commission				<u>824,968</u>	<u>-</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	9,307,809	9,100,483
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services			DEA	10,930,719	9,811,598
93.053	Nutrition Services Incentive Program			DEA	1,754,689	1,754,689
	Aging Cluster Subtotal				<u>21,993,217</u>	<u>20,666,770</u>
<u>TANF Cluster</u>						
93.558	Temporary Assistance for Needy Families			CHA	101,110,460	
93.558	Temporary Assistance for Needy Families			DEA	76,656,397	20,834,337
	93.558 Subtotal				<u>177,766,857</u>	<u>20,834,337</u>
	TANF Cluster Subtotal				<u>177,766,857</u>	<u>20,834,337</u>
<u>CCDF Cluster</u>						
93.575	Child Care and Development Block Grant			CHA	23,453,334	
93.575	Child Care and Development Block Grant			DEA	35,087,230	1,294,130
93.575	Child Care and Development Block Grant			GVA	101,218	57,627
93.575	Child Care and Development Block Grant			UAA	93,039	
	93.575 Subtotal				<u>58,734,821</u>	<u>1,351,757</u>
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	54,518,500	
	CCDF Cluster Subtotal				<u>113,253,321</u>	<u>1,351,757</u>

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
Medicaid Cluster						
93.775	State Medicaid Fraud Control Units			AGA	1,779,923	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	521,551	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	3,482,084	
	93.777 Subtotal				<u>4,003,635</u>	
93.778	Medical Assistance Program			HCA	<u>8,625,687,000</u>	<u>4,090,000</u>
	Medicaid Cluster Subtotal				<u>8,631,470,558</u>	<u>4,090,000</u>
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	124,297	
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission			UAA	92,162	20,000
	93.018 Subtotal				<u>216,459</u>	<u>20,000</u>
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	80,810	55,592
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals			DEA	336,874	322,402
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services			DEA	407,423	407,423
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects			DEA	225,043	182,414
93.051	Alzheimer's Disease Demonstration Grants to States			DEA	80,400	80,222
93.052	National Family Caregiver Support, Title III, Part E			DEA	3,292,941	2,801,554
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	Association of Public Health Laboratories, Inc.	56400-200-200-15-01	HSA	285	
93.069	Public Health Emergency Preparedness			UAA	67,944	
93.070	Environmental Public Health and Emergency Response			HSA	284,192	12,800
93.070	Environmental Public Health and Emergency Response	Utah Public Health Lab	1507002	HSA	<u>185,056</u>	
	93.070 Subtotal				<u>469,248</u>	<u>12,800</u>
93.071	Medicare Enrollment Assistance Program			DEA	287,588	178,150
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			HSA	203,044	
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			HSA	15,830,385	9,131,349
93.079	Cooperative Agreements to Promote Adolescent Health through School Based HIV/STD Prevention and School-Based Surveillance			EDA	29,966	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	795,690	724,861
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			UAA	<u>179,121</u>	
	93.092 Subtotal				<u>974,811</u>	<u>724,861</u>
93.103	Food and Drug Administration—Research			HSA	60,857	
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards			UAA	525,616	391,616
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	11,380	
93.110	Maternal and Child Health Federal Consolidated Programs			CDA	178,522	
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	70,115	
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	42,412	
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	961,651	44,673
93.110	Maternal and Child Health Federal Consolidated Programs	Association of Public Health Laboratories	56300-600-160-16-16	HSA	2,798	
93.110	Maternal and Child Health Federal Consolidated Programs	University of Colorado	FY16.368.016	HSA	2,314	
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health & Science University	9008441-UAHSC	UAA	34,249	
93.110	Maternal and Child Health Federal Consolidated Programs	Organization of Teratology Information Specialists	UG4MC27861	UAA	116,905	
	93.110 Subtotal				<u>1,420,346</u>	<u>44,673</u>
93.113	Environmental Health			NAA	7,468	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			HSA	1,400,056	748,606
93.124	Nurse Anesthetist Traineeships			UAA	4,901	
93.127	Emergency Medical Services for Children			HSA	329,012	216,800
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	209,574	
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	352,933	
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	869,674	494,385
93.136	Injury Prevention and Control Research and State and Community Based Programs			UAA	265,933	17,653
	93.136 Subtotal				<u>1,488,540</u>	<u>512,038</u>
93.142	NIEHS Hazardous Waste Worker Health and Safety Training	University of California, Los Angeles	2105 G TA231, 2105 G NA285, U45ES006173	ASA	220,684	
93.145	AIDS Education and Training Centers	University of California, San Francisco	7431sc, 9054sc, 6376SC	UAA	189,997	
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HSA	1,412,800	1,362,628
93.157	Centers of Excellence			UAA	829,545	
93.161	Health Program for Toxic Substances and Disease Registry			HSA	17,444	
93.165	Grants to States for Loan Repayment Program			HSA	147,321	147,321

See accompanying notes to schedule.

State of Arizona
Schedule of expenditures of federal awards
Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.184	Disabilities Prevention	University of Colorado, Denver	FY12.003.006	UAA	25,704	
93.211	Telehealth Programs			UAA	314,097	39,176
93.217	Family Planning—Services	Arizona Family Health Partnership	AGR 01/03/14	ASA	5,147	
93.226	Research on Healthcare Costs, Quality and Outcomes			UAA	224,940	4,988
93.234	Traumatic Brain Injury State Demonstration Grant Program			DEA	251,310	
93.235	Affordable Care Act (ACA) Abstinence Education Program			HSA	1,219,873	1,210,234
93.236	Grants to States to Support Oral Health Workforce Activities			HSA	106,065	4,788
93.236	Grants to States to Support Oral Health Workforce Activities			UAA	29,747	
	93.236 Subtotal				<u>135,812</u>	<u>4,788</u>
93.240	State Capacity Building			HSA	244,856	
93.241	State Rural Hospital Flexibility Program			UAA	573,740	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			AGA	10,038	
94.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			ASA	9,475	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			DCA	20,800	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			GVA	1,239,661	970,707
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			JCA	388,510	382,594
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			SPA	71,920	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			UAA	808,061	235,080
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			VSA	101,662	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	University of California, Los Angeles	2000 G QF264	ASA	151,591	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			HSA	1,961,461	1,514,026
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pascua Yaqui Tribe	LTR DTD 050813	UAA	377,562	
	93.243 Subtotal				<u>5,140,741</u>	<u>3,102,407</u>
93.247	Advanced Nursing Education Grant Program	Ohio State University	60050564	UAA	5,185	
93.251	Universal Newborn Hearing Screening			HSA	235,801	161,990
93.253	Poison Center Support and Enhancement Grant Program			UAA	148,237	
93.262	Occupational Safety and Health Program			UAA	565,656	
93.268	Immunization Cooperative Agreements			HSA	100,710,525	2,274,190
93.270	Adult Viral Hepatitis Prevention and Control			HSA	103,941	
93.273	Alcohol Research Programs			ASA	38,464	
93.279	Drug Abuse and Addiction Research Programs			ASA	28,931	
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance			HSA	897,713	133,860
93.292	National Public Health Improvement Initiative			HSA	51,292	
93.296	State Partnership Grant Program to Improve Minority Health			HSA	159,161	
93.301	Small Rural Hospital Improvement Grant Program			UAA	173,782	136,667
93.305	National State Based Tobacco Control Programs			HSA	1,033,345	220,985
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program			HSA	148,843	11,050
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	1,304,614	
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			UAA	970	
	93.323 Subtotal				<u>1,305,584</u>	<u>-</u>
93.324	State Health Insurance Assistance Program			DEA	756,286	563,766
93.328	National Implementation and Dissemination for Chronic Disease Prevention	American Planning Association, Arizona Chapter	U58DP005565	UAA	15,801	
93.332	Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces			UAA	531,201	
93.336	Behavioral Risk Factor Surveillance System			HSA	274,885	
93.358	Advanced Education Nursing Traineeships			ASA	387,100	
93.358	Advanced Education Nursing Traineeships			NAA	303,430	
93.358	Advanced Education Nursing Traineeships			UAA	354,473	
	93.358 Subtotal				<u>1,045,003</u>	<u>-</u>
93.359	Nurse Education, Practice Quality and Retention Grants			UAA	282,830	
93.360	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	AZ Development Disabilities	ADDPC-03-2015	NAA	13,673	
93.361	Nursing Research			ASA	261,568	
93.424	NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	Association of State and Territorial Health Offices	63-10603, 83-12343	HSA	21,219	
93.448	Food Safety and Security Monitoring Project			HSA	361,838	
93.464	ACL Assistive Technology			NAA	1,385,073	600,000
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			CDA	1,286,972	1,209,161
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			HSA	9,349,618	4,775,760
	93.505 Subtotal				<u>10,636,590</u>	<u>5,984,921</u>
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review			IDA	333,837	
93.516	Affordable Care Act (ACA) Public Health Training Centers Programs			UAA	906,675	380,410

See accompanying notes to schedule.

State of Arizona
Schedule of expenditures of federal awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
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	661,231	
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	University of Illinois, Chicago	HBEIE13018	UAA	100,000	
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds			HSA	671,985	546,966
93.556	Promoting Safe and Stable Families			CHA	8,071,794	
93.563	Child Support Enforcement			DEA	49,591,331	4,854,530
93.566	Refugee and Entrant Assistance—State Administered Programs			DEA	7,318,420	5,203,090
93.566	Refugee and Entrant Assistance—State Administered Programs	International Rescue Committee, Incorporated	LTR DTD 121914	UAA	39,893	
	93.566 Subtotal				<u>7,358,313</u>	<u>5,203,090</u>
93.568	Low-Income Home Energy Assistance			ADA	319,984	276,471
93.568	Low-Income Home Energy Assistance			DEA	17,844,226	16,704,675
93.568	Low-Income Home Energy Assistance			GVA	766,602	762,360
93.568	Low-Income Home Energy Assistance			HDA	1,411,316	1,369,143
	93.568 Subtotal				<u>20,342,128</u>	<u>19,112,649</u>
93.569	Community Services Block Grant			DEA	5,409,478	5,188,514
93.576	Refugee and Entrant Assistance—Discretionary Grants			DEA	927,323	918,474
93.584	Refugee and Entrant Assistance—Targeted Assistance Grants			DEA	1,516,971	1,516,971
93.586	State Court Improvement Program			SPA	521,347	52,226
93.590	Community-Based Child Abuse Prevention Grants			CHA	462,559	
93.597	Grants to States for Access and Visitation Programs			DEA	145,418	145,418
93.599	Chafee Education and Training Vouchers Program (ETV)			CHA	1,130,251	
93.600	Head Start			EDA	182,729	68,593
93.600	Head Start	Navajo Nation - Division of Dine Education	Unknown	ASA	402,519	
	93.600 Subtotal				<u>585,248</u>	<u>68,593</u>
93.602	Assets for Independence Demonstration Program			ASA	58,066	
93.602	Assets for Independence Demonstration Program			NAA	156,566	122,566
93.602	Assets for Independence Demonstration Program			UAA	749,457	164,457
	93.602 Subtotal				<u>964,089</u>	<u>287,023</u>
93.603	Adoption and Legal Guardianship Incentive Payments			CHA	9,248,087	
93.627	Affordable Care Act: Testing Experience and Functional Assessment Tools			HCA	13,000	
93.630	Developmental Disabilities Basic Support and Advocacy Grants			DEA	1,843,156	
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	516,972	
93.643	Children's Justice Grants to States			GVA	331,573	184,704
93.645	Stephanie Tubbs Jones Child Welfare Services Program			CHA	6,457,528	
93.648	Child Welfare Research Training or Demonstration	State University of New York, Research Foundation	1120721-20-69467, 1128024-20-72851	ASA	130,504	
93.658	Foster Care—Title IV-E			CHA	167,666,050	
93.658	Foster Care—Title IV-E			SPA	942,296	651,558
	93.658 Subtotal				<u>168,608,346</u>	<u>651,558</u>
93.659	Adoption Assistance			CHA	123,677,898	
93.667	Social Services Block Grant			CHA	28,585,584	
93.667	Social Services Block Grant			DEA	17,201,982	10,653,567
	93.667 Subtotal				<u>45,787,566</u>	<u>10,653,567</u>
93.669	Child Abuse and Neglect State Grants			CHA	2,371,101	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	1,689,577	1,680,577
93.674	Chafee Foster Care Independence Program			CHA	4,672,843	
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	883,879	307,500
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	13,319	
93.735	State Public Health Approaches for Ensuring Quitline Capacity—Funded in part by Prevention and Public Health Funds (PPHF)			HSA	44,613	
93.735	State Public Health Approaches for Ensuring Quitline Capacity—Funded in part by Prevention and Public Health Funds (PPHF)			UAA	293,495	
	93.735 Subtotal				<u>338,108</u>	<u>-</u>
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds			HSA	2,478,197	2,123,752
93.753	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program			HSA	257,522	
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			HSA	1,033,448	313,416
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			UAA	153,902	100,000
	93.757 Subtotal				<u>1,187,350</u>	<u>413,416</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)			HSA	1,913,297	1,331,524
93.767	Children's Health Insurance Program			HCA	60,060,000	
93.767	Children's Health Insurance Program			HSA	67,857	
	93.767 Subtotal				<u>60,127,857</u>	<u>-</u>
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	183,836	
93.822	Health Careers Opportunity Program			NAA	510,679	
93.822	Health Careers Opportunity Program			UAA	320,733	115,003
	93.822 Subtotal				<u>831,412</u>	<u>115,003</u>
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders			ASA	41,568	
93.859	Biomedical Research and Research Training			ASA	328,374	
93.889	National Bioterrorism Hospital Preparedness Program			UAA	119,563	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Rio Rico Fire District	LTR DTD 082415, LTR DTD 120115	UAA	19,415	
93.913	Grants to States for Operation of Offices of Rural Health			UAA	172,133	
93.917	HIV Care Formula Grants			HSA	17,546,849	11,958,586
93.917	HIV Care Formula Grants			UAA	589,080	
	93.917 Subtotal				<u>18,135,929</u>	<u>11,958,586</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	225,950	
93.940	HIV Prevention Activities—Health Department Based			HSA	3,400,978	2,405,185
93.940	HIV Prevention Activities—Health Department Based			UAA	97,800	
	93.940 Subtotal				<u>3,498,778</u>	<u>2,405,185</u>
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			HSA	726,783	47,401
93.945	Assistance Programs for Chronic Disease Prevention and Control			HSA	702,078	165,629
93.945	Assistance Programs for Chronic Disease Prevention and Control			UAA	48,337	30,000
	93.945 Subtotal				<u>750,415</u>	<u>195,629</u>
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	55,843	1,037
93.958	Block Grants for Community Mental Health Services			HSA	10,611,808	10,423,983
93.959	Block Grants for Prevention and Treatment of Substance Abuse			GVA	1,505	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	38,691,739	36,929,496
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Community Partnership of Southern Arizona	P0615	UAA	435	
	93.959 Subtotal				<u>38,693,679</u>	<u>36,929,496</u>
93.969	PPHF Geriatric Education Centers			UAA	613,205	96,187
93.970	Health Professions Recruitment Program for Indians			ASA	444,400	
93.970	Health Professions Recruitment Program for Indians			UAA	201,352	
	93.970 Subtotal				<u>645,752</u>	<u>-</u>
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants			HSA	1,146,225	744,959
93.991	Preventive Health and Health Services Block Grant			ASA	174,477	
93.991	Preventive Health and Health Services Block Grant			UAA	52,626	
	93.991 Subtotal				<u>227,103</u>	<u>-</u>
93.994	Maternal and Child Health Services Block Grant to the States			HSA	4,838,488	1,836,939
93.994	Maternal and Child Health Services Block Grant to the States			UAA	21,951	
	93.994 Subtotal				<u>4,860,439</u>	<u>1,836,939</u>
93.14-10709	Pacific AIDS Education Training Center	University of California, Los Angeles	1550-S-TA825	UAA	20,000	
93.14IPA1418056	IPA for Dr. Eric Lutz 14IPA1418056			UAA	133	
93.15IPA1518042	IPA for Dr. Eric Lutz 15IPA1518042			UAA	4,985	
93.D04RH23596	Vivir Mejor! Diabetes System of Prevention and Care	Mariposa Community Health Center	LTR DTD 080912	UAA	19,254	
93.H79TI021852	YR 5: EMPOWER - Engaging Motivating Providing Options within Recovery for Veterans	Old Pueblo Community Foundation	EMPO-1852-1	ASA	6,082	
93.HHSN271201500280	Outreach Partnership Program Support			ASA	13,628	
93.HHSP23320095657W	National Tribal Maternal Infant Early Child Home Visiting Technical Assistance Project	Zero To Three	2016040091	ASA	16,199	
93.II-HSA-12-2305-01	State Epidemiological Outcomes Workgroup (SEOW) Communities in Context Years 2 3			ASA	212	
93.U36 OE00002	Building an Effective Tribal and Multijurisdictional Response Network to Improve Preparedness and Response	Association of Schools and Programs of Public Health	S5063	UAA	209,093	
93.Unknown	Advanced Practice Nurses for a Healthy Arizona	Scottsdale Healthcare Medical Center	LTR DTD 121812	UAA	599,133	
93.Unknown	AZLEND Increasing Family and Advocate Fellow Engagement	Association of University Centers on Disability	UA5MC11068	UAA	1,947	
93.Unknown	Department of Health and Human Services			NAA	285,114	6,750
93.Unknown	Distance Education Modules on Interprofessional Primary Care Practice	Scottsdale Healthcare	Agri 10/15/14	ASA	23,959	
93.Unknown	Evaluation of Dine College's HIV, HCV and Substance Abuse Prevention Program	Dine College	502 J5J8-6590	UAA	21,419	

See accompanying notes to schedule.

State of Arizona
 Schedule of expenditures of federal awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.Unknown	Graduate Nurse Education Demonstration Project	Scottsdale Healthcare Medical Center	Agr 12/18/12	ASA	255,168	
93.Unknown	Health and Human Services	Scottsdale Healthcare Medical Center	N/A	NAA	36,953	
93.Unknown	LifeSTEP Program	Cenpatco Integrated Care	AZDHS15085891	UAA	95,454	
93.Unknown	National Institutes of Health			NAA	203,066	58,071
93.Unknown	Strategic Prevention Framework—Partnerships for Success			UAA	94,132	
93.Unknown	Support for Knowledge River Library School Internships	Center for Public Service Communications, LLC	2008-15	UAA	38,990	
Total Department of Health and Human Services					<u>9,720,660,771</u>	<u>199,173,023</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<u>Foster Grandparents/Senior Companion Cluster</u>						
94.011	Foster Grandparent Program			NAA	746,605	
94.016	Senior Companion Program			NAA	548,988	
Foster Grandparents/Senior Companion Cluster Subtotal					<u>1,295,593</u>	<u>-</u>
<u>Other Corporation for National and Community Service Programs</u>						
94.002	Retired and Senior Volunteer Program			NAA	159,301	
94.003	State Commissions	Corporation for National and Community Service	13CAHAZ001	GVA	289,491	
94.006	AmeriCorps			ASA	142,943	18,792
94.006	AmeriCorps			GVA	1,220,053	1,220,053
94.006	AmeriCorps			NAA	260,852	
94.006	AmeriCorps			PRA	32,458	
94.006	AmeriCorps			UAA	171,688	
94.006	AmeriCorps	Public Allies	OP007-94.006-15-PAAZ, OP007-94.006-16-PAAZ	ASA	503,988	
94.006 Subtotal					<u>2,331,982</u>	<u>1,238,845</u>
94.009	Training and Technical Assistance			UAA	184,530	
94.013	AmeriCorps VISTA			DEA	20,000	
Total Corporation for National and Community Service					<u>4,280,897</u>	<u>1,238,845</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
95.001	High Intensity Drug Trafficking Areas Program			AGA	848,793	
95.001	High Intensity Drug Trafficking Areas Program			PSA	594,662	
95.001	High Intensity Drug Trafficking Areas Program	City of Tucson, Arizona	HT-14	UAA	14,812	
95.001 Subtotal					<u>1,458,267</u>	<u>-</u>
Total Executive Office of the President					<u>1,458,267</u>	<u>-</u>
<u>SOCIAL SECURITY ADMINISTRATION</u>						
<u>Disability Insurance/SSI Cluster</u>						
96.001	Social Security—Disability Insurance			DEA	39,481,927	
Disability Insurance/SSI Cluster Subtotal					<u>39,481,927</u>	<u>-</u>
<u>Other Social Security Administration Programs</u>						
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries			DEA	7,856	
Total Social Security Administration					<u>39,489,783</u>	<u>-</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
97.008	Non-Profit Security Program			HLA	323,106	321,444
97.012	Boating Safety Financial Assistance			GFA	1,867,620	
97.029	Flood Mitigation Assistance			MAA	22,646	22,500
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	9,106	9,106
97.039	Hazard Mitigation Grant			MAA	99,998	87,451
97.042	Emergency Management Performance Grants			MAA	5,579,809	3,269,954
97.047	Pre-Disaster Mitigation			GSA	78,413	
97.067	Homeland Security Grant Program			AEA	193,200	
97.067	Homeland Security Grant Program			HLA	17,714,535	15,821,137
97.067	Homeland Security Grant Program			MAA	4,564,737	4,053,952
97.067	Homeland Security Grant Program			PSA	1,659,248	
97.067 Subtotal					<u>24,131,720</u>	<u>19,875,089</u>
97.120	Border Interoperability Demonstration Project			HLA	331,137	331,137
Total Department of Homeland Security					<u>32,443,555</u>	<u>23,916,681</u>
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>						
98.001	USAID Foreign Assistance for Programs Overseas			ASA	358,315	14,561
98.001	USAID Foreign Assistance for Programs Overseas	International Research and Exchanges Board (IREX)	FY15-YALI-ASU-02	ASA	89,576	
98.001	USAID Foreign Assistance for Programs Overseas	World Learning-Transit Europe	S02- AID-167-A-14-00002	ASA	205,010	
98.001 Subtotal					<u>652,901</u>	<u>14,561</u>
98.012	USAID Development Partnerships for University Cooperation and Development			ASA	100,918	

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
98.012	USAID Development Partnerships for University Cooperation and Development	American Council on Education	HED003-9722-ARM-12-01	ASA	48,540	34,565
	98.012 Subtotal				<u>149,458</u>	<u>34,565</u>
98.182A000900010100	Integrated Telemedicine and E-Health Program of Albania	International Virtual E-Hospital Foundation	185A000900010100	UAA	39,003	
98.AID-486-A-12-00005	The Vocational University Leadership and Innovation Institute (VULI)			ASA	664,716	
98.AID-497-C-12-00001	Indonesia Higher Education Leadership and Management (HELM) Project—participant support	Chemonics International Inc	AID-497-C-12-00001-ASU	ASA	133,145	
98.AID-OAA-L-11-00005	Sustainable Energy Education Consortium (SEEC)			ASA	546,793	37,363
	Total Agency for International Development				<u>2,186,016</u>	<u>86,489</u>
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>						
<u>Department of Education</u>						
84.007	Federal Supplemental Educational Opportunity Grants			ASA	2,948,000	
84.007	Federal Supplemental Educational Opportunity Grants			NAA	980,573	
84.007	Federal Supplemental Educational Opportunity Grants			UAA	983,824	
	84.007 Subtotal				<u>4,912,397</u>	<u>-</u>
84.033	Federal Work-Study Program			ASA	3,778,765	
84.033	Federal Work-Study Program			NAA	614,408	
84.033	Federal Work-Study Program			UAA	2,098,430	
	84.033 Subtotal				<u>6,491,603</u>	<u>-</u>
84.038	Federal Perkins Loan Program—Federal Capital Contributions			ASA	13,486,400	
84.038	Federal Perkins Loan Program—Federal Capital Contributions			NAA	7,713,655	
84.038	Federal Perkins Loan Program—Federal Capital Contributions			UAA	11,299,272	
	84.038 Subtotal				<u>32,499,327</u>	<u>-</u>
84.063	Federal Pell Grant Program			ASA	115,043,726	
84.063	Federal Pell Grant Program			NAA	39,746,075	
84.063	Federal Pell Grant Program			UAA	47,095,943	
	84.063 Subtotal				<u>201,885,744</u>	<u>-</u>
84.268	Federal Direct Student Loans			ASA	576,595,037	
84.268	Federal Direct Student Loans			NAA	162,887,268	
84.268	Federal Direct Student Loans			UAA	249,745,592	
	84.268 Subtotal				<u>989,227,897</u>	<u>-</u>
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	2,420,648	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	313,568	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	171,531	
	84.379 Subtotal				<u>2,905,747</u>	<u>-</u>
84.408	Postsecondary Education Scholarships for Veteran's Dependents			ASA	10,706	
84.408	Postsecondary Education Scholarships for Veteran's Dependents			UAA	5,353	
	84.408 Subtotal				<u>16,059</u>	<u>-</u>
	Department of Education Subtotal				<u>1,237,938,774</u>	<u>-</u>
<u>Department of Health and Human Services</u>						
93.264	Nursing Faculty Loan Program (NFLP)			ASA	262,105	
93.264	Nursing Faculty Loan Program (NFLP)			UAA	7,768,877	
	93.264 Subtotal				<u>8,030,982</u>	<u>-</u>
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students			UAA	3,151,512	
93.364	Nursing Student Loans			NAA	435,858	
93.364	Nursing Student Loans			UAA	696,644	
	93.364 Subtotal				<u>1,132,502</u>	<u>-</u>
93.408	ARRA—Nurse Faculty Loan Program			UAA	416,646	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			NAA	1,015,100	
	Department of Health and Human Services Subtotal				<u>13,746,742</u>	<u>-</u>
	Total Student Financial Assistance Cluster				<u>1,251,685,516</u>	<u>-</u>
<u>RESEARCH AND DEVELOPMENT CLUSTER</u>						
<u>Department of Agriculture</u>						
10.RD	Agricultural Marketing Service			ASA	11,723	6,030
10.RD	Agricultural Research Service			ASA	13,793	
10.RD	Agricultural Research Service			UAA	2,123,345	
10.RD	Animal and Plant Health Inspection Service			ASA	109,097	
10.RD	Department of Agriculture			ASA	78,968	
10.RD	Department of Agriculture			NAA	571,256	21,851
10.RD	Economic Research Service			ASA	5,000	
10.RD	Forest Service			ASA	6,840	
10.RD	Forest Service			NAA	2,375,785	74,003
10.RD	National Institute of Food and Agriculture			ASA	615,351	11,459
10.RD	Natural Resource Conservation Services			NAA	14,965	

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.RD	Natural Resource Conservation Services			UAA	104,783	
10.RD	Rural Utilities Service			ASA	40,577	
10.RD	United States Department of Agriculture			UAA	6,176,517	895,286
10.RD	United States Forest Service			UAA	147,518	3,135
10.RD		Apex Applied Technology, Incorporated	LTR DTD 010416	UAA	5,087	
10.RD		Arizona Department of Agriculture	SCBGP-FB15-24	ASA	50,920	
10.RD		Arizona Department of Agriculture	14-8504-1044-CA, 15-8100-0394-MU, LTR DTD 031816, LTR DTD 050416, LTR DTD 072115, SCBGP-FB12-30, SCBGP-FB13-07, SCBGP-FB13-08, SCBGP-FB13-11, SCBGP-FB13-12, SCBGP-FB13-13, SCBGP-FB13-18, SCBGP-FB14-01, SCBGP-FB14-03, SCBGP-FB14-07, SCBGP-FB14-08, SCBGP-FB14-09, SCBGP-FB14-13, SCBGP-FB14-19, SCBGP-FB14-20, SCBGP-FB14-31, SCBGP-FB14-36, SCBGP-FB15-01, SCBGP-FB15-04, SCBGP-FB15-07, SCBGP-FB15-08, SCBGP-FB15-10, SCBGP-FB15-11, SCBGP-FB15-12, SCBGP-FB15-13, SCBGP-FB15-14, SCBGP-FB15-15, SCBGP-FB15-21, SCBGP-FB15-22, SCBGP-FB15-28	UAA	821,986	9,896
10.RD		Arizona State Forestry Division Office of the State Forester	CCG 14-1103	ASA	7,997	
10.RD		Arizona State Forestry Division Office of the State Forester	WBBI12-601, SWET 4901	NAA	14,018	
10.RD		Arizona State Forestry Division	PTG 14-902, UCF12-1308	UAA	16,205	
10.RD		Arizona State University	16-927	UAA	10,717	
10.RD		Citrus Research and Development Foundation, Incorporated	13-005NU-784	UAA	195,063	
10.RD		Cornell University	62140-10275, 77867-10666	UAA	3,999	
10.RD		Desert Botanical Garden	NAU03012015	NAA	22,684	
10.RD		GIV	15-0091	NAA	26,218	
10.RD		Grafted Growers LLC	2015-33610-23579	UAA	10,990	
10.RD		Iowa State University	4162324C, 416-41-07F/2014-68004-21855	UAA	20,700	
10.RD		Mariposa Community Health Center	LTR DTD 073113	UAA	1,067	
10.RD		Michigan State University	RC102547A	UAA	32,927	
10.RD		Minnesota Soybean Growers Association	525-6010-534	UAA	2,084	
10.RD		Navajo Technical University	30922	NAA	145	
10.RD		North Carolina State University	2011-0494-06	ASA	80,426	
10.RD		North Carolina State University	2011160904, 2011-1609-10	UAA	158,669	
10.RD		Ohio State University	60025859	UAA	4,260	
10.RD		Oklahoma State University	AB-5-67690-NAU	NAA	74,777	
10.RD		Oregon State University	DA875B-A	UAA	5,980	
10.RD		Physical Sciences, Incorporated	SC68089-1878/2015-33610-234	UAA	11,362	
10.RD		Purdue University	8000040009AG, 8000067570	UAA	20,431	
10.RD		Rutgers, The State University of New Jersey	S1522449	UAA	149,792	
10.RD		Texas A and M University	11154	UAA	25,180	
10.RD		University of Arizona	261656	ASA	41,557	
10.RD		University of California, Davis	201016163-03	ASA	51,275	
10.RD		University of California, Davis	201303063-10, 201400966-01, 201403743-01/20147000622524, 201403757-03, 201504249-02, SA14-2309-02, SA14-2309-09, SA14-2309-13	UAA	299,818	
10.RD		University of Hawaii	MA150012	ASA	43,998	
10.RD		University of Illinois at Urbana-Champaign	2015-06295-01	UAA	25,861	
10.RD		University of Maryland	16399-Z5467008/2011-51181-3, 35504-Z5782001	UAA	319,933	
10.RD		University of Nevada, Reno	UNR-15-70	UAA	53,530	
10.RD		University of Washington	715630, 755034, 763254/201467015-22106, UWSC8974 / 14607	UAA	57,878	
10.RD		University of Wisconsin System	664	UAA	21,460	
10.RD		University of Wyoming	1002548-UA	UAA	54,621	
10.RD		Utah State University	120833031, 9092201	UAA	10,982	
10.RD		Washington State University	108815_G003547, 126409-G003522	UAA	20,424	
10.RD		World Cocoa Foundation	58-3148-2-126	UAA	15,913	
	Department of Agriculture Subtotal				<u>15,186,452</u>	<u>1,021,660</u>
	Department of Commerce					
11.RD	National Institute of Standards and Technology (NIST)			ASA	465,174	165,666
11.RD	National Oceanic and Atmospheric Administration (NOAA)			ASA	106,401	28,335

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
11.RD	National Oceanic and Atmospheric Administration			UAA	1,164,806	53,633
11.RD		Columbia University	1 (GG008896)/NA13OAR4310184	UAA	713,262	
11.RD		ECS Federal	209773	ASA	35,250	
11.RD		Nevada System of Higher Education, Board of Regents	663.5105.01	UAA	14,984	
11.RD		University Corporation for Atmospheric Research	Z16-23488	UAA	10,575	
11.RD		University of Colorado, Boulder	1553216	UAA	25,017	
11.RD		University of Miami	S16-21	ASA	132,480	
	Department of Commerce Subtotal				<u>2,667,949</u>	<u>247,634</u>
	Department of Defense					
12.RD	Advanced Research Projects Agency			ASA	2,535,129	1,082,657
12.RD	Advanced Research Projects Agency			UAA	469,011	196,203
12.RD	AirForce Office of Scientific Research			UAA	4,970,125	1,338,496
12.RD	AirForce Research Laboratory			UAA	364,918	
12.RD	Asian Office of Aerospace Research and Development			UAA	57,592	
12.RD	Defense Threat Reduction Agency			NAA	2,673,613	893,615
12.RD	Defense Threat Reduction Agency			UAA	476,972	257,430
12.RD	ARRA—Department of the Navy, Office of the Chief of Naval Research			ASA	155,926	
12.RD	Department of Defense			ASA	844,582	62,611
12.RD	Department of Defense			NAA	279,451	
12.RD	Department of the Air Force, Materiel Command			ASA	3,162,160	114,364
12.RD	Department of the Army			NAA	20,898	
12.RD	Department of the Navy, Office of the Chief of Naval Research			ASA	5,481,467	96,703
12.RD	National Security Agency			ASA	19,130	
12.RD	Naval Facilities Engineering Command SW			NAA	6,593	
12.RD	Naval Supply Systems Command			UAA	68,123	
12.RD	Naval Surface Warfare Center			UAA	52,751	
12.RD	Office of Naval Research			UAA	2,043,404	604,283
12.RD	Office of the Secretary of Defense			ASA	1,972,633	185,341
12.RD	United States Army Contracting Command			UAA	2,223,464	191,434
12.RD	United States Army Medical Research Acquisition Activity			UAA	2,729,789	202,273
12.RD	United States Army Research, Development and Engineering Command			UAA	143,959	
12.RD	United States Army Research Office			UAA	331,661	
12.RD	United States Navy			UAA	42,048	22,989
12.RD	U.S. Army Corp of Engineers			NAA	25,838	
12.RD	U.S. Army Corp of Engineers			UAA	963,300	35,239
12.RD	U.S. Army Material Command			ASA	11,408,824	1,767,026
12.RD	U.S. Army Medical Command			ASA	857,526	70,747
12.RD		American Burn Association	W81XWH-09-2-0194	UAA	27,807	
12.RD		ASR Corporation	031215-02-114/P010166548	UAA	2,263	
12.RD		BAE Systems	848407	ASA	53,601	
12.RD		Baer Engineering and Environmental Consulting Inc	W9126G-14-C-0096 Task Order No.1	ASA	142,734	
12.RD		Barron Associates Inc.	455-SC01	ASA	43,227	
12.RD		Boeing Company	1234744	ASA	61,999	
12.RD		Bridger Photonics	W911NF-13-C-0066	UAA	24,837	
12.RD		Carnegie Mellon University	1141244-313357	ASA	92,692	
12.RD		CFD Research Corporation	9170, PO 20121115	ASA	53,500	
12.RD		Charles River Analytics	SC1404602	ASA	204,651	
12.RD		Clinical Research Management, Inc	Master Subcontract Agreement No. ASU-16-01, Work Order Number 001	ASA	19,576	
12.RD		Coherent Technical Services Inc	STTR Topic #A15A-T012	ASA	58,763	
12.RD		Cornell University	63222-9760	UAA	33,329	
12.RD		Defense Engineering Corporation	PO 10110	ASA	39,920	
12.RD		Digital Manufacturing and Design Innovation Institute	220150002	ASA	120,307	
12.RD		DSTL Porton Down	DSTL10000080074	NAA	157,300	72,845
12.RD		Ensco, Inc.	G27364-3714	ASA	85,289	
12.RD		Environment and Infrastructure Incorporated	F013000007	UAA	65,747	
12.RD		Episys Science Corporation	LTR DTD 12/01/15	UAA	60,584	
12.RD		Excet Inc	4078	ASA	110,708	
12.RD		FASORtronics LLC	Agreement Signed 11/20/2015, N0001414C0110	UAA	67,016	
12.RD		FlexTech Alliance	RFP14-170	ASA	18,884	
12.RD		Georgia Institute of Technology	RF462-G1	ASA	105,051	
12.RD		Georgia Institute of Technology	RB250G1, RB267G2, RD562-G1	UAA	233,512	
12.RD		Henry M Jackson Foundation for Advancement of Military Medicine	3024	UAA	52,327	
12.RD		Institute of International Education	0054-ASU-1-CHN-280-PO1	ASA	25,563	
12.RD		Integrated Science Technology Inc	27-0007	ASA	9,640	
12.RD		IST Research LLC	TA3-001	ASA	68,677	
12.RD		Jem Engineering	1127,008	ASA	52,833	
12.RD		Lincoln Laboratories	7000345528	UAA	38,423	
12.RD		Lincoln Laboratory - MIT	7000339227	ASA	92,056	
12.RD		Lockheed Martin Corporation	4101913316	UAA	351,713	
12.RD		Luna Innovations, Inc.	3135-ARM-2S/ASU	ASA	8,929	
12.RD		Massachusetts Institute of Technology (MIT)	7000295379	ASA	188,925	
12.RD		Matrix Research Inc	S-2014-001	ASA	2,111	
12.RD		MER Corporation (Materials and Electrochemical Research Corporation)	H92222-14-C-0065, N00014-15 C-0165	UAA	312,008	
12.RD		Michigan State University	RC104416-ASU	ASA	153,023	

See accompanying notes to schedule.

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12.RD		National Security Innovations (NSI)	6106-ASU	ASA	8,993	
12.RD		Nerves Incorporated	AGR 06/24/15	ASA	340,647	
12.RD		New Mexico State University - System Office	Q01574	ASA	35,654	
12.RD		New Mexico State University	Q01609	UAA	86,169	
12.RD		Nonlinear Control Strategies, Inc	7017-001	ASA	44,415	
12.RD		Northrop Grumman	8140000817	ASA	868,532	
12.RD		Northwestern University Evanston	SP0013481-PROJ0003593	ASA	388,658	
12.RD		Ohio State University	60038238	ASA	100,090	
12.RD		Ohio State University	60052493/FA-9550-16-1-0013	UAA	7,670	
12.RD		Orsa Technologies, LLC	PSA-ASU-ODEX-16-04	ASA	2,199	
12.RD		Out of the Fog Research LLC	1501	ASA	51,012	
12.RD		Penn State	4524-NAU-USACE-0085	NAA	22,568	
12.RD		Pennsylvania State University	4016-ASU-USA-0525	ASA	2,237	
12.RD		PowerFilm, Inc	PIA1	ASA	248,286	
12.RD		Princeton University	SUB0000042	ASA	38,281	
12.RD		Raytheon: BBN Technologies Corp	14389, PO 9500012830	ASA	105,663	
12.RD		Renaissance Sciences Corporation	CBSC-011113-1	ASA	109,150	
12.RD		San Diego State University Foundation	SA0000514 A0	ASA	35,507	
12.RD		Sandia Research Corporation	SRC_ASU_2014_0084	ASA	77,123	
12.RD		Saint Joseph's Hospital and Medical Center	32093-UofA	UAA	15,123	
12.RD		SAZE Technologies LLC	15SZSC-NATC1	ASA	68,286	
12.RD		Science and Engineering Services, LLC	SC-DARPA-15-01/HR0011-15-C-	UAA	207,188	
12.RD		Sensintel, Inc	LTR DTD 12/02/14	UAA	7,482	
12.RD		Spectral Energies, LLC	SB1322-001-1	ASA	19,827	
12.RD		Spectral Imaging Laboratory	F27362	UAA	209,210	
12.RD		Stanford University	#60744757114407	UAA	318,204	
12.RD		State University of New York Research Foundation	#1098964359361, FA8650-15-2-5220	UAA	570,945	
12.RD		Taitech, Inc	TS15-16-02-005	ASA	49,684	
12.RD		TASC Inc	PO 0005962	ASA	278	
12.RD		Technical Data Analysis, Inc.	1079-001-03	ASA	24,919	
12.RD		Technology Service Corporation	TSC-1065-40066	ASA	21,716	
12.RD		Texas A and M University	C0872	ASA	36,977	
12.RD		The Research Foundation for the State University of New York	16-01	ASA	23,777	
12.RD		UES, Inc.	S-104-000-001	UAA	146,072	
12.RD		Universal Technology Corporation	15-S7410-02-C1	UAA	239,843	
12.RD		University of Arizona	PO 184426	ASA	203,274	
12.RD		University of California, Berkeley	8554	UAA	166,845	
12.RD		University of California, Davis	201616148-01	ASA	45,000	
12.RD		University of California, Los Angeles	1295GNA114	UAA	167,502	51,222
12.RD		University of California, Riverside	S000622	UAA	305,782	
12.RD		University of California, San Diego	43103402/S9000370/N00014-16	UAA	308,295	
12.RD		University of California, Santa Barbara	KK1130	ASA	78,216	
12.RD		University of Colorado, Boulder	Agreement 1550997/ PO 1000285625	ASA	252,129	
12.RD		University of Colorado, Boulder	1553897/1000641524/FA9550-1	UAA	14,381	
12.RD		University of Florida	UFDSP00010860	NAA	79,171	
12.RD		University of Illinois, Champaign/Urbana	2010-04989-02 (A1799)	ASA	345,971	
12.RD		University of Illinois, Champaign/Urbana	2013-03174-02 (AA669)	UAA	340,081	
12.RD		University of Illinois at Chicago	W81XWH-13-1-0252	UAA	44,921	
12.RD		University of Maryland, College Park	Z868302	ASA	58,780	
12.RD		University of Memphis	5-40469	ASA	258,456	
12.RD		University of Michigan	3001996296	ASA	123,982	
12.RD		University of Michigan	3003264626/N65540-10-C-0003	UAA	12,299	
12.RD		University of Minnesota	A001650204, A003571415	UAA	244,009	
12.RD		University of Notre Dame	202574AU/FA9550-15-1-0186	UAA	42,048	
12.RD		University of Pittsburgh	0035859(409685-3)	UAA	97,830	
12.RD		University of Southern California	PO 10229376, 53-0821-4124	ASA	179,198	
12.RD		University of Texas, Austin	UTA14-000730	ASA	155,369	
12.RD		University of Utah	10022133-ASU	ASA	37,887	
12.RD		University of Wisconsin-Madison	483K814	UAA	146,607	
12.RD		Utah State University	LTR 12/16/15	ASA	3,151	
12.RD		Wyle Laboratories	WC13-0081	ASA	116,151	
12.RD		Zona Technology, Inc.	ZTSASU-C0006-I	ASA	3,833	
	Department of Defense Subtotal				55,983,965	7,245,478
	Department of the Interior					
15.RD	Bureau of Indian Affairs			UAA	79,757	
15.RD	Bureau of Land Management			ASA	59,643	
15.RD	Bureau of Land Management			NAA	548,539	
15.RD	Bureau of Land Management			UAA	393,499	31,699
15.RD	Bureau of Reclamation			ASA	36,739	
15.RD	Bureau of Reclamation			NAA	123,180	
15.RD	Bureau of Reclamation			UAA	482,559	12,971
15.RD	Department of the Interior			ASA	7,325	
15.RD	Fish and Wildlife Service			NAA	108,305	
15.RD	International Boundary and Water Commission			UAA	211,461	89,908
15.RD	National Park Service			ASA	8,003	
15.RD	National Park Service			NAA	778,772	
15.RD	National Park Service			UAA	1,206,968	12,819
15.RD	United States Fish and Wildlife Service			UAA	317,745	

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
15.RD	United States Geological Survey			UAA	3,938,268	1,182,420
15.RD	U.S. Geological Survey			ASA	150,426	
15.RD	U.S. Geological Survey			NAA	1,118,715	
15.RD		Arizona Department of Agriculture	Segment 18 2014-2016-01 F14AP00869, Segment 18 2014-2016-03 F14AP00869, Segment 18 2014-2016-10 F14AP00869	ASA	17,425	
15.RD		Arizona Department of Agriculture	Seg19-2015-2017-05	NAA	1,075	
15.RD		Arizona Department of Agriculture	Segment19/2015201703	UAA	14,814	
15.RD		Arizona Department of Game and Fish	N/A	NAA	4,851	
15.RD		Arizona Department of Game and Fish	1434-13HQRU1580	UAA	3,300	
15.RD		Conservation Science Partners	F15AC00324	NAA	57,927	
15.RD		Conservation Science Partners	16.0002	NAA	15,829	
15.RD		Great Basin Bird Observatory	R14AC00032	UAA	77,535	
15.RD		Idaho Department of Fish and Game	N/A	NAA	28,141	11,750
15.RD		Mescalero Apache Tribe	TPAM-2016-01	NAA	4,000	
15.RD		Museum of Northern Arizona	270-533	NAA	2,000	
15.RD		Nature Conservancy	AZFO-160322	UAA	476	
15.RD		Navajo Nation	CO11426	UAA	46,301	
15.RD		Northern Arizona University	1002577-01	ASA	18,660	
15.RD		Texas A and M University	06-S150607	NAA	17,797	
15.RD		University of Arizona	222345, 300002	NAA	11,173	
15.RD		University of Arizona	2015AZ544B	NAA	5,103	
15.RD		University of California, Berkeley	7992	UAA	3,786	
15.RD		University of Nevada Reno	UNR-15-29	NAA	37,356	
15.RD		University of Southern California	34750697	ASA	144	
15.RD		University of Texas at San Antonio	155055UAZ	UAA	17,606	
15.RD		West Association of Fish and Wildlife Agencies	14.0277	NAA	43,405	
	Department of the Interior Subtotal				<u>9,998,608</u>	<u>1,341,567</u>
	Department of Justice					
16.RD	Bureau of Justice Statistics			ASA	17,328	
16.RD	Department of Justice			ASA	2,484	
16.RD	National Institute of Justice			ASA	824,382	88,482
16.RD	National Institute of Justice			UAA	139,531	43,707
16.RD	Office for Victims of Crime			ASA	51,828	
16.RD	United States Department of Justice			UAA	301,773	128,950
16.RD		American University	31306-01	ASA	111,048	
16.RD		Arizona Criminal Justice Commission	PSN-15-005	ASA	48,056	
16.RD		Arizona Department of Education	15-02-EDSG/2014-CK-BX-0016	UAA	507,262	
16.RD		Fairleigh Dickinson University	DOJ0001-03	UAA	133,029	
16.RD		Indiana University	BL4331202UA	UAA	118	
16.RD		Oregon Social Learning Center	2015-R2-CX-0003	ASA	25,149	
16.RD		Phoenix Police Department	138891-0	ASA	748	
16.RD		Pima County, Arizona	CT-PCA- 150000000000000000132	UAA	37,292	
16.RD		RAND	9920150053	ASA	252,971	
16.RD		Superior Court of Arizona	15008-SG	ASA	29,012	
16.RD		University of Maryland, College Park	25710-Z9458001	ASA	87,870	
16.RD		University of Virginia	GG11826 151479	ASA	3,100	
	Department of Justice Subtotal				<u>2,572,981</u>	<u>261,139</u>
	Department of Labor					
17.RD	United States Department of Labor			UAA	104,269	
17.RD	Mine Safety and Health Administration			UAA	54,618	
17.RD		Arizona Diversity Business Development Center, Inc.	AGR 12051072	ASA	93,503	
17.RD		Arizona Governors Office of Workforce Development	ISA-WIA-WD-GR-100114-01, No. ISA-WIA-GR-070115-01	ASA	294,509	
17.RD		Goodwill Industries of Southern Arizona	FP00003773	ASA	12,158	
17.RD		Universidad Metropolitana	C0018562	UAA	30,284	
	Department of Labor Subtotal				<u>589,341</u>	<u>-</u>
	Department of State					
19.RD	Bureau of Educational and Cultural Affairs			ASA	44,288	
19.RD	Department of State			ASA	356,363	
19.RD	United States Department of State			UAA	14,167	
19.RD		Institute of International Education	N/A	NAA	108,859	67,334
19.RD		University of Tennessee	A14-0288-S003	ASA	15,873	
	Department of State Subtotal				<u>539,550</u>	<u>67,334</u>
	Department of Transportation					
20.RD	Federal Aviation Administration (FAA)			ASA	137,859	
20.RD	Pipeline and Hazardous Materials Safety Administration			ASA	46,956	10,264
20.RD		ADOT: Research Center	MPD 024-16/ ADOT11-002985	ASA	124,854	
20.RD		Arizona Department of Transportation	ISA/JPA 14-0004670	NAA	2,645	
20.RD		Arizona Department of Transportation	ADOT11003259, ADOT11- 003259/MPD 0036-16, ADOT11- 003259/PO0000079093	UAA	61,894	
20.RD		Booz-Allen Hamilton	102300SB1M	ASA	228,769	
20.RD		Gas Technology Institute	S575	ASA	48,500	

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
20.RD		Kittelson & Associates, Incorporated	13568/DTFH61-12-D-00041, 19665-11074/DTFH61-12-D-000	UAA	49,917	
20.RD		Mississippi State University	061300.363199.01/DTRT12-G-U	UAA	3,812	
20.RD		Oregon Department of Transportation	30258	NAA	95,347	22,690
20.RD		Portland State University	204MON467	NAA	20,759	
20.RD		Portland State University	205KOT517	NAA	514	
20.RD		Southern California Association of Governments	M-001-16 / OWP No. 225.3565.01	ASA	31,201	
20.RD		Texas A and M University	SP&R 2261 / S151201	ASA	16,181	
20.RD		The Research Foundation for the State University of New York	R952394	ASA	29,021	
20.RD		University of California, Berkeley	00008606/DTRT13-G-UTC39, 00008607/DTRT13-G-UTC39	UAA	42,771	
20.RD		University of Colorado, Denver	FY15.675.001	ASA	17,791	
20.RD		University of Illinois, Chicago	2012-01429/488306, 2012-01429-01-00	ASA	60,033	
20.RD		University of Maryland, College Park	20137-Q0050002	ASA	406,684	
20.RD		University of Nevada, Reno	UNR 15-62	ASA	163,505	
20.RD		University of Virginia	GS11255 144094/105204	UAA	334,186	318,292
	Department of Transportation Subtotal				<u>1,923,199</u>	<u>351,246</u>
	General Services Administration					
39.RD		Dynamics Research Corporation	14463-PETTT-ASU, PO 831, ACE-KY06-003, TO 005	ASA	29,083	
	General Services Administration Subtotal				<u>29,083</u>	<u>-</u>
	National Aeronautics and Space Administration					
43.RD	NASA: Ames Research Center			ASA	868,115	8,615
43.RD	NASA: Ames Research Center			UAA	528,654	62,621
43.RD	NASA: Armstrong Flight Research Center			ASA	32,009	2,362
43.RD	NASA: Glenn Research Center			ASA	180,300	39,606
43.RD	NASA: Goddard Space Flight Center			ASA	12,424,999	1,628,369
43.RD	NASA: Goddard Space Flight Center			UAA	19,250,022	5,519,638
43.RD	NASA: Headquarters			UAA	9,687,380	617,447
43.RD	NASA: Johnson Space Center			ASA	683,734	
43.RD	NASA: Johnson Space Center			UAA	76,443	16,975
43.RD	NASA: Kennedy Space Center			UAA	2,006	
43.RD	NASA: Marshall Space Flight Center			ASA	173,202	112,560
43.RD	NASA: Marshall Space Flight Center			UAA	7,281,896	3,305,246
43.RD	National Aeronautics and Space Administration			NAA	737,869	186,760
43.RD	Smithsonian Astrophysical Observatory			UAA	278,342	
43.RD	United States Geological Survey			UAA	11,500	
43.RD		American Geological Institute	AGR 10/01/10	ASA	79,876	
43.RD		Arizona State University	LOU15-724	NAA	2,356	
43.RD		Arizona State University	7790	UAA	50,349	
43.RD		Association of Universities for Research in Astronomy, Incorporated	48173, 48376	UAA	106,375	
43.RD		Ball Aerospace And Technologies Corporation	16NRO00004/NNG16HS00C	UAA	2,218	
43.RD		Baylor College of Medicine	NCC 9-58 166/RE03701	UAA	32,274	
43.RD		California Institute of Technology	65D-1095129	ASA	108,612	
43.RD		Carnegie Institution for Science	DTM325002	UAA	112,577	
43.RD		Carnegie Institution of Washington	DTM325022 (Phase E)	ASA	303,627	277,651
43.RD		Cornell University	1472318, 1483480, 1486551, 1491755, 1495084, 1507772, 1513758, 1514941, 1515298, 1515595, 1515942, 1516542, 1519893, 1524227, 1532287, 1535627, 1537938, 1538086, 1538311, 1538485, 1538523, 1539094, 1539248, 1541105, 1542025, 1542267, 1545667, 1545776, 77301-10535, RSA 1493212	ASA	15,812	
43.RD		Florida Institute of Technology	201760	UAA	6,690	
43.RD		Jacobs Technology Inc	EN41516FMS	ASA	23,735	
43.RD		Jet Propulsion Laboratory (JPL)	1484779	ASA	8,773,497	4,330,629
43.RD		Jet Propulsion Laboratory	RSA 1485084, RSA 1507269, RSA 1373682, RSA 1439888	NAA	36,220	
43.RD		Jet Propulsion Laboratory	1226582, 1228726, 1270067, 1272218, 1306547, 1319248, 1407200, 1407263, 1422779, 1431141, 1489670/NNN12AA01C, 1494629, 1515672, 1518958, 1520502, 1525084, 1529346/NNN12AA01C, 1533445, 1538951	UAA	6,893,753	693,668
43.RD		Johns Hopkins University	130313, 131989, 132230, 2002156951	UAA	67,293	
43.RD		Lockheed Martin Corporation	4101495805	UAA	1,749,191	
43.RD		Lowell Observatory	2011-71262, 2014-81500	NAA	71,426	
43.RD		Lowell Observatory	201481500	UAA	18,295	
43.RD		Malin Space Science Systems, Inc.	11-0124	ASA	501,756	

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD		Massachusetts Institute of Technology (MIT)	5710003859	ASA	45,111	
43.RD		National Institute of Aerospace	C13-2900-UA/2976-UA	UAA	6,441	
43.RD		Pennsylvania State University	4809-ASU-NASA-A76A	ASA	129	
43.RD		Planetary Science Institute	1319	NAA	13,468	
43.RD		Planetary Science Institute	1291, 1307, 1350, 1411, 595	UAA	55,461	
43.RD		Rensselaer Polytechnic Institute	A12561	ASA	43,466	
43.RD		Science Museum of Minnesota	NNH15ZDA0004C	ASA	30,560	
43.RD		Science Systems and Applications, Incorporated	21101-12-065	UAA	13,143	
43.RD		SETI Institute	SC 3138	ASA	77,980	
43.RD		SETI Institute	SC3061	UAA	21,610	
43.RD		Southwest Research Institute	H99065CT	ASA	34,634	
43.RD		Southwest Research Institute	1415GC0049, 699053X, D99004L, D99030L	UAA	284,045	
43.RD		Space Micro, Inc.	PO 5703	ASA	261,195	
43.RD		Space Telescope Science Institute	HST-GO-14227.016-A	ASA	226,071	
43.RD		Space Telescope Science Institute	HST-AR-13247.02-A, HST-GO-13716.001-A	NAA	59,961	
43.RD		Space Telescope Science Institute	HSTAR1261801A, HSTAR12632.005A, HSTAR1265204A, HSTAR1282701A, HSTAR13251.01A, HSTAR1325704A, HSTAR13911.001A, HSTAR13917001A, HST-AR-14312.002-A, HSTGO1222801A, HSTGO1228104A, HSTGO1247301A, HSTGO1248701A, HSTGO1249812A, HSTGO12511009A, HST-GO-12547.08-A, HSTGO1255602A, HSTGO1259009A, HSTGO1265913A, HSTGO1286001A, HSTGO1286101A, HSTGO1287004A, HSTGO1288405A, HSTGO1289405A, HSTGO1292301A, HST-GO-12937.01-A, HSTGO1294502A, HSTGO12974.06A, HST-GO-12980.03-A, HSTGO1303206A, HSTGO1306701A, HST-GO-13176.01-A, HSTGO1328002A, HSTGO13317003A, HSTGO1334901A, HSTGO1338103A, HSTGO13390001A, HSTGO1339101A, HSTGO13393001A, HSTGO13411001A, HSTGO1341801A, HSTGO13431005A, HSTGO13443010A, HSTGO1346708A, HSTGO13644.001A, HSTGO13645001A, HSTGO13653.001, HSTGO13665.007A, HSTGO13711005A, HSTGO13746003A, HSTGO13748003A, HST-GO-13753.003-A, HST-GO-13785.003-A, HST-GO-13786.001-A, HST-GO-13788.002-A, HSTGO13818001A, HST-GO-13834.005-A, HST-GO-13839.002-A, HSTGO13846007A, HSTGO14076, HSTGO14090001A, HSTGO14113004A, HSTGO14118, HSTGO14138003A, HSTGO14148, HSTGO14223, HSTGO14235003A, HSTGO14241001A, HST-HF2-51349.001-A, HSTHF5131801A	UAA	1,491,251	
43.RD		Structured Materials Industries, Inc.	42022-080115-01	ASA	50,338	
43.RD		The Research Foundation for the State University of New York	170-1125271-71592	ASA	12,287	
43.RD		Universities Space Research Association	09960-26	ASA	16,933	
43.RD		Universities Space Research Association	223504, 3577004, SOF Su 0061/NAS2-97001, SOF030092	UAA	126,999	1,015

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD		University Corporation for Atmospheric Research	Z15-16976	UAA	58,367	
43.RD		University of Arizona	268293	ASA	1,408,628	
43.RD		University of California, Los Angeles	2090-S-SA473	ASA	74,008	
43.RD		University of California, Riverside	S-000732	ASA	60,984	
43.RD		University of California, Santa Barbara	KK1613	UAA	27,227	
43.RD		University of Colorado, Boulder	1551143; PO 1000344148	ASA	138,569	
43.RD		University of Colorado, Boulder	1000008166	UAA	186,529	
43.RD		University of Colorado, Boulder	1551807	UAA	28,345	
43.RD		University of Hawaii	MA150008	UAA	51,895	
43.RD		University of Idaho	AMK148SB002	UAA	7,698	
43.RD		University of Maryland, College Park	28837-Z6955001	ASA	22,201	
43.RD		University of Pennsylvania	560958	ASA	258,302	
43.RD		University of Tennessee	OR14020-001.02	NAA	2,026	
43.RD		Wellesley College	26085-1	ASA	42,530	
43.RD		Yale University	C15N12087 (N00218)	ASA	44,206	
	National Aeronautics and Space Administration Subtotal				<u>76,455,001</u>	<u>16,803,162</u>
	National Endowment for the Humanities					
45.RD	Institute of Museum and Library Sciences			ASA	233,125	
45.RD	Institute of Museum and Library Services			UAA	67,704	
45.RD	National Endowment for the Arts			ASA	37,007	
45.RD	National Endowment for the Humanities			ASA	212,585	965
45.RD	National Endowment for the Humanities			UAA	5,398	
45.RD		City of Phoenix	140169--0	ASA	19,369	
	National Endowment for the Humanities Subtotal				<u>575,188</u>	<u>965</u>
	National Science Foundation					
47.RD	National Science Foundation			ASA	54,430,047	5,386,181
47.RD	National Science Foundation			NAA	5,425,827	339,222
47.RD	National Science Foundation			UAA	52,847,804	10,282,814
47.RD	Smithsonian Astrophysical Observatory			UAA	153,835	
47.RD		American Physical Society	MOU 07/30/15, MOU 8/28/14	ASA	27,900	
47.RD		Appalachian State University	A14-0153-S004 (formerly A14-0153-S001)	ASA	25,945	
47.RD		Argil Inc	AGR 10/21/15	ASA	52,207	
47.RD		Arizona State University	12728, 14528, KMS005111-0/SUB/S15UR008, KMS0051-11-69, KMS0051-11-69/F14UR006/F201, KMS0051-11-69/F14UR007/F201, KMS00511170, KMS0051-11-70/S15UR004, KMS0051-11-70/S15UR007/S201, KMS00511170/SUB/S15UR010, KMS0051-11-71/SUB/V15UR001, KMS0051-11-71/SUB/V15UR002, KMS0051-11-71/SUB/V15UR003, KMS0051-11-71/SUB/V15UR004, KMS00511171/V15UR011/V2015u, KMS0051-11-71/V15UR016, KMS0051-11-72/F15UR006/F201, KMS0051-11-72/F15UR013/F201, KMS00511172/F15UR020/F2015u, KMS0051-11-72/F15UR023/#201, KMS0051-11-72/F15UR028/F201, KMS0051-11-72/SUB, KMS0051-11-72/SUB/F15UR012, KMS0051-11-72/SUB/F15UR024, KMS00511172SUBF15UR026F2015, KMS0051-11-73/S16UR007/S201, KMS00511173/S16UR013/S2016, KMS0051-11-73/SUB/S16UR009, KMS0051-11-73/SUB/S16UR010, KMS0051-11-74/SUB/V16UR010, KMS0051-11-74/SUB/V16UR012, v2016gp0002/V16CC002/HRD-11	UAA	159,426	
47.RD		Associated Universities Incorporated	LTR DTD 0104133	UAA	19,872	
47.RD	Association of Universities for Research in Astronomy, Incorporated		LTR DTD 082415, LTR DTD 092815, C22026SB, N10008C-A, N67816C/AST1421197, N69767CN	UAA	1,152,083	
47.RD		Aural Analytics LLC	2015-01	ASA	99,286	
47.RD		Bethel University	LTR DTD 042313	UAA	12,638	
47.RD		Biosensing Instrument	13013179	ASA	265,853	
47.RD		Brigham Young University	15-0429	NAA	8,218	

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47.RD		California State Los Angeles University Auxiliary Services, Incorporated	UA230956	UAA	42,358	
47.RD		Carnegie Mellon University	1122080-345894	ASA	38,317	
47.RD		Clarkson University	378-40650-2/IIP1068055	UAA	16,138	
47.RD		Clemson University	1858-206-2011314	ASA	1,522	
47.RD		Colorado State University	G-37052-1	ASA	170,372	
47.RD		Colorado State University	G-96460-3	NAA	19,105	
47.RD		Colorado State University	G-00973-3/1444758, G-14888-1, G190161, G30628, G-96702-3/DRL-1543228	UAA	205,988	
47.RD		Columbia University	34(GG009393), 34(GG009393-01)	ASA	24,762	
47.RD		Computing Research Association	Postdoc001	ASA	197,225	34,732
47.RD		Concord Consortium	268.01.01	ASA	54,973	
47.RD		Consortium for Ocean Leadership	BA-98	NAA	20,352	
47.RD		Cornell University	44771-8944	ASA	175,247	
47.RD		Dine College	244-J5H6-6410	NAA	10,699	
47.RD		Duke University	333-1140, Ltr 08/20/15	ASA	34,700	
47.RD		EPV Sensors LLC	IIP-1521481	UAA	59,030	
47.RD		George Washington University	15-S17/1565273	UAA	24,174	
47.RD		Georgia Institute of Technology	RG758-G1	ASA	111,368	
47.RD		Hauptman-Woodward Medical Research Institute	UBSXLpi6200	ASA	4,316	
47.RD		Indiana University	BL-4848800-ASU	ASA	23,170	
47.RD		Indiana University	BL-4812502-UA/ACI-1445604	UAA	147,162	
47.RD		Inston Inc.	1430815	UAA	39,130	
47.RD		Inter-American Institute for Global Change Research (Brazil)	CRN3056/GEO-1128040, SGP-CRA #005, TISGPDS2014	UAA	113,807	22,763
47.RD		Iowa State University	420-21-52A	NAA	16,676	
47.RD		Iowa State University	420-61-73A/IOS-1444806	UAA	8,856	
47.RD		iWalk	N/A	NAA	78,442	
47.RD		Johns Hopkins University	131221	UAA	34,997	
47.RD		Maricopa Community Colleges	DUE 1103080	ASA	97,810	
47.RD		Marquette University	IIS-1427399	ASA	65,074	
47.RD		Massachusetts Institute of Technology (MIT)	5710003737	ASA	83,104	
47.RD		Massachusetts Institute of Technology	5710003679	UAA	241,880	
47.RD		Michigan State University	RC104177ASU	ASA	150,588	
47.RD		Michigan State University	RC101209UA, RC104426UA/DRL-1316235	UAA	104,957	
47.RD		Michigan Technological University	111009022	NAA	36,070	
47.RD		NAS-National Academy of Sciences	2000004243, 2000005674	ASA	65,467	
47.RD		National Center for Atmospheric Research (NCAR)	Z14-12900	ASA	101,020	
47.RD		National Radio Astronomy Observatory	SOSPA2007347025, SOSPA2008, SOSPA2012 347023, SOSPA2013347041	UAA	48,375	
47.RD		National Writing Project	09-AZ04-NSF2013	ASA	10,749	
47.RD		New York Botanical Gardens	NYBG-1206197-13-ASU	ASA	9,781	
47.RD		New York University	F7480-01	ASA	37,171	
47.RD		North Carolina State University	2009-2719-04	ASA	484,454	
47.RD		North Carolina State University	2009271903, 2009271905, 2009271910	UAA	123,296	
47.RD		Northern Arizona University	LOU 1002736-01	ASA	46,192	
47.RD		Ohio State University	60041489-ASU	ASA	20,248	
47.RD		Pennsylvania State University	5225-ASU-NSF-7193	ASA	44,098	
47.RD		PixelEXX Systems Inc	FP00000409	ASA	30,458	
47.RD		Princeton University	SUB0000009	UAA	394,170	186,181
47.RD		Raytheon: BBN Technologies Corp	14564	ASA	5,944	
47.RD		Rice University	R3F80A / 1449500	ASA	427,797	
47.RD		San Francisco State University	S130006	UAA	20,931	
47.RD		South Dakota State University	3TE097	ASA	13,171	
47.RD		Stanford University	61080052-113062	ASA	7,847	
47.RD		State University of New York-Buffalo	R876181, R876181 R950225	ASA	993,751	
47.RD		Synactix Pharmaceuticals, Inc.	LTR DTD 022416	UAA	36,349	
47.RD		TF Health Corp	FP00002243	ASA	26,028	
47.RD		Texas A and M University	06-S140689/M1402943	UAA	80,625	
47.RD		Union College	46905-2	ASA	4,849	
47.RD		University of Alaska Fairbanks	UAF-15-0020	NAA	197,727	
47.RD		University of Arizona	125837, 296482	ASA	127,416	
47.RD		University of California, Berkeley	00008445, PO BB00413685	ASA	121,231	
47.RD		University of California, Berkeley	7926, 8860	UAA	36,855	
47.RD		University of California, Santa Cruz	S0184223	ASA	7,234	
47.RD		University of California, Santa Cruz	S0184090	NAA	10,645	
47.RD		University of California, Santa Cruz	S0184224/DRL-1316834	UAA	125,337	
47.RD		University of Chicago	FP048906	UAA	21,198	
47.RD		University of Florida	UFDSP0010773	ASA	29,525	
47.RD		University of Georgia	RR167-627/S000816	UAA	30,704	
47.RD		University of Illinois, Champaign/Urbana	2011-01901-01	ASA	201,921	
47.RD		University of Iowa	15230300 01	ASA	64,371	3,410
47.RD		University of Kansas	BS 15027	ASA	104,553	
47.RD		University of Maryland	Z4571002	UAA	20,001	
47.RD		University of Massachusetts	11-006642 H 00/ CMMI-102502	UAA	70,000	
47.RD		University of Michigan	3003699931	ASA	62,346	
47.RD		University of Minnesota	A003921501	ASA	83,493	
47.RD		University of Missouri	C00041922-1	UAA	372,879	
47.RD		University of Nevada, Las Vegas	OISE-0968421	NAA	10,118	
47.RD		University of Nevada, Las Vegas	15-784G-01/SES-1418923	UAA	6,232	
47.RD		University of Nevada, Reno	UNR-16-24	ASA	10,210	

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.RD		University of Nevada, Reno	113GC000078	UAA	59,938	
47.RD		University of New Hampshire	16.056	NAA	32,565	
47.RD		University of New Hampshire	12029	UAA	103,312	
47.RD		University of New Mexico	133623-8705	ASA	29,246	
47.RD		University of New Mexico	3RK06, 707699-873W, 707789-873W/PHY-1521016	UAA	47,434	
47.RD		University of North Carolina, Chapel Hill	5-37141	ASA	49,629	
47.RD		University of North Carolina, Chapel Hill	5037145/OCI-0940841	UAA	76,524	
47.RD		University of Pennsylvania	566839/10046907/15224	UAA	178,573	
47.RD		University of Pittsburgh	0049672 (0011790)	ASA	981	
47.RD		University of Rochester	416753G, 416793G	UAA	65,554	
47.RD		University of South Florida	2105-1097-00-C	ASA	60,612	
47.RD		University of Southern California	50709031, Y83120	ASA	72,014	
47.RD		University of Southern California	34208415, 63786856	UAA	6,972	
47.RD		University of Texas, Austin	UTA15-000881	ASA	50,069	
47.RD		University of Tulsa	14-2-1206467-94802	ASA	13,809	
47.RD		University of Virginia	GA11032 147225	ASA	81,721	
47.RD		University of Washington	759474	ASA	7,097	
47.RD		University of Washington	748104, UWSC8681/BPO9922	UAA	91,891	
47.RD		University of Wisconsin	553K626	ASA	97,824	
47.RD		University of Wisconsin, Madison	576K413	ASA	60,013	
47.RD		Utah State University	140343-00002-109	UAA	17,506	
47.RD		Vanderbilt University	2253-016732	ASA	91,640	
47.RD		Vanderbilt University	3831-019899/CNS-1521617	UAA	6,995	
47.RD		Woods Hole Oceanographic Institution	A101284/80426200	UAA	56,753	
47.RD		Woods Hole Research Center	WHRC-NG0451-02	NAA	81,783	
	National Science Foundation Subtotal				<u>123,320,532</u>	<u>16,255,303</u>
	Small Business Administration					
59.RD	R&D Program			ASA	18,939	
	Small Business Administration Subtotal				<u>18,939</u>	<u>-</u>
	Smithsonian Institution					
60.RD	Smithsonian Astrophysical Observatory			UAA	1,097,954	
	Smithsonian Institution Subtotal				<u>1,097,954</u>	<u>-</u>
	Department of Veterans Affairs					
64.RD	Department of Veterans Affairs			ASA	97,154	
64.RD	Department of Veterans Affairs			UAA	219,212	
	Department of Veterans Affairs Subtotal				<u>316,366</u>	<u>-</u>
	Environmental Protection Agency					
66.RD	Environmental Protection Agency			UAA	233,209	20,426
66.RD	Office of Research and Development (ORD)			ASA	1,320,261	976,754
66.RD		Border Environmental Cooperation Commission	TAA15-034	ASA	34,265	
66.RD		University of Colorado, Boulder	1552026	ASA	84,122	
	Environmental Protection Agency Subtotal				<u>1,671,857</u>	<u>997,180</u>
	Department of Energy					
81.RD	Department of Energy			ASA	14,917,169	3,910,642
81.RD	Department of Energy			NAA	762,916	104,320
81.RD	Department of Energy			UAA	5,252,435	1,348,470
81.RD	National Nuclear Security Administration			UAA	522,158	112,443
81.RD	Western Area Power Administration			UAA	307	
81.RD		Aerodyne Research Inc.	ARI 11129-1	ASA	48,513	
81.RD		Allegheny Science And Technology	DOE0638-1022-05	ASA	82,392	
81.RD		Alliance for Sustainable Energy, LLC	XXL32345202	UAA	148,147	
81.RD		Applied Materials	ASU20131001	ASA	163,097	
81.RD		Arizona Commerce Authority	IAMG-14-03, IAMG-15-03	UAA	157,213	
81.RD		Arizona State University	14551	UAA	150,955	
81.RD		Battelle Memorial Institute, Pacific Northwest National Lab	278049	ASA	19,182	
81.RD		Brookhaven National Laboratory	101340, 107946, 270278, 270594, 270595, 281707, 281864, 307405, 307422, 74201, US ATLAS Scholars Program	UAA	882,877	
81.RD		Colorado School of Mines	400612	ASA	226,725	
81.RD		Consolidated Nuclear Security, LLC	45300096451	UAA	18,114	
81.RD		Fermi National Accelerator Laboratory	625615	UAA	68,346	
81.RD		Harvard University	167895-5086585	ASA	72,869	
81.RD		Harvard University	#1237565052017	UAA	56,373	22,594
81.RD		Intel Corporation	CW 20006804	ASA	33,268	
81.RD		Lawrence Berkeley National Laboratory	7076948	UAA	146,865	
81.RD		Lawrence Livermore National Laboratory	B608929	UAA	103,223	
81.RD		Lawrence Livermore National Security, LLC.	B163250, B599675	UAA	55,579	
81.RD		Massachusetts Institute of Technology (MIT)	5710004025	ASA	105,034	
81.RD		Mississippi State University	#3881436296401	UAA	29,132	
81.RD		Montana State University	G138-15-W5072	ASA	171,172	

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
81.RD		National Renewable Energy Laboratory	AFC-3-23035-01, AFC-3-23003-01, AEV-5-52005-01	NAA	62,128	
81.RD		National Security Technologies, LLC	169559/DE-AC52-06NA25946	UAA	15,673	
81.RD		National Security Technologies, LLC	180963	UAA	11,254	
81.RD		Navajo Technical College	AGR 4/6/12	ASA	7,461	
81.RD		North Carolina State University	2014-0654-61	ASA	479,672	
81.RD		NP Photonics, Incorporated	DE-SC0015250	UAA	18,240	
81.RD		Physics, Materials and Applied Mathematics Research, LLC	8042-S1/DE-SC0004311	UAA	71,387	
81.RD		Radiation Detection and Imaging Technologies	RDI-ASU 1 2016	ASA	2,884	
81.RD		Radiation Monitoring Devices Inc.	C14-04	ASA	11,506	
81.RD		Sandia National Laboratories	1163638, 1163638/1377633, 1163638/1399016, 1163638/1484400, 1163638/1486548, 1246768, 1597057	UAA	271,524	
81.RD		Sharp Laboratories of America, Incorporated	SLA465UA, SLA465UA/DE-AR0000465	UAA	277,567	
81.RD		SolarReserve, LLC	UA-2016-1/DE-EE0007113	UAA	76,103	
81.RD		SolarWorld Americas Inc	AGMT 04/01/15	ASA	101,920	
81.RD		Stanford University	60220589-51077-O, 60962302-51077, 60962304-51077	ASA	471,080	62,179
81.RD		Structured Materials Industries, Inc.	42040-022216-01	ASA	28,293	
81.RD		Technic Inc	1	ASA	165,934	
81.RD		Texas Engineering Experiment Station	B6705	ASA	2,655	
81.RD		The Donald Danforth Plant Science Center	22815-A	UAA	775,679	
81.RD		University of Arizona	72284	ASA	12,865	
81.RD		University of California, Los Angeles	0159 G TA069	ASA	34,103	
81.RD		University of California, Riverside	S-000683	ASA	185,424	
81.RD		University of California, Santa Barbara	KK1423	ASA	220,613	
81.RD		University of Florida	UFOER00010112	ASA	72,350	
81.RD		University of Illinois, Champaign/Urbana	2015-06605-09	ASA	128,491	
81.RD		University of Maryland, College Park	35155-Q0665001	ASA	93,529	
81.RD		University of Michigan	3002937712	UAA	276,476	
81.RD		University of Oklahoma	2015-46	NAA	163,925	
81.RD		University of Wyoming	1000749	ASA	23,035	
81.RD		Western Research Institute	ASU14-628	ASA	165,430	
Department of Energy Subtotal					28,421,262	5,560,648
Department of Education						
84.RD	Department of Education			NAA	309,272	44,707
84.RD	Institute of Education Sciences			ASA	2,076,834	
84.RD	Office of Innovation and Improvement			ASA	97,709	
84.RD	Office of Postsecondary Education			ASA	973,898	
84.RD	Office of Special Education and Rehabilitative Services			ASA	722,369	125,393
84.RD	United States Department of Education			UAA	1,509,758	165,832
84.RD	Arizona Board of Regents			ITAQ013	2,826	
84.RD	Arizona Department of Education			16-02-ED	144,692	
84.RD	Arizona Department of Education			11-32-ED	199,286	
84.RD	Blackwater Community School			14040921	34,946	
84.RD	Center for Applied Special Technology			AZ080115-20	178,223	
84.RD	Florida State University			R01582	178,902	
84.RD	Georgia State University			SP00010919-04	5,274	
84.RD	Georgia State University			SP00010919-01	309,152	
84.RD	NORC at the University of Chicago			5898-ASU	16,569	
84.RD	Northern Arizona University			LOU 1002479-01	111,249	
84.RD	Northern Arizona University			1002362-02/ITQ014	69,606	
84.RD	Ohio State University			60023887	351,778	
84.RD	Rutgers University			4934, 5428	47,713	
84.RD	Sunnyside Unified School District			D132174	83,814	
84.RD	Texas A and M University			02-S140268	141,320	
84.RD	University of California, Los Angeles			0875 G TB 882	39,838	
84.RD	University of Kansas			FY2015-107	19,528	
84.RD	University of Oregon			224061A	775,283	5,000
84.RD	University of Tennessee			A12-0612-S002	2,829	
84.RD	University of Texas, El Paso			226150813A-01/2014054634	96,227	
84.RD	WESTED			s00027249.0	13,572	
Department of Education Subtotal					8,512,467	340,932
Morris K. Udall Foundation						
85.RD	Smithsonian Institution			ASA	7,927	
85.RD	Scholarship Foundations			UAA	235,631	
Morris K. Udall Foundation Subtotal					243,558	-
National Archives & Records Administration						
89.RD	Pacific Northwest National Laboratory		275925	UAA	70,289	
National Archives & Records Administration Subtotal					70,289	-
Department of Health and Human Services						
93.RD	Administration for Children and Families			ASA	275,087	
93.RD	Administration for Children and Families			UAA	161,487	
93.RD	Administration for Community Living			UAA	539,510	
93.RD	Agency for Healthcare Research and Quality			ASA	441,369	120,624

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD	Agency for Healthcare Research and Quality			UAA	448,302	40,893
93.RD	Centers for Disease Control and Prevention			ASA	16,749	
93.RD	Centers for Disease Control and Prevention			UAA	521,054	
93.RD	Department of Health and Human Services			ASA	23,264	
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	2,245,142	116,552
93.RD	Food and Drug Administration			UAA	243,006	
93.RD	Health Resources and Services Administration			ASA	303,380	103,167
93.RD	Health Resources and Services Administration			UAA	1,107,540	265,062
93.RD	National Cancer Institute			UAA	15,182,645	1,119,728
93.RD	National Center for Chronic Disease Prevention and Health Promotion			UAA	1,257,367	255,252
93.RD	National Center for Complementary and Integrative Health			UAA	136,964	22,054
93.RD	National Eye Institute			UAA	994,388	
93.RD	National Heart, Lung, and Blood Institute			UAA	14,923,240	1,749,456
93.RD	National Institute for Occupational Safety and Health			UAA	113,194	
93.RD	National Institute of Allergy and Infectious Disease			UAA	7,475,665	1,155,372
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	2,361,069	892,214
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	3,178,859	218,869
93.RD	National Institute of Dental and Craniofacial Research			UAA	639,288	71,081
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	3,748,813	469,618
93.RD	National Institute of General Medical Sciences			UAA	6,024,668	341,315
93.RD	National Institute of Environmental Health Sciences			UAA	5,076,349	143,075
93.RD	National Institute of Mental Health			UAA	1,079,940	92,107
93.RD	National Library of Medicine			UAA	166,003	
93.RD	National Institute of Neurological Disorders and Stroke			UAA	4,009,140	200,389
93.RD	National Institute of Nursing Research			UAA	313,473	
93.RD	National Institutes of Health			ASA	34,960,581	5,611,323
93.RD	National Institutes of Health			NAA	3,814,924	450,150
93.RD	National Institutes of Health			UAA	1,548,362	
93.RD	National Institute on Aging			UAA	3,200,296	1,047,303
93.RD	National Institute on Alcohol Abuse and Alcoholism			UAA	43,414	37,903
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	2,260,794	96,461
93.RD	National Institute on Drug Abuse			UAA	1,750,905	128,233
93.RD	National Institute on Minority Health and Health Disparities			UAA	1,185,385	176,368
93.RD	Substance Abuse and Mental Health Services Administration			ASA	316,162	
93.RD	United States Department of Health and Human Services			UAA	565,543	
93.RD		Abt Associates	44956	UAA	31,075	
93.RD		Alaska Community Action	NIEHS ROL NAU	NAA	32,332	
93.RD		Albert Einstein College of Medicine	31550C/P01GM068036, 31574C, 31599C	UAA	415,672	
93.RD		American Lung Association	LTR DTD 111009	UAA	4,129	
93.RD		Arizona Cancer Therapeutics LLC	LTR DTD 112213	UAA	286	
93.RD		Arizona Department of Health Services	15-077418, ADHS14-071013	ASA	280,000	
93.RD		Arizona Department of Health Services	ADHS13-033569, ADHS13-036542, ADHS16-105306, ADHS16-117348, ADHS16-122850, ADHS16-130922/1UE2EH001316-, ADHS16-133480, HS160052	UAA	324,236	
93.RD		Arizona State University	11588, 12-756, 15-595, 15600, 15-748, 16-918, LOU 13-141	UAA	354,018	
93.RD		Association of Public Health Labs	16-.019	NAA	17,970	
93.RD		Banner Health	LMS 5000-02-43071, LMS 0432-02-29901	ASA	215,280	
93.RD		Banner Health Research Institute	LMS 0432-02-45527	ASA	36,605	
93.RD		Banner Health System	4350244244, LMS 0432-02-29908/2P30AG019, LMS 0432-02-51997, LMS 432-02-29905, LMS#0432-02-29907	UAA	211,754	
93.RD		Banner Sun Health Research Institute	5U24NS072026-05ASUWalker, FP00005583	ASA	109,958	
93.RD		BARDA Biomedical Advanced Research and Development Authority	Unknown	ASA	3,140,546	1,584,223
93.RD		Barrow Neurological Institute of St. Joseph's Hospital	1032238-ASU	ASA	77,576	
93.RD		Baylor College of Medicine	102156086, 102177061 / 5601178247	ASA	12,325	
93.RD		Baylor College of Medicine	102125536, 102159790, 7000000042	UAA	77,818	
93.RD		Benaroya Research Institute at Virginia Mason	FY15109808	ASA	54,017	
93.RD		Biopico System	Agr 6/24/14	ASA	9,581	
93.RD		Biosensics, LLC	LTR DTD 021616, LTR DTD 092313, LTR DTD 092512	UAA	2,990	
93.RD		Biosensing Instrument	FP00001155	ASA	113,714	
93.RD		Biospyder Technologies, Inc	R43CA187787	UAA	3,886	
93.RD		Blackrock Microsystems	5R43NS082038-02	ASA	67,595	
93.RD		Boston University	4500001792/5U54EB015403-04	UAA	143,951	
93.RD		Brigham and Women's Hospital	110009	UAA	8,590	
93.RD		Carnegie Mellon University	#1090324267420	UAA	105,472	
93.RD		Claremont Graduate University	KR-2220-02	ASA	37,656	
93.RD		Cedars-Sinai	1173298	UAA	497,290	
93.RD		Children's Hospital Los Angeles	P2015-0084	UAA	14,003	

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93.RD		Children's Hospital of Philadelphia	FP00015221_SUB19_01/U10C A1, AALL1131, FP00013013_SUB164_01, FP00013087_SUB193_01/9500, FP00013087, SUB193_01/950008	UAA	91,412	
93.RD		Cincinnati Children's Hospital Medical Center	109363, 131950, 134377, 135878	UAA	320,423	
93.RD		Clemson University	1731-209-2010186	UAA	196,070	
93.RD		Cleveland Clinic	657-SUB	UAA	36,677	
93.RD		Columbia University	GG007541	ASA	186,928	
93.RD		Columbia University	1 (GG011896-07), 9(GG00690034)	UAA	306,927	
93.RD		Community Partnership of Southern Arizona	LOA1301	UAA	2,778	
93.RD		Cornell University	7382910473	UAA	25,324	
93.RD		Dartmouth College	R803	ASA	55,433	
93.RD		Duke University	2034100	ASA	64,088	
93.RD		Duke University	161411/187937, 2031897, 2032594, 2033407, 2034692, 2034695, 2034698, 2034892, 3035292	UAA	1,094,237	
93.RD		Eden Medical, Incorporated	5R4308372-03	UAA	19,156	
93.RD		Electrical Geodesics Inc	77598-02AU	ASA	37,627	
93.RD		Emory University	T459374, T186690	ASA	313,688	
93.RD		Emory University	T237846, T472566, T573541	UAA	179,044	
93.RD		Engineering Arts	11028738-01	ASA	58,117	
93.RD		Florida State University	R01783, R01716, R01741	ASA	68,632	
93.RD		Florida Atlantic University	RJ87	NAA	62,673	
93.RD		Fox Chase Chemical Diversity Center, Incorporated	1R43A104121-UAZ	UAA	49,440	
93.RD		Fred Hutchinson Cancer Research	834509	ASA	52,996	
93.RD		George Mason University	E2027501	ASA	78,509	
93.RD		Georgetown University	410049_GR409744-ASU AWD-4422-010	ASA	4,201	
93.RD		Georgetown University	410701_GR409442-UA/PP-44420	UAA	93,963	
93.RD		Georgia Regents University	29975-2, 30841-1	UAA	370,348	
93.RD		Georgia State University	SP00011274-01	ASA	15,688	
93.RD		Giner, Incorporated	GI 2089, GI 2095, R44DK070400 (GI2063)	UAA	471,122	
93.RD		H. Lee Moffitt Cancer Center and Research Institute	10-16830-01-G2, 10-16830-01-G2, 10-16830-99-G2	ASA	136,179	
93.RD		Hawaii Pacific University	ASU-232710	ASA	6,699	
93.RD		Health Research, Incorporated	4760-03, 5194-01	UAA	54,280	
93.RD		Indiana University	BL4624905UA, IN4687706UA, IN4687713UA, IN4687741UA	UAA	159,788	
93.RD		Inter Tribal Council of Arizona, Incorporated	U261IHS0077	UAA	118,943	
93.RD		Jaeb Center for Health Research	278/U10EY14231, U10EY11751	UAA	5,479	
93.RD		Johns Hopkins University	2002818820, 2000945897, 200255171, 2002168219, 2002524919	ASA	123,450	
93.RD		Johns Hopkins University	2001532544, 2002592139, 2002901275	UAA	144,652	
93.RD		Kaiser Permanente	KR100302/NW14Lind-01, KR100302/NW14NLind-01	ASA	68,050	
93.RD		Kaiser Permanente	1474-01, OOS100263-AZ	UAA	33,115	
93.RD		Kitware Inc.	K000786-00-S01	ASA	39,609	
93.RD		Mad Pow Media Solutions LLC	12-1R41MD008832-01	ASA	9,860	
93.RD		March of Dimes National Foundation	LTR DTD 6/16/16	UAA	55,400	
93.RD		Maricopa County Department of Public Health	C-86-16-013-3-01	ASA	41,722	
93.RD		Massachusetts General Hospital	225183/HHSF223201400115C	UAA	7,403	
93.RD		Mayo Clinic Scottsdale	63226610	ASA	293,785	
93.RD		Mayo Foundation for Medical Education and Research (Mayo Clinic)	63384145/U01EB017185-01, 63851291/5U54CA153605, ARI-193301-1	UAA	227,564	
93.RD		Medical University of South Carolina	MUSC14-045	UAA	36,859	
93.RD		Mercy Health	FD005476-1220-03	ASA	30,271	
93.RD		Michigan State University	RC100146ASU	ASA	13,795	
93.RD		Michigan State University	RC105782UAZ	UAA	14,343	
93.RD		Midwestern University	31-1009-7116-5674	UAA	8,713	
93.RD		National Association of Hispanic Nurses	FP2321	ASA	18,006	
93.RD		National Jewish Health	20102201	UAA	94,642	
93.RD		National Marrow Donor Program	TC85/BMT CTN 0702/1 U01 HL6	UAA	1,991	
93.RD		Native American Connections Administration	14092525	ASA	45,531	
93.RD		Native Americans for Community Action	N/A	NAA	58,493	
93.RD		New Jersey Institute of Technology	(NP) 996287/PO P1608204	ASA	16,649	
93.RD		New York University	F4330-01	ASA	27,102	
93.RD		New York University	F6906-01	UAA	5,093	
93.RD		North Carolina State University	2014-1146-01/1R21EY022174-0	UAA	13,541	
93.RD		Northern Arizona University	1002020-01, 1002447-01, 1002796-01	UAA	418,720	
93.RD		Northwestern University	60036404UA, 60042208 UAZ	UAA	23,982	

See accompanying notes to schedule.

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		NRG Oncology	Alberts - NCORP-02, GOG225-02, UofA - Yr.1	UAA	321,386	
93.RD		Nuvox Pharma, LLC	HHSN26820140045C	UAA	8,776	
93.RD		Ohio State University	60045178, RF01347752 / 7R01EY02090104	UAA	100,654	
93.RD		Ohio State University Research Foundation	60049781	ASA	8,013	
93.RD		Oregon Health and Science University	AHPSM0020 ASU	ASA	138	
93.RD		Oregon Health and Science University	1002195_UArizona/R01AI02164, 1002304_UAZ, 1005019_UAZ, CA-32102	UAA	176,430	
93.RD		Oregon Research Institute	LTR DTD 9/17/12, R01AA019671	UAA	54,044	
93.RD		Pennsylvania State University	4899-ASU-DHHS-9245, 5332-ASU-DHHS-6799, 5350-ASU-DHHS-4618, 4125-ASU-DHHS-2336, 5291-ASU-DHHS-3210	ASA	229,221	
93.RD		Pennsylvania State University	UAZ HL098115/5 U10 HL098115, UAZHL098115, UAZHL098115-Biorepository	UAA	487,861	
93.RD		PHS: Public Health Service	Unknown	ASA	47,699	
93.RD		Pima County Health Department	CT-HD-1600000000000000142/	UAA	413	
93.RD		Radiation Effects Research Foundation (Japan)	HHSN272200900059C	UAA	28,816	
93.RD		RAND	9920150101	ASA	42,363	
93.RD		Research Foundation of CUNY	41893-A	ASA	18,012	
93.RD		Research Technologies, Incorporated	1312021284450815L, 888151629/1312021525152512L	UAA	29,929	
93.RD		Rhode Island Hospital	7137063	UAA	61,427	
93.RD		RTI International	14312021340552125L	UAA	302,968	
93.RD		Rutgers University	4699	ASA	140,101	
93.RD		Salish Kootenai College	24-185-NRH14-NAU	NAA	103,982	1,311
93.RD		Saint Joseph's Hospital and Medical Center	CA21661	UAA	4,233	
93.RD		Scripps Research Institute	5-52452	UAA	195,141	
93.RD		Seattle Children's Hospital	2556-0-SVC	UAA	332	
93.RD		Sonoran Biosciences	FP00001197	ASA	16,478	
93.RD		Southern Research Institute	S15-110	UAA	153,776	
93.RD		SRI International	157-000022	UAA	35,167	
93.RD		Stanford University	60079485-49929-A, 60545380-108731	ASA	75,692	
93.RD		Stanford University	2650584050957A, 61123652-118332	UAA	243,844	
93.RD		State of Nevada: Aging and Disability Services Division	18-040-45-AX-15	ASA	9,672	
93.RD		State University of New York Research Foundation	69131	UAA	217,733	
93.RD		Stony Brook University	1124940-3-71475	UAA	211,207	
93.RD		Symic Biomedical, Inc	R44DK100156	UAA	40,948	
93.RD		Techshot Incorporated	LTR DTD 2/25/14	UAA	80,663	
93.RD		Temple University	255781	ASA	50,985	
93.RD		Temple University	P0142554/360848-05440-02	UAA	26,807	
93.RD		TERROS, Inc.	Agr 1.22.2014	ASA	86,589	
93.RD		Texas A and M University	S130230	ASA	1,224	
93.RD		TF Health Corp	13043798, 13043968, FP00003452, 14010042	ASA	116,096	
93.RD		TGEN	Barker-14-01	NAA	2,144	
93.RD		The Center for Comprehensive Care and Diagnosis of Inherited Blood Disorders	CIBDIX2014HRSA-AZHSC	UAA	35,360	
93.RD		The EMMES Corporation, LLC	U01CA121947	UAA	138,202	
93.RD		Thermosolv LLC	T2015-0001-00	ASA	15,130	
93.RD		Translational Genomics Research Institute	HUENTELMAN-14-01/R01 AG0489	UAA	246,889	
93.RD		Tulane University	TULHSC51713/14	UAA	31,808	
93.RD		Universidad Peruana Cayetano Heredia (Peru)	LTR DTD 4/12/16	UAA	10,000	
93.RD		University of Alabama Birmingham	000504344-001	ASA	4,191	
93.RD		University of Alaska	Unknown	NAA	38,496	
93.RD		University of Arizona	LOA300664, Y553673, PO 152300, PO 294145, PO 263928	ASA	508,054	
93.RD		University of Arizona	311281, Y562157, 289030	NAA	172,411	
93.RD		University of Arizona, Cancer Center	Y603256	ASA	34,122	
93.RD		University of California, Davis	201119895-02, 201300787-02	ASA	35,337	
93.RD		University of California, Davis	20122469302, 20130349501, 201303496-02/1R56A1107263	UAA	222,253	
93.RD		University of California, Irvine	2015-3292, 2014-3042	ASA	26,497	
93.RD		University of California, Los Angeles	1920 G TA046	ASA	5,400	
93.RD		University of California, Los Angeles	1215 G SA079, 1568 G TA550, 1930 G TA355, 2000GPM600, 5415-S-PA036	UAA	341,342	
93.RD		University of California, San Diego	35792869, PO#S9000222, 46752897, PO S9000562, PO 10312411, Subaward 48948979, PO S9000537, 41775499, PO S9000364	ASA	104,788	
93.RD		University of California, San Diego	53237874/5P01HL098053-05	UAA	789	

See accompanying notes to schedule.

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		University of California, San Francisco	9193sc	ASA	11,563	
93.RD		University of California, San Francisco	7853SC, 8060sc, 8736SC, 8841sc	UAA	574,292	
93.RD		University of Chicago	FP059782	UAA	28,171	
93.RD		University of Cincinnati	006883/5U01NS069763-04, 006883-012	UAA	176,239	
93.RD		University of Colorado Denver	FY12.583.001 U AZ, FY16.784.005	UAA	86,919	
93.RD		University of Florida	UFDSP00010218, UFDSP00010733	UAA	160,540	
93.RD		University of Georgia	RR093-398/S000823	UAA	55,866	
93.RD		University of Hawaii	AGR 11/14/14	ASA	3,949	
93.RD		University of Houston	R-13-0079, R-14-0021	ASA	140,343	
93.RD		University of Illinois	5P50CA106743-10	UAA	2,493	
93.RD		University of Illinois, Champaign/Urbana	2013-01309-01 (AA438), 2013-03955-01	ASA	51,774	
93.RD		University of Illinois at Chicago	2010-07207-03-00/5P01HL09, 2012-04562-03-01, 2013-00537 01-00	UAA	361,390	
93.RD		University of Maryland	105992001	UAA	27,116	
93.RD		University of Miami	665563	UAA	12,736	
93.RD		University of Michigan	3001679277, 3003747895	ASA	13,207	
93.RD		University of Michigan	3001413084-PNT, 3002111999-SHN, 5000002949/SUBK00004101-ESE, 50000029493000691503RPPT, 50000029493001300049Pill, SUBK00002379-ATACHII, U10CA32102	UAA	150,653	26,817
93.RD		University of Minnesota	P004058501, P005498901	UAA	67,321	
93.RD		University of Mississippi Medical Center	66102700414-04UAZ, 66550021116	UAA	64,889	
93.RD		University of Missouri - Columbia	C00041867-1/1R01DE23342-01A	UAA	52,713	
93.RD		University of Nebraska	36-5360-2141-110	UAA	517	
93.RD		University of New Mexico	3RJ33	ASA	199,301	
93.RD		University of North Carolina, Chapel Hill	5039052	ASA	19,459	
93.RD		University of North Texas, Health Science Center	RN0127-2015-0147	ASA	126,806	
93.RD		University of Pennsylvania	556407/10026872/14419/00	ASA	139,922	
93.RD		University of Pittsburgh	0032637 (124146-1), 0030277 (122728-2), 0039039 (124354-1), 0024527 (120649-1)	ASA	989,053	440,347
93.RD		University of Pittsburgh	0016570-1, 0029465-1, 0036811 (123875-1), 0040478(124095-1), 9012438(127100-1)	UAA	163,966	
93.RD		University of South Carolina	13-2384, 14-2557	ASA	25,977	
93.RD		University of South Florida	6405-1056-10-A	NAA	25,776	
93.RD		University of Southern California	65320775	ASA	70,347	
93.RD		University of Southern California	H48494, P2015-0084	UAA	105,000	
93.RD		University of Texas, Austin	UTA12-000966, UTA13-000382	ASA	134,407	
93.RD		University of Texas, Dallas	111105	ASA	16,924	
93.RD		University of Texas, Dallas	1402244/R01GM102575	UAA	16,810	
93.RD		University of Texas, El Paso	2261411700-02	ASA	22,462	
93.RD		University of Texas, El Paso	22614117006	UAA	31,124	
93.RD		University of Texas, Health Science Center at Houston	000855IF	ASA	1,126	
93.RD		University of Texas Health Science Center at Houston	0010610H, 0010667A/UWSC8078	UAA	492,235	
93.RD		University of Texas, Health Science Center at San Antonio	156634	ASA	47,807	
93.RD		University of Utah	10019799-02, 10029580/2T42OH008414, 10036512-02	UAA	144,406	10,391
93.RD		University of Washington	761790, BPO4344/UWSC7538, UWSC7322/T570202, UWSC8146/5R01HD080670-02/ B	UAA	580,385	
93.RD		University of Wisconsin-Madison	552K672	UAA	9,825	
93.RD		Valley Fever Solutions, Incorporated	U01AH12406	UAA	63,222	
93.RD		Vanderbilt University Medical Center	53495	ASA	70,944	
93.RD		Vanderbilt University Medical Center	VUMC38448	UAA	51,926	
93.RD		Viamet Pharmaceuticals, Incorporated	LTR DTD 80614	UAA	59,111	
93.RD		Virgin Instruments	4596 subaward 01	ASA	23,628	
93.RD		Virobay Incorporated	1921/1R41CA192455-01R	UAA	34,748	
93.RD		Washington State University	116801 G003463	NAA	16,561	
93.RD		Washington University in St. Louis	WU-14-388	ASA	277,802	
93.RD		Washington University in St. Louis	WU-13-186, WU-15-404	UAA	127,720	
93.RD		Wayne State University	WSU16074	UAA	17,962	
93.RD		Yale University	A07593M10A10552, M15A11796 (A09585)	UAA	15,944	
93.RD		Zero To Three	2015040073A01	ASA	42,481	

Department of Health and Human Services Subtotal

147,572,747 16,987,658

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2016

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
94.RD	<u>Corporation for National and Community Service</u> Corporation for National and Community Service			ASA	57,154	
	Corporation for National and Community Service Subtotal				<u>57,154</u>	<u>-</u>
96.RD	<u>Social Security Administration</u> Social Security Administration Subtotal	Boston College	5002099-51	ASA	38,842	3,169
					<u>38,842</u>	<u>3,169</u>
97.RD	<u>Department of Homeland Security</u> Department of Homeland Security			ASA	3,131,268	
97.RD	Department of Homeland Security			NAA	564,399	176,315
97.RD	Federal Emergency Management Agency			UAA	867,385	158,718
97.RD	United States Department of Homeland Security			UAA	1,536,672	544,022
97.RD		Purdue University	4112-52886	ASA	103,222	
97.RD		Stanford University	60187534-103160-A/HSHQDC	UAA	161,556	
97.RD		University of Maryland	Z9373009	UAA	49,422	
	Department of Homeland Security Subtotal				<u>6,413,924</u>	<u>879,055</u>
98.RD	<u>Agency for International Development</u> United States Agency for International Development			ASA	2,999,546	487,214
98.RD	United States Agency for International Development			UAA	593,382	51,601
98.RD		Auburn University	14-AGR-368044-UA	UAA	40,454	
98.RD		CNFA	EEM-A-00-04-00002-ASU-01	ASA	112,670	
98.RD		Colorado State University	G-9650-30	ASA	26,559	25,340
98.RD		Deloitte Limited	AGR 08/14/15	ASA	334,816	
98.RD		International Research and Exchanges Board (IREX)	FY14-YALI-ASU-01	ASA	58,341	
98.RD		La Fundacion Nacional para el Desarrollo	FP00000663	ASA	187	
98.RD		National University of Sciences and Technology	MOA 8/31/15	ASA	58,382	
98.RD		Purdue University	206766	UAA	17,120	
98.RD		University of California, Davis	016258-131	UAA	10,471	
98.RD		University of Engineering and Technology Peshawar	MOA 8/31/15	ASA	61,464	
98.RD		Virginia Polytechnic Institute and State University	42597619101	UAA	2,868	
	Agency for International Development Subtotal				<u>4,316,260</u>	<u>564,155</u>
	Total Research and Development Cluster				<u>488,593,468</u>	<u>68,928,285</u>
	Total Expenditures of Federal Awards				<u>\$ 15,955,835,657</u>	<u>\$ 1,622,452,043</u>

State of Arizona

Notes to schedule of expenditures of federal awards

Year ended June 30, 2016

Note 1 - Significant accounting policies

Basis of Presentation—The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, except for the Thunderbird School of Global Management and the ASU Preparatory Academy, Inc.

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, 2016; 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 expended by the State of Arizona, the following policies have been adopted:

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

Indirect Costs—State agencies negotiate and manage their own indirect cost rates. State agencies that use the 10 percent de minimis cost rate are the Arizona Cotton Research and Protection Council, the Arizona Criminal Justice Commission, the Arizona Early Childhood Development and Health Board, and the Arizona Office of the Secretary of State.

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 *2016 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 Uniform Guidance, 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, 2016

Note 4 - Loan programs

Student Loan Programs

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

Loan Program	CFDA Number	Loan balances outstanding at June 30, 2016
Education and Human Resources	47.076	\$ 154,070
ARRA—Trans-NSF Recovery Act Research Support	47.082	335,253
Federal Perkins Loan Program—Federal Capital Contributions	84.038	26,809,637
Nursing Faculty Loan Program (NFLP)	93.264	6,501,073
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	2,411,190
Nursing Student Loans	93.364	902,230
ARRA—Nurse Faculty Loan Program	93.408	351,000

Note 5 - Food commodities

Food commodities received by the State are disbursed through distributing agencies. Such commodities are included in the definition of federal awards when distributed and, accordingly, are included in the amounts presented in the schedule. The State’s food commodity distributions during fiscal year 2016 totaled \$49,218,008 and the amounts, by CFDA number, are presented as follows:

CFDA Number	Program Title	Amount
10.555	National School Lunch Program	\$32,641,334
10.565	Commodity Supplemental Food Program	3,074,594
10.569	Emergency Food Assistance Program (Food Commodities)	13,502,080

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 \$2,119,998 for the year ended June 30, 2016.

Note 7 - Immunization cooperative agreements

The Immunization Cooperative Agreements (CFDA number 93.268) expenditures of \$100,710,525 include \$95,987,944 worth of vaccines. Vaccines administered by the Department of Health Services are included in the definition of federal awards and, accordingly, are included in the amount presented in the schedule.

State of Arizona
Notes to schedule of expenditures of federal awards
Year ended June 30, 2016

Note 8 - Unemployment insurance (CFDA No. 17.225)

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

The amount presented in the schedule consists of the following:

Regular Unemployment Compensation (UC) Benefits	\$288,656,205
Federal Additional Compensation (FAC) Recoupment	(1,890,375)
Unemployment Compensation for Federal Employees	2,753,349
Unemployment Compensation for Ex-Service Members	1,752,375
Administrative Costs	<u>38,501,287</u>
Total Expenditures	<u>\$329,772,841</u>

Note 9 - Contingent liabilities

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

Appendix

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State of Arizona
State of Arizona agency codes
Year ended June 30, 2016

Agency Code

ADA
 AEA
 AGA
 AHA
 ASA
 BNA
 BRA
 CAA
 CCA
 CDA
 CHA
 CRA
 DCA
 DEA
 DJA
 DTA
 EDA
 EVA
 FOA
 GFA
 GHA
 GSA
 GVA
 HCA
 HDA
 HLA
 HSA
 ICA
 IDA
 JCA
 LLA
 MAA
 MIA
 NAA
 PRA
 PSA
 SBA
 SDA
 SPA
 STA
 UAA
 VSA
 WFA

Agency

Arizona Department of Administration
 Arizona Radiation Regulatory Agency
 Arizona Attorney General
 Arizona Department of Agriculture
 Arizona State University
 Arizona State Board of Nursing
 Arizona Board of Regents
 Arizona Commerce Authority
 Arizona Corporation Commission
 Arizona Early Childhood Development and Health Board
 Arizona Department of Child Safety
 Arizona Cotton Research and Protection Council
 Arizona Department of Corrections
 Arizona Department of Economic Security
 Arizona Department of Juvenile Corrections
 Arizona Department of Transportation
 Arizona Department of Education
 Arizona Department of Environmental Quality
 Arizona Department of Forestry and Fire Management
 Arizona Game and Fish Department
 Arizona Governor's Office of Highway Safety
 The Arizona Geological Survey
 Office of the Arizona Governor
 Arizona Health Care Cost Containment System
 Arizona Department of Housing
 Arizona Department of Homeland Security
 Arizona Department of Health Services
 Industrial Commission of Arizona
 Arizona Department of Insurance
 Arizona Criminal Justice Commission
 Arizona Department of Liquor Licenses and Control
 Arizona Department of Emergency and Military Affairs
 Arizona State Mine Inspector
 Northern Arizona University
 Arizona State Parks
 Arizona Department of Public Safety
 State of Arizona Office of Pest Management
 Arizona State Schools for the Deaf and the Blind
 Arizona Supreme Court
 Arizona Secretary of State
 University of Arizona
 Arizona Department of Veterans' Services
 Water Infrastructure Finance Authority of Arizona

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STATE RESPONSE



Douglas A. Ducey
Governor

Craig C. Brown
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL ACCOUNTING OFFICE

100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007

Phone: (602) 542-5601 • Fax: (602) 542-5749

June 30, 2017

Debbie Davenport
Auditor General
2910 N. 44th St., Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying corrective action plan and summary schedule of prior audit findings as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Specifically, for each finding we are providing you with the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date. In addition, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

We appreciate the cooperation and professionalism of your staff in the performance of their audit responsibilities. If you have any questions, please contact me at 602-542-5405.

Sincerely,

D. Clark Partridge
State Comptroller

State of Arizona
Corrective action plan
Year ended June 30, 2016

Financial statement findings

2016-01

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

Agency: Department of Administration

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

Anticipated completion date: Unknown

Agency's response: Concur

Timeliness is still an issue. The FY16 State of Arizona Comprehensive Annual Financial Report (CAFR) was impeded due to delay in various agencies submitting their financial information and the implementation of the State's new accounting system. 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 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.

2016-02

The Department of Insurance should improve its workers' compensation claim management process over insolvent insurance carriers

Agency: Department of Insurance

Names of contact persons and titles: Leslie Hess, Interim Director of Insurance

Scott Greenberg, Assistant Deputy Director

Michael Surguine, Executive Director/Guaranty Funds

Eugene Glover, Chief Information Officer

Anticipated completion date: October 31, 2017

Agency's response: Concur

The Department of Insurance (ADOI) and the Arizona Property and Casualty Insurance Guaranty Fund (APCIGF), which is organized within ADOI pursuant to A.R.S. §20-662(A) concur with the Auditor General's finding.

By way of background, the APCIGF became responsible for insolvent-insurer workers' compensation claims on June 1, 2015, when it assumed the responsibility from the Industrial Commission of Arizona. Since that time, the APCIGF Executive Director and Claims Manager recognized the need to migrate and store the workers' compensation claims data onto its own system but encountered barriers to implementation related to staffing resources, volume of claim files and computer upgrades required. The APCIGF and ADOI will expedite this effort in order to address this claim management process financial statement finding.

Corrective action planned: In order to address this financial statement finding, the APCIGF and ADOI will take the following actions:

State of Arizona

Corrective action plan

Year ended June 30, 2016

1. Arrange to have workers' compensation open claims data migrated onto the APCIGF claim database. The ADOI will work with Lightspeed Data Systems, APCIGF's claims software vendor, to migrate the workers' compensation open claims data to the APCIGF's claims database.
2. As new workers' compensation claims are opened, claims will be created on the APCIGF database. APCIGF will implement a process for obtaining and storing new claim data it obtains from the National Conference of Insurance Guaranty Funds' database or from insolvent insurer databases as appropriate.
3. APCIGF will implement a process to routinely update its own workers' compensation claims database in order to verify accuracy of claim payment amounts and recipients with respect to claims handled by APCIGF's contracted third party claim administrator.
4. APCIGF staff will upload claims data into the APCIGF database, and will upload claim file documents in an electronic document management system hosted by ICM Document Solutions. APCIGF will index documents uploaded to ICM with unique identifiers and other attributes that will connect each document to the corresponding claims data in the APCIGF database, and that will facilitate document location and records management.
5. In order to implement the foregoing steps, the ADOI may need to upgrade APCIGF's server. Any upgrades necessary will be accomplished by September 30, 2017.

Despite the complexities involved, APCIGF and ADOI recognize the need to and importance of having workers' compensation claims data available in our claims database, and to implement a process that improves internal controls over claim payments. We are committed toward promptly accomplishing that goal.

2016-03

State agencies should improve their risk-assessment process to include information technology security

Agency: Department of Administration

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

Anticipated completion date: August 31, 2017

Agency's response: Concur

The State is aggressively working to correct all issues related to the access of its IT resources. State-wide risk-assessment processes will be expanded to include IT security. Each agency has developed a detailed corrective action plan to address this finding.

2016-04

State agencies should improve access controls over their information technology resources

Agency: Department of Administration

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

Anticipated completion date: Unknown

Agency's response: Concur

The State is aggressively working to correct all issues related to the access of its IT resources. IT systems access is of the upmost importance to the State. Policy and procedures have been developed or are being developed to address any gaps and assure only appropriate access is granted to accounts. Each agency has developed a detailed corrective action plan to address this finding.

State of Arizona
Corrective action plan
Year ended June 30, 2016

2016-05

State agencies should improve their configuration management processes over their information technology resources

Agency: Department of Administration

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

Anticipated completion date: July 31, 2017

Agency's response: Concur

The State is aggressively working to correct all issues related to the access of its IT resources. Policy and procedures have been developed or are being developed to address any gaps in the States' IT configuration management processes. Each agency has developed a detailed corrective action plan to address this finding.

2016-06

State agencies should improve security over their information technology resources

Agency: Department of Administration

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

Anticipated completion date: Unknown

Agency's response: Concur

The State is aggressively working to correct all issues related to the access of its IT resources. Policy and procedures have been developed or are being developed to address any lingering gaps related to IT security. Each agency has developed a detailed corrective action plan to address this finding.

2016-07

State agencies should improve their contingency planning procedures for their information technology resources

Agency: Department of Administration

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

Anticipated completion date: Unknown

Agency's response: Concur

The State corrected some of these issues and continues to pursue appropriate corrective actions on the remaining gaps. Each agency has developed a detailed corrective action plan to address this finding.

State of Arizona
Corrective action plan
Year ended June 30, 2016

2016-08

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

Agency: Department of Administration

Name of contact person and title: Gary Hensley, Chief Operating Officer

Anticipated completion date: February 1, 2017

Agency's response: Concur

ADOA has developed 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 have also worked with the agencies to get them executed. This was fully implemented February 1, 2017.

2016-09

The Department of Administration's State Procurement Office should strengthen its policies and procedures over monitoring its contract with its ProcureAZ vendor

Agency: Department of Administration

Name of contact person and title: Ashoke Seth, State Procurement Officer

Anticipated completion date: Unknown

Agency's response: Concur

The State will evaluate and address any gaps that are related to the State's procurement system for current and future implementation.

2016-10

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

Agency's response: Concur

The Department of Revenue 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.

State of Arizona
Corrective action plan
Year ended June 30, 2016

Federal award findings and questioned costs

2016-101

CFDA number and name: Not applicable
Agency: Department of Administration
Name of contact person and title: Clark Partridge, State Comptroller
Anticipated completion date: 2018
Agency's response: Concur

The FY16 State of Arizona Single Audit Reporting Package is expected to be completed in June 2017. The Single Audit Reporting Package is dependent upon the completion of the State's Comprehensive Annual Financial Report (CAFR). The CAFR was delayed several months due to the implementation of the State's new accounting system. The State will develop a plan to complete the FY17 Single Audit timely.

2016-102

CFDA number and name: Not applicable
Agency: Department of Administration
Name of contact person and title: Clark Partridge, State Comptroller
Anticipated completion date: Unknown
Agency's response: Concur

While we have policy and guidance, we will review and strengthen as appropriate to help ensure agencies reconcile and record their federal expenditures properly.

2016-103

CFDA numbers and names: Various
Agency: Department of Administration
Name of contact person and title: Clark Partridge, State Comptroller
Anticipated completion date: Unknown
Agency's response: Concur

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 U.S. Department of Health and Human Services, Cost Allocation Services (DHHS-CAS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the 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 that the number of fund transfers required by legislation have diminished significantly.

State of Arizona
Corrective action plan
Year ended June 30, 2016

2016-104

CFDA number and name: 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: October 30, 2017

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and will implement the recommendations. Analysis of the budgeted administrative costs showed that these calculations were performed incorrectly and once Health and Nutrition was notified of the error, the particular spreadsheet used to perform the calculations was corrected. According to the Associate Superintendent for Health and Nutrition, the new application and renewal application are now calculating the administrative costs correctly and the internal reporting of the administrative costs also has been updated with the new calculation. Additionally, Sponsor/Provider agreements are being updated by the sponsoring organizations. Sponsors will receive training in June 2017 and will submit the updated agreements as part of their renewal packet. All new applicants (providers) will use the state agency approved agreement and all current providers will be allowed to sign an addendum to be attached to their current permanent agreement. ADE will collect all updated agreements to ensure providers are aware of all regulatory rights and responsibilities.

2016-105

Special Education Cluster (IDEA)

CFDA numbers and names: 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: June 30, 2017

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with the finding and will implement the recommendation. Exceptional Student Services (ESS) is currently in the process of revising policies and procedures regarding grant monies to ensure they are in accordance with 34 CFR §§300.705(a)-(b), 300.815, and 300.816. Additionally, ESS is currently in the process of recalculating the base payment amounts beginning as far back as student information in Student Accountability Information System (SAIS) will allow (2003). This recalculation will bring all Local Education Agencies (LEAs) whole through adjustments to the entitled amounts completed in fiscal year 2018.

Additionally, ESS is revising its policies and procedures to reflect three major changes in how the base allocations are generated. First, ESS will utilize the October Special Education Census for its mechanism to track students movement over fiscal years. This contrasts the current process of using the grant application as a user input in retrieving this information. Second, ESS will generate a base allocation for entities in the first year that they provide services to any students with a disability. Currently, ESS generates an allocation only when an LEA requests it regardless if they were providing services. Finally, base allocations will be adjusted through the appropriate tracking of students and their October Special Education Census count for that year to determine the amount of base allocation moving. Many entities in the current process would not receive any base allocation as they were interpreted to be ineligible due to the fact they did not exist in 1998 (611) or 1996 (619).

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Year ended June 30, 2016

2016-106

Special Education Cluster (IDEA)

CFDA numbers and names: 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: June 30, 2017

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and will implement the recommendation. Specifically, Exceptional Student Services (ESS), with Grants Management, is currently modifying and streamlining the Maintenance of Effort (MoE) testing. Part of this modification is ensuring that LEAs will be provided the opportunity to process through all four tests in accordance with 34 CFR §300.203(a). Additionally, policies and procedures are being revised since the resources and staffing that calculated MoE has been restructured underneath Grants Management as part of the grant approval process.

Currently, ADE is only processing two tests which use an aggregate of state & local funds spent on special education students. The revised policies and procedures will allow users to submit a value indicating local only SPED expenditures. This value will let ADE fully test MoE with all four testing mechanics if a user indicates they wish to provide the local only value.

2016-107

Child Nutrition Cluster

CFDA numbers and names: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children

Agency: Department of Education

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

Anticipated completion date: December 31, 2017

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and will implement the recommendations. Specifically, the current CNP Web system training for staff, which takes place annually, will be enhanced to include a review of the specific After School Care Snack Program guidance and eligibility determination process. Additionally, the training will be conducted twice each year instead of annually.

Further, the CNP Web system that houses the subrecipient application information and payment information will be modified to provide a new label for the section used to make eligibility determination/calculation for the snacks' reimbursement. This change was prompted by this audit finding as the current label/text for the section used to make eligibility determinations/calculations for the snacks' reimbursement was inadvertently misleading to staff.

State of Arizona

Corrective action plan

Year ended June 30, 2016

In addition, ADE has implemented an additional review procedure which will serve as a secondary assurance that eligibility approvals for the snack reimbursements will be appropriately applied. Specifically, a CNP Web site application query of program approvals (section 10) and eligibility data (section 6) will be conducted in the second quarter of each program year and it has been designed to reveal if any approvals of reimbursement rates for the After School Care Snack Program have been made incorrectly.

2016-108

Special Education Cluster (IDEA)

CFDA numbers and names: 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: June 30, 2017

Agency's response: Concur

The Associate Superintendent of Highly Effective Schools along with the Deputy Associate Superintendent of Exceptional Student Services will comply with conflict-of-interest rules, law, and regulations, and help ensure that federal awards are made in accordance with its policies and procedures. As such, the Arizona Department of Education (ADE) is requiring an annual submission of disclosure forms and updates to disclosure forms as any potential conflicts of interest arise. To avoid making award and compliance decisions that involve entities for which conflicts of interest exist or may exist, any contracted partners or partners under an Interagency Service Agreement, including the SELECT program, will no longer pay additional SELECT program monies or other ESS funds, to any ADE staff member, including facilitating SELECT courses or other contracted or agreed upon external training or services.

2016-109

CFDA number and name: 84.048 Career and Technical Education—Basic Grants to States

Agency: Department of Education

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

Anticipated completion date: June 30, 2017

Agency's response: Concur

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:

- 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.
- ADE requires all staff 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. Staff must submit these forms 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.

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- 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 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.

2016-110

CFDA number and name: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Agency: Department of Health Services
Name of contact person and title: Cindy L. Smith, Assistant Director/CFO
Anticipated completion date: September 2017
Agency's response: Concur

To ensure the Department of Health Services complies with subrecipient-monitoring requirements, we will update subaward documents in FFY2018 (effective October 1, 2017) to ensure that they include all the requirements outlined in 2 CFR §200.331(a) prior to making additional federal awards.

2016-111

TANF Cluster
CFDA number and name: 93.558 Temporary Assistance for Needy Families
Agency: Department of Child Safety
Name of contact person and title: Barbara Corella, Chief Procurement Officer
Anticipated completion date: July 31, 2017
Agency's response: Concur

Previous contracts solicited and awarded by the Arizona Department of Economic Security (DES) used a form which the vendor filled out to affirm their status. When the Department of Child Safety (Department) split from DES, those contracts were still in effect and that affirmation was still valid. Since that time, the Department has started to solicit new contracts and this form was not included in the template. Because the debarment status had previously been affirmed by the vendor there was no standard process to use the SAMS website for validation.

As part of the standard work for awarding contracts, the SAMS website will be used to validate the debarment and suspension status of awardees. The standard contract award process and checklist will be developed and deployed within the Office of Procurement.

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Corrective action plan

Year ended June 30, 2016

2016-112

CFDA number and name: 93.658 Foster Care—Title IV-E

Agency: Department of Child Safety

Name of contact person and title: Arianna Robinson, Administrator, Office of Licensing and Regulation

Anticipated completion date: December 31, 2017

Agency's response: Concur

It is recognized that during the period under the audit, the Department of Child Safety (Department) lacked adequate documentation that Central Registry checks were conducted timely on two employees in group homes. As part of the audit, the Department conducted Central Registry checks on these employees and no employees were known to the Central Registry system, meaning none had a substantiated child abuse or neglect report.

The Department plans to replace the manual process by submitting a written form for a Central Registry background check for each newly hired group home employee to an electronic submittal process for requesting a Central Registry background check. The electronic transmittal process will facilitate better recordkeeping on part of the Department and the group home provider.

The Department is currently implementing a process to review current records of all group home employees' who provide direct care to children to ensure the information is up to date. Communication will occur with Payment Processing Unit to communicate any potential programs with maintenance payments.

2016-113

CFDA number and name: 93.658 Foster Care—Title IV-E

CFDA number and name: 93.659 Adoption Assistance

Agency: Department of Child Safety

Name of contact person and title: Sandra Milosavljevic, Comptroller

Anticipated completion date: June 30, 2017

Agency's response: Concur

The reporting period in question is the first reporting period of the new financial system and the first reporting that required use of the newly setup chart of accounts. The Department was in the process of establishing new queries and proper reporting tools. This was also the time when separation of the Department officially started and the first independent reporting. With little to no institutional knowledge, the Department did its best to report as accurately as possible. The errors were corrected in January 2017. The Department established a new unit for managing Grants revenue, expenditure, and reporting, and in December hired an experienced manager to review and approve financial reporting.

The Department has developed a desk procedure on PMS Grant's inquiry for reporting the reconciliation which was approved on May 19, 2017. A Quarterly review of CB-496 with the grants manager was implemented in January 2017. A desk procedure on CB-496 reporting protocols and a cross training of Grants staff on the CB-496 reporting is in process.

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Corrective action plan

Year ended June 30, 2016

2016-114

CFDA number and name: 93.659 Adoption Assistance
Agency: Department of Child Safety
Name of contact person and title: Sandra Milosavljevic, Comptroller
Anticipated completion date: July 31, 2017
Agency's response: Concur

The Department established a new Grants, Cost and Reporting Unit in April 2016 to deal with all grant revenue, expenditure, and reporting. In the process of establishing the unit, knowledge transfer, and hiring new staff, the cash management function was not reconciled timely to address this issue. This has since been corrected, and internal controls established, to avoid future cash management errors. The Department, at the time, had an excessive negative balance on the Federal draw for FY15 due to the negative AFIS conversion impact on the FY15 state fund that had to be corrected by appropriation transfers. With time needed for appropriation transfer and first new AFIS yearend closure, it took additional time to reconcile and reduce the draw, which was done in August 2016. In December 2016, the Department hired an experienced manager to review and approve federal cash draws.

Full cash to expenditure reconciliation inception to end of FY16 was completed in August 2016. Federal cash draw process flow charts were approved and implemented in September 2016. Monthly cash/expenditure reconciliation was implemented in January 2017. A desk procedure on Federal cash draw process was approved on July 25, 2016 and revised on April 18, 2017. The Department has developed a desk procedure on Payment Management System's (PMS) Grants inquiry for reporting and reconciliation purpose was approved on May 19, 2017. AFIS System driven federal grants draw setup and processing is in process. State and federal fund balance monthly reporting is also in process.

2016-115

CFDA number and name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Agency: Department of Economic Security
Name of contact person and title: Kristen Mackey, RSA Administrator
Anticipated completion date: September 1, 2017
Agency's response: Concur

RSA will continue to monitor eligibility compliance timeliness. Specifically, RSA will:

- Perform management reviews of eligibility compliance statistics on a weekly basis.
- Develop an eligibility compliance data tool to review eligibility compliance at both a regional and office level.
- 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%. Staff not meeting compliance standards will be required to retake the course.
- Include a performance measure on the supervisor and counselor performance management tool 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 the required client signature.

State of Arizona

Corrective action plan

Year ended June 30, 2016

2016-116

CFDA number and name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, RSA Administrator

Anticipated completion date: June 30, 2018

Agency's response: Concur

- Separate budgets have been set up in AFIS, earmarking 15% of the State's VR 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 are identified and tracked separately to meet the threshold.
- DERS will prepare a monthly expenditure report to track the data pertaining to pre-employment transition services. This information will be shared with DES leadership at monthly budget review meetings.
- RSA will continue to monitor field staff time records to ensure appropriate time charging, with separate function codes when conducting pre-employment transition services for clients and potentially eligible clients.
- RSA will develop workshop curriculum and train VR staff to provide the curriculum to potentially eligible students.
- RSA will develop a scope of work and solicit vendors to provide pre-employment transition services to eligible and potentially eligible students.

2016-117

CFDA number and name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, RSA Administrator

Anticipated completion date: September 1, 2017

Agency's response: Concur

RSA will continue to monitor IPE compliance. Specifically, RSA will:

- Conduct management reviews of IPE compliance statistics on a weekly basis.
- Develop an eligibility compliance data tool to review IPE compliance at both the regional and office levels.
- Provide mandatory IPE Planning and Developing training to all newly hired supervisors and counselors. The training will be followed by a mandatory IPE compliance test with a requirement to pass the test with 100%. Staff not meeting compliance standards will be required to retake the course.
- Include a performance measure on the supervisor and counselor performance management tool to track compliance and institute Performance Improvement Plans with supervisors and counselors who are not meeting the 90 day eligibility timeframe or have failed to execute a valid IPE extension with client signature.

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2016-118

CFDA number and name: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Names of contact persons and titles: Amanda Culp, BA Manager

Rosie Delgado, Business Technology Systems Manager

Vicki Ratliff, Tax Performance System Compliance Auditor

Anticipated completion dates: Various, see below

Agency's response: Concur

The programming issues that caused the ETA 227 report to be inaccurate are currently unknown. The analyst that had been investigating the report to identify and document any remaining issues left UI, and a new analyst will need to be hired and trained. The new analyst is expected to be hired during the third quarter of FFY 2017. This analyst will most likely come from outside the UI program and will have to learn all the various UI systems and the intricacies of overpayments. Once training has commenced the analyst will begin the process of identifying any issues that may exist, documenting those issues, and working toward completing programming changes. The anticipated completion date is June 30, 2018.

The programming issues that caused the ETA 581 report to be inaccurate are not known. The analysts will continue to analyze, identify, and document the circumstances creating balances that were not supported. It has been determined that accounts with timely payment(s) that contain an inaccurate receivable have liquidated quarterly wage report(s). The ETA-581 requires further analysis from 2015/Q4 (02-12-16) thru 2017/Q1 (05-12-17) to assist with identifying any other factors that may be causing the inaccurate receivable amounts. Once the data analysis has been performed and conditions identified the next phase will be to work to implement programming changes. The anticipated completion date is September 30, 2017.

2016-119

CFDA number and name: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Name of contact person and title: Sherry Seaman, Administrator

Anticipated completion date: July 31, 2017

Agency's response: Concur

Pattern of Failure: The division will initiate new procedures to address the pattern of failure. The Unemployment (UI) Policy Unit, on a weekly basis, will receive a report listing overpayments that are established as a result of Appeal Reversals and Determinations of Deputy to ascertain if the pattern of failure criteria have been applied correctly. If it is determined, based on the assessment, that the criteria were not applied correctly, an email to a UI call center supervisor will be issued, directing correction.

In addition, the pattern of failure will be established by tracking this information during the course of a twelve (12) month period of time. The criteria established to determine when an employer has an established pattern of failure is: five instances or five percent of untimely or inadequate responses over a twelve-month period. Once this criterion is met, imposition of a penalty will occur.

Denied Claims: A designated auditor, in addition to a back-up, has been assigned the primary responsibility of focusing on these case types. In addition, in order to prevent the possibility of samples not being drawn from this subset of cases, the ability to access the Department of Labor (DOL) system has been broadened

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from 1 person to 3, effective June 2017. This will ensure that the requisite cases are pulled for review by the designated Auditor(s) in the absence of the Supervisor and/or Lead Auditor.

Timeliness: As of July 2016, the BAM unit has met the timeliness requirements outlined by the DOL. The corrective measures instituted to address this shortcoming was the implementation of a supervisory review of a weekly case aging report (i.e. identifies the number of days since the sample draw) and the addition of a Lead Auditor to assist with the monitoring and assessment of case activities within the unit. The BAM arena has also developed and implemented a robust on-the job (OJT) outline that will act to ensure that new team members are provided with consistent, meaningful and timely coaching in regard to BAM requirements, including timeliness and expectations. The OJT is supplemented by specific SMART evaluation objectives, for each auditor, which outline timeframe requirements for case processing.

Supervisory Review: The BAM supervisor will augment the current case review process with a more detailed "Case Audit Checklist" in order to ensure that the necessary supporting documentation (summary of investigations) is contained within each case. Although a tool currently exists, the revised form will specifically outline the requirement for the case file to contain the report of investigation and case summary. This, in addition to the Lead Auditor who will also be tasked with case reviews, will guarantee that the appropriate information is contained within the case file.

Use of the revised document will be implemented on July 3, 2017.

2016-120

CCDF Cluster

CFDA numbers and names: 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 W. Herrera, Program Administrator

Anticipated completion date: June 30, 2017

Agency's response: Concur

As indicated in the auditor's findings, the provider who billed for hours not provided is Kids First Preschool and Child Care (P0000177901). This provider billed for a full day when, in fact, care was only provided for a half day. Consequently, we have written up an overpayment in the amount of \$7.03 which includes \$6.00 for the half day that care was not provided and an additional \$1.03 for the accreditation rate that was paid out by the Child Care Administration (CCA).

CCA was unable to obtain Sign-In/Sign-Out Records to support the amount billed by El Presidio Day School (P0001931304) due to the new director of the facility being unable to locate the records for the period in question. While CCA will continue trying to obtain the requested records from this provider, we have also written up an overpayment in the amount of \$218.16 which includes \$200.00 for 8 full days (D's) billed and \$18.16 for 1 half day (L).

CCA holds agreements with approximately 1,350 child care group homes and facilities. The child care contracts team monitors billing documents for a select group of providers on a monthly basis. The group of providers monitored includes new providers, providers who were found to have discrepancies on their

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previous billing documents, and randomly pulled providers. Additionally, the team audits child care providers' records for previously paid billing documents.

During the processing of billing documents, the payment processing unit also monitors the billing documents for common billing errors or red flag patterns and, if any errors or patterns are discovered, the billing document is referred to the assigned contract administrator. The contract administrator will then follow up with the provider and request the supporting documents and audit the billing document prior to payment.

In addition, CCA funds an investigation team positioned in the Office of the Inspector General to investigate child care providers who are believed to be engaged in fraudulent activities.

CCA will continue to educate contracted providers on the importance of proper record retention, protocols, and maintaining supporting documentation for 5 years. Furthermore, CCA will continue emphasizing the importance of ensuring that billing statements should always be based on actual child care hours provided. Such reinforcement of their contractual duties will continue to occur during regular site visits, with notices sent via email, and while addressing findings with providers during our own internal monthly desk audits.

2016-121

SNAP Cluster

CFDA numbers and names: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

CFDA number and name: 17.225 Unemployment Insurance

CFDA number and name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
TANF Cluster

CFDA number and name: 93.558 Temporary Assistance for Needy Families

CCDF Cluster

CFDA numbers and names: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

CFDA number and name: 93.658 Foster Care—Title IV-E

CFDA number and name: 93.659 Adoption Assistance

CFDA number and name: 93.667 Social Services Block Grant

Agency: Department of Economic Security

Name of contact person and title: Jeffrey Raynor, Chief Information Security Officer

Anticipated completion date: September 30, 2017

Agency's response: Concur

By September 30, 2017, the Department will have performed the following corrective actions.

The Department has an Information Systems Contingency Planning Policy that was published November 2, 2016. It is currently drafting an Information Systems Contingency Planning Procedure that is scheduled for publication by July 2017. The procedure documents the process for producing contingency plans, contingency test plans, and contingency testing. It requires plans for the common network and each critical system or application within the Department. Contingency plans will include the following elements:

State of Arizona

Corrective action plan

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- Identification of essential missions and business functions;
- Identification of the business impact during contingencies;
- Recovery objectives and priorities;
- Roles and responsibilities during the recovery process;
- Security safeguards during the contingency and recovery;
- Contingency communications and training plans;
- Contingency training;
- Contingency plan testing;
- Alternate storage sites;
- Alternate processing sites;
- Telecommunications services during the contingency;
- Information system backups; and
- Information system recovery.

The Department uses a commercial data center which holds Tier III, ACPA SOC 1, SOC 2, and ISO 27001 certifications. It has several redundant systems for resiliency and recovery. Extensive redundant systems exist for power and network access. The Department equipment common to its systems are all redundant. The calculated risk for data center system failure is low. The Department will implement an alternate site for the Active Directory services in the Azure cloud by August 2017. The Department is evaluating several potential recovery sites.

The Department has purchased a state-of-the-art virtual backup solution for distributed and network storage. The mainframe computer is replicated at an offsite location on another mainframe.

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:

2016-122

Highway Planning and Construction Cluster

CFDA numbers and names: 20.205 Highway Planning and Construction
20.219 Recreational Trails Program

Agency: Department of Transportation

Name of contact person and title: Tim Newton, Controller

Anticipated completion date: September 30, 2017

Agency's response: Concur

The Arizona Department of Transportation (ADOT) concurs with the finding and will address the concerns by September 30, 2017 by:

- Meeting with the contract awarding groups within the agency to discuss the unique identifier to be used.
- Establishing the language to be used in the contracts to ensure that all the elements of 2 CFR Part 200, Subpart D are addressed.
- Have the legal department review and approve the contract changes.

State of Arizona

Corrective action plan

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- Implement the new contract language by September 30, 2017.

2016-123

Highway Planning and Construction Cluster

CFDA numbers and names: 20.205 Highway Planning and Construction

20.219 Recreational Trails Program

Agency: Department of Transportation

Name of contact person and title: Tim Newton, Controller

Anticipated completion date: July 1, 2017

Agency's response: Concur

The Arizona Department of Transportation (ADOT) concurs with the finding and will address the concerns by July 1, 2017 by:

- Establishing new chart of accounts (COA) elements for pass through payments.
- Work with entities that will need to change the Purchase Order information to reflect the new COA and train AP on any necessary changes to watch for on those POs that cannot be changed.
- Identify the payments made in FY17 and record expenditure corrections on them so that they will be correctly captured in the FY17 SEFA.

2016-124

CFDA number and name: 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: June 30, 2017

Agency's response: Concur

Management of Arizona Health Care Cost Containment System concurs with the finding. To ensure individuals who turn 19 are transitioned out of the KidsCare category timely, AHCCCS has implemented two system enhancements to support the automatic transfer out of the KidsCare program and redetermination of eligibility in the month following the youth's 19th birthday. The initial enhancement implementing an automated age-out job was implemented at the end of 2014. A further enhancement was identified for scenarios when the ageout month and the renewal month coincide. A system change was implemented at the end of March 2016 that changed the order of the automated jobs and runs the age-out job before the renewal job to prevent a pending renewal from extending eligibility in the wrong category. To identify and correct records that were processed before this date or that failed to transition timely for any reason, an ad hoc report and manual reconciliation process was implemented in October 2016 to identify records with members in an age-limited category past the month they aged out. Once identified, the reported records are distributed to the appropriate staff at each agency to redetermine eligibility or make corrections to the date of birth as needed. Increasing the number of staff working the report will expedite the process and reduce backlogs.

State of Arizona
Corrective action plan
Year ended June 30, 2016

2016-125

CFDA number and name: 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: June 30, 2017

Agency's response: Concur

Management of Arizona Health Care Cost Containment System concurs with the finding. If followed, AHCCCS' established policies and procedures for record corrections would have prevented this error. The staff member was counseled in October 2016 regarding the error and its potential impacts to the customer and the agency. This worker was given additional training on processing multiple ID and overlaid eligibility corrections in the PMMIS database in October 2016, and was on 100% QA review to monitor work quality for three months and intermittent review afterward with no further error occurrences. We also continue to work on system enhancements to reduce or eliminate root causes of multiple IDs and overlays that necessitate manual record corrections. We have implemented several system edits and validations in 2016 that prevent system users (both customers and staff) from accidentally creating new unique ID numbers for someone already known to the system, as well as restricting the number and types of users that can change certain demographic data. DES and AHCCCS continue to address these potential issues in a dedicated workgroup to reduce and clean-up multiple unique person IDs.

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State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2016

Status of financial statement findings

2015-01

The Arizona Department of Administration should prepare financial statements in a timely manner
Status: Not corrected

Timeliness is still an issue. The FY16 State of Arizona Comprehensive Annual Financial Report (CAFR) was impeded due to delay in various agencies submitting their financial information and the implementation of the State's new accounting system. 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 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 still no specific provisions in the law for actions that may be taken to enforce such compliance.

2015-02

The State of Arizona should strengthen its internal control policies and procedures and system controls over its ProcureAZ purchasing system
Status: Not corrected

The State corrected some of these issues and continues to pursue appropriate corrective actions on the remaining issues. Additionally, the State has awarded a contract for the implementation of a new procurement system, which is scheduled to be implemented by June 2018.

2015-03

The Department of Administration should improve security over its information technology resources
Status: Not corrected

The Department of Administration (ADOA) has recently begun implementing a Security Information and Event Management service and an Enterprise Directory Services solution duplicated that will be utilized by all 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 solutions are enterprise class solutions and ADOA is a pilot agency. These solutions were fully implemented within our department December 31, 2016.

2015-04

The Department of Administration should improve access controls over its information technology resources
Status: Not corrected

The Department of Administration has recently begun implementing a Security Information and Event Management service and an Enterprise Directory Services solution that will be utilized by all 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

State of Arizona

Summary schedule of prior audit findings

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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 June 30, 2017.

2015-05

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

Status: Not corrected

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. This was fully implemented February 1, 2017.

2015-06

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

Status: Fully corrected

2015-07

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

Status: Partially corrected

ADOA GAO issued an updated policy on June 1, 2017 related to conflict of interest that is consistent with State law.

2015-08

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

Status: Not corrected

This finding has been fully remediated as of January 2017.

2015-09

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

Status: Partially corrected

This finding has been fully remediated as of January 2017.

State of Arizona

Summary schedule of prior audit findings

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2015-10

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

Status: Partially corrected

The Department has continued to expand its manual procedures over this process however, to fully remediate this finding the Department must expand its current IT functionality. The Department is currently exploring automation tools to fully remediate this finding.

2015-11

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

Status: Partially corrected

Reason for finding's recurrence: Since the department has not formally conducted business impact analysis and not yet fully documented and tested each component of its contingency strategy, it has received a similar finding this year with respect to contingency planning and disaster recovery. The agency has however made significant strides in implementing its contingency strategy and has dramatically reduced the risk that it will not be able to continue mission critical operations after undergoing a contingency.

Action taken to date: Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan (DRP) focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the OAG audit. The current DES Disaster Recovery Plan has been in place since 1999. There was a formal review of the Plan in 2006 and it was last updated in 2011. The last failover 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. Beginning in September 2015, the agency began the effort to move its servers, virtual infrastructure, firewalls, intrusion protection devices, mainframe computer, network devices, and Internet connections into a Tier III data center operated by a third party; this migration is nearly complete, with less than 5 non-mission-critical devices left at the old data center. The facility risk of outages is anticipated to be greatly reduced by this move.

Division of Technology Services (DTS) has made significant strides in ensuring the reliability and availability of customers' data, notably due to several 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 and one(1) in 2016 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

State of Arizona

Summary schedule of prior audit findings

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requiring off-site tape being transported and loading of databases onto disk drives for access. Our mirrored mainframe 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.

- DES Disaster Recovery test plan with testing strategies, frequencies, and results has been published.
- All Exchange (email) is now duplicated both in data and in processing capabilities.
- All production data is currently mirrored within a four hour window.

Remaining planned action:

- Perform annual test – Testing is on-going with the objective of establishing full annual DR testing.
- Implement technology appropriate to ensure continuity of operations – In FY 2018, DES will create a disaster recovery (DR) environment. Implementation and testing of this new environment will occur in FY 2018.

Revised Implementation Date: September 30, 2017

Point of Contact: Richard Glashan, 602-542-0560

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 summary schedules of prior audit findings:

2015-12

Sub-ledger reconciliations

Agency: Arizona Department of Transportation

Status: Fully corrected

2015-13

Year-end adjustments and preparation of the financial statements

Agency: Arizona Department of Transportation

Status: Fully corrected

2015-14

Improve controls over purchasing and disbursements

Agency: Arizona Health Care Cost Containment

Status: Fully corrected

State of Arizona
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2015-15

Accounting and reporting components of net position
Agency: Arizona State Lottery
Status: Fully corrected

2015-16

Regularly review third-party service reports
Agency: Arizona State Lottery
Status: Fully corrected

Status of federal award findings and questioned costs

2015-101

CFDA number and name: Not applicable
Agency: Department of Administration
Status: Not corrected

The FY16 State of Arizona Single Audit Reporting Package is expected to be completed in June 2017. 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 financial statements from various state agencies and the implementation of the State's new accounting system. The State will develop a plan to complete the Single Audit FY17 timely.

2015-102, 2014-101, 2013-102, 12-102, 11-102, 10-102

CFDA numbers and names: Various
Agency: Department of Administration
Status: Fully corrected

2015-103, 2014-102, 2013-103, 12-103, 11-103

CFDA numbers and names: Various
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 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.

State of Arizona
Summary schedule of prior audit findings
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2015-104

CFDA numbers and names: 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)
Status: Fully corrected

Agency: Arizona State University (ASU)
Status: Fully corrected

Agency: Northern Arizona University (NAU)
Status: Partially corrected

In regard to the deficiencies noted by the auditors, NAU has addressed the enrollment status changes that were inaccurately reported to the National Student Loan Data System (NSLDS) for 3 of 25 students tested.

This issue is corrected. 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 correction file to the National Student Clearinghouse (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.

This issue is partially corrected. Although we did institute our action plan for the fourth quarter for calendar year 2016 as submitted last year, we were doing so only for students who had withdrawn or graduated. Therefore, we are clarifying our action plan to the following:

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

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2016

2015-105, 2014-104, 2013-104, 12-104, 11-106, 10-108

CFDA numbers and names: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act

Agency: Department of Economic Security
Status: Partially corrected

Reason for finding's recurrence: The Vocational Rehabilitation program has made continuous improvements in the area of eligibility determination over the last two years. Eligibility determination compliance is monitored weekly and reported as a part of metrics and weekly meetings. Reasons for recurrence of this finding can be attributed to staff turnover and inability to locate and contact clients within the prescribed timeframe.

Action taken to date:

- Management staff review eligibility compliance statistics on a weekly basis.
- An eligibility compliance data tool was developed to review eligibility compliance at both the statewide and regional levels.
- Mandatory Eligibility Compliance training has been provided to all supervisors and counselors. The course is followed by a mandatory Eligibility Compliance test with a requirement to pass the test with a 100%.
- A performance measure has been included on the supervisor and counselor performance management tool to track compliance. Performance Improvement Plans will be implemented with supervisors and counselors who are not meeting the 60 day eligibility timeframe or have failed to execute a valid eligibility extension with the required client signature.
- Weekly leadership huddle meetings include a review reports related to eligibility compliance with weekly metrics.

Remaining planned action:

- Provide eligibility training to all newly hired managers, supervisors, and counselors, to be followed by a mandatory post-test to check for understanding.
- Staff who are not meeting compliance standards will be required to retake the eligibility training course.
- Develop an eligibility compliance data tool to review eligibility compliance to report at the office, supervisor, and counselor level.

Revised Implementation Date: September 1, 2017
Point of Contact: Kristen Mackey, 602-364-2907

2015-106

CFDA number and name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Agency: Department of Economic Security
Status: Partially corrected

Reason for finding's recurrence: The requirement to develop an Individualized Plan for Employment within 90 days of eligibility determination criteria was included as a new requirement with the implementation of the Workforce Innovation and Opportunity Act (WIOA) in July 2014. The Arizona Vocational Rehabilitation

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Summary schedule of prior audit findings

Year ended June 30, 2016

program previously utilized the requirement to develop an Individualized Plan for Employment within 120 days of eligibility determination. Efforts to retrain staff, develop monitoring mechanisms, and track compliance are ongoing. Reasons for the recurrence of this finding can be attributed to the implementation of a new standard due to WIOA, staff turnover, and inability to locate and engage clients within the prescribed timeframe.

Action taken to date:

- Implemented an initial action alert in the client sub system which notifies the counselor 30 days prior to the end of the 90 day timeline.
- Implemented a secondary alert which notifies staff 15 days prior to the end of the 90 day timeline.
- Implemented a MAP performance requirement related to Individualized Plan for Employment compliance.

Remaining planned action:

- Implement weekly management review of Individualized Plan for Employment compliance statistics.
- Provide mandatory Individualized Plan for Employment Planning and Developing training to all newly hired supervisors and counselors. The course will be followed by a mandatory Individualized Plan for Employment compliance test with a requirement to pass the test with 100%. Staff failing to meet compliance standards will be required to retake the course.
- Include a performance measure on the supervisor and counselor performance management tool to track compliance and institute Performance Improvement Plans with supervisors and counselors who are not meeting the 90 day eligibility timeframe or have failed to execute a valid Individualized Plan for Employment extension with the required client signature.
- Report on compliance percentage on weekly metrics and in weekly leadership huddle meeting.

Revised Implementation Date: September 1, 2017

Point of Contact: Kristen Mackey, 602-364-2907

2015-107

CFDA number and name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Status: Partially corrected

Reason for finding's recurrence: The pre-employment transition services set aside criteria was included as a new requirement with the implementation of the Workforce Innovation and Opportunity Act (WIOA) in July 2014. Efforts to implement services and tracking mechanisms are ongoing. Reasons for recurrence of this finding can be attributed to implementing a new standard due to WIOA, which required the VR program to set aside 15 percent to serve students with disabilities. Prior to the implementation of WIOA the program was not required to set aside funds to serve this specific population. The program has worked to adjust case management and fiscal systems to assist in the tracking of pre-employment transition services and associated expenditures.

Action taken to date:

- Separate budgets have been set up in AFIS, earmarking 15 percent of the State's VR 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.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2016

- DERS prepared a monthly expenditure report to track the data pertaining to pre-employment transition services. This information is shared with leadership at monthly budget review meetings.
- Implemented monitoring of field staff time records to ensure appropriate time charging with a separate function code when conducting pre-employment transition services with clients and potentially eligible clients.
- Began receiving technical assistance through the Workforce Innovation Technical Assistance Center, a federally funded grant, to continue to develop allowable service provision and budget tracking techniques.

Remaining planned action:

- Continue to prepare a monthly expenditure report to track the data pertaining to pre-employment transition services, and to provide this information to DES leadership at monthly budget review meetings.
- Continue to monitor field staff time records to ensure appropriate time charging using a separate function code when conducting pre-employment transition services with clients and potentially eligible clients.
- Develop workshop curriculum and train VR staff to provide the curriculum to potentially eligible students.
- Develop a scope of work and solicit vendors to provide pre-employment transition services to eligible and potentially eligible students.
- Develop a fiscal projection for the utilization of funds on “required” and “authorized” pre-employment transition services.

Revised Implementation Date: June 30, 2018

Point of Contact: Kristen Mackey, 602-364-2907

2015-108

CFDA number and name: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Status: Partially corrected

Reasons for finding’s recurrence:

- ETA 227—The ETA 227 report is quite complex and the assigned analyst was not able to make much headway before leaving the agency.
- ETA 227 EUC—The investigation into the ETA 227 EUC report will begin after the ETA 227 report errors are identified and corrected.
- ETA 581—(Quarter ending 03-31-15 thru present quarter ending 03-31-17) Contributory and Reimbursing Employer Receivable amounts require modification and resubmission. In addition, the ETA 581 report requires system review, data analysis, and modification to capture the accurate receivable amounts. The Business Technology Solutions (BTS) unit will continue to review the multiple universes of data (Quarter ending 03-31-15 thru present quarter ending 03-31-17) for the Contributory and Reimbursing Employer Receivable amounts. The ETA 581 requires amendment and resubmission to DOL with the adequate Contributory and Reimbursing Employer Receivable amounts. The ETA 581 requires review of the data to identify the cause of the inadequate Contributory and Reimbursable Employer Receivable amounts. Conditions are being identified as a result of reviewing the information within the Data Validation (DV) Population.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2016

Action taken through June 30, 2016:

- ETA 227—Management staff now review all ETA 227 reports and all documents prior to submission. A secondary review process for the ETA 227 report, prior to transmittal to DOL, was implemented effective January 1, 2016. The Department developed procedures to clearly identify compilation of the quarterly ETA 227 report by support staff and an independent review and approval process by upper management. An analyst researched the ETA handbook to learn about the ETA 227 report, and once an understanding of the report's intended function was gained the analyst began the investigation to identify the causes for the report's inaccuracies. This involved testing the different transactions that can impact overpayments and confirming that the changes were reflected correctly on the report.
- ETA 227 EUC—No action was taken on the ETA 227 EUC report. Investigation for this report will begin once issues with the regular ETA 227 report have been identified and corrected.
- ETA 581—In the last 12 months, the Department has identified the quarterly reports that require revision; identified the data and is providing on-the-job training to two additional analysts, which will be completed by June 30, 2016. The systems and programming department also has assisted with identifying the data by providing a snapshot in time for each report quarter. Thus far, the inadequate Receivable Amounts have been identified and analysis from reporting periods 2015/Q1 (05-12-15) to 2015/Q3 (11-24-15) has been completed. The two analysts are conducting data analysis of the UI Tax Data Validation Population 4 universe, which requires completing the review of the report quarter 2015/Q4 (02-12-16), by June 30, 2016.
- ETA 191—Fully corrected
- TAPR—Fully corrected

Remaining planned action:

- ETA 227—The programming issues that cause the ETA 227 report to be inaccurate are currently unknown. The analyst that had been investigating the report to identify and document any existing issues left UI and a new analyst will need to be hired and trained. The new analyst is expected to be hired during the third quarter of FFY 2017. This analyst will most likely come from outside the UI program and will have to learn all the various UI systems and the intricacies of overpayments. Once training has commenced the analyst will begin the process of identifying any issues that may exist, documenting those issues, and working toward completing programming changes. The anticipated completion date is June 30, 2018.
- ETA 227 EUC—The investigation for ETA 227 EUC report will begin once the ETA 227 report has been corrected.
- ETA 581—The programming issues that caused the ETA 581 report to be inaccurate are not known. The analysts will continue to analyze, identify, and document the circumstances creating balances that were not supported. It has been determined that accounts with timely payment(s) that contain an inaccurate receivable have liquidated quarterly wage report(s). The ETA-581 requires further analysis from 2015/Q4 (02-12-16) thru 2017/Q1 (05-12-17) to assist with identifying any other factors that may be causing the inaccurate receivable amounts. Once the data analysis has been performed and conditions identified the next phase will be to work to implement programming changes. The anticipated completion date is September 30, 2017.

Revised Implementation Date: June 30, 2018

Point of Contact: Amanda Culp, 602-771-8344; Rose Delgado 602-771-8303; Jacqueline Butera, 602-771-8338

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2016

2015-109

CFDA number and name: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Status: Partially corrected

Reason for finding's recurrence: The BAM Unit was experiencing major difficulties in working the sampled cases pulled each week. This is due in part to being understaffed, a lack of experienced staff, and the additional efforts required in verifying claimant work search documentation. In addition, the Department was experiencing a back log on coding the base period employer notices with the pattern of failure due to an increase in the workload.

Actions taken through 6/30/16: In order to get the Unit back on track, in February 2016 two experienced former employees were reassigned to the Unit to assist in training staff and working assigned cases from September 2015 through June 2016. Overtime hours were made available to staff and the existing staff received additional training in GUIDE, the UI Program payment system, and adjudication training; this is especially important for staff without adjudication experience. In addition, the Unit obtained a temporary clerk typist who prepared the assigned case folders for each investigator which allowed staff to focus on conducting the audit.

As of April 2016, the UI Policy Unit, on a weekly basis, receives a report listing overpayments that are established as a result of appeal reversals and determination of deputies to determine if the pattern has been applied correctly. If it is determined, based on the review, that it was not applied correctly an email to a call center supervisor is sent for correction. In June 13, 2016 the claimant and employer data screen in the Arizona Reemployment Rapid Access (ARRA) system was updated with a "Reminder: Complete A9 transaction in GUIDE to code the penalty indicator". This enhancement to the application will remind the adjudication staff as a requirement in completing a determination they must also code the pattern of failure.

Remaining planned action: The backlog of untimely cases (from July 1, 2015 to June 30, 2016) was completed on October 21, 2016. Since, July 01, 2016 the BAM Unit has been timely in completing cases. To ensure that the untimeliness of case completion does not re-occur the Supervisor reviews the weekly case aging report which identifies the number of days since the case has been sampled and will immediately address any case that is coming close to not meeting the 60 day timeliness requirement.

The pattern of failure will be tracked beginning April 2016 forward to determine an employer's twelve-month period pattern of failure. When a Determination of Deputy or an Appeal reversal creates an overpayment the pattern of failure is determined at that time. The timeframe to determine if the pattern of failure should be applied is from the established date of the overpayment going back the prior twelve month period. During that time all notices (last and base period) that were sent to the employer are used to calculate if the employer has met the five percent or five instances threshold of untimely or inadequate information. If they have met the threshold the employer is sent a notice advising them that they will be charged for the improper payments.

Revised Implementation Date: July 31, 2017

Point of Contact: Connie Chavez, 602-364-2599

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Summary schedule of prior audit findings
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2015-110

CFDA number and name: 17.225 Unemployment Insurance
Agency: Department of Economic Security
Status: Fully corrected

2015-111

CFDA number and name: 17.225 Unemployment Insurance
Agency: Department of Economic Security
Status: Fully corrected

2015-112

CFDA number and name: 93.558 Temporary Assistance for Needy Families
Agency: Department of Economic Security
Status: Fully corrected

2015-113

CFDA numbers and names: 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
Status: Fully corrected

2015-114, 2014-108

CFDA number and name: Not applicable

2013-109

CFDA numbers and names: 93.044 Special Programs for the Aging—Title III, Part B—Grants for
Supportive Services and Senior Centers
93.045 Special Programs for the Aging—Title III, Part C—Nutrition Services
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.714 ARRA – Emergency Contingency Fund for Temporary Assistance for
Needy Families (TANF) State Programs
93.563 Child Support Enforcement
93.667 Social Services Block Grant
Agency: Department of Economic Security
Status: Partially corrected

Reason for finding's recurrence: Opportunities remain to partner with department program divisions to continue to train and strengthen adherence on efficient utilization of the uniform account code structure that identifies expenditure amounts provided to subrecipients.

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Action taken to date: The Department has implemented a uniform account code structure to identify expenditure amounts provided to subrecipients. All divisions began using the new chart of account object codes on July 1, 2015. Efforts are on-going throughout the Department to revise and develop policies and procedures for subrecipient SEFA reporting.

Remining planned action: The Department's core policy team continues to address and move forward in revising and improving the agency-wide policy and procedures on expenditure amounts provided to subrecipients. Resource materials have been developed to educate and guide division programs in accurately identifying a subrecipient.

Revised Implementation Date: April 30, 2018
Point of Contact: Kim Smith, 602-364-2350

2015-115, 2014-109

CFDA numbers and names: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
17.225 Unemployment Insurance
17.258 WIA/WIOA Adult Program
17.259 WIA/WIOA Youth Activities
17.278 WIA/WIOA Dislocated Worker Formula Grants
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.563 Child Support Enforcement
93.658 Foster Care—Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
96.001 Social Security—Disability Insurance

Agency: Department of Economic Security
Status: Partially corrected

Reason for finding's recurrence: Since the department has not formally conducted business impact analysis and not yet fully documented and tested each component of its contingency strategy, it has received a similar finding this year with respect to contingency planning and disaster recovery. The agency has however made significant strides in implementing its contingency strategy and has dramatically reduced the risk that it will not be able to continue mission critical operations after undergoing a contingency.

Action taken to date: Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan (DRP) focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the OAG audit. The current DES Disaster Recovery Plan has been in place since 1999. There was a formal review of the Plan in 2006 and it was last updated in 2011. The last failover 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

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stored in a secondary secured location. Beginning in September 2015, the agency began the effort to move its servers, virtual infrastructure, firewalls, intrusion protection devices, mainframe computer, network devices, and Internet connections into a Tier III data center operated by a third party; this migration is nearly complete, with less than 5 non-mission-critical devices left at the old data center. The facility risk of outages is anticipated to be greatly reduced by this move.

Division of Technology Services (DTS) has made significant strides in ensuring the reliability and availability of customers' data, notably due to several 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 and one(1) in 2016 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 mainframe 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.
- DES Disaster Recovery test plan with testing strategies, frequencies, and results has been published.
- All Exchange (email) is now duplicated both in data and in processing capabilities.
- All production data is currently mirrored within a four hour window.

Remaining planned action:

- Perform annual test – Testing is on-going with the objective of establishing full annual DR testing.
- Implement technology appropriate to ensure continuity of operations – In FY 2018, DES will create a disaster recovery (DR) environment. Implementation and testing of this new environment will occur in FY 2018.

Revised Implementation Date: September 30, 2017

Point of Contact: Richard Glashan, 602-542-0560

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2015-116, 2014-116

CFDA numbers and names: 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 School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities—National Programs)
84.287 Twenty-First Century Community Learning Centers
84.367 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

Agency: Department of Education
Status: Fully corrected

2015-117

CFDA number and name: 10.558 Child and Adult Care Food Program
Agency: Department of Education
Status: Partially corrected

Health and Nutrition has taken the necessary actions to resolve this finding and the reason it recurred is due to the timing of the program year, which runs from October through September. The finding existed because the old applications were incorrect and didn't reflect the correct eligibility. However, all new applications have been updated by Health and Nutrition to reflect site eligibility and the USDA has approved them. Specifically, the new application clearly allows for specialists to approve or deny based on free or reduced price meal eligibility.

2015-118

CFDA numbers and names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
Agency: Department of Education
Status: Not corrected

Policies and procedures still need to be developed to ensure that the appropriate amount of program monies are allocated to each local educational agency (LEA) and because they are still not yet in place this finding has recurred. The Arizona Department of Education (ADE) Exceptional Student Services Finance Director is in the process of reviewing ADE's current policies and procedures to allocate Individuals with Disabilities Education Improvement Act (IDEA) Basic Entitlement and Preschool Entitlement funds to LEAs annually and to revise them to ensure that program monies are distributed to LEAs according to federal regulations. These revised policies and procedures will include the proper steps to ensure that the funding formula is followed as it relates to new charter schools and will also include steps to take when funds have not been accessed or needed due to a charter school closing or other eligible LEA declining the funds. ADE

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Exceptional Student Services has been working with the U.S. Department of Education on this as well by participating in regular technical assistance phone calls on these issues.

2015-119, 2014-119

CFDA numbers and names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.010 Title I Grants to Local Educational Agencies
84.184 School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities—National Programs)
84.287 Twenty-First Century Community Learning Centers
84.367 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

Agency: Department of Education
Status: Fully corrected

2015-120, 2014-111

CFDA numbers and names: 84.010 Title I Grants to Local Educational Agencies
84.287 Twenty-First Century Community Learning Centers
84.367 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

Agency: Department of Education
Status: Fully corrected

2015-121

CFDA numbers and names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.010 Title I Grants to Local Educational Agencies
84.287 Twenty-First Century Community Learning Centers
84.367 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

Agency: Department of Education
Status: Fully corrected

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2015-122, 2014-120, 2013-112, 12-115, 11-113, 10-115, 09-121, 08-115

CFDA numbers and names: 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—Basic Grants to States
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 School Safety National Activities (formerly, 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 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

Agency: Department of Education
Status: Fully corrected

2015-123, 2014-122, 2013-110

CFDA numbers and names: 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
84.391 ARRA—Special Education Grants to States, Recovery Act
84.010 Title I Grants to Local Educational Agencies
84.048 Career and Technical Education—Basic Grants to States
84.184 School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities—National Programs)
84.243 Tech-Prep Education

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84.367 Supporting Effective Instruction State Grant (formerly Improving
Teacher Quality State Grants)
84.369 Grants for State Assessments and Related Activities

Agency: Department of Education
Status: Partially corrected

While this finding has recurred due to the timing of when the improper expenditures occurred within the fiscal year, the Arizona Department of Education (ADE) has taken the action necessary to resolve the finding. 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. Additionally, in 2015, ADE required all staff in management positions and who had access to any of ADE's payments systems to 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 ADE Human Resources. 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 (CFO) 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 CFO. Also in April 2015, the Deputy Superintendent and the CFO assembled an agency wide task team which developed written guidance for managing and overseeing all aspects of federal grants. 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 number and name: 64.203 Veterans Cemetery Grants Program
Agency: Department of Veterans' Services
Status: Partially corrected

The Arizona Department of Veterans' Services (ADVS) did request and receive assurances from the Arizona Department of Administration (ADOA) that it would develop and implement effective policies and procedures to identify the contractors and subcontractors that are required to submit weekly certified payrolls timely. Since then, there has been no opportunity to receive confirmation from ADOA that the certified payrolls were received because the relevant portion of the grant program has ended. However, ADVS is aware of the importance and will ensure in the future to request periodic confirmation when applicable.

2015-125

CFDA number and name: 64.203 Veterans Cemetery Grants Program
Agency: Department of Veterans' Services
Status: Fully corrected

State of Arizona

Summary schedule of prior audit findings

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2014-103

CFDA number and name: Not applicable
Agency: Department of Administration
Status: Fully corrected

2014-112

CFDA number and name: 84.010 Title I Grants to Local Educational Agencies
Agency: Department of Education
Status: Partially corrected

The part of this corrective action plan that dealt with updating procedures has been completed but the part dealing with recalculations has not yet been completed and that is why this finding has not yet been resolved. Specifically, Title I has updated its procedures and ensured that they were followed for the FY 2016 allocations and completed in mid-December for the final allocations posted on the web site and in grants in early January. However, the U.S. Department of Education's latest program determination letter required the Arizona Department of Education to recalculate all of the allocations from the year in question and then follow through for each subsequent year in order to determine the adjustments to the amounts of funding by local educational agency to account for the approximate amount as noted. Due to the data issues we have had with the transition from the Student Accountability Information System (SAIS) to Arizona Education Data Standards (AzEDS) impacting our ability to produce FY 2017 allocations in a timely manner, along with the complexity and the need to complete the 2017-2018 allocation process to help determine the potential impacts to LEAs that may result after the recalculations across all years are completed, we have not yet completed this work. We are anticipating completing this work in early July 2017.

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

CFDA numbers and names: 84.002 Adult Education—Basic Grants to States
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 State Grants
84.386 ARRA—Education Technology State Grants, Recovery Act
84.367 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

Agency: Department of Education
Status: Fully corrected

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2014-125

CFDA number and name: 93.283 Centers for Disease Control and Prevention—Investigations and Technological Assistance

Agency: Department of Health Services

Status: Fully corrected

2014-128

CFDA number and name: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Status: Fully corrected

2014-130

CFDA number and name: 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs

Status: Partially corrected

Although the agency has made tremendous strides to remediate this finding, we had not formalized the process in 2016 which resulted in continued non-compliance. The agency will review all single audits and when necessary, develop and disseminate management decision letters and obtain corrective action plans prior to final award to the subrecipient. Documentation of this process will be maintained in all subrecipient files and the receipt of such items is now formalized as part of the subrecipient award checklist.

2013-120

CFDA number and name: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Agency: Department of Health Services

Status: Fully corrected

12-120

CFDA number and name: 12.400 Military Construction, National Guard

Agency: Department of Emergency and Military Affairs

Status: Fully corrected

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Other auditors' findings

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

2015-126

CFDA number and name: Not applicable
Agency: Department of Transportation
Status: Fully corrected

2015-127

CFDA numbers and names: 93.778 Medical Assistance Program
93.767 Children's Health Insurance Program
Agency: Arizona Health Care Cost Containment System
Status: Fully corrected

