



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

State of Arizona

Year Ended June 30, 2011



Debra K. Davenport
Auditor General

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



Copies of the Auditor General's reports are free.
You may request them by contacting us at:

Office of the Auditor General

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

Additionally, many of our reports can be found in electronic format at:

www.azauditor.gov

State of Arizona
Single Audit Reporting Package
Year Ended June 30, 2011

Table of Contents	Page
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	
Summary of Auditors' Results	57
Financial Statement Findings	59
Federal Award Findings and Questioned Costs	65
Appendix	
State of Arizona Agency Codes	119
State Responses	
Corrective Action Plan	123
Summary Schedule of Prior Audit Findings	153
Report Issued Separately	
Comprehensive Annual Financial Report	



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

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

The Honorable Janice K. Brewer, Governor
State of Arizona

The Honorable Steve Pierce, President
Arizona State Senate

The Honorable Andy Tobin, Speaker
Arizona House of Representatives

The Honorable Rebecca White Berch, Chief Justice
Arizona Supreme Court

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, 2011, which collectively comprise the State's basic financial statements, and have issued our report thereon dated February 10, 2012. Our report was modified to include a reference to our reliance on other auditors, for emphasis of matters regarding the Healthcare Group of Arizona and the Rio Nuevo Multipurpose Facilities District, and as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. We conducted our audit 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. Other auditors audited the financial statements of the Arizona Department of Transportation, the Arizona Health Care Cost Containment System, the Lottery Department, 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 discretely presented component units, as described in our report on the State's financial statements. The financial statements of the Rio Nuevo Multipurpose Facilities District, Arizona Power Authority, UA Healthcare, Inc., and the universities—affiliated component units, except for those of the University Public Schools, Inc., which were reported as discretely presented component units, were not 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

The State's management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We and the other auditors did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we and the other auditors identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 11-01 through 11-08, that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-07.

The State's responses to the findings identified in our audit are presented on pages 123 through 126. There is no response for the finding noted by the other auditors (see finding 11-08). We did not audit the State's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the members of the Arizona State Legislature, management of state agencies, others within the State, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport
Auditor General

February 10, 2012



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 with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133**

The Honorable Janice K. Brewer, Governor
State of Arizona

The Honorable Steve Pierce, President
Arizona State Senate

The Honorable Andy Tobin, Speaker
Arizona House of Representatives

The Honorable Rebecca White Berch, Chief Justice
Arizona Supreme Court

Compliance

We have audited the State of Arizona's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011, except for that portion of the federal programs administered by the Arizona Health Care Cost Containment System and the Arizona Department of Transportation. Those entities were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the compliance of those entities with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, is based solely on the reports of the other auditors. The State's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit and the reports of the other auditors.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination of the State's compliance with those requirements.

As described in the following table, the State did not comply with certain compliance requirements that are applicable to the following major federal programs. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

<u>Program Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
National Guard Military Operations and Maintenance (O&M) Projects (12.401) ARRA—National Guard Military Operations and Maintenance (O&M) Projects (12.401)	Activities Allowed or Unallowed, Allowable Costs/Cost Principles	11-129
Unemployment Insurance (17.225) ARRA—Unemployment Insurance (17.255)	Reporting, Special Test and Provisions	11-104, 11-105
Vocational Rehabilitation Cluster: Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126) ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act (84.390)	Eligibility	11-106
TANF Cluster: Temporary Assistance for Needy Families (93.558) ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (93.714)	Reporting, Subrecipient Monitoring	11-107, 11-108 11-111
Low-Income Home Energy Assistance (93.568)	Reporting	11-110, 11-111
National Bioterrorism Hospital Preparedness Program (93.889)	Cash Management, Subrecipient Monitoring	11-123, 11-126
HIV Care Formula Grants (93.917)	Level of Effort, Matching, Subrecipient Monitoring	11-127, 11-128

In our opinion, based on our audit and the reports of the other auditors, except for the noncompliance described in the preceding table, the State of Arizona complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The results of our auditing procedures and the reports of the other auditors also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and that are described in the accompanying Schedule of Findings and Questioned Costs as items 11-101, 11-102, 11-103, 11-105, 11-109, 11-111, 11-112, 11-114, 11-115, 11-117, 11-118, 11-120, 11-121, 11-122, 11-125, 11-127, 11-130, 11-131, 11-132, 11-133, 11-134, 11-135, 11-136, and 11-137.

Internal Control over Compliance

The State's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we and the reports of the other auditors identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be 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 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 11-104, 11-105, 11-106, 11-107, 11-108, 11-110, 11-111, 11-122, 11-123, 11-124, 11-125, 11-126, 11-127, 11-128, 11-129, 11-130, and 11-132 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 11-105, 11-109, 11-111, 11-113, 11-114, 11-115, 11-116, 11-117, 11-118, 11-119, 11-120, 11-121, 11-125, 11-127, 11-131, 11-133, 11-134, 11-135, 11-136, and 11-137 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State as of and for the year ended June 30, 2011, and have issued our report thereon dated February 10, 2012. Our report was modified to include a reference to our reliance on other auditors, for emphasis of matters regarding the Healthcare Group of Arizona and the Rio Nuevo Multipurpose Facilities District, and as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The State's responses to the findings identified in our audit are presented on pages 127 through 150. We did not audit the State's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the members of the Arizona State Legislature, management of state agencies, others within the State, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport
Auditor General

March 16, 2012, except for the
Schedule of Expenditures of Federal
Awards, for which the date is February 10, 2012

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
<u>PEACE CORPS</u>			
8.PC-08-8-123, PC-09-8-099	Peace Corps Coordinator	NAA	\$ 19,028
	Total Peace Corps		<u>\$ 19,028</u>
<u>DEPARTMENT OF AGRICULTURE</u>			
<u>SNAP Cluster</u>			
10.551	Supplemental Nutritional Assistance Program	DEA	\$ 1,628,508,110
10.561	ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	ASA	11,174
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DEA	42,058,616
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	HSA	8,441,129
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	UAA	4,111,153
	10.561 Subtotal		<u>54,622,072</u>
	SNAP Cluster Subtotal		<u>1,683,130,182</u>
<u>Child Nutrition Cluster</u>			
10.553	School Breakfast Program	DCA	54,421
10.553	School Breakfast Program	DJA	213,499
10.553	School Breakfast Program	EDA	65,093,285
	10.553 Subtotal		<u>65,361,205</u>
10.555	National School Lunch Program	DCA	67,316
10.555	National School Lunch Program	DJA	485,673
10.555	National School Lunch Program	EDA	254,202,436
10.555	National School Lunch Program	SDA	177,795
	10.555 Subtotal		<u>254,933,220</u>
10.556	Special Milk Program for Children	EDA	64,646
10.559	Summer Food Service Program for Children	EDA	4,296,628
	Child Nutrition Cluster Subtotal		<u>324,655,699</u>
<u>Emergency Food Assistance Cluster</u>			
10.568	Emergency Food Assistance Program (Administrative Costs)	DEA	1,202,527
10.568	ARRA—Emergency Food Assistance Program (Administrative Costs)	DEA	652,016
	10.568 Subtotal		<u>1,854,543</u>
10.569	Emergency Food Assistance Program (Food Commodities)	DEA	12,879,258
	Emergency Food Assistance Cluster Subtotal		<u>14,733,801</u>
<u>Schools and Roads Cluster</u>			
10.665	Schools and Roads—Grants to States	TRA	14,157,229
	Schools and Roads Cluster Subtotal		<u>14,157,229</u>
<u>Other Department of Agriculture Programs</u>			
10.001	Agricultural Research—Basic and Applied Research	AHA	53,271
10.001	Agricultural Research—Basic and Applied Research	UAA	88,869
	10.001 Subtotal		<u>142,140</u>
10.025	Plant and Animal Disease, Pest Control, and Animal Care	AHA	3,481,097
10.025	Plant and Animal Disease, Pest Control, and Animal Care	GFA	75,218
10.025	Plant and Animal Disease, Pest Control, and Animal Care	UAA	10,905
	10.025 Subtotal		<u>3,567,220</u>
10.093	Voluntary Public Access and Habitat Incentive Program	GFA	1,979
10.163	Market Protection and Promotion	AHA	87,241
10.168	Farmers' Market Promotion Program	ASA	33,638
10.169	Specialty Crop Block Grant Program	AHA	26,768
10.170	Specialty Crop Block Grant Program—Farm Bill	AHA	163,667
10.170	Specialty Crop Block Grant Program—Farm Bill	UAA	14,718
	10.170 Subtotal		<u>178,385</u>
10.200	Grants for Agricultural Research, Special Research Grants, <i>New Mexico State University</i> , Contract # Q01437	UAA	24,932

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
10.200	Grants for Agricultural Research, Special Research Grants, <i>University of California-Davis</i> , Contract # 07001492ARI12	UAA	1,898
	10.200 Subtotal		26,830
10.215	Sustainable Agriculture Research and Education, <i>Utah State University</i> , Contract # 2007- 38640-18047	ASA	212
10.215	Sustainable Agriculture Research and Education, <i>New Mexico State University</i> , Contract # Q01406	UAA	1,714
	10.215 Subtotal		1,926
10.217	Higher Education Challenge Grants	UAA	79,253
10.217	Higher Education Challenge Grants, <i>New Mexico State University</i> , Contract # Q01429	UAA	33,422
	10.217 Subtotal		112,675
10.226	Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	UAA	12,195
10.303	Integrated Programs, <i>University of California-Davis</i> , Contract #s 07001492ARI13, 07001492ARI14, 07001492ARI15, 07001492UA2, 07001492UA3	UAA	63,144
10.304	Homeland Security—Agricultural	UAA	313,881
10.304	Homeland Security—Agricultural, <i>University of California-Davis</i> , Contract # K007797-18	AHA	6,000
	10.304 Subtotal		319,881
10.305	International Science and Education Grants	UAA	31,100
10.309	Specialty Crop Research Initiative, <i>University of California-Davis</i> , Contract # 20101304803	UAA	51,425
10.310	Agriculture and Food Research Initiative (AFRI)	UAA	1,278
10.443	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	UAA	39,939
10.455	Community Outreach and Assistance Partnership Program	UAA	94,807
10.459	Commodity Partnerships for Small Agricultural Risk Management Education Sessions	UAA	56,311
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	AHA	67,307
10.479	Food Safety Cooperative Agreements	HSA	644,357
10.500	Cooperative Extension Service	UAA	4,569,456
10.500	Cooperative Extension Service, <i>Kansas State University</i> , Contract #s 20104866121868, S08024, S10090, S10145, S11095	UAA	159,344
10.500	Cooperative Extension Service, <i>Michigan State University</i> , Contract # RC100253UA	UAA	184
10.500	Cooperative Extension Service, <i>University of Wyoming</i> , Contract #s 1000781, 1000782, UTSTUNV46442AZ, UTSTUNV46467AZ2	UAA	9,557
10.500	Cooperative Extension Service, <i>Washington State University</i> , Contract #s 108815G002719, G002642	UAA	46,446
	10.500 Subtotal		4,784,987
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	HSA	160,301,445
10.558	Child and Adult Care Food Program	EDA	44,622,020
10.560	State Administrative Expenses for Child Nutrition	EDA	4,201,276
10.565	Commodity Supplemental Food Program	HSA	3,329,050
10.572	WIC Farmers' Market Nutrition Program (FMNP)	HSA	85,175
10.574	Team Nutrition Grants	EDA	31,254
10.576	Senior Farmers Market Nutrition Program	HSA	98,469
10.578	ARRA—WIC Grants to States (WGS)	HSA	1,442,611
10.579	Child Nutrition Discretionary Grants Limited Availability	DCA	19,425
10.579	Child Nutrition Discretionary Grants Limited Availability	EDA	494,867
	10.579 Subtotal		514,292
10.582	Fresh Fruit and Vegetable Program	EDA	1,730,340
10.652	Forestry Research	GFA	6,000
10.664	Cooperative Forestry Assistance	FOA	4,151,972
10.664	Cooperative Forestry Assistance	PRA	9,545
10.664	Cooperative Forestry Assistance	UAA	1,285
10.664	Cooperative Forestry Assistance, <i>Coconino County</i> , Contract # 071542	UAA	39,412
	10.664 Subtotal		4,202,214
10.676	Forest Legacy Program	FOA	175
10.679	Collaborative Forest Restoration	GFA	10,268
10.683	National Fish and Wildlife Foundation	GFA	73,195
10.688	ARRA—Recovery Act of 2009: Wildland Fire Management	FOA	715,056

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
10.688	ARRA—Recovery Act of 2009: Wildland Fire Management 10.688 Subtotal	GFA	35,688 <hr/> 750,744
10.762	Solid Waste Management Grants	NAA	70,903
10.769	Rural Business Enterprise Grants	EPA	128,567
10.773	Rural Business Opportunity Grants	NAA	66,258
10.862	Household Water Well System Grant Program	ASA	11,380
10.912	Environmental Quality Incentives Program	AHA	261,232
10.912	Environmental Quality Incentives Program 10.912 Subtotal	GFA	35,863 <hr/> 297,095
10.921	Conservation Security Program	UAA	14,303
10.960	Technical Agricultural Assistance	ASA	1,218
10.05-CR-11031600-079, 07-CR-11031600-147, 09-JV-11221635-330, 10-DG-11031600-050, 10-JV-11221636-261, AG-3187-P-08-0044, AG-8371-P-10-0058	Forest Service	NAA	1,849,435
10.06CS011031200036	AZ Bald Eagle Management Program	GFA	14,350
10.07CS11132422195	Wildcat5 Hydrograph Program	UAA	6,518
10.08CS11030504027	Rangeland Monitoring and Inventory	UAA	29,622
10.09CR11031600085	Education and Monitoring Program Related to Rangeland Resources Monitoring and Data Collection on National Forest System Lands within the State of Arizona	UAA	71,434
10.0992080217CA	New Mexico ALIRT Program, <i>New Mexico State University</i> , Contract # Q01441	UAA	9,000
10.101001773CA, 10.1110010773CA	The Arizona AG Discovery Summer Enrichment Program	UAA	20,113
10.1081001492CA	Commodity Reference and Survey Guidelines for Cotton (<i>Gossypium Hirsutum</i>) Pest	UAA	46,339
10.689-IPA-10-033	IPA-VA Consortium for Healthcare Informatics Research	ASA	32,846
10.PNW09JV11261975012	Saving the Wide Open Spaces	UAA	16,446
10.Unknown	Rural Development	NAA	157,036
10.Unknown	Support for ITEP Tribal Climate Change Website, <i>Sustainable Northwest</i> , Contract # I-10-TCC-03	NAA	8,124
10.Unknown	Enhancing Vegetable IPM in Arizona	UAA	15,527
10.Unknown	Implementing an Arizona GHP/GAP Certification Training and Promotion Program	UAA	16,423
10.Unknown	Pesticide Information Empowers Progressive Vegetable Industry	UAA	62,031
10.Unknown	Wildfire Risk Reduction for Yavapai County Homeowners, <i>Prescott Area Wildland Urban Interface Commission</i> , Contract # LTR DTD 121709	UAA	17,459
Total Department of Agriculture			<hr/> <hr/> \$ 2,271,383,399
<u>DEPARTMENT OF COMMERCE</u>			
<u>Economic Development Cluster</u>			
11.300	ARRA—Investments for Public Works and Economic Development Facilities Economic Development Cluster Subtotal	UAA	\$ 2,345,281 <hr/> 2,345,281
<u>Other Department of Commerce Programs</u>			
11.302	Economic Development—Support for Planning Organizations	EPA	30,017
11.303	Economic Development—Technical Assistance	NAA	53,794
11.303	Economic Development—Technical Assistance 11.303 Subtotal	UAA	121,370 <hr/> 175,164
11.431	Climate and Atmospheric Research	ASA	7,557
11.555	Public Safety Interoperable Communications Grant Program	GTA	8,825
11.555	Public Safety Interoperable Communications Grant Program	HLA	1,852,443
11.555	Public Safety Interoperable Communications Grant Program 11.555 Subtotal	PSA	594,386 <hr/> 2,455,654
11.557	ARRA—Broadband Technology Opportunities Program (BTOP)	GVA	12,901
11.557	ARRA—Broadband Technology Opportunities Program (BTOP) 11.557 Subtotal	STA	1,291,810 <hr/> 1,304,711
11.558	ARRA—State Broadband Data and Development Grant Program	GTA	936,265
11.558	ARRA—State Broadband Data and Development Grant Program 11.558 Subtotal	LDA	265,719 <hr/> 1,201,984
11.IPA DTD 101510	IPA: 2010 Census Analyses and Monographs	UAA	35,932

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
11.IPA DTD 120109	NOAA Intergovernmental Personnel Act Mobility Assignment	UAA	175,592
	Total Department of Commerce		<u>\$ 7,731,892</u>
<u>DEPARTMENT OF DEFENSE</u>			
12.110	Planning Assistance to States	GFA	\$ 107,938
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	EVA	758,100
12.300	Basic and Applied Scientific Research	ASA	496,746
12.300	Basic and Applied Scientific Research	GFA	68,425
12.300	Basic and Applied Scientific Research	UAA	441,754
	12.300 Subtotal		<u>1,006,925</u>
12.400	Military Construction, National Guard	MAA	20,789,401
12.401	National Guard Military Operations and Maintenance (O&M) Projects	MAA	39,472,053
12.401	ARRA—National Guard Military Operations and Maintenance (O&M) Projects	MAA	183,019
	12.401 Subtotal		<u>39,655,072</u>
12.404	National Guard ChalleNGe Program	MAA	802,923
12.431	Basic Scientific Research	ASA	8,708
12.431	Basic Scientific Research, <i>Academy of Applied Science</i> , Contract #s W911NF-04-1-0001, W911NF-10-2-0076	ASA	13,614
	12.431 Subtotal		<u>22,322</u>
12.550	The Language Flagship Grants to Institutions of Higher Education, <i>Institute of International Education</i> , Contract # HQ0034-07-C-1010	ASA	5,906
12.607	Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	EPA	25,607
12.630	Basic, Applied, and Advanced Research in Science and Engineering	GFA	87,882
12.630	Basic, Applied, and Advanced Research in Science and Engineering, <i>Institute of International Education</i> , Contract # HQ0034-08-2-0024	ASA	479,294
	12.630 Subtotal		<u>567,176</u>
12.800	Air Force Defense Research Sciences Program	ASA	32,572
12.800	Air Force Defense Research Sciences Program	GFA	287,561
12.800	Air Force Defense Research Sciences Program	UAA	41,644
	12.800 Subtotal		<u>361,777</u>
12.900	Language Grant Program	ASA	59,365
12.902	Information Security Grant Program	ASA	36,993
12.910	Research and Technology Development	ASA	78,764
12.F1ATA09012PD01	Intergovernmental Personnel Act (IPA) Assignment—Dr. Douglas Cochran	ASA	8,409
12.H9823006C0483	Technical Consultation Services for ADIR Project Oversight	ASA	142,023
12.LTR DTD 082510	IPA Agreement for David Schroeder	UAA	190,215
12.W9124A-05-D-0002	Business Enterprise Program/FT Huachuca	DEA	4,696,559
12.W912DY0820012	Legacy Resource Management Program, <i>United States Army Corps of Engineers</i> , Contract # W912DY0820012	GFA	75,574
12.W9132T1020033	Conservation and Cultural Activities, <i>U.S. Army Construction Engineering Research Laboratories</i> , Contract # W91232T1020033	GFA	106,798
12.W9137B070064	CLI+: Islamic Rim Language and Culture Training for ROTC Cadets, <i>Institute of International Education</i> , Contract # W9137B070064	ASA	6,604
12.Unknown	Uniform Commutation Fund 5010-2986-01	UAA	240
	Total Department of Defense		<u>\$ 69,504,691</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Section 8 Project-Based Cluster</u>			
14.195	Section 8 Housing Assistance Payments Program	HDA	\$ 46,908,698
	Section 8 Project-Based Cluster Subtotal		<u>46,908,698</u>
<u>CDBG—State-Administered CDBG Cluster</u>			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	HDA	22,334,412

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	UAA	34,689
	14.228 Subtotal		22,369,101
14.255	ARRA—Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)	HDA	1,942,118
	CDBG—State-Administered CDBG Cluster Subtotal		24,311,219
<u>Housing Voucher Cluster</u>			
14.871	Section 8 Housing Choice Vouchers	HDA	702,078
	Housing Voucher Cluster Subtotal		702,078
<u>Other Department of Housing and Urban Development Programs</u>			
14.171	Manufactured Home Dispute Resolution	MMA	195,829
14.231	Emergency Shelter Grants Program	DEA	1,006,721
14.235	Supportive Housing Program	HDA	2,178,317
14.238	Shelter Plus Care	HDA	7,513,290
14.239	Home Investment Partnerships Program	HDA	8,420,940
14.241	Housing Opportunities for Persons with AIDS	HDA	186,767
14.257	ARRA—Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	HDA	2,744,376
14.258	ARRA—Tax Credit Assistance Program (Recovery Act Funded)	HDA	8,909,586
14.401	Fair Housing Assistance Program—State and Local	AGA	547,985
14.866	Demolition and Revitalization of Severely Distressed Public Housing, <i>City of Tucson</i> , Contract # 033306	UAA	54,907
14.889	Choice Neighborhoods Implementation Grants, <i>Maricopa County Housing Authority</i> , Contract # 2010-002	ASA	49,159
14.AZLHH0200-09	Health Performance, Benefit-Cost & Cost Effectiveness of Green Retrofit Housing for Low-Income Seniors in Phoenix, Arizona	ASA	99,690
14.Unknown	Community Development Block Grant Contract, <i>Pima County, Arizona</i> , Contract # 0170A143491010	UAA	4,430
14.Unknown	OA Program—Social Justice Education Project, <i>Pima County, Arizona</i> , Contract # 1170A1435890710	UAA	14,969
14.Unknown	Social Justice Education Project Summer Leadership Camp, <i>Pima County Community Development and Neighborhood Conservation Department</i> , Contract #	UAA	3,495
	Total Department of Housing and Urban Development		\$ 103,852,456
<u>DEPARTMENT OF THE INTERIOR</u>			
<u>Fish and Wildlife Cluster</u>			
15.605	Sport Fish Restoration Program	GFA	\$ 8,620,899
15.611	Wildlife Restoration and Basic Hunter Education	GFA	10,094,281
	Fish and Wildlife Cluster Subtotal		18,715,180
<u>Other Department of the Interior Programs</u>			
15.224	Cultural Resource Management	NAA	683
15.224	Cultural Resource Management	UAA	6,993
	15.224 Subtotal		7,676
15.225	Recreation Resource Management	FOA	4,853
15.228	National Fire Plan—Wildland Urban Interface Community Fire Assistance	FOA	217,533
15.231	Fish, Wildlife and Plant Conservation Resource Management	EVA	61,344
15.231	Fish, Wildlife and Plant Conservation Resource Management	GFA	396,843
15.231	Fish, Wildlife and Plant Conservation Resource Management	NAA	2,521
15.231	Fish, Wildlife and Plant Conservation Resource Management, <i>The Arboretum at Flagstaff</i> , Contract # PAA-07-0012	NAA	5,340
	15.231 Subtotal		466,048
15.237	Rangeland Resource Management	UAA	131,358
15.238	Challenge Cost Share	GFA	140,352
15.238	Challenge Cost Share	UAA	19,604
	15.238 Subtotal		159,956
15.517	Fish and Wildlife Coordination Act	GFA	98,304

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
15.517	Fish and Wildlife Coordination Act	UAA	36,667
	15.517 Subtotal		134,971
15.519	Indian Tribal Water Resources Development, Management, and Protection	ASA	113,406
15.530	Water Conservation Field Services Program (WCFSP)	UAA	23,995
15.538	Lower Colorado River Multi-Species Conservation Program	GFA	120,815
15.608	Fish and Wildlife Management Assistance	GFA	154,436
15.615	Cooperative Endangered Species Conservation Fund	GFA	1,822,289
15.626	Enhanced Hunter Education and Safety Program	GFA	236,580
15.631	Partners for Fish and Wildlife	GFA	77,665
15.632	Conservation Grants Private Stewardship for Imperiled Species	ASA	13,909
15.633	Landowner Incentive Program	GFA	223,268
15.634	State Wildlife Grants	GFA	1,466,339
15.637	Migratory Bird Joint Ventures	GFA	12,125
15.647	Migratory Bird Conservation	GFA	39,881
15.649	Service Training and Technical Assistance (Generic Training)	GFA	21,233
15.650	Research Grants (Generic)	GFA	2,787
15.656	ARRA—Recovery Act Funds—Habitat Enhancement, Restoration and Improvement	GFA	123,134
15.657	Endangered Species Conservation—Recovery Implementation Funds	GFA	9,271
15.808	U.S. Geological Survey—Research and Data Collection	GFA	557,357
15.808	U.S. Geological Survey—Research and Data Collection	GSA	16,298
15.808	U.S. Geological Survey—Research and Data Collection	NAA	25,137
15.808	U.S. Geological Survey—Research and Data Collection	UAA	7,536
	15.808 Subtotal		606,328
15.809	National Spatial Data Infrastructure Cooperative Agreements Program	NAA	676
15.810	National Cooperative Geologic Mapping Program	GSA	241,231
15.814	National Geological and Geophysical Data Preservation Program	GSA	12,198
15.904	Historic Preservation Fund Grants-In-Aid	PRA	554,670
15.904	Historic Preservation Fund Grants-in-Aid	UAA	9,024
	15.904 Subtotal		563,694
15.916	Outdoor Recreation—Acquisition, Development and Planning	PRA	641,462
15.935	National Trails System Projects	PRA	14,830
15.944	Natural Resource Stewardship	GFA	9,821
15.06FG300040	Razorback Sucker Production & Bubbling Ponds Hatchery	GFA	238,885
15.07FG320790	Bald Eagle Surveys	GFA	43,383
15.50730W0330	Bureau of Reclamation Restricted Endowment	ASA	6,483,752
15.8FG3200540	Roosevelt Lake Goose Mitigation Project	GFA	7,298
15.99FC320140	Bureau of Reclamation	WCA	5,000
15.CA124800002UAZ153	Conference on Saving the Wide Open Spaces	UAA	1,654
15.H1200040002 (192), H1200040002/237/247, H1200090005 (348)	National Park Service	NAA	91,876
15.H1200040002J1212080056	Performing Energy Analysis, Energy Audits & Development of Sustainability Publications—Petrified Forest National Park	UAA	30,550
15.H1200040002J1596080283	Pine Creek Historic District National Register Nomination from Amendment Zion National Park (UAZCP168)	UAA	8,596
15.H1200040002J7481080014	Parkwide Cultural Landscape Inventory and National Register Nominations—Tumacacori National Historical Park (UAZCP169)	UAA	3,440
15.H1200040002J7481G019	Cultural Resource Management Technical Assistance—Intermountain Regional Parks	UAA	2,214
15.H1200040002J8100080070	Provide Exhibit Assistance for Tumacacori National Historical Park & Tuzigoot National Monument (UAZCP-121)	UAA	1,194
15.H1200040002J8100080216	Upgrade Objects Repository Storage at the Western Archeological and Conservation Center (UAZCP146)	UAA	4,815
15.H1200040002J8100080224	Implement Corrective Action Plan, Improve Access, and Manage FY08 Year-End Reporting—CASA Grande Ruins/Saguaro National Park (UAZCP156)	UAA	312
15.H1200040002J8100080240	Move Santa Fe and WACC Libraries and Archives (UAZCP162)	UAA	1,074
15.H1200040002J8100080242	Provide Museum Assistance	UAA	10,916
15.H1200040002J8100080312	Improve Accountability & Access Information at Western Archeological & Conservation Center (UAZCP171)	UAA	2,278
15.H1200040002J8100090117	Manage FY09 Museum Collection Reporting and Assist with Digital Imaging Project	UAA	244
15.H1200040002J8100090209	Prepare Museum Management Plan for San Antonio Missions National Historical Park	UAA	688
15.H1200040002J8430080810	Cultural Affiliation Study NAGPRA Inventory Completion & Improved Visitor Interpretation of Native American Culture & History Phase I	UAA	10,883

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
15.H1200050003J1242030603	Missions Initiative Project Administration—Tumacacori National Park, Pecos National Monument, Salinas Pueblo Missions National Monument, San Antonio Missions National Park (UAZDS202)	UAA	625
15.H1200050003J1242070003	Speaker Series Graduate Planning Seminar 564—Desert Southwest CESU (UAZDS-283)	UAA	190
15.H1200050003J1242070062	Missions Initiative Project Administration—Tumacacori National Park, Pecos National Monument, Salinas Pueblo Missions National Monument, San Antonio Missions National Park (UAZDS259)	UAA	2,553
15.H1200050003J1242090061	Conservation Plan for PEFO Housing Complex (UAZDS-322)	UAA	13,968
15.H1200050003J1550090020	Tica Visitor Center Investigation: Tica Park (UAZDS-309)	UAA	3,982
15.H1200050003J7180090440	Williams Ranch & Pratt Cabin Historic Structure Reports Guadalupe Mountains National Park (UAZDS-304)	UAA	16,223
15.H1200050003J7213090035	Exhibit Plan, Chamizal National Memorial Visitor Center—Phase I (UAZCP-214)	UAA	2,864
15.H1200050003J7220070111	Conceptual Master Plan for Interpretative Spaces and Signage at Fort Davis National Historical Site (UAZDS-284)	UAA	2,705
15.H1200050003J7250090029	Exhibit Rehabilitation at Gila (UAZDS-317)	UAA	8,560
15.H1200050003J7420100005	Furnishings Documentation and Plan for Hubbell Tradingpost Store (UAZDS-323)	UAA	7,691
15.H1200050003J7481090021	Cultural Landscape Inventories Mission Espada & Mission San Juan (UAZDS-299)	UAA	10,760
15.H1200050003J7481100011	Trail Ridge Road Cultural Landscape Inventory (UAZDS-338)	UAA	11,209
15.H1200050003J7580090231	Resaca De La Plama Plan (UAZDS-313)	UAA	24,466
15.H1200050003J7600090027	Missions Initiative Project—Inventory Mission Sites (2009-2011) San Antonio Missions National Historical Park (UAZDS-296)	UAA	2,318
15.H1200050003J8100100243	How Might Climate Change Affect Saguaro National Park—A Symposium (UAZDS-334)	UAA	5,856
15.H1200050003J8100100245	Web-Accessible Database of Standard Fish Sampling Data (UAZDS-336)	UAA	9,251
15.H1200050003J8610080006	Formalize Sister Parks Agreement & Paquime	UAA	1,797
15.H1200050003J8650060011	Exhibit Production at Various Southern Arizona National Park Service Sites	UAA	142,759
15.H1200050003J8660090080	Document, Assess, & Stabilize Cultural Resources Impacted by Border Activities (UAZDS-314)	UAA	7,465
15.H1200050003J8660100055	Document, Assess, Stabilize and Repair Cultural Resources Impacted by Border Activities (UAZDS-346)	UAA	75,517
15.H1200050003J8670090079	Space Utilization Study (UAZDS-302)	UAA	7,774
15.H1200050003J8680090020	Exhibit Production at Various Southern Arizona National Park Service Sites (UAZD-305)	UAA	32,585
15.H1200050003J8690100013	Preservation of Spanish Colonial Resources Through International Cooperation & Partnerships TICRAT Preservation Workshop (UAZDS-340)	UAA	16,049
15.H1200090005J2303100009	Herbarium Imaging Project (Phase 3-UA) (UAZCP-242)	UAA	7,407
15.H1200090005J2370107006	Year 2—Herbarium Imaging Project	UAA	9,834
15.H1200090005J8100100364	Conduct Pilot Project to Catalog and Make Archeological Dendrochronology Specimens Web-Accessible (UAZCP-239)	UAA	6,582
15.H1200090005J8219091297	Backcountry Ethnographic Resource Inventory (UAZCP-211)	UAA	330
15.H1200090005J8430091014	Performing a Sustainability Assessment and Development of an Energy Plan for: Park Employee Housing on the Former Sugilia Property	UAA	974
15.H1200090005J8650100008,ASU57	Wayside Exhibit Planning and Design	ASA	84,968
15.H1200090005P11AT00170	Provide Support for Western Archeological and Conservation Center Earthquake Preparedness and Emergency Operation Plan (UAZCP-253)	UAA	462
15.H1200090006 J7220110155 ASU66	Prepare and Pack Cataloged Archaeology Collections to Move to the Western Archeological and Conservation Center Storage Facility (WACC), Tucson, AZ	ASA	27,339
15.H2623050831J2275090006	Assistance with Professional Training for Afghan Cultural Heritage Officials	UAA	22,187
15.H2623050831J2275100005	Assistance with Afghan Cultural Heritage Officials Training, Archeology Program, WASO	UAA	10,140
15.H2623050831J2370091671	Assessing the Impacts of Climate Change to National Park Service Resources and Park Operations	UAA	14,959
15.IPA LTR DTD 020311	IPA on Land Use Dynamics and Adaptation to Climate Change in West Africa	UAA	38,771
15.L08AC13646	Rangeland Monitoring Years 5 & 6	UAA	24,986
15.L09PX01485	BuffleGrass Workshop	UAA	5,002
15.R06AP30039	Razorback Sucker Growth Studies	GFA	56,384
15.Unknown	Indian Children's Program, <i>Utah State University</i> , Contract #s 070042001, 100249-002	NAA	205,042
Total Department of the Interior			\$ 34,260,534

DEPARTMENT OF JUSTICE

JAG Program Cluster

16.738	Edward Byrne Memorial Justice Assistance Grant Program	AGA	\$ 81,804
16.738	Edward Byrne Memorial Justice Assistance Grant Program	JCA	786,463
16.738	Edward Byrne Memorial Justice Assistance Grant Program	PSA	401,423
16.738	Edward Byrne Memorial Justice Assistance Grant Program	SPA	1,352
16.738 Subtotal			1,271,042
16.803	ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	AGA	2,391,865

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
16.803	ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	JCA	9,186,592
16.803	ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	PSA	1,192,774
16.803	ARRA—Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	SPA	28,197
	16.803 Subtotal		12,799,428
	JAG Program Cluster Subtotal		14,070,470
<u>Other Department of Justice Programs</u>			
16.017	Sexual Assault Services Formula Program	HSA	127,920
16.110	Education and Enforcement of the Antidiscrimination Provision of the Immigration and Nationality Act	AGA	54,821
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	DCA	332,073
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	JCA	67,465
	16.202 Subtotal		399,538
16.523	Juvenile Accountability Block Grants	DJA	66,844
16.523	Juvenile Accountability Block Grants	GVA	743,169
16.523	Juvenile Accountability Block Grants	SPA	261,742
	16.523 Subtotal		1,071,755
16.526	OWW Technical Assistance Initiative	NAA	317,872
16.527	Supervised Visitation, Safe Havens for Children	GVA	124,179
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	GVA	857,959
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	SPA	14,436
	16.540 Subtotal		872,395
16.543	Missing Children's Assistance	PSA	40,198
16.547	Victims of Child Abuse, <i>National</i> /CASA, Contract # AZ10765-10-0710-S	SPA	53,175
16.548	Title V—Delinquency Prevention Program	GVA	12,718
16.550	State Justice Statistics Program for Statistical Analysis Centers	JCA	89,437
16.554	National Criminal History Improvement Program (NCHIP)	JCA	294,640
16.554	National Criminal History Improvement Program (NCHIP)	PSA	22,504
16.554	National Criminal History Improvement Program (NCHIP)	SPA	10,207
	16.554 Subtotal		327,351
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	AGA	38,341
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	JCA	285,352
	16.560 Subtotal		323,693
16.575	Crime Victim Assistance	AGA	112,100
16.575	Crime Victim Assistance	DCA	54,941
16.575	Crime Victim Assistance	DJA	39,481
16.575	Crime Victim Assistance	PSA	7,349,828
	16.575 Subtotal		7,556,350
16.576	Crime Victim Compensation	JCA	208,447
16.579	Edward Byrne Memorial Formula Grant Program, <i>City of Tucson</i> , Contract # 16061	UAA	164,942
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	AGA	137,648
16.588	Violence Against Women Formula Grants	GVA	2,042,481
16.588	ARRA—Violence Against Women Formula Grants	GVA	1,175,442
16.588	ARRA—Violence Against Women Formula Grants	PSA	118,054
16.588	ARRA—Violence Against Women Formula Grants	SPA	93,779
	16.588 Subtotal		3,429,756
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	GVA	245,961
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	UAA	24,605
	16.589 Subtotal		270,566
16.593	Residential Substance Abuse Treatment for State Prisoners	DCA	2,034

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
16.593	Residential Substance Abuse Treatment for State Prisoners	DJA	149,729
16.593	Residential Substance Abuse Treatment for State Prisoners	JCA	130,704
	16.593 Subtotal		<u>282,467</u>
16.606	State Criminal Alien Assistance Program	DCA	9,775,269
16.607	Bulletproof Vest Partnership Program	ADA	73,476
16.607	Bulletproof Vest Partnership Program	DCA	25,192
	16.607 Subtotal		<u>98,668</u>
16.609	Project Safe Neighborhoods	JCA	280,839
16.609	Project Safe Neighborhoods	PSA	1,609
	16.609 Subtotal		<u>282,448</u>
16.610	Regional Information Sharing Systems	PSA	5,516,815
16.727	Enforcing Underage Drinking Laws Program	ASA	25,038
16.727	Enforcing Underage Drinking Laws Program	GHA	258,115
16.727	Enforcing Underage Drinking Laws Program	LLA	69,865
16.727	Enforcing Underage Drinking Laws Program	PSA	57,709
16.727	Enforcing Underage Drinking Laws Program	UAA	42,061
	16.727 Subtotal		<u>452,788</u>
16.741	Forensic DNA Backlog Reduction Program	JCA	640,921
16.741	Forensic DNA Backlog Reduction Program	PSA	797,935
	16.741 Subtotal		<u>1,438,856</u>
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	JCA	256,154
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	PSA	102,441
	16.742 Subtotal		<u>358,595</u>
16.744	Anti-Gang Initiative	JCA	48,950
16.746	Capital Case Litigation	JCA	40,582
16.746	Capital Case Litigation	SPA	17,103
	16.746 Subtotal		<u>57,685</u>
16.748	Convicted Offender and/or Arrestee DNA Backlog Reduction Program	PSA	528,517
16.801	ARRA—Recovery Act—State Victim Assistance Formula Grant Program	PSA	525,924
16.808	ARRA—Recovery Act—Edward Byrne Memorial Competitive Grant Program	PSA	289,565
16.808	ARRA—Recovery Act—Edward Byrne Memorial Competitive Grant Program, <i>Chicanos Por La Causa, Inc. (CPLC)</i> , Contract # 2009-SC-B9-0051	ASA	104,864
	16.808 Subtotal		<u>394,429</u>
16.809	ARRA—Recovery Act—State and Local Law Enforcement Assistance Program: Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States Competitive Grant Program	AGA	1,471,527
16.809	ARRA—Recovery Act—State and Local Law Enforcement Assistance Program: Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States Competitive Grant Program	PSA	471,838
	16.809 Subtotal		<u>1,943,365</u>
16.812	Second Chance Act Prisoner Reentry Initiative	DCA	26,253
16.816	John R. Justice Prosecutors and Defenders Incentive Act	SPA	186,632
16.2010JUFX0016	4-H Mentoring: Arizona Youth & Families with Promise, <i>National 4H Council</i> , Contract # 2010JUFX0016	UAA	12,602
16.MOU DPS 2008361, SWAZP0428 MN070129, SWAZP0466 MT080064, SWAZP0469 MT090016, SWAZP0476 MN090095, SWAZP0499H MN100076, SWAZP447 MN070146, SWAZP520 MN100175	Drug Enforcement Administration OCEETF	PSA	47,183
16.Unknown	Federal Asset Sharing	AGA	700,353
	Total Department of Justice		<u>\$ 52,331,030</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
DEPARTMENT OF LABOR			
Employment Service Cluster			
17.207	Employment Service/Wagner-Peyser Funded Activities	AFA	\$ 66,071
17.207	Employment Service/Wagner-Peyser Funded Activities	DEA	13,450,683
17.207	ARRA—Employment Service/Wagner-Peyser Funded Activities	DEA	2,161,063
17.207	Employment Service/Wagner-Peyser Funded Activities	GVA	899,204
	17.207 Subtotal		<u>16,577,021</u>
17.801	Disabled Veterans' Outreach Program (DVOP)	DEA	1,629,482
17.804	Local Veterans' Employment Representative Program	DEA	1,240,087
	Employment Service Cluster Subtotal		<u>19,446,590</u>
WIA Cluster			
17.258	WIA Adult Program	ASA	138,817
17.258	WIA Adult Program	DEA	12,604,689
17.258	ARRA—WIA Adult Program	DEA	836,728
17.258	WIA Adult Program	EDA	63,609
17.258	ARRA—WIA Adult Program	EDA	554,524
17.258	ARRA—WIA Adult Program	EPA	349,701
	17.258 Subtotal		<u>14,548,068</u>
17.259	WIA Youth Activities	DEA	13,249,669
17.259	ARRA—WIA Youth Activities	DEA	3,632,492
17.259	WIA Youth Activities	GVA	9,756
	17.259 Subtotal		<u>16,891,917</u>
17.260	WIA Dislocated Workers	DEA	9,100,257
17.260	ARRA—WIA Dislocated Workers	DEA	4,789,599
17.260	WIA Dislocated Workers	EPA	57,810
	17.260 Subtotal		<u>13,947,666</u>
17.278	WIA Dislocated Worker Formula Grants	DEA	8,151,441
17.278	WIA Dislocated Worker Formula Grants	EDA	200,304
	17.278 Subtotal		<u>8,351,745</u>
	WIA Cluster Subtotal		<u>53,739,396</u>
Other Department of Labor Programs			
17.002	Labor Force Statistics	EPA	1,061,087
17.005	Compensation and Working Conditions	ICA	81,415
17.225	Unemployment Insurance	DEA	1,631,538,654
17.225	ARRA—Unemployment Insurance	DEA	77,314,735
	17.225 Subtotal		<u>1,708,853,389</u>
17.235	Senior Community Service Employment Program	DEA	2,521,188
17.245	Trade Adjustment Assistance	DEA	3,831,127
17.261	WIA Pilots, Demonstrations, and Research Projects	DCA	3,561
17.262	Employment and Training Administration Evaluations	ASA	745
17.268	H-1B Job Training Grants	EPA	5,889
17.271	Work Opportunity Tax Credit Program (WOTC)	DEA	9,602
17.273	Temporary Labor Certification for Foreign Workers	DEA	77,812
17.275	ARRA—Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	DEA	1,141,746
17.275	ARRA—Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	EPA	689,694
	17.275 Subtotal		<u>1,831,440</u>
17.503	Occupational Safety and Health—State Program	ICA	1,979,207
17.504	Consultation Agreements	ICA	611,498
17.600	Mine Health and Safety Grants	MIA	245,715
17.Unknown	Workforce Innovation in Regional Economic Development (WIRED) Program, <i>Pima County, Arizona</i> , Contract # 0169A1404080707	UAA	49,615
	Total Department of Labor		<u>\$ 1,794,349,276</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
<u>DEPARTMENT OF STATE</u>			
19.010	Academic Exchange Programs—Humphrey Fellowship Program, <i>Institute of International Education</i> , Contract # S-ECAAS-10-CA-044(DT)	ASA	\$ 192,511
19.010	Academic Exchange Programs—Humphrey Fellowship Program, <i>Institute of International Education</i> , Contract #s LTR DTD 05282010, SECAAS11CA033DT	UAA	308,432
	19.010 Subtotal		<u>500,943</u>
19.011	Academic Exchange Programs—Special Academic Exchange Programs, <i>American Institute of Maghrib Studies</i> , Contract # LTR DTD 11122010	UAA	93,851
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	ASA	164,818
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union, <i>American Council of Learned Societies (ACLS)</i> , Contract # AGR 07/19/07	ASA	1,556
	19.300 Subtotal		<u>166,374</u>
19.SCH50010GR201	Establishment and Administration of an American Center at Sichuan University	ASA	59,031
19.SECAAE09CA010DT	Western Hemisphere Institute, <i>Institute for Training and Development</i> , Contract # SECAAE09CA010DT	UAA	119,435
19.S-GE800-10-GR-115	Achieving Excellence: A Strategic Research Plan for the Social Sciences in Georgia	ASA	180,551
19.SID32009GR023	Indonesia English Language Study Program—Summer 2010, <i>Institute of International Education</i> , Contract # F611144	UAA	126,398
19.SIZ10009GR101	Fulbright Visiting Scholar Program for Iraq, <i>Institute of International Education</i> , Contract # SIZ10009GR101	UAA	52,164
19.SLMAQM08GR538	Kids Voting in Kosovo: Advancing Democracy and Human Rights in Southeastern Europe	ASA	187,552
	Total Department of State		<u>\$ 1,486,299</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
<u>Highway Planning and Construction Cluster</u>			
20.205	Highway Planning and Construction	ADA	\$ 176,435
20.205	Highway Planning and Construction	DTA	738,839,509
20.205	ARRA—Highway Planning and Construction	DTA	247,731,523
20.205	Highway Planning and Construction	GFA	18,021
20.205	Highway Planning and Construction	PSA	81,639
	20.205 Subtotal		<u>986,847,127</u>
20.219	Recreational Trails Program	DTA	1,126,661
20.219	Recreational Trails Program	PRA	506,211
	20.219 Subtotal		<u>1,632,872</u>
	Highway Planning and Construction Cluster Subtotal		<u>988,479,999</u>
<u>Transit Services Program Cluster</u>			
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	DTA	4,533,987
20.516	Job Access—Reverse Commute	DTA	138,153
20.521	New Freedom Program	DTA	502,960
	Transit Services Program Cluster Subtotal		<u>5,175,100</u>
<u>Highway Safety Cluster</u>			
20.600	State and Community Highway Safety	ADA	26,929
20.600	State and Community Highway Safety	ASA	20,381
20.600	State and Community Highway Safety	DTA	1,142,775
20.600	State and Community Highway Safety	GHA	4,268,635
20.600	State and Community Highway Safety	LLA	16,594
20.600	State and Community Highway Safety	PSA	141,179
20.600	State and Community Highway Safety	UAA	29,074
	20.600 Subtotal		<u>5,645,567</u>
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	ADA	20,315
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	GHA	3,860,142
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	LLA	24,996
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	PSA	518,335
	20.601 Subtotal		<u>4,423,788</u>
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	GHA	853,651
20.610	State Traffic Safety Information System Improvement Grants	GHA	23,519

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
20.611	Incentive Grant Program to Prohibit Racial Profiling	PSA	139,708
20.612	Incentive Grant Program to Increase Motorcyclist Safety	GHA	197,716
	Highway Safety Cluster Subtotal		11,283,949
	<u>Other Department of Transportation Programs</u>		
20.106	Airport Improvement Program	DTA	3,843,690
20.200	Highway Research and Development Program	DTA	396,570
20.215	Highway Training and Education	ASA	30,400
20.215	Highway Training and Education	DTA	308,760
	20.215 Subtotal		339,160
20.218	National Motor Carrier Safety	DTA	1,956,046
20.218	National Motor Carrier Safety	PSA	3,304,058
	20.218 Subtotal		5,260,104
20.233	Border Enforcement Grants	PSA	5,357,007
20.237	Commercial Vehicle Information Systems and Networks	DTA	1,935,241
20.505	Metropolitan Transportation Planning	DTA	2,512,319
20.509	Formula Grants for Other Than Urbanized Areas	DTA	8,806,751
20.509	ARRA—Formula Grants for Other Than Urbanized Areas	DTA	4,955,753
	20.509 Subtotal		13,762,504
20.514	Public Transportation Research	DTA	815
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	GHA	228,251
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	PSA	23,033
	Subtotal 20.614		251,284
20.700	Pipeline Safety Program Base Grants	CCA	874,946
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	MAA	271,493
20.P0012008004993, P0012010004087	Safe Routes to School	UAA	23,206
20.Unknown	Traffic Safety Equipment	NAA	20,287
20.Unknown	DUI Enforcement	UAA	16,096
	Total Department of Transportation		\$ 1,039,803,770
	<u>DEPARTMENT OF THE TREASURY</u>		
21.000	National Foreclosure Mitigation Counseling (NFMC), <i>Neighborhood Reinvestment Corporation</i> , Contract #s PL110-161:95X1350; PL110-289:95X1350; PL111-8:95X1350; and PL111-117:95X1350	HDA	\$ 2,076,433
	Total Department of the Treasury		\$ 2,076,433
	<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>		
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964	AGA	\$ 299,360
	Total Equal Employment Opportunity Commission		\$ 299,360
	<u>GENERAL SERVICES ADMINISTRATION</u>		
39.003	Donation of Federal Surplus Personal Property	ADA	\$ 1,410,761
39.GS06P09GYD0027	Task Orders	ASA	15,500
	Total General Services Administration		\$ 1,426,261
	<u>LIBRARY OF CONGRESS</u>		
42.GA09C0049	Persistent Digital Archives and Library Systems	STA	\$ 313,006
	Total Library of Congress		\$ 313,006
	<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>		
43.001	Science	ASA	\$ 153,177

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
43.008	Education	ASA	24,096
43.LTR DTD 121509	NASA IPA—Israel Wygnanski	UAA	181,303
43.NAS71407	Curriculum and Training Support for Navigators Extra-Solar Planet Research, <i>Jet Propulsion Laboratory</i> , Contract # 1251186	UAA	73,511
43.NNH09ZNE005N	Laurel Clark Earth Camp Experience, <i>Arizona Sonora Desert Museum</i> , Contract # LTR DTD 122210	UAA	9,444
43.Unknown	Space Grant Program	NAA	201,981
	Total National Aeronautics and Space Administration		<u>\$ 643,512</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>			
45.024	Promotion of the Arts—Grants to Organizations and Individuals	UAA	\$ 23,327
45.025	Promotion of the Arts—Partnership Agreements	ASA	1,471
45.025	Promotion of the Arts—Partnership Agreements	HUA	889,775
45.025	ARRA—Promotion of the Arts—Partnership Agreements	HUA	64,678
45.025	Promotion of the Arts—Partnership Agreements	UAA	4,338
45.025	Promotion of The Arts—Partnership Agreements, <i>New England Foundation for the Arts</i> , Contract # 200913425	UAA	1,500
	45.025 Subtotal		<u>961,762</u>
45.Unknown	NEA Challenge Permanent Endowment	UAA	64,256
	Total National Endowment for the Arts		<u>\$ 1,049,345</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
45.129	Promotion of the Humanities—Federal/State Partnership	PRA	\$ 8,267
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract #s GG07-4706-2007, GG18-5389-2010, OA09-5440-2010, OA13-5251-2009	ASA	5,222
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract # GG05-5342-2010	NAA	2,379
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract #s GG0453412010, GG2652672009, GG2654472010	UAA	16,397
	45.129 Subtotal		<u>32,265</u>
45.149	Promotion of the Humanities—Division of Preservation and Access	STA	126,068
45.149	Promotion of the Humanities—Division of Preservation and Access	UAA	30,246
	45.149 Subtotal		<u>156,314</u>
45.161	Promotion of the Humanities—Research	UAA	6,153
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development	NAA	19,088
45.163	Promotion of the Humanities—Professional Development	ASA	134,853
45.164	Promotion of the Humanities—Public Programs	ASA	41,203
45.169	Promotion of the Humanities—Office of Digital Humanities	UAA	42,032
45.Unknown	NEH/ASM Education Endowment	UAA	368,434
	Total National Endowment for the Humanities		<u>\$ 800,342</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>			
45.310	Grants to States	ASA	\$ 41,805
45.310	Grants to States	STA	3,811,812
	45.310 Subtotal		<u>3,853,617</u>
45.312	National Leadership Grants	STA	23,778
45.313	Laura Bush 21st Century Librarian Program	UAA	695,728
	Total Institute of Museum and Library Services		<u>\$ 4,573,123</u>
<u>NATIONAL SCIENCE FOUNDATION</u>			
47.041	Engineering Grants	ASA	\$ 265,038
47.041	Engineering Grants	UAA	54,229
47.041	Engineering Grants, <i>Texas Engineering Experiment Station</i> , Contract # EEC 9802942	ASA	1,723

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
47.041	Engineering Grants, <i>University of Alaska-Anchorage</i> , Contract # G5065	UAA	20,152
	47.041 Subtotal		<u>341,142</u>
47.049	Mathematical and Physical Sciences	ASA	922,181
47.049	Mathematical and Physical Sciences	UAA	693,307
	47.049 Subtotal		<u>1,615,488</u>
47.050	Geosciences	ASA	467,325
47.050	Geosciences	GSA	20,771
47.050	Geosciences	UAA	437,594
	47.050 Subtotal		<u>925,690</u>
47.070	Computer and Information Science and Engineering	UAA	332,723
47.074	Biological Sciences	ASA	239,382
47.074	Biological Sciences	NAA	141,693
47.074	Biological Sciences	UAA	109,847
	47.074 Subtotal		<u>490,922</u>
47.075	Social, Behavioral, and Economic Sciences	ASA	410,103
47.075	Social, Behavioral, and Economic Sciences	UAA	62,185
	47.075 Subtotal		<u>472,288</u>
47.076	Education and Human Resources	ASA	3,838,875
47.076	Education and Human Resources	NAA	1,312,549
47.076	Education and Human Resources	UAA	4,862,102
47.076	Education and Human Resources, <i>George Washington University</i> , Contract # 0930126	ASA	8,766
47.076	Education and Human Resources, <i>University of Montana</i> , Contract # PG086598002	UAA	30,938
	47.076 Subtotal		<u>10,053,230</u>
47.078	Polar Programs	NAA	147,107
47.079	International Science and Engineering (OISE)	ASA	8,789
47.079	International Science and Engineering (OISE)	UAA	96,517
	47.079 Subtotal		<u>105,306</u>
47.082	ARRA—Trans-NSF Recovery Act Research Support	ASA	129,397
47.082	ARRA—Trans-NSF Recovery Act Research Support	NAA	159,484
47.082	ARRA—Trans-NSF Recovery Act Research Support	UAA	33,721
	47.082 Subtotal		<u>322,602</u>
47.0845720	IPA—Susan Penfield	UAA	50,876
47.0962157	Assignment of Dr. Keith Dienes as a Program Director—IPA	UAA	181,786
47.0968944	Intergovernmental Personnel Act (IPA) assignment of Mr. Justin Poll	ASA	75,533
47.LTR DTD 080310	NSF IPA Assignee—Ahmed Louri	UAA	224,076
47.Unknown	NSF IPA Agreement	NAA	117,513
47.Unknown	Sonia Kovalevsky Day, <i>Association for Women in Mathematics</i> , Contract # LTR DTD 030711	UAA	1,140
	Total National Science Foundation		<u>\$ 15,457,422</u>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>			
64.005	Grants to States for Construction of State Home Facilities	VSA	\$ 20,766
64.005	ARRA—Grants to States for Construction of State Home Facilities	VSA	12,977,141
	64.005 Subtotal		<u>12,997,907</u>
64.124	All-Volunteer Force Educational Assistance	VSA	465,911
64.LTR DTD 030311	IPA Agreement for S. Daugherty	UAA	18,977
64.LTR DTD 033110	IPA Agreement for A. Escalante	UAA	57,438
64.LTR DTD 060111	IPA Agreement for A. M. Mikail	UAA	18,346
64.LTR DTD 071410	IPA Agreement for J. Boyer	UAA	22,297
64.LTR DTD 071610	IPA Agreement for M. Stansifer	UAA	65,642
64.LTR DTD 072210	IPA Agreement for H. Byrne	UAA	51,876
64.LTR DTD 072210	IPA Agreement for N. Johnson	UAA	67,088
64.LTR DTD 072910	IPA Agreement for J. Janda	UAA	52,076
64.LTR DTD 072911	IPA Agreement for B. A. P. Roxas	UAA	58,289

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
64.LTR DTD 091710	IPA Agreement for J. Jandova	UAA	34,660
64.LTR DTD 101609	IPA Agreement for Dr. S. Hoover	UAA	7,669
64.LTR DTD 111910	IPA Agreement for A. Marmorstein	UAA	8,008
64.VA258P0428	Contract Providing Veterinary Services to the VA Hospital	UAA	5,357
64.Unknown	VA Headcount	UAA	6,055
	Total Department of Veterans Affairs		<u>\$ 13,937,596</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.001	Air Pollution Control Program Support	EVA	\$ 3,665,829
66.032	State Indoor Radon Grants	AEA	11,987
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	EVA	219,005
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	NAA	156,613
	66.034 Subtotal		<u>375,618</u>
66.036	Clean School Bus USA	EVA	17,654
66.037	Internships, Training and Workshops for the Office of Air and Radiation	NAA	1,441,662
66.040	ARRA—State Clean Diesel Grant Program	EVA	182,961
66.202	Congressionally Mandated Projects, <i>San Diego State University</i> , Contract # EM 83395501	ASA	97,854
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	EVA	237,810
66.454	Water Quality Management Planning	EVA	125,015
66.454	ARRA—Water Quality Management Planning	EVA	77,222
	66.454 Subtotal		<u>202,237</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds	WFA	2,452,495
66.458	ARRA—Capitalization Grants for Clean Water State Revolving Funds	WFA	7,724,271
	66.458 Subtotal		<u>10,176,766</u>
66.460	Nonpoint Source Implementation Grants	EVA	2,303,581
66.461	Regional Wetland Program Development Grants	EVA	193,950
66.468	Capitalization Grants for Drinking Water State Revolving Funds	EVA	2,663,244
66.468	ARRA—Capitalization Grants for Drinking Water State Revolving Funds	EVA	2,671
66.468	Capitalization Grants for Drinking Water State Revolving Funds	WFA	14,550,330
66.468	ARRA—Capitalization Grants for Drinking Water State Revolving Funds	WFA	8,144,845
	66.468 Subtotal		<u>25,361,090</u>
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	EVA	376,000
66.474	Water Protection Grants to the States	EVA	39,942
66.509	Science To Achieve Results (STAR) Research Program, <i>Border Environmental Cooperation Commission</i> , Contract # TAA10-041	ASA	36,671
66.513	Greater Research Opportunities (GRO) Fellowships For Undergraduate Environmental Study	NAA	11,158
66.514	Science To Achieve Results (STAR) Fellowship Program	ASA	36,077
66.514	Science To Achieve Results (STAR) Fellowship Program	NAA	10,351
	66.514 Subtotal		<u>46,428</u>
66.605	Performance Partnership Grants	AHA	304,156
66.605	Performance Partnership Grants	EVA	4,409,089
66.605	Performance Partnership Grants	SBA	77,250
	Subtotal 66.605		<u>4,790,495</u>
66.607	Training and Fellowships for the Environmental Protection Agency	NAA	397,933
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	EVA	358,007
66.608	Environmental Information Exchange Network Grant Program and Related Assistance, <i>Walker River Paiute Tribe</i> , Contract # PO27476	NAA	17,083
	66.608 Subtotal		<u>375,090</u>
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	AHA	176,877

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
66.700	Consolidated Pesticide Enforcement Cooperative Agreements 66.700 Subtotal	SBA	4,415 <hr/> 181,292
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	HSA	944
66.708	Pollution Prevention Grants Program	UAA	46,733
66.709	Multi-Media Capacity Building Grants for States and Tribes	EVA	145,245
66.709	Multi-Media Capacity Building Grants for States and Tribes 66.709 Subtotal	NAA	57,828 <hr/> 203,073
66.801	Hazardous Waste Management State Program Support	EVA	1,412,272
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	EVA	701,820
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	EVA	688,550
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	EVA	1,003,864
66.805	ARRA—Leaking Underground Storage Tank Trust Fund Corrective Action Program 66.805 Subtotal	EVA	1,576,562 <hr/> 2,580,426
66.808	Solid Waste Management Assistance Grants	NAA	273,148
66.817	State and Tribal Response Program Grants	EVA	799,932
66.931	International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs	AHA	207
66.931	International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs 66.931 Subtotal	EVA	26,189 <hr/> 26,396
66.940	Environmental Policy and State Sustainability Grants	EVA	1,835
66.951	Environmental Education Grants	NAA	13,945
66.TAA07013	Indoor Air Quality "Tools for Schools" Program	UAA	359
66.TAA10006	Transferable Training Modules on Environmental Health for Promotoras on the US-Mexico Border, <i>Border Environment Cooperative Commission</i> , Contract # TAA10006	UAA	2,347
66.Unknown	Preparing Emission Inventories, <i>Portage Inc.</i> , Contract # PEI-2155S01	NAA	65,913
	Total Environmental Protection Agency		<hr/> <hr/> \$ 57,341,701
<u>DEPARTMENT OF ENERGY</u>			
81.041	ARRA—State Energy Program	ADA	\$ 4,265,998
81.041	State Energy Program	EPA	263,468
81.041	ARRA—State Energy Program	EPA	10,627,085
81.041	ARRA—State Energy Program	LDA	529,946
81.041	ARRA—State Energy Program 81.041 Subtotal	SFA	8,356,797 <hr/> 24,043,294
81.042	Weatherization Assistance for Low-Income Persons	EPA	696,928
81.042	ARRA—Weatherization Assistance for Low-Income Persons 81.042 Subtotal	EPA	23,490,618 <hr/> 24,187,546
81.087	ARRA—Renewable Energy Research and Development	GSA	3,584,807
81.087	Renewable Energy Research and Development	NAA	82,246
81.087	ARRA—Renewable Energy Research and Development, <i>Boise State University</i> , Contract # 014G106215-A	GSA	52,398
81.087	Renewable Energy Research and Development, <i>Hopi Tribe</i> , Contract #08-024 81.087 Subtotal	NAA	322 <hr/> 3,719,773
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	AEA	93,006
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	EPA	4,450
81.119	State Energy Program Special Projects	EPA	148,427
81.121	Nuclear Energy Research, Development and Demonstration	ASA	4,426
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis	CCA	291,318
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis	EPA	166,941
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis 81.122 Subtotal	NAA	4,416 <hr/> 462,675

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	NAA	61,775
81.127	ARRA—Energy Efficient Appliance Rebate Program (EEARP)	EPA	4,384,597
81.128	ARRA—Energy Efficiency and Conservation Block Grant Program (EECBG)	EPA	4,254,831
81.111-010	ARRA—Emergency Planning for Arizona's Energy Infrastructure	ASA	99,124
81.Unknown	Petroleum Escrow Funds	EPA	450,758
81.Unknown	Sandia National Laboratories/University of Arizona Excellence in Engineering Research Program to Support a Graduate Research Fellow, <i>Sandia National Laboratories</i> , Contract # 1094391	UAA	13,058
Total Department of Energy			\$ 61,927,740

DEPARTMENT OF EDUCATION

Title I, Part A Cluster

84.010	Title I Grants to Local Educational Agencies	EDA	\$ 285,207,745
84.010	Title I Grants to Local Educational Agencies	SDA	499
	84.010 Subtotal		285,208,244
84.389	ARRA—Title I Grants to Local Educational Agencies, Recovery Act	EDA	79,842,024
	Title I, Part A Cluster Subtotal		365,050,268

Special Education Cluster (IDEA)

84.027	Special Education—Grants to States	ASA	2,051,472
84.027	Special Education—Grants to States	DCA	82,350
84.027	Special Education—Grants to States	DJA	58,781
84.027	Special Education—Grants to States	EDA	163,464,826
84.027	Special Education—Grants to States	HSA	2,397
84.027	Special Education—Grants to States	NAA	348,098
84.027	Special Education—Grants to States	SDA	520,810
84.027	Special Education—Grants to States	SPA	350,239
84.027	Special Education—Grants to States	UAA	244,454
84.027	Special Education—Grants to States, <i>Navajo Nation</i> , Contract # C07623	NAA	144
	84.027 Subtotal		167,123,571
84.173	Special Education—Preschool Grants	EDA	4,215,001
84.173	Special Education—Preschool Grants	SDA	34,860
	84.173 Subtotal		4,249,861
84.391	ARRA—Special Education—Grants to States, Recovery Act	DCA	10,097
84.391	ARRA—Special Education—Grants to States, Recovery Act	DJA	1,615
84.391	ARRA—Special Education—Grants to States, Recovery Act	EDA	63,358,573
84.391	ARRA—Special Education—Grants to States, Recovery Act	SPA	211,614
	84.391 Subtotal		63,581,899
84.392	ARRA—Special Education—Preschool Grants, Recovery Act	EDA	1,693,005
84.392	ARRA—Special Education—Preschool Grants, Recovery Act	SDA	584
	84.392 Subtotal		1,693,589
	Special Education Cluster Subtotal		236,648,920

TRIO Cluster

84.042	TRIO—Student Support Services	ASA	828,356
84.042	TRIO—Student Support Services	NAA	314,770
84.042	TRIO—Student Support Services	UAA	237,785
	84.042 Subtotal		1,380,911
84.044	TRIO—Talent Search	NAA	350,954
84.047	TRIO—Upward Bound	ASA	990,081
84.047	TRIO—Upward Bound	NAA	724,495
	84.047 Subtotal		1,714,576
84.066	TRIO—Educational Opportunity Centers	NAA	455,247
84.217	TRIO—McNair Post-Baccalaureate Achievement	UAA	243,888
	TRIO Cluster Subtotal		4,145,576

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
<u>Vocational Rehabilitation Cluster</u>			
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	DEA	38,138,254
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	HSA	5,722
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	SDA	1,123,132
	84.126 Subtotal		<u>39,267,108</u>
84.390	ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act	DEA	11,500,859
	Vocational Rehabilitation Cluster Subtotal		<u>50,767,967</u>
<u>Independent Living State Grants Cluster</u>			
84.169	Independent Living—State Grants	DEA	352,128
84.398	ARRA—Independent Living State Grants, Recovery Act	DEA	138,398
	Independent Living State Grants Cluster Subtotal		<u>490,526</u>
<u>Independent Living Services for Older Individuals Who Are Blind Cluster</u>			
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind	DEA	412,687
84.399	ARRA—Independent Living Services for Older Individuals Who Are Blind, Recovery Act	DEA	378,669
	Independent Living Services for Older Individuals Who Are Blind Cluster Subtotal		<u>791,356</u>
<u>Early Intervention Services (IDEA) Cluster</u>			
84.181	Special Education—Grants for Infants and Families	DEA	1,626,893
84.181	Special Education—Grants for Infants and Families	NAA	486,466
84.181	Special Education—Grants for Infants and Families	SDA	745,753
	84.181 Subtotal		<u>2,859,112</u>
84.393	ARRA—Special Education—Grants for Infants and Families, Recovery Act	DEA	8,483,924
	Early Intervention Services (IDEA) Cluster Subtotal		<u>11,343,036</u>
<u>Education of Homeless Children and Youth Cluster</u>			
84.196	Education for Homeless Children and Youth	EDA	1,448,259
84.387	ARRA—Education for Homeless Children and Youth, Recovery Act	EDA	414,626
	Education of Homeless Children and Youth Cluster Subtotal		<u>1,862,885</u>
<u>Educational Technology State Grants Cluster</u>			
84.318	Educational Technology State Grants	EDA	2,729,623
84.386	ARRA—Education Technology State Grants, Recovery Act	EDA	4,888,032
84.386	ARRA—Education Technology State Grants, Recovery Act, <i>Pima County Education Service Agency</i> , Contract # 11FETETS-160950-03A	NAA	80,000
	84.386 Subtotal		<u>4,968,032</u>
	Educational Technology State Grants Cluster Subtotal		<u>7,697,655</u>
<u>Teacher Quality Partnership Grants Cluster</u>			
84.336	Teacher Quality Partnership Grants	ASA	5,869,563
	Teacher Quality Partnership Grants Cluster Subtotal		<u>5,869,563</u>
<u>School Improvement Grants Cluster</u>			
84.377	School Improvement Grants	EDA	3,224,035
84.388	ARRA—School Improvement Grants, Recovery Act	EDA	8,994,648
	School Improvements Grants Cluster Subtotal		<u>12,218,683</u>
<u>Teacher Incentive Fund Cluster</u>			
84.385	ARRA—Teacher Incentive Fund, Recovery Act	ASA	584,204
	Teacher Incentive Fund Cluster Subtotal		<u>584,204</u>
<u>State Fiscal Stabilization Fund Cluster</u>			
84.394	ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	ASA	866,898
84.394	ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	GVA	44,821,041
84.394	ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	NAA	291,665
84.394	ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	UAA	755,179
	84.394 Subtotal		<u>46,734,783</u>
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	ASA	547,457
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	DCA	273,669
85.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	EDA	301,809
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	EPA	213,462
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	FOA	182,353
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	GVA	26,495,203

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	HSA	341,374
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	NAA	101,076
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	PSA	698,000
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act, <i>Science Foundation of Arizona</i> , Contract #s OER-11-CON-GS-43, OER-11-CON-GS-48	ASA	2,221,793
84.397	ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act, <i>Science Foundation of Arizona</i> , Contract # GRF 0449-10	NAA	115,991
	84.397 Subtotal		31,492,187
	State Fiscal Stabilization Fund Cluster Subtotal		78,226,970
<u>Other Department of Education Programs</u>			
84.002	Adult Education—Basic Grants to States	EDA	11,619,174
84.004	Civil Rights Training and Advisory Services	ASA	798,858
84.011	Migrant Education—State Grant Program	ASA	168,331
84.011	Migrant Education—State Grant Program	EDA	5,957,025
	84.011 Subtotal		6,125,356
84.013	Title I State Agency Program for Neglected and Delinquent Children	DCA	292,007
84.013	Title I State Agency Program for Neglected and Delinquent Children	DJA	209,609
84.013	Title I State Agency Program for Neglected and Delinquent Children	EDA	13,840
84.013	Title I State Agency Program for Neglected and Delinquent Children	SPA	716,357
	84.013 Subtotal		1,231,813
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	ASA	142
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	661,840
	84.015 Subtotal		661,982
84.016	Undergraduate International Studies and Foreign Language Programs	UAA	94,029
84.019	Overseas Programs—Faculty Research Abroad	ASA	44,848
84.031	Higher Education—Institutional Aid, <i>Central Arizona College</i> , Contract # P031S050056	ASA	55,393
84.048	Career and Technical Education—Basic Grants to States	ASA	1,011,665
84.048	Career and Technical Education—Basic Grants to States	DJA	64,473
84.048	Career and Technical Education—Basic Grants to States	EDA	24,481,285
84.048	Career and Technical Education—Basic Grants to States	UAA	233,096
84.048	Career and Technical Education—Basic Grants to States, <i>Maryland State Department of Education</i> , Contract # 11467801	UAA	34,081
	84.048 Subtotal		25,824,600
84.051	Career and Technical Education—National Programs	EDA	5,633
84.069	Leveraging Educational Assistance Partnership	ASA	102,538
84.069	Leveraging Educational Assistance Partnership	NAA	231,390
84.069	Leveraging Educational Assistance Partnership	PEA	706,419
	84.069 Subtotal		1,040,347
84.116	Fund for the Improvement of Postsecondary Education	ASA	14,694
84.116	Fund for the Improvement of Postsecondary Education	NAA	50,507
84.116	Fund for the Improvement of Postsecondary Education	UAA	395,238
	84.116 Subtotal		460,439
84.129	Rehabilitation Long-Term Training	UAA	138,551
84.170	Javits Fellowships	ASA	55,446
84.184	Safe and Drug-Free Schools and Communities—National Programs	ASA	8,493
84.184	Safe and Drug-Free Schools and Communities—National Programs	EDA	774,351
84.184	Safe and Drug-Free Schools and Communities—National Programs	UAA	174,101
	84.184 Subtotal		956,945
84.185	Byrd Honors Scholarships	EDA	894,750
84.185	Byrd Honors Scholarships	UAA	252,750
	84.185 Subtotal		1,147,500

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.186	Safe and Drug-Free Schools and Communities—State Grants	EDA	260,616
84.186	Safe and Drug-Free Schools and Communities—State Grants	GVA	327,954
84.186	Safe and Drug-Free Schools and Communities—State Grants	UAA	311
	84.186 Subtotal		<u>588,881</u>
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	DEA	373,077
84.195	Bilingual Education—Professional Development	ASA	294,275
84.195	Bilingual Education—Professional Development	NAA	285,987
	84.195 Subtotal		<u>580,262</u>
84.200	Graduate Assistance in Areas of National Need	ASA	166,940
84.200	Graduate Assistance in Areas of National Need	UAA	92,350
	84.200 Subtotal		<u>259,290</u>
84.213	Even Start—State Educational Agencies	EDA	1,174,030
84.215	Fund for the Improvement of Education, <i>Deer Valley Unified School District</i> , Contract # 06085789	ASA	170
84.215	Fund for the Improvement of Education, <i>Flagstaff Unified School</i> , Contract # U215X100250	NAA	38,323
84.215	Fund for the Improvement of Education, <i>Young Men's Christian Association</i> , Contract # LTR DTD070108	UAA	99,865
	84.215 Subtotal		<u>138,358</u>
84.224	Assistive Technology	NAA	503,642
84.229	Language Resource Centers	NAA	342,173
84.229	Language Resource Centers	UAA	52,917
	84.229 Subtotal		<u>395,090</u>
84.243	Tech-Prep Education	EDA	1,802,735
84.264	Rehabilitation Training—Continuing Education, <i>San Diego State University Foundation</i> , Contract #s 55587AP26997802212, 55587BP26997802212, 55587CP26997802212	UAA	71,603
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training	DEA	89,112
84.282	Charter Schools	EDA	3,729,853
84.283	Comprehensive Centers	EDA	2,604
84.286	Ready to Teach, <i>Public Broadcasting Service (PBS)</i> , Contract #s R286A050005, U286A050005	ASA	6,005
84.287	Twenty-First Century Community Learning Centers	EDA	20,221,307
84.295	Ready-To-Learn Television, <i>Corporation for Public Broadcasting (CPB)</i> , Contract # U295B050003	ASA	18,122
84.299	Indian Education—Special Programs for Indian Children	ASA	887,234
84.315	Capacity Building for Traditionally Underserved Populations	NAA	270,007
84.323	Special Education—State Personnel Development	ASA	171
84.323	Special Education—State Personnel Development	EDA	509,119
84.323	Special Education—State Personnel Development	NAA	128,310
84.323	Special Education—State Personnel Development	UAA	55,453
	84.323 Subtotal		<u>693,053</u>
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	ASA	510,014
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	NAA	573,961
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	UAA	1,243,235
	84.325 Subtotal		<u>2,327,210</u>
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SDA	151,255
84.328	Special Education—Parent Information Centers	NAA	12,747
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	EDA	511,573
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	DCA	452,810
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	NAA	2,739,534

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	UAA	1,319,455
	84.334 Subtotal		<u>4,058,989</u>
84.335	Child Care Access Means Parents in School	ASA	284,429
84.335	Child Care Access Means Parents in School	NAA	72,503
	84.335 Subtotal		<u>356,932</u>
84.350	Transition to Teaching	ASA	480,877
84.350	Transition to Teaching	EDA	580,279
	84.350 Subtotal		<u>1,061,156</u>
84.351	Arts in Education, <i>Childsplay, Inc.</i> , Contract # 07057476	ASA	82,632
84.357	Reading First State Grants	EDA	2,103,507
84.358	Rural Education	EDA	663,823
84.360	High School Graduation Initiative	EDA	682
84.363	School Leadership	ASA	886,622
84.363	School Leadership	EDA	88,400
	84.363 Subtotal		<u>975,022</u>
84.365	English Language Acquisition Grants	EDA	21,853,572
84.366	Mathematics and Science Partnerships	EDA	3,178,154
84.366	Mathematics and Science Partnerships, <i>Pendergast Elementary School District</i> , Contract #s S366B040003, S366B070003	ASA	2,329
84.366	Mathematics and Science Partnerships, <i>Coconino County Education Service Agency</i> , Contract # 08-0637	NAA	20,344
84.366	Mathematics and Science Partnerships, <i>Navajo County Education Service Agency</i> , Contract # 10FSDPPR-070720-02A	NAA	14,685
84.366	Mathematics and Science Partnerships, <i>Pima County Education Service Agency</i> , Contract # 10FSDPPR-060950-03A	NAA	25,817
84.366	Mathematics and Science Partnerships, <i>Yavapai County Education Service Agency</i> , Contract #s 09FSDPRC-970744-02A, 10FSDPPR-070744-04A	NAA	14,137
84.366	Mathematics and Science Partnerships, <i>Pima County, Arizona</i> , Contract # CK33547977	UAA	12,311
	84.366 Subtotal		<u>3,267,777</u>
84.367	Improving Teacher Quality State Grants	ASA	68,129
84.367	Improving Teacher Quality State Grants	BRA	62,204
84.367	Improving Teacher Quality State Grants	DCA	42,761
84.367	Improving Teacher Quality State Grants	DJA	155,159
84.367	Improving Teacher Quality State Grants	EDA	48,863,346
84.367	Improving Teacher Quality State Grants	NAA	7,807
84.367	Improving Teacher Quality State Grants	SPA	195,757
84.367	Improving Teacher Quality State Grants	UAA	22,164
	84.367 Subtotal		<u>49,417,327</u>
84.368	Grants for Enhanced Assessment Instruments	EDA	58,536
84.369	Grants for State Assessments and Related Activities	EDA	10,293,063
84.371	Striving Readers	EDA	37,590
84.373	Special Education—Technical Assistance on State Data Collection	EDA	59,363
84.378	College Access Challenge Grant Program	EPA	500,128
84.378	College Access Challenge Grant Program	GVA	193,930
84.378	College Access Challenge Grant Program	NAA	252,526
84.378	College Access Challenge Grant Program	PEA	4,708
84.378	College Access Challenge Grant Program	UAA	59,147
	84.78 Subtotal		<u>1,010,439</u>
84.410	Education Jobs Fund	GVA	141,110,983
84.0516221	National Writing Project, <i>National Writing Project Corporation</i> , Contract # 0516221	NAA	56,167
84.09-AZ04	National Writing Project, <i>National Writing Project</i> , Contract # 09-AZ04	ASA	44,304
84.1101712	PBIS: Scottsdale Unified School District, <i>Scottsdale Unified School District</i> , Contract # 1101712	ASA	5,187
84.11037	ARRA—Math Content and Pedagogy Professional Development, <i>Liberty Elementary School District #25</i> , Contract # 110370	ASA	16,365

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.U215X080026	East Meets Southwest: Traditional American History for Mesa Public School Teachers, <i>Mesa Public Schools</i> , Contract # U215X080026	ASA	3,495
84.Unknown	College Access Challenge Grant	NAA	97,184
84.Unknown	Application for National Writing Project Matching Funds, <i>National Writing Project</i> , Contract # 92AZ03	UAA	43,406
84.Unknown	Financial Literacy Professional Development, <i>Maryland State Department of Education</i> , Contract # 104698	UAA	1,215
84.Unknown	Second Certification Project, <i>Catalina Foothills School District</i> , Contract # 234284	UAA	12,401
84.Unknown	TUSD INTEL Math, <i>Tucson Unified School District</i> , Contract # 181669	UAA	18,408
84.Unknown	DANTES Troops to Teachers	VSA	66,264
Total Department of Education			\$ 1,097,994,172
<u>SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS</u>			
85.E4059735	Morris K. Udall Workplan FY 2010	UAA	\$ 192,637
85.LTR DTD 031609	Morris K. Udall Workplan FY 2009	UAA	18,515
85.NNI001	Native Nations Institute for Leadership, Management, and Policy	UAA	361,305
85.UF111013	Morris K. Udall Workplan FY 2011	UAA	146,372
Total Scholarship and Fellowship Foundations			\$ 718,829
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>			
89.003	National Historical Publications and Records Grants	STA	\$ 16,518
Total National Archives and Records Administration			\$ 16,518
<u>ELECTION ASSISTANCE COMMISSION</u>			
90.401	Help America Vote Act Requirements Payments	STA	\$ 3,461,977
Total Election Assistance Commission			\$ 3,461,977
<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	\$ 9,503,646
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services	DEA	9,575,601
93.053	Nutrition Services Incentive Program	DEA	1,853,279
93.705	ARRA—Aging Home-Delivered Nutrition Services for States	DEA	81,128
93.707	ARRA—Aging Congregate Nutrition Services for States	DEA	160,404
Aging Cluster Subtotal			21,174,058
<u>Immunization Cluster</u>			
93.268	Immunization Grants	HSA	91,165,014
93.712	ARRA—Immunization	HSA	1,332,802
Immunization Cluster Subtotal			92,497,816
<u>TANF Cluster</u>			
93.558	Temporary Assistance for Needy Families	DEA	196,677,220
93.714	ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	DEA	4,456,664
TANF Cluster Subtotal			201,133,884
<u>CSBG Cluster</u>			
93.569	Community Services Block Grant	DEA	4,771,111
93.710	ARRA—Community Services Block Grant	DEA	1,761,215
CSBG Cluster Subtotal			6,532,326
<u>CCDF Cluster</u>			
93.575	Child Care and Development Block Grant	DEA	43,307,610
93.575	Child Care and Development Block Grant	GVA	252,483
93.575	Child Care and Development Block Grant	HSA	954,383
93.575 Subtotal			44,514,476
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	DEA	59,853,097

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.713	ARRA—Child Care and Development Block Grant CCDF Cluster Subtotal	DEA	14,476,886 <hr/> 118,844,459
	<u>Head Start Cluster</u>		
93.600	Head Start	EDA	184,296
93.708	ARRA—Head Start Head Start Cluster Subtotal	CDA	374,258 <hr/> 558,554
	<u>Medicaid Cluster</u>		
93.720	ARRA—Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	HSA	258,854
93.775	State Medicaid Fraud Control Units	AGA	1,132,421
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	BNA	272,321
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare 93.777 Subtotal	HSA	4,004,734 <hr/> 4,277,055
93.778	Medical Assistance Program	DEA	83,297,187
93.778	ARRA—Medical Assistance Program	DEA	598,376
93.778	Medical Assistance Program	HCA	6,156,917,000
93.778	ARRA—Medical Assistance Program	HCA	666,751,000
93.778	Medical Assistance Program	HSA	90,130,778
93.778	Medical Assistance Program, <i>Community Partnership of Southern Arizona</i> , Contract # L0901 93.778 Subtotal	UAA	1,008,183 <hr/> 6,998,702,524
	Medicaid Cluster Subtotal		<hr/> 7,004,370,854
	<u>Other Department of Health and Human Services Programs</u>		
93.003	Public Health and Social Services Emergency Fund	HSA	50,000
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	HSA	18,773
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	HSA	499,399
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DEA	74,030
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals	DEA	222,719
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services	DEA	397,168
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	DEA	678,680
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	HSA	150,513
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects 93.048 Subtotal	UAA	8,568 <hr/> 837,761
93.051	Alzheimer's Disease Demonstration Grants to States	DEA	168,936
93.052	National Family Caregiver Support, Title III, Part E	DEA	2,746,316
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure, <i>Association of Public Health Laboratories</i> , Contract #1U60HM000803	HSA	29,928
93.069	Public Health Emergency Preparedness	ADA	80,607
93.069	Public Health Emergency Preparedness	HSA	19,240,000
93.069	Public Health Emergency Preparedness	SPA	28,615
93.069	Public Health Emergency Preparedness 93.069 Subtotal	UAA	495,704 <hr/> 19,844,926
93.070	Environmental Public Health and Emergency Response	HSA	64,843
93.071	Medical Enrollment Assistance Program	DEA	190,647
93.072	Lifespan Respite Care Program	DEA	23,464
93.087	Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	DEA	219,194
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	HSA	454
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards	UAA	488,098
93.110	Maternal and Child Health Federal Consolidated Programs	ASA	5,239
93.110	Maternal and Child Health Federal Consolidated Programs	CDA	91,265
93.110	Maternal and Child Health Federal Consolidated Programs	HSA	332,416

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.110	Maternal and Child Health Federal Consolidated Programs	NAA	13,464
93.110	Maternal and Child Health Federal Consolidated Programs	UAA	999,070
93.110	Maternal and Child Health Federal Consolidated Programs, <i>University of Colorado at Denver Health Services Center</i> , Contract #s FY08003006H30MC00008, FY10003006H30MC00008	UAA	71,516
	93.110 Subtotal		1,512,970
93.113	Environmental Health	UAA	8,000
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	HSA	1,521,006
93.127	Emergency Medical Services for Children	HSA	133,383
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	HSA	193,546
93.136	Injury Prevention and Control Research and State and Community Based Programs	ASA	201,496
93.136	Injury Prevention and Control Research and State and Community Based Programs	HSA	545,824
93.136	Injury Prevention and Control Research and State and Community Based Programs	UAA	70,074
	93.136 Subtotal		817,394
93.142	NIEHS Hazardous Waste Worker Health and Safety Training, <i>University of California-Los Angeles</i> , Contract # U45 ES006173	ASA	235,096
93.145	AIDS Education and Training Centers, <i>University of California-San Francisco</i> , Contract #s 2943SC, 6376SC	UAA	173,225
93.150	Projects for Assistance in Transition from Homelessness (PATH)	HSA	1,124,929
93.165	Grants to States for Loan Repayment Program	HSA	56,450
93.173	Research Related to Deafness and Communication Disorders	ASA	58,205
93.178	Nursing Workforce Diversity	UAA	451,357
93.197	Childhood Lead Poisoning Prevention Projects—State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	HSA	95,407
93.211	Telehealth Programs	UAA	396,721
93.217	Family Planning—Services, <i>Arizona Family Planning Council</i> , Contract #s AGR 01/01/08, AGR 02/09/11	ASA	242,996
93.226	Research on Healthcare Costs, Quality and Outcomes	UAA	5,523
93.226	Research on Healthcare Costs, Quality and Outcomes, <i>Michigan Public Health Institute</i> , Contract # R18HS017191	ASA	398
	93.226 Subtotal		5,921
93.231	Epidemiology Cooperative Agreements, <i>Inter Tribal Council of Arizona, Incorporated</i> , Contract # U26IHS300007	UAA	6,460
93.234	Traumatic Brain Injury State Demonstration Grant Program	DEA	252,702
93.235	Affordable Care Act (ACA) Abstinence Education Program	HSA	19,143
93.236	Grants for Dental Public Health Residency Training	HSA	368,530
93.236	Grants for Dental Public Health Residency Training	NAA	31,649
	93.236 Subtotal		400,179
93.240	State Capacity Building	HSA	171,869
93.242	Mental Health Research Grants	ASA	30,664
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	ASA	248,010
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	GVA	1,265,419
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	HSA	1,409,921
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	JCA	191,118
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	UAA	1,760,810
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>Community Bridges</i> , Contract # H79 TI018924	ASA	53,776
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>TERROS Behavioral Health Services</i> , Contract # SP 13318-01	ASA	20,650
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>University of California-Los Angeles</i> , Contract #s 2000GJG913, UD1 T1013594	ASA	199,492
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>University of Missouri-Kansas City</i> , Contract # 3UD1TI013592-09S1	ASA	82,202

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>Community Partnership of Southern Arizona</i> , Contract # LOA0610	UAA	101,738
	93.243 Subtotal		5,333,136
93.247	Advanced Education Nursing Grant Program	ASA	131,142
93.247	Advanced Education Nursing Grant Program	UAA	673,841
	93.247 Subtotal		804,983
93.250	Geriatric Academic Career Awards	UAA	52,948
93.251	Universal Newborn Hearing Screening	HSA	376,822
93.251	Universal Newborn Hearing Screening	UAA	9,110
	93.251 Subtotal		385,932
93.253	Poison Center Support and Enhancement Grant Program	UAA	259,150
93.262	Occupational Safety and Health Program	UAA	271,010
93.265	Comprehensive Geriatric Education Program (CGEP)	ASA	113,564
93.265	Comprehensive Geriatric Education Program (CGEP)	NAA	13,659
93.265	Comprehensive Geriatric Education Program (CGEP)	UAA	12,905
	93.265 Subtotal		140,128
93.270	Adult Viral Hepatitis Prevention and Control	HSA	38,283
93.275	Substance Abuse and Mental Health Services—Access to Recovery	GVA	1,485,492
93.279	Drug Abuse and Addiction Research Programs	ASA	49,738
93.282	Mental Health National Research Service Awards for Research Training	ASA	18,803
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	HSA	5,059,488
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	UAA	472,137
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance, <i>Hispanic Serving Health Professions Schools</i> , Contract # 325128UAAHCOE	UAA	16,378
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance, <i>University of Colorado</i> , Contract # FY09003005U01DD000198	UAA	13,423
	93.283 Subtotal		5,561,426
93.296	State Partnership Grant Program to Improve Minority Health	HSA	58,938
93.301	Small Rural Hospital Improvement Grant Program	UAA	134,894
93.358	Advanced Nursing Education Traineeships	ASA	61,931
93.358	Advanced Nursing Education Traineeships	NAA	20,544
93.358	Advanced Nursing Education Traineeships	UAA	55,268
	93.358 Subtotal		137,743
93.359	Nurse Education, Practice and Retention Grants	ASA	695,028
93.361	Nursing Research	ASA	166,103
93.389	National Center for Research Resources	UAA	318,896
93.395	Cancer Treatment Research, <i>Gynecologic Oncology Group Administration</i> , Contract #s CA101165, CA2746930	UAA	181,176
93.396	Cancer Biology Research, <i>University of Utah</i> , Contract # 10008199-01	HSA	8,817
93.411	ARRA—Equipment to Enhance Training for Health Professionals	UAA	294,637
93.414	ARRA—State Primary Care Offices	HSA	81,582
93.448	Food Safety and Security Monitoring Project	HSA	250,036
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	HSA	40,801
93.507	Strengthening Public Health Infrastructure for Improved Health Outcomes	HSA	85,951
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	IDA	245,283
93.516	Affordable Care Act (ACA) Public Health Training Centers Programs	UAA	305,070
93.517	Affordable Care Act Aging and Disability Resource Center	DEA	47,616
93.518	Affordable Care Act—Medicare Improvements for Patients and Providers	DEA	2,333
93.520	Centers for Disease Control and Prevention—Affordable Care Act (ACA)—Communities Putting Prevention to Work	HSA	45,461
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements	HSA	71,203
93.523	The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	HSA	89,634
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	GVA	77,904

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	HCA	141,000
	93.525 Subtotal		<u>218,904</u>
93.556	Promoting Safe and Stable Families	DEA	6,693,862
93.563	Child Support Enforcement	DEA	39,873,748
93.563	ARRA—Child Support Enforcement	DEA	3,579,669
	93.563 Subtotal		<u>43,453,417</u>
93.566	Refugee and Entrant Assistance—State Administered Programs	DEA	10,153,263
93.566	Refugee and Entrant Assistance—State Administered Programs	HSA	104,452
	93.566 Subtotal		<u>10,257,715</u>
93.568	Low-Income Home Energy Assistance	DEA	26,970,670
93.568	Low-Income Home Energy Assistance	EPA	4,482,919
	93.568 Subtotal		<u>31,453,589</u>
93.576	Refugee and Entrant Assistance—Discretionary Grants	DEA	809,990
93.576	Refugee and Entrant Assistance—Discretionary Grants	EDA	367,778
93.576	Refugee and Entrant Assistance—Discretionary Grants, <i>International Rescue Committee, Inc.</i> , Contract #s 90RP0060, 90RP006002	UAA	11,942
	93.576 Subtotal		<u>1,189,710</u>
93.584	Refugee and Entrant Assistance—Targeted Assistance Grants	DEA	1,674,429
93.586	State Court Improvement Program	SPA	835,219
93.590	Community-Based Child Abuse Prevention Grants	DEA	252,804
93.597	Grants to States for Access and Visitation Programs	DEA	149,331
93.599	Chafee Education and Training Vouchers Program (ETV)	DEA	1,262,604
93.603	Adoption Incentive Programs	DEA	1,083,779
93.604	Assistance for Torture Victims, <i>International Rescue Committee</i> , Contract #s 2009-ACF-ORR-ZT-0051, 90ZT0092	ASA	25,207
93.604	Assistance for Torture Victims, <i>International Rescue Committee</i> , Contract # 90ZT0092	UAA	12,646
	93.604 Subtotal		<u>37,853</u>
93.617	Voting Access for Individuals with Disabilities—Grants to States	STA	106,182
93.630	Developmental Disabilities Basic Support and Advocacy Grants	DEA	803,476
93.630	Developmental Disabilities Basic Support and Advocacy Grants	UAA	99,086
	93.630 Subtotal		<u>902,562</u>
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	NAA	487,544
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UAA	565,175
	93.632 Subtotal		<u>1,052,719</u>
93.643	Children's Justice Grants to States	DJA	1,588
93.643	Children's Justice Grants to States	GVA	310,777
	93.643 Subtotal		<u>312,365</u>
93.645	Child Welfare Services—State Grants	DEA	4,357,882
93.648	Child Welfare Research Training or Demonstration	ASA	2,705,691
94.648	Child Welfare Research Training or Demonstration	DEA	82,337
	94.648 Subtotal		<u>2,788,028</u>
93.658	Foster Care—Title IV-E	DEA	69,128,127
93.658	ARRA—Foster Care—Title IV-E	DEA	2,898,413
93.658	Foster Care—Title IV-E	SPA	429,223
	93.658 Subtotal		<u>72,455,763</u>
93.659	Adoption Assistance	DEA	78,311,220
93.659	ARRA—Adoption Assistance	DEA	3,029,836
	93.659 Subtotal		<u>81,341,056</u>
93.667	Social Services Block Grant	DEA	53,288,531
93.669	Child Abuse and Neglect State Grants	DEA	195,472

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters—Grants to States and Indian Tribes	HSA	1,946,682
93.674	Chafee Foster Care Independence Program	DEA	1,738,125
93.717	ARRA—Preventing Healthcare-Associated Infections	HSA	42,242
93.719	ARRA—State Grants to Promote Health Information Technology	GTA	38,109
93.719	ARRA—State Grants to Promote Health Information Technology	GVA	168,194
	93.719 Subtotal		<u>206,303</u>
93.723	ARRA—Prevention and Wellness-State, Territories and Pacific Islands	HSA	643,163
93.723	ARRA—Prevention and Wellness-State, Territories and Pacific Islands	UAA	225,752
	93.723 Subtotal		<u>868,915</u>
93.724	ARRA—Prevention and Wellness—Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)	HSA	88,970
93.724	ARRA—Prevention and Wellness—Communities Putting Prevention to Work Funding Opportunities Announcement (FOA), <i>Pima County, Arizona</i> , Contract # 0701A1430900310	UAA	1,881,932
	93.724 Subtotal		<u>1,970,902</u>
93.725	ARRA—Communities Putting Prevention to Work: Chronic Disease Self-Management Program	HSA	306,208
93.729	ARRA—Health Information Technology and Public Health	HSA	521,029
93.767	Children's Health Insurance Program	HCA	40,418,000
93.767	Children's Health Insurance Program	HSA	480,636
	93.767 Subtotal		<u>40,898,636</u>
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	HCA	1,413,000
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	DEA	799,619
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	UAA	92,858
	93.779 Subtotal		<u>892,477</u>
93.837	Cardiovascular Diseases Research	ASA	15,627
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	ASA	50,545
93.855	Allergy, Immunology and Transplantation Research	ASA	12,287
93.859	Biomedical Research and Research Training	ASA	1,377
93.865	Child Health and Human Development Extramural Research	UAA	16,000
93.866	Aging Research	UAA	15,300
93.884	Grants for Training in Primary Care Medicine and Dentistry	UAA	190,632
93.889	National Bioterrorism Hospital Preparedness Program	HSA	8,882,430
93.912	Rural Health Care Services Outreach, Rural Health Network Development Program, and Small Health Care Provider Quality Improvement Program	UAA	521,983
93.913	Grants to States for Operation of Offices of Rural Health	UAA	178,804
93.914	HIV Emergency Relief Project Grants	DCA	74,604
93.914	HIV Emergency Relief Project Grants, <i>Maricopa County</i> , Contract #HG152058	HSA	768,826
	93.914 Subtotal		<u>843,430</u>
93.917	HIV Care Formula Grants	HSA	14,462,292
93.917	HIV Care Formula Grants	UAA	87,023
	93.917 Subtotal		<u>14,549,315</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UAA	198,894
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	HSA	2,231,129
93.923	Disadvantaged Health Professions Faculty Loan Repayment (FLRP) and Minority Faculty Fellowship Program (MFFP)	NAA	57,066
93.928	Special Projects of National Significance	HSA	21,115
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	EDA	782,323
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	HSA	66,688

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	UAA	57,671
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems, <i>National 4H Club Foundation</i> , Contract # U58DP000456	UAA	122,954
	93.938 Subtotal		1,029,636
93.940	HIV Prevention Activities—Health Department Based	HSA	2,950,409
93.940	HIV Prevention Activities—Health Department Based	UAA	9,981
	93.940 Subtotal		2,960,390
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	HSA	151,994
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	HSA	971,045
93.945	Assistance Programs for Chronic Disease Prevention and Control	HSA	16,220
93.958	Block Grants for Community Mental Health Services	HSA	9,279,993
93.958	Block Grants for Community Mental Health Services, <i>Advocates for Human Potential, Inc.</i>	HSA	6,129
	93.958 Subtotal		9,286,122
93.959	Block Grants for Prevention and Treatment of Substance Abuse	ASA	422,139
93.959	Block Grants for Prevention and Treatment of Substance Abuse	HSA	35,647,577
93.959	Block Grants for Prevention and Treatment of Substance Abuse, <i>Community Partnership of Southern Arizona</i> , Contract # P0615	UAA	7,986
	93.959 Subtotal		36,077,702
93.969	Geriatric Education Centers	ASA	12,022
93.969	Geriatric Education Centers	UAA	94,579
	93.969 Subtotal		106,601
93.970	Health Professions Recruitment Program for Indians	ASA	337,616
93.970	Health Professions Recruitment Program for Indians	UAA	105,952
	93.970 Subtotal		443,568
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants	HSA	1,184,872
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	UAA	10,039
93.991	Preventive Health and Health Services Block Grant	HSA	1,306,905
93.994	Maternal and Child Health Services Block Grant to the States	HSA	6,502,247
93.994	Maternal and Child Health Services Block Grant to the States	UAA	12,868
	93.994 Subtotal		6,515,115
93.6H79SP12923011	South Tucson Drug Free Communities, <i>City of South Tucson</i> , Contract # H79SP12923	UAA	6,198
93.C08166	Evaluation of the Navajo Nation's Promoting Safe and Stable Families Program, <i>Navajo Nation—Division of Social Services</i> , Contract # C08166	ASA	64,816
93.C08821	NDSS Block Grants and Special Projects Dept. Program Evaluation, <i>Navajo Nation—Division of Social Services</i> , Contract # C08821	ASA	68,227
93.H79T1019911	Step Forward, <i>Codac Behavioral Health Services of Pima County</i> , Contract # 1H79TI01991UOFASIROW01	UAA	167,612
93.H79TI021852	EMPOWR—Engaging, Motivating & Providing Options within Recovery for Veterans, <i>Old Pueblo Community Foundation</i> , Contract # H79TI021852	ASA	27,051
93.HHSH230200432004C	U.S. Mexico Border Center of Excellence Consortium Phase III, <i>University of Texas Health Science Center San Antonio</i> , Contract # 12221312209	UAA	22,463
93.HHSN268201100016C	Sub-contract to RTI in Support of NHLBI, <i>Research Technologies, Inc.</i> , Contract # 13120212844	UAA	34,898
93.HHSN271201100092P	Outreach Partnership Program	ASA	1,322
93.HHSP23320082917YC	Native American Needs Assessment, <i>Association of University Centers on Disability</i> , Contract # HHSP23320082917YC	UAA	31,553
93.HHSP233201100049A	National Women's Leadership Institute, <i>Mariposa Community Health Center</i> , Contract # HHSP233201100049A	UAA	5,313
93.HP032097003	Evaluation of CPSA Programs, <i>Community Partnership of Southern Arizona</i> , Contract # P0615	UAA	45,063
93.II-ISA-11-1304-01	State Epidemiological Outcomes Workgroup (SEOW)	ASA	224
93.IPA 10/29/09	Intergovernmental Personnel Assignment—Office of the National Coordinator for Health Information Technology	ASA	86,060
93.LTR DTD 011910	IPA for Donato Romagnolo	UAA	12,333

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.LTR DTD 052510	Intergovernmental Personnel Act	UAA	167,410
93.N01LM63507	Border and Outreach Challenges 2010-2011, <i>University of California-Los Angeles</i> , Contract # 5415PNA581	UAA	37,991
93.R10RH12714	Santa Cruz County Adolescent Wellness Network (SCC AWN), <i>Mariposa Community Health Center</i> , Contract # R10RH12714	UAA	9,835
93.T119593	Guiding Star Pregnant and Postpartum Women's Project, <i>Native American Connections, Inc.</i> , Contract # T119593	UAA	2,654
93.Unknown	Implementing HITs, EHRs & Telehealth to Enhance Quality and Improve Health, <i>National Opinion Research Center</i> , Contract # Preaward Costs	UAA	15,950
93.Unknown	Provide Services to Assist in Alleviating Poverty, Revitalizing Communities and Empowering Low Income Families to Become Self Sufficient, <i>Pima County Community Action Agency</i> , Contract # 0769A1427860709	UAA	45,059
93.Unknown	Support for Knowledge River Library School Internships, <i>Center for Public Service Communications, LLC</i> , Contract # 200815	UAA	75,335
93.Unknown	YAC-AZ Youth Health and Wellness Web-based Fact Sheets, <i>Southwest Institute for Families and Children with SPE</i> , Contract # MEM0308	UAA	2,365
93.Unknown	Yeome Youth Health Conference of the Pascua Yaqui Tribal Community Project, <i>University of California-Los Angeles</i> , Contract # 5415PNA579	UAA	21,239
Total Department of Health and Human Services			\$ 7,951,523,870
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
<u>Foster Grandparent/Senior Companion Cluster</u>			
94.011	Foster Grandparent Program	NAA	\$ 593,860
94.016	Senior Companion Program	NAA	636,073
Foster Grandparent/Senior Companion Cluster Subtotal			1,229,933
<u>Other Corporation for National and Community Service Programs</u>			
94.002	Retired and Senior Volunteer Program	NAA	185,213
94.003	State Commissions	GVA	276,721
94.004	Learn and Serve America—School and Community Based Programs	EDA	346,492
94.006	AmeriCorps	GVA	1,778,304
94.006	ARRA—AmeriCorps	GVA	74,947
94.006	AmeriCorps	NAA	393,658
94.006	AmeriCorps	UAA	198,856
94.006	ARRA—AmeriCorps	UAA	152
94.006	AmeriCorps, <i>Public Allies</i> , Contract #s 06NDHWI0010004, 09NDHWI0010001	ASA	508,448
94.006	ARRA—AmeriCorps, <i>Public Allies</i> , Contract # 09RNHWI0020001	ASA	31,737
94.006 Subtotal			2,986,102
94.007	Program Development and Innovation Grants	GVA	121,191
94.007	Program Development and Innovation Grants	NAA	19,641
94.007	Program Development and Innovation Grants, <i>North Carolina Campus Compact-Elon University</i> , Contract # AGR 10/20/10	ASA	1,325
94.007 Subtotal			142,157
94.009	Training and Technical Assistance	GVA	115,172
94.009	Training and Technical Assistance	UAA	155,315
94.009 Subtotal			270,487
94.II-ISA-11-1365-01	Governor's Office ISA VPEP	ASA	11,687
Total Corporation for National and Community Service			\$ 5,448,792
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>			
95.001	High Intensity Drug Trafficking Areas Program	AGA	\$ 399,790
95.001	High Intensity Drug Trafficking Areas Program	PSA	2,290,066
95.001 Subtotal			2,689,856
Total Executive Office of the President			\$ 2,689,856

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
<u>SOCIAL SECURITY ADMINISTRATION</u>			
<u>Disability Insurance/SSI Cluster</u>			
96.001	Social Security—Disability Insurance	DEA	\$ 35,789,289
	Disability Insurance/SSI Cluster Subtotal		<u>35,789,289</u>
	Total Social Security Administration		<u>\$ 35,789,289</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Homeland Security Cluster</u>			
97.067	Homeland Security Grant Program	AEA	\$ 13,631
97.067	Homeland Security Grant Program	AHA	38,446
97.067	Homeland Security Grant Program	DCA	422,503
97.067	Homeland Security Grant Program	FOA	116,688
97.067	Homeland Security Grant Program	GTA	355,214
97.067	Homeland Security Grant Program	HLA	36,273,806
97.067	Homeland Security Grant Program	MAA	448,900
97.067	Homeland Security Grant Program	PSA	2,714,953
	Homeland Security Cluster Subtotal		<u>40,384,141</u>
<u>Other Department of Homeland Security Programs</u>			
97.001	Pilot Demonstration or Earmarked Projects	GTA	407,735
97.001	Pilot Demonstration or Earmarked Projects	HLA	204,815
	97.001 Subtotal		<u>612,550</u>
97.008	Non-Profit Security Program	HLA	151,323
97.012	Boating Safety Financial Assistance	GFA	1,907,232
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	NAA	8,943
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	WCA	157,778
97.029	Flood Mitigation Assistance	MAA	112,500
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)	MAA	4,442,815
97.039	Hazard Mitigation Grant	MAA	249,739
97.041	National Dam Safety Program	WCA	77,953
97.042	Emergency Management Performance Grants	MAA	6,343,892
97.045	Cooperating Technical Partners	GSA	5,854
97.045	Cooperating Technical Partners	MAA	3,535
97.045	Cooperating Technical Partners	WCA	146,085
	97.045 Subtotal		<u>155,474</u>
97.047	Pre-Disaster Mitigation	GSA	74,983
97.047	Pre-Disaster Mitigation	MAA	350,080
	97.047 Subtotal		<u>425,063</u>
97.075	Rail and Transit Security Grant Program	HLA	265,928
97.078	Buffer Zone Protection Program (BZPP)	HLA	419,182
97.078	Buffer Zone Protection Program (BZPP)	PSA	164,117
	97.078 Subtotal		<u>583,299</u>
97.082	Earthquake Consortium	GSA	31,951
97.086	Homeland Security Outreach, Education, and Technical Assistance	ASA	365,486
97.092	Repetitive Flood Claims	MAA	78,316
	Total Department of Homeland Security		<u>\$ 56,354,383</u>
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>			
98.001	USAID Foreign Assistance for Programs Overseas, <i>Georgetown University</i> , Contract # UARRX205070510N1	UAA	\$ 342,991
98.001	USAID Foreign Assistance for Programs Overseas, <i>Texas AgriLife Research</i> , Contract # 570689	UAA	21,935
	98.001 Subtotal		<u>364,926</u>
98.012	USAID Development Partnerships for University Cooperation and Development	ASA	367,941

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
98.012	USAID Development Partnerships for University Cooperation and Development, <i>Higher Education for Development (HED)</i> , Contract # 523A00060000900	ASA	151,725
	98.012 Subtotal		519,666
98.185A0009000101	Integrated Telemedicine and E-Health Program of Albania, <i>International Virtual E-Hospital Foundation</i> , Contract # 185A000900010100	UAA	41,701
98.306A00060052400	Afghan Digital Libraries Alliance, <i>Washington State University</i> , Contract # G002117	UAA	72,619
98.AEGI18040001000	Farmer-to-Farmer Aquaculture Niche Project, <i>Weidemann Associates, Inc.</i> , Contract # 1071205023	UAA	70,204
98.AID-OAA-L-11-00005	Sustainable Energy Education Consortium (SEEC)	ASA	6,720
98.RLAA00090000400	Scholarships for Education and Economic Development Program (SEED), <i>Georgetown University</i> , Contract #s UARRX205070509J1, UARRX205070510P6	UAA	198,016
	Total Agency for International Development		\$ 1,273,852
<u>MISCELLANEOUS FEDERAL AGENCIES</u>			
99.SJI 10 E 016, SJI 11 E 013	Develop Performance Measurement System for Appellate Courts, <i>State Justice Institute</i> , Contract #s SJI-10-E-016, SJI-11-E-013	SPA	\$ 7,286
	Total Miscellaneous Federal Agencies		\$ 7,286
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>			
<u>Department of Education</u>			
84.007	Federal Supplemental Educational Opportunity Grants	ASA	\$ 2,216,521
84.007	Federal Supplemental Educational Opportunity Grants	NAA	400,254
84.007	Federal Supplemental Educational Opportunity Grants	UAA	664,887
	84.007 Subtotal		3,281,662
84.033	Federal Work-Study Program	ASA	2,480,617
84.033	Federal Work-Study Program	NAA	860,252
84.033	Federal Work-Study Program	UAA	1,809,212
	84.033 Subtotal		5,150,081
84.063	Federal Pell Grant Program	ASA	92,588,245
84.063	Federal Pell Grant Program	NAA	33,103,349
84.063	Federal Pell Grant Program	UAA	42,471,169
	84.063 Subtotal		168,162,763
84.375	Academic Competitiveness Grants	ASA	69,951
84.375	Academic Competitiveness Grants	NAA	1,384,450
84.375	Academic Competitiveness Grants	UAA	1,716,707
	84.375 Subtotal		3,171,108
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	ASA	1,981,262
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	NAA	1,424,937
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	UAA	1,047,247
	84.376 Subtotal		4,453,446
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	ASA	4,242,840
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	NAA	163,706
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UAA	432,318
	84.379 Subtotal		4,838,864
84.408	Postsecondary Education Scholarships for Veteran's Dependents	ASA	5,550
	Department of Education Subtotal		189,063,474
<u>Department of Health and Human Services</u>			
93.407	ARRA—Scholarships for Disadvantaged Students	ASA	49,332
93.407	ARRA—Scholarships for Disadvantaged Students	NAA	71,297
	93.407 Subtotal		120,629
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	ASA	424,405

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	NAA	358,075
	93.925 Subtotal		782,480
	Department of Health and Human Services Subtotal		903,109
	Total Student Financial Assistance Cluster		<u>\$ 189,966,583</u>
RESEARCH & DEVELOPMENT CLUSTER			
Department of Agriculture			
10.RD	Agricultural Research Service	ASA	\$ 14,793
10.RD	Department of Agriculture	ASA	168,568
10.RD	Department of Agriculture	UAA	9,653,101
10.RD	Economic Research Service	ASA	29,636
10.RD	Farm Service Agency	ASA	36,284
10.RD	Forest Service	ASA	9,539
10.RD	Forest Service	NAA	868,005
10.RD	Forest Service	UAA	1,110,736
10.RD	ARRA—Forest Service	UAA	7,558
10.RD	National Institute of Food and Agriculture	ASA	660,999
10.RD	National Institute of Food and Agriculture	NAA	666,677
10.RD	Natural Resources Conservation Service	UAA	61,260
10.RD	Arizona Department of Agriculture, Contract #s 1085401044CA, SCBGP0809, SCBGPFB0803, SCBGPFB0905, SCBGPFB0907, SCBGPFB0909, SCBGPFB0910, SCBGPFB0911, SCBGPFB0912, SCBGPFB0913, SCBGPFB0915, SCBGPFB0916, SCBGPFB0917, SCBGPFB0919, SCBGPFB0924, SCBGPFB0925, SCBGPFB1005, SCBGPFB1006, SCBGPFB1007, SCBGPFB1010, SCBGPFB1015, SCBGPFB1017, SCBGPFB1018, SCBGPFB1020, SCBGP0803	UAA	437,100
10.RD	Arizona State Forestry Division, Contract #s SFA 09-003, SFA 08-011, WFHF 09-014, CCG 10-007	NAA	73,253
10.RD	Arizona State Parks, Contract # CCG10-001	ASA	14,497
10.RD	Arizona State University, Contract # 09123	UAA	403
10.RD	Bat Conservation International, Contract # CK9174	UAA	29,027
10.RD	California Polytechnic State University, Contract # 20106540020441	ASA	33,626
10.RD	Colorado State University, Contract # 2009-51181-05739	ASA	4,440
10.RD	Colorado State University, Contract # G14741	UAA	7,062
10.RD	Inbios International, Contract # 20073361018620	UAA	20,654
10.RD	Iowa State University, Contract # 4162324C	UAA	10,023
10.RD	Los Alamos National Laboratory, Contract # 76748-001-09	NAA	8,510
10.RD	Michigan State University, Contract # RC064684UA	UAA	16,037
10.RD	National Renewable Energy Laboratory, Contract # DE-AC36-08GQ28308	ASA	48,961
10.RD	New Mexico State University, Contract #s Q01239, Q01431, Q01416	UAA	45,679
10.RD	Oceanic Institute, Contract #s USMSFP200819163UAZAPL, USMSFP200919851UAZ, USMSFP201021115UAZ	UAA	308,473
10.RD	Oklahoma State, Contract # AB-5-67690-NAU	NAA	877
10.RD	Oregon State University, Contract # 60025859	UAA	13,147
10.RD	Oregon Sweet Cherry Commission, Contract # FAA0901101	UAA	2,808
10.RD	Portland State University, Contract # 207JOH051	UAA	110,895
10.RD	Purdue University, Contract #s 8000032985AG, 8000040009AG, 8000040172	UAA	201,950
10.RD	Rutgers, The State University of New Jersey, Contract #s 2008AZ001BDP, S1522449	UAA	15,181
10.RD	Texas A&M University, Contract #s 470201, 570590	UAA	30,853
10.RD	Texas AgriLife Research, Contract #s 570493, 570686	UAA	23,451
10.RD	Texas Technology University, Contract # 2007-35100-18382	ASA	35,394
10.RD	The Research Corp. of the University of Hawaii, Contract # Z892287	UAA	3,547
10.RD	Tucson Community Food Bank, Contract # LTR DTD 102309	UAA	5,754
10.RD	United Sorghum Checkoff Program, Contract # R000910	UAA	25,337
10.RD	University of Arizona, Contract # Y554532	NAA	7,277
10.RD	University of California-Davis, Contract #s 0700255801, 0800399603, 09002101ARIZONA1, 09002101ARIZONA2, 200911201ARI11, 201014478ARIZONA	UAA	69,467
10.RD	University of Cincinnati, Contract # 0060241006782	UAA	209
10.RD	University of Delaware, Contract # 15713	UAA	42,713
10.RD	University of Kentucky, Contract # 304810436508396	UAA	8,766
10.RD	University of Maryland, Contract # Z532001	UAA	99,565
10.RD	University of Rhode Island, Contract # 2007-51130-03873	ASA	49,031
10.RD	University of Washington, Contract # 688014	UAA	2,445
10.RD	Utah State University, Contract #s 080861047, 080861048, 080861049, 09092201	UAA	65,770
10.RD	Washington State University, Contract # 108493G002325	UAA	43,960
	Department of Agriculture Subtotal		<u>15,203,298</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
Department of Commerce			
11.RD	Economic Development Administration	ASA	316
11.RD	National Institute of Standards and Technology	ASA	78,075
11.RD	ARRA—National Institute of Standards and Technology	ASA	230,676
11.RD	National Institute of Standards and Technology	UAA	28,629
11.RD	ARRA—National Institute of Standards and Technology	UAA	962,966
11.RD	National Oceanic and Atmospheric Administration	ASA	388,453
11.RD	National Oceanic and Atmospheric Administration	UAA	1,973,265
11.RD	<i>Acellent Technologies, Inc., Contract # 70NANB9H9015</i>	UAA	71,232
11.RD	<i>Arizona Manufacturing Extension Partnership, Contract # 70NANB10H102</i>	ASA	87,016
11.RD	<i>Colorado State University, Contract # G12071</i>	UAA	16,288
11.RD	<i>Columbia University, Contract # NA08OAR4320912</i>	ASA	15,952
11.RD	<i>OAK Management, Contract # DG133F-09-BU-0102</i>	ASA	22,622
11.RD	<i>Pacific States Marine Fisheries Commission, Contract # NA08NMF4370485</i>	ASA	12,874
11.RD	<i>ARRA—Purdue University, Contract # 60NANB10D023</i>	ASA	73,167
11.RD	<i>University Corporation for Atmospheric Research, Contract #s S0975794, Z1168141</i>	UAA	118,197
11.RD	<i>University of Colorado, Contract # 1547799</i>	UAA	11,632
11.RD	<i>University of Maine, Contract # UMS839</i>	UAA	12,490
11.RD	<i>University of Maryland, Contract # Z765204</i>	UAA	71,453
11.RD	<i>University of Nebraska-Lincoln, Contract # 2562380372002</i>	UAA	23,878
	Department of Commerce Subtotal		4,199,181
Department of Defense			
12.RD	Air Force Research Laboratory	UAA	219,118
12.RD	Army, Medical Command	UAA	903,036
12.RD	Army, Research Development and Engineering Command Public Communications Office	UAA	1,132,318
12.RD	Asian Office of Aerospace Research and Development	UAA	19,258
12.RD	Defense Advanced Research Projects Agency	ASA	443,970
12.RD	ARRA—Defense Advanced Research Projects Agency	ASA	366,948
12.RD	Defense Advanced Research Projects Agency	UAA	275,056
12.RD	Defense Threat Reduction Agency	NAA	380,573
12.RD	Defense Threat Reduction Agency	UAA	543,735
12.RD	Department of Defense	ASA	4,445,380
12.RD	Department of Defense	NAA	592,433
12.RD	Department of Defense	UAA	118,201
12.RD	Department of the Air Force	ASA	3,093,143
12.RD	Department of the Air Force	UAA	5,360,843
12.RD	Department of the Army	NAA	38,751
12.RD	Department of the Army	UAA	1,091,609
12.RD	Department of the Navy	ASA	4,389,300
12.RD	Department of the Navy	UAA	1,918,932
12.RD	Maryland Procurement Office	UAA	191,430
12.RD	National Security Agency	ASA	329,038
12.RD	National Security Agency	UAA	41,985
12.RD	Naval Facilities Engineering Command Southwest	NAA	7,838
12.RD	Naval Medical Research Center	NAA	74,868
12.RD	Office of the Secretary	ASA	130,581
12.RD	SPAWAR Systems Center-San Diego	UAA	1,147,097
12.RD	The Missile Defense Agency	UAA	165,818
12.RD	U.S. Army Contracting Command	UAA	463,307
12.RD	U.S. Army Material Command	ASA	14,962,368
12.RD	U.S. Army Medical Command	ASA	1,839,045
12.RD	<i>Advanced Ceramics Manufacturing, LLC, Contract # 006025</i>	UAA	40,298
12.RD	<i>Aerius Photonics, Contract #s 10036206, 11049413</i>	ASA	35,228
12.RD	<i>Agiltron, Inc., Contract # N091T006</i>	UAA	64,724
12.RD	<i>Aptima, Inc., Contract #s N00014-09-M-0327, N00014-10-C-0442</i>	ASA	74,750
12.RD	<i>Arizona State University, Contract # 10407</i>	UAA	157,813
12.RD	<i>ASR Corporation, Contract #s 03160701068, 06140701061, 06140702068, 08041002080, W9113M10P0046</i>	UAA	44,799
12.RD	<i>Ball Aerospace Systems Division, Contract # 07RDK00458</i>	UAA	208,165
12.RD	<i>Banner Health, Contract # W18XWH-08-2-0186</i>	ASA	375,848
12.RD	<i>Battelle, Contract # W911NF-07-D-0001</i>	ASA	4,935
12.RD	<i>Battelle Columbus Division, Contract # W911NF-07-D-0001</i>	ASA	98,319
12.RD	<i>BBN Systems and Technologies, Contract # 13251</i>	UAA	118,613
12.RD	<i>Biomedical Research & Education Fund of Southern Arizona, Contract # W81XWH1010745</i>	UAA	46,130
12.RD	<i>Boeing Company, Contract # FA8650-10-C-7085</i>	ASA	112,876
12.RD	<i>California Institute of Technology, Contract #s 38A1077196, 67C1090176, 67N1089127</i>	UAA	216,773

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
12.RD	Camp Dresser & McKee, Inc., Contract # W912HQ-10-C-0075	ASA	107,063
12.RD	Colorado State University, Contract # G23341	UAA	37,158
12.RD	Duke University, Contract # FA8650-09-C-2944	ASA	24,019
12.RD	Duke University, Contract # 10DARPA1099	UAA	643,058
12.RD	Dynetics, Contract # FA8650-08-D-1303	ASA	54,880
12.RD	Engility Corporation, Contract # 10121	UAA	984,355
12.RD	EntroPlus Technology Solutions and Services, LLC, Contract # W911NF-10-C-0120	ASA	6,722
12.RD	Ethosgen, LLC, Contract # LTR DTD 011510	UAA	105,446
12.RD	EWA Government Systems, Incorporated, Contract # EWAGSI09SC0004014578	UAA	32,142
12.RD	G-CON, LLC, Contract # 11039096	ASA	62,172
12.RD	General Atomics, Contract #s FA8650-09-D-5037, HR0011-09-C-0034	ASA	29,081
12.RD	Geneva Foundation, Contract # W81XWH-06-2-0074	ASA	8,628
12.RD	Georgia Institute of Technology, Contract #s 2009-IT-2005, FA23861014152	ASA	114,551
12.RD	Georgia Institute of Technology, Contract #s E216WGG1, RA231GA, RB250G1, RB267G2	UAA	577,577
12.RD	Global Engineering Research and Technologies, Contract # FA955010C0104	UAA	9,539
12.RD	Goodrich Corporation, Contract # 415362	UAA	1,059,576
12.RD	Harvard University, Contract # 123572	UAA	174,017
12.RD	Henry Jackson Foundation, Contract # 711946	NAA	2,167
12.RD	Henry M Jackson Foundation for Advancement of Military Medicine, Contract # 717737	UAA	50,182
12.RD	High Performance Technologies, Inc., Contract # GS04T09DBC0017	ASA	53,469
12.RD	HRL Laboratories, LLC, Contract # 10063100240	UAA	12,836
12.RD	Indiana University, Contract # N00014-07-1-1049	ASA	170,910
12.RD	Institute of International Education, Contract #s HQ0034-07-C-1010, NSEP-U631043, U631040 4	ASA	601,785
12.RD	Intelligent Automation, Inc. (IAI), Contract #s FA9550-09-C-0155, FA9550-10-C-0026, FA9550-11-C-0006, HQ0006-07-C-7377	ASA	188,364
12.RD	Lincoln Laboratories, Contract # PO7000120435	UAA	32,215
12.RD	Los Gatos Research Inc., Contract # PO 006769	ASA	34,963
12.RD	ManTech Telecommunications and Information Systems Corp, Contract # LTR 06/07/10	ASA	28,223
12.RD	Massachusetts Institute of Technology, Contract # 5710002102	UAA	131,045
12.RD	Materials and Electrochemical Research Corp., Contract #s 91832, W911NF09C0112	UAA	250,977
12.RD	Michigan State University, Contract # FA8650-09-C-1619	ASA	99,287
12.RD	Microbiosystems of Utah, LLC, Contract # LTD DTD 081110	UAA	18,643
12.RD	MITRE Corporation, Contract # 78043	UAA	48,645
12.RD	NanoRTD LLC, Contract # W911NF-08-C-0084	ASA	9,320
12.RD	New York University, Contract # N00014-09-1-0181	ASA	26,775
12.RD	Northrop Grumman, Contract #s FA8002-05-C-7002, H94003-04-D-0004, HR0011-09-C-0062, HR011-09-C-0132	ASA	385,751
12.RD	NP Photonics, Inc., Contract # LTR DTD 060210	UAA	171,426
12.RD	Objectvideo, Inc., Contract # N10AT019	UAA	22,865
12.RD	Palo Alto Research Center, Inc., Contract # NNA11AB07C	ASA	513
12.RD	Pennsylvania State University, Contract #s W911NF-09-1-0525, W91CRB-04-C-0039	ASA	182,051
12.RD	Peregrine Power, LLC, Contract # N00014-08-C-0253	ASA	2,157
12.RD	Portland State University, Contract # N0014-08-1-1237	ASA	10,226
12.RD	Princeton University, Contract # FA9550-09-1-0643	ASA	62,466
12.RD	Purdue University, Contract # 531089501	UAA	65,655
12.RD	Raydiance, Inc., Contract # N0001410M0239	UAA	24,041
12.RD	Raytheon Company, Contract # 4200211223	UAA	377,142
12.RD	Raytheon Missile Systems, Contract # N00019-05-G-008-2002	ASA	1,778
12.RD	Renaissance Sciences Corporation, Contract #s N61339-09-C-0031, N68335-11-C-0043	ASA	51,734
12.RD	Rensselaer Polytechnic Institute (RPI), Contract # N00014-09-1-1029	ASA	198,060
12.RD	Ridgetop Group, Incorporated, Contract # AFRTGUA0710	UAA	26,455
12.RD	Rutgers, The State University of New Jersey, Contract # 3796	UAA	92,356
12.RD	SA Photonics, Contract #s 7061UAZ0907, 7086UAZ1010	UAA	63,669
12.RD	Sandia Research Corporation, Contract #s N00014-09-C-0138, N00014-11-M-0129	ASA	50,629
12.RD	Scientific Systems Company Incorporated, Contract # 14661	UAA	79,604
12.RD	Select Engineering Services, Inc., Contract # FA8201-08-D-0006	ASA	75,022
12.RD	SET Corporation, Contract # FA9550-09-C-0173	ASA	118,173
12.RD	SIFT Smart Information Flow Technologies, Contract # W911NF-11-C-0037	ASA	92,293
12.RD	SJT Micropower Inc., Contract # W31P4Q-10-C-0020	ASA	134,078
12.RD	Space Computer Corporation, Contract # 151TO02OFA001	UAA	1,369
12.RD	SRI International, Contract # N00014-09-C-0292	ASA	31,679
12.RD	SRI International, Contract # 27001328	UAA	513,897
12.RD	Technical Data Analysis, Inc., Contract # N00421-10-P-0818	ASA	50,709
12.RD	Texas Engineering Experiment Station, Contract # A5931	UAA	562,549
12.RD	ARRA—The Bioengineering Group, Inc., Contract # W9132T-10-C-0011	ASA	131,290
12.RD	The Nature Conservancy, Contract # WA-5-100819-0300	NAA	20,367
12.RD	Thorpe SEEOP, Contract # N09B-039-0019	ASA	9,699

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
12.RD	<i>Translational Genomics Research Institute, Contract # 09-01</i>	NAA	132,758
12.RD	<i>Universal Technology Corporation, Contract # FA8650-10-D-3037</i>	ASA	1,258
12.RD	<i>Universal Technology Corporation, Contract # 10T583016C1</i>	UAA	104,644
12.RD	<i>University of Alaska-Fairbanks, Contract #s UAF090041, UAF100053</i>	UAA	264,777
12.RD	<i>University of California-Berkeley, Contract # W911NF-07-1-0314</i>	ASA	163,322
12.RD	<i>University of California-Davis, Contract # N00014-11-1-0108</i>	ASA	5,523
12.RD	<i>University of California-Los Angeles, Contract # 1295GNA114</i>	UAA	211,279
12.RD	<i>University of California-San Diego, Contract #s B9U564042, N00014-07-1-0739, N00014-07-1-0741</i>	ASA	123,137
12.RD	<i>University of California-Santa Barbara, Contract # N000014-10-1-0937</i>	ASA	34,131
12.RD	<i>University of Central Florida, Contract # N00014-06-1-0446</i>	ASA	129,474
12.RD	<i>University of Central Florida, Contract # 105755</i>	UAA	106,422
12.RD	<i>University of Chicago, Contract # W81XWH1120114</i>	ASA	7,878
12.RD	<i>University of Florida, Contract # UFEIES1005015UAZ</i>	UAA	50,917
12.RD	<i>University of Hawaii, Contract #s FA9550-09-1-0261, N00014-09-1-0805</i>	ASA	135,451
12.RD	<i>University of Hawaii, Contract # Z891173</i>	UAA	41,648
12.RD	<i>University of Illinois-Champaign/Urbana, Contract #s FA9550-09-1-0098, HR0011-07-1-0002, W911NF-10-1-0524</i>	ASA	363,791
12.RD	<i>University of Illinois-Chicago, Contract #s DAAD190110462, FA9550-05-1-0443</i>	ASA	296,205
12.RD	<i>University of Maryland, Contract # FA9550-08-1-0406</i>	ASA	52,075
12.RD	<i>University of Michigan, Contract # N66001-07-1-2006</i>	ASA	23,840
12.RD	<i>University of Minnesota, Contract # A001650204</i>	UAA	71,149
12.RD	<i>University of Mississippi, Contract # 1108006</i>	UAA	66,484
12.RD	<i>University of Oxford, Contract # N66001-10-1-4061</i>	ASA	90,692
12.RD	<i>University of Pennsylvania, Contract # N00014-08-1-0696</i>	ASA	16,731
12.RD	<i>University of Southern California, Contract # HR0011-10-C-0034</i>	ASA	46,888
12.RD	<i>University of Tennessee, Contract # R041303040</i>	UAA	131,719
12.RD	<i>University of Texas at Austin, Contract # UTA09000620</i>	UAA	151,476
12.RD	<i>University of Virginia, Contract # N00014-07-1-0723</i>	ASA	127,377
12.RD	<i>University of Waterloo, Contract # 4041901</i>	UAA	51,833
12.RD	<i>Vanderbilt University, Contract # HR0011-04-C-0106</i>	ASA	1,667
12.RD	<i>Vanguard Composites, Contract # PO 2004406</i>	ASA	30,000
12.RD	<i>Ventana Research Company, Contract # LTR DTD 070308</i>	UAA	50,213
12.RD	<i>Wyle Laboratories, Contract #s FA8601-04-D-0005, HC1047-05-D-4005</i>	ASA	387,939
	Department of Defense Subtotal		59,157,441
	<u>Department of Housing and Urban Development</u>		
14.RD	<i>ARRA—Pima County, Arizona, Contract # 0170A1431780810</i>	UAA	94,408
	Department of Housing and Urban Development Subtotal		94,408
	<u>Department of the Interior</u>		
15.RD	Bureau of Indian Affairs	UAA	102,939
15.RD	Bureau of Land Management	ASA	54,966
15.RD	Bureau of Land Management	NAA	384,888
15.RD	Bureau of Land Management	UAA	99,783
15.RD	Bureau of Reclamation	NAA	179,223
15.RD	Bureau of Reclamation	UAA	301,907
15.RD	Department of the Interior	ASA	454,781
15.RD	Department of the Interior	UAA	189,829
15.RD	Fish and Wildlife Service	NAA	78,875
15.RD	Geological Survey	ASA	96,011
15.RD	National Park Service	ASA	860
15.RD	National Park Service	NAA	1,074,690
15.RD	National Park Service	UAA	1,652,135
15.RD	U.S. Fish and Wildlife Service	UAA	315,445
15.RD	U.S. Geological Survey	NAA	1,154,140
15.RD	ARRA—U.S. Geological Survey	NAA	81,812
15.RD	U.S. Geological Survey	UAA	2,296,432
15.RD	Valles Caldera Trust	UAA	16,290
15.RD	<i>Arizona Department of Agriculture, Contract # AZE66</i>	UAA	135,677
15.RD	<i>Arizona Game and Fish Department, Contract # E0003814</i>	NAA	880
15.RD	<i>Arizona Game and Fish Department, Contract # 143403HQRU1580TO111</i>	UAA	9,750
15.RD	<i>Bat Conservation International Inc., Contract # L09AC15886</i>	NAA	5,203
15.RD	<i>Louisiana State University and Agricultural and Mechanicals, Contract # 50786</i>	UAA	157,412
15.RD	<i>Southern Arizona Buffelgrass Coordination Center, Contract # L10AZ20361</i>	NAA	4,516
15.RD	<i>Southern California Earthquake Center, Contract # 07HQAG0008</i>	ASA	9,886
15.RD	<i>ARRA—SWCA Environmental Consultants, Contract # LTR DTD 101410</i>	UAA	119,087
15.RD	<i>University of Arizona, Contract # Y561983</i>	NAA	11,184

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
15.RD	University of Houston, Contract #s R070077, R080140	UAA	98,151
15.RD	University of Montana, Contract # PG116567201	UAA	12,190
	Department of the Interior Subtotal		9,098,942
	<u>Department of Justice</u>		
16.RD	Department of Justice	ASA	175,731
16.RD	Department of Justice	UAA	24,988
16.RD	National Institute of Justice	ASA	305,961
16.RD	ARRA—National Institute of Justice	ASA	428,400
16.RD	National Institute of Justice	UAA	26,990
16.RD	Office of Juvenile Justice and Delinquency Prevention	ASA	106,949
16.RD	Glendale, City of-Police Department, Contract # 2009-DG-BX-0020	ASA	122,329
16.RD	Johns Hopkins University, Contract # 2008-WG-BX-0002	ASA	110,551
16.RD	New Mexico Institute of Mining and Technology, Contract # LTR DTD 111010	UAA	7,313
16.RD	Pima County, Arizona, Contract # 0702A1406430208	UAA	10,345
16.RD	Sam Houston State University, Contract # 2010-DN-BX-0001	ASA	1,812
16.RD	University of Pittsburgh, Contract #s 2000-MU-0007, 2007-MU-FX-0002, 2008-IJ-CX-0023	ASA	134,072
16.RD	Westat, Inc., Contract #s 2008-BJ-CX-K067, 2010-NV-CX-K077	ASA	83,065
	Department of Justice Subtotal		1,538,506
	<u>Department of Labor</u>		
17.RD	Employment and Training Administration	ASA	32,095
	Department of Labor Subtotal		32,095
	<u>Department of State</u>		
19.RD	American Council of Learned Societies (ACLS), Contract # Agmt 4/2/10	ASA	39,498
19.RD	Institute of International Education, Contract # S-ECAAE-10-CA-036	ASA	42,635
19.RD	National Academy of Science, Contract # PGAP210853	UAA	817
	Department of State Subtotal		82,950
	<u>Department of Transportation</u>		
20.RD	Department of Transportation	ASA	252,582
20.RD	Department of Transportation	UAA	231,500
20.RD	Federal Aviation Administration	ASA	92,706
20.RD	Federal Highway Administration	UAA	66,240
20.RD	Pipeline and Hazardous Materials Safety Administration	ASA	61,803
20.RD	Arizona Department of Transportation, Contract #s IGA-10-004-CRO, JPA 09-017T	ASA	81,570
20.RD	Arizona Department of Transportation, Contract #s JPA-09-019T, P001-2009-003359	NAA	48,828
20.RD	Arizona Department of Transportation, Contract #s JPA07001TR060418P, JPA08009T, JPA08019M, JPA11002	UAA	93,052
20.RD	Arizona State University, Contract # 09022	UAA	85,322
20.RD	Baltimore Metropolitan Council, Contract # AGR 11/8/10	ASA	90,913
20.RD	Cambridge Systems, Inc., Contract #s 7661120, 8254001	UAA	237,210
20.RD	Illinois Institute of Technology, Contract # SA42102126629	UAA	37,693
20.RD	Louis Berger Group, Inc., Contract # JA2806	UAA	48,747
20.RD	NAS-TRB-National Cooperative Highway Research Program, Contract #s DTFH61-08-H-000035, HR 09-23A	ASA	188,815
20.RD	Ohio State University Research Foundation, Contract # 60011901	UAA	15,583
20.RD	Oregon State University, Contract # 07-01	ASA	329
20.RD	Oregon State University, Contract # T0013GE	UAA	103,185
20.RD	University of Arizona, Contract # Y553600	ASA	111,032
20.RD	University of California-Santa Barbara, Contract # 09-031-C1	ASA	50,075
	Department of Transportation Subtotal		1,897,185
	<u>Office of Personnel Management</u>		
27.RD	Office of Personnel Management	ASA	23,864
	Office of Personnel Management Subtotal		23,864
	<u>Federal Trade Commission</u>		
36.RD	University of Missouri, Contract # 000296522	UAA	233,084
	Federal Trade Commission Subtotal		233,084
	<u>National Aeronautics and Space Administration</u>		
43.RD	Ames Research Center	ASA	2,070,596
43.RD	Ames Research Center	UAA	223,116
43.RD	George C. Marshall Space Flight Center	ASA	112,138
43.RD	Goddard Space Flight Center	ASA	8,170,842
43.RD	Goddard Space Flight Center	UAA	45,416,985

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
43.RD	Jet Propulsion Laboratory	NAA	242,335
43.RD	Jet Propulsion Laboratory	UAA	257,014
43.RD	John H. Glenn Research Center, Lewis Field	ASA	183,586
43.RD	Kennedy Space Center	UAA	9,913
43.RD	Langley Research Center	UAA	313,004
43.RD	Lyndon B. Johnson Space Center	ASA	381,387
43.RD	Marshall Space Flight Center	UAA	172,378
43.RD	NASA Johnson Space Center	UAA	115,444
43.RD	National Aeronautics and Space Administration	NAA	406,281
43.RD	National Aeronautics and Space Administration	UAA	11,003,268
43.RD	<i>Advanced Fluidics, LLC</i> , Contract # LTR DTD 040609	UAA	5,722
43.RD	<i>American Geological Institute</i> , Contract #s NNX10AD33A; PR# 420032242	ASA	55,005
43.RD	<i>Arizona State University</i> , Contract #s 07790, 08980, 10381, 10394	UAA	497,707
43.RD	<i>California Institute of Technology</i> , Contract # NNX09AC35G	ASA	118,814
43.RD	<i>California Institute of Technology</i> , Contract #s 21083117, 21089221	UAA	112,103
43.RD	<i>Carnegie Institution of Washington</i> , Contract # NASW00002	ASA	158,483
43.RD	<i>Carnegie Institution of Washington</i> , Contract #s DTM325002, DTM325008 (PHASE E)	UAA	382,236
43.RD	<i>Colorado State University</i> , Contract #s G19581, G653701	UAA	53,438
43.RD	<i>Cornell University</i> , Contract # 393616455	ASA	181,104
43.RD	<i>Desert Research Institute</i> , Contract #s 65603011, 65604201	UAA	50,131
43.RD	<i>Florida Institute for Human and Machine Cognition</i> , Contract # NNX09AT06A	ASA	62,927
43.RD	<i>Harvard University</i> , Contract # 123362	UAA	21,736
43.RD	<i>Jet Propulsion Laboratory</i> , Contract #s 1288470, 1294827, 1313375, 1412578, 711043, NAS703001, NAS71407, NM0710076, NM0710819, NM0711040, NM0711085, NMO710076, NMO710621, NMO710805, NMO710819, NMO710824, NMO710829, NMO710830, NMO710843, NMO710846, NMO710947, NMO711016, NMO711040, NMO711085	ASA	4,440,111
43.RD	<i>Jet Propulsion Laboratory</i> , Contract #s 1216369, 1226582, 1228726, 1254725, 1255094, 1270067, 1272218, 1278361, 1278445, 1282867, 1306547, 1310926, 1319248, 1322190, 1336010, 1342544, 1350372, 1352424, 1352485, 1352487, 1354929, 1376987, 1400570, 1401517, 1406993, 1407200, 1407263, 1407264, 1407403, 1409994, 1421891, 1422779, 1430662, 1431372	UAA	10,037,285
43.RD	<i>Johns Hopkins University</i> , Contract # 782694	UAA	10,504
43.RD	<i>Johns Hopkins University Applied Physics Laboratory</i> , Contract #s NNN06AA01C, NNX09AN33G	ASA	20,548
43.RD	<i>Longhill Technologies, Inc.</i> , Contract # 01-2-S1.05-9324	ASA	761
43.RD	<i>Malin Space Science Systems, Inc.</i> , Contract # 11-0124	ASA	19,646
43.RD	<i>National Institute of Aerospace</i> , Contract # CHK #12492	UAA	9,966
43.RD	<i>National Space Biomedical Research Institute</i> , Contract # NCC958166HPF01605	UAA	7,576
43.RD	<i>Planetary Science Institute</i> , Contract # NNX10AM83G	ASA	2,081
43.RD	<i>Planetary Science Institute</i> , Contract #s 492, 553, 595	UAA	51,191
43.RD	<i>Public Broadcasting Service (PBS)</i> , Contract # NNX09AL84G	ASA	12,573
43.RD	<i>Rensselaer Polytechnic Institute</i> , Contract # B10554	UAA	715
43.RD	<i>SJT Micropower Inc.</i> , Contract #s 11069984, NNX10CF02P	ASA	7,273
43.RD	<i>Southwest Research Institute</i> , Contract #s 699051X, 699053X, 699083KC, D99004L	UAA	127,941
43.RD	<i>Space Micro, Inc.</i> , Contract # PO2860	ASA	31,637
43.RD	<i>Space Science Institute</i> , Contract # 00433	UAA	1,346
43.RD	<i>Space Telescope Science Institute</i> , Contract # NAS526555	ASA	301,378
43.RD	<i>Space Telescope Science Institute</i> , Contract # HST-AR-11778.05-A	NAA	18,145
43.RD	<i>Space Telescope Science Institute</i> , Contract #s HSTAR1127901A, HSTAR1130301A, HSTAR1175101A, HSTEO1158706A, HSTGO1041701A, HSTGO1084705A, HSTGO1084905A, HSTGO1085201A, HSTGO1086404A, HSTGO1111701A, HSTGO1112904A, HSTGO1115507A, HSTGO1157201A, HSTGO1157601A, HSTGO1158503A, HSTGO1158701A, HSTGO1159101A, HSTGO1159806A, HSTGO1160001A, HSTGO1162503A, HSTGO1164301A, HSTGO1167301A, HSTGO1171912A, HSTGO1206062A, HSTGO1218801A, HSTGO1224805A, HSTGO1226403A, HSTHF0118201A, HSTHF5124701A, HSTHF5125001A	UAA	892,313
43.RD	<i>Stinger Ghaffarian Technologies, Inc.</i> , Contract # NNA08CG83C	ASA	20,252
43.RD	<i>Stony Brook University</i> , Contract # 54347	UAA	8,298
43.RD	<i>United Negro College Fund Special Program</i> , Contract # CK013008	UAA	26,346
43.RD	<i>Universities Space Research Association</i> , Contract # NNJ06HG25A	ASA	20,188
43.RD	<i>Universities Space Research Association</i> , Contract #s 0217301, 0345031, 0804101	UAA	89,200
43.RD	<i>University of Alabama-Huntsville</i> , Contract # SUB2010203	UAA	3,500
43.RD	<i>University of Arizona</i> , Contract #s NNG05GE72H, NNM10AA11C, NNS10AI41H, NNX10AC32A, Y414025	ASA	366,546
43.RD	<i>University of California-Los Angeles</i> , Contract # 1000SKC673	UAA	21,130
43.RD	<i>University of California-Santa Cruz</i> , Contract # S0183244	UAA	12,202
43.RD	<i>University of Colorado-Boulder</i> , Contract #s NNA09DB30A, NNG04GJ62G	ASA	4,846

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
43.RD	University of Maryland, Contract # NNX11AB42G	ASA	15,469
43.RD	University of Maryland, Contract # Z649502	UAA	80,333
43.RD	University of New Mexico, Contract # 985070873W	UAA	63,468
43.RD	University of Tennessee, Contract #s NNX08AU47G, NNX09AQ51G	ASA	24,236
43.RD	University of Tennessee, Contract # OR14020-001.02	NAA	28,404
43.RD	Zona Technology, Inc., Contract #s NNX08CD34P, NNX09CB19C	ASA	54,229
	National Aeronautics and Space Administration Subtotal		87,609,330
	<u>National Endowment for the Humanities</u>		
45.RD	Institute of Museum and Library Services	UAA	286,433
45.RD	National Endowment for the Humanities	ASA	92,996
45.RD	National Endowment for the Humanities	NAA	57,406
45.RD	National Endowment for the Humanities	UAA	28,859
45.RD	Arizona Department of Library, Archives and Public Records, Contract # LTR DTD 060910	UAA	6,699
	National Endowment for the Humanities Subtotal		472,393
	<u>National Science Foundation</u>		
47.RD	National Science Foundation	ASA	37,387,827
47.RD	ARRA—National Science Foundation	ASA	3,370,254
47.RD	National Science Foundation	NAA	3,734,607
47.RD	ARRA—National Science Foundation	NAA	271,027
47.RD	National Science Foundation	UAA	49,389,905
47.RD	ARRA—National Science Foundation	UAA	8,129,877
47.RD	Arizona State University, Contract #s 11428, KMS00191153V09UR011, KMS00191154F09UR003, KMS00191154F09UR004, KMS00191154F09UR005, KMS00191154F09UR006, KMS00191154F09UR010, KMS00191154F09UR012, KMS00191154F09UR019, KMS00191155S10UR003, KMS00191155S10UR004, KMS00191155S10UR005, KMS00191155S10UR006, KMS00191155S10UR013, KMS00191156V10UR003, KMS00191156V10UR004, KMS00191156V10UR005, KMS00191157SUBF10UR005, KMS00191157SUBF10UR007, KMS00191157SUBF10UR008, KMS00191157SUBF10UR009, KMS00191157SUBF2010UR015, KMS00191157SUBF20UR014, KMS00191158, KMS00191158SUB, KMS00191158SUBS11UR005, KMS00191158SUBS11UR006, KMS00191158SUBS11UR015	UAA	24,437
47.RD	Astrophysical Research Consortium, Contract # SSP321	UAA	53,016
47.RD	Aura, Inc., Contract #s C10527A, C10554A, C10563N, C10566A, C22026SB	UAA	167,700
47.RD	Ball Aerospace Systems Division, Contract # LTR DTD 021109	UAA	10,729
47.RD	BBN Technologies Corp., Contract # 9500009455	UAA	91,588
47.RD	Bermuda Institute of Ocean Sciences, Inc., Contract # 072050	UAA	48,190
47.RD	Biological Sciences Curriculum Studies, Contract # ESI-0455846	NAA	39,094
47.RD	Brigham Young University, Contract # 10-0302	NAA	5,250
47.RD	ARRA—Brown University, Contract # 0917668	ASA	130,764
47.RD	California State University-San Bernardino, Contract # GT90960	UAA	20,782
47.RD	ARRA—Cal Poly Pomona Foundation, Inc., Contract # AST0847170	UAA	49,195
47.RD	Carnegie Institution of Washington, Contract #s GMTO041208A, GMTO070213A, GMTO100313A	UAA	2,352,727
47.RD	Carnegie Mellon University, Contract #s 0354420, 0442618, 0836012	ASA	26,892
47.RD	Center for Engineering Logistics and Distribution, Contract # 09/20/10	ASA	65,022
47.RD	Colorado State University, Contract #s G30628, G30881	UAA	71,555
47.RD	Columbia University, Contract # 0543256	ASA	37,225
47.RD	Columbia University, Contract # 1SES0637151	UAA	3,866
47.RD	Computing Research Association, Contract # 1019343	ASA	25,378
47.RD	Computing Research Association, Contract #s CIF443, CIFA443	UAA	147,561
47.RD	Consortium of Universities for Advancement of Hydrologic Science, Inc., Contract # EAR0753521	UAA	43,767
47.RD	Cornell University, Contract # 0335765	ASA	473,944
47.RD	ARRA—Cornell University, Contract # 0335765	ASA	31,520
47.RD	Dahl Natural LLC, Contract # 1047444	ASA	41,257
47.RD	Educational Development Center, Contract # 11214	NAA	2,214
47.RD	Energy Derived LLC, Contract # 09125175	ASA	3,050
47.RD	Florida Institute of Technology, Contract # P0040228	UAA	360
47.RD	Florida International University, Contract # 0433947	ASA	916
47.RD	Georgia Institute of Technology, Contract # 0654275	ASA	17,909
47.RD	Idaho State University, Contract # 1142A	UAA	80,958
47.RD	Inter-American Institute for Global Change Research, Contract # SGPHD005	UAA	114,270
47.RD	Iowa State University, Contract # 4202803B	UAA	61,879
47.RD	LG Synoptic Survey Telescope Corp., Contract #s C44007L, C44022L, C44064L	UAA	204,303
47.RD	Louisiana State University, Contract # 0907261	ASA	74,823

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
47.RD	Lowell Observatory, Contract # 2010-74721	NAA	23,242
47.RD	Maricopa Community Colleges, Contract # 053469	ASA	2,266
47.RD	Massachusetts Institute of Technology, Contract # 5710002812	UAA	43,212
47.RD	Mathematical Association of America, Contract # 0910240	ASA	25,491
47.RD	Mathematical Association of America	NAA	2,000
47.RD	Medipacs, LLC, Contract # LTR DTD 043009	UAA	51,574
47.RD	Membrane Technology and Research, Inc., Contract # 1013827	ASA	49,000
47.RD	Montana State University, Contract # HRD-09836647	NAA	3,426
47.RD	NanoVoltaix, Inc., Contract # 10128292	ASA	36,437
47.RD	National Academy of Engineering, Contract # 1043289	ASA	7,580
47.RD	National Optical Astronomy Observatories, Contract # C10646A	UAA	44,566
47.RD	New Mexico State University, Contract # Q01298	UAA	22,233
47.RD	North Carolina State University, Contract #s 0812121, 0941421	ASA	410,623
47.RD	Nuvogen Research, LLC, Contract # LTR DTD 020811	UAA	49,616
47.RD	Oregon State University, Contract # 0612605	ASA	12,496
47.RD	Pacific Ecoinformatics and Computational Ecology Lab, Contract # LTR DTD 040110	UAA	112,109
47.RD	Pennsylvania State University, Contract # DBI-0850013	ASA	169,033
47.RD	ARRA—Pomona College, Contract # 0925043	ASA	41,567
47.RD	Rochester Institute of Technology, Contract # 0932490	ASA	21,189
47.RD	Rockefeller University, Contract # DMS0443803	UAA	4,025
47.RD	Social Science Research Council, Contract # 682102	UAA	50,329
47.RD	SRI International, Contract # 0354453	ASA	11,131
47.RD	Stanford University, Contract # 0936421	ASA	103,630
47.RD	State University of New York-Albany, Contract # 0240865	ASA	728
47.RD	SUNY-Buffalo, Contract # 0603421	ASA	8,226
47.RD	SUNY-Stony Brook, Contract #s 0649658, 0808678	ASA	71,453
47.RD	Temple University, Contract # 0822308	ASA	106,274
47.RD	University Corporation for Atmospheric Research, Contract #s S0971499, Z1174494	UAA	86,431
47.RD	University of Arizona, Contract # 9876800	ASA	3,931
47.RD	ARRA—University of Arizona, Contract # 0724958	ASA	48,374
47.RD	University of Arizona, Contract # Y483350	NAA	300
47.RD	University of Arkansas, Contract # SA1107011	UAA	83,963
47.RD	University of California-Davis, Contract # 0120999	ASA	27,527
47.RD	University of California-Riverside, Contract #s S0000334, S000210	UAA	132,673
47.RD	University of California-San Diego, Contract # 0744229	ASA	381
47.RD	University of California-Santa Barbara, Contract # 0826871	ASA	44,482
47.RD	University of Colorado-Boulder, Contract # 0345604	ASA	53,320
47.RD	University of Georgia, Contract # RC3981134787086	UAA	46,390
47.RD	University of Houston, Contract # 0824215	ASA	37,785
47.RD	University of Illinois-Champaign/Urbana, Contract #s 0911205, 1043050, 1047916	ASA	199,588
47.RD	University of Iowa, Contract # 0830269	ASA	850
47.RD	University of Kansas, Contract # 0624720	ASA	402
47.RD	University of Maine, Contract # 0817282	ASA	39,830
47.RD	University of Maryland, Contract # Z313801	UAA	145,375
47.RD	University of Massachusetts, Contract # 0608844	ASA	5,251
47.RD	University of Massachusetts-Amherst, Contract # 0931237	ASA	19,306
47.RD	University of Michigan, Contract # 0729709	ASA	90,126
47.RD	ARRA—University of Missouri, Contract # 00022329	UAA	51,627
47.RD	University of Missouri-Columbia, Contract # 090830	ASA	243
47.RD	University of Montana, Contract # PG116603302	UAA	21,877
47.RD	University of Nevada-Las Vegas, Contract # 0968421	ASA	10,590
47.RD	University of Nevada-Las Vegas, Contract # OISE-0968421	NAA	53,321
47.RD	University of New Mexico, Contract #s 271276873W, 707474873W	UAA	282,053
47.RD	University of Notre Dame, Contract # 0822648	ASA	54,126
47.RD	University of Southern California, Contract #s 0529922, 0636438	ASA	27,097
47.RD	University of Southern California, Contract # 119519	UAA	29,227
47.RD	University of Texas-Austin, Contract # UTA09000956	UAA	4,672
47.RD	ARRA—University of Texas-Pan American, Contract # 41BIOL01002	UAA	105,328
47.RD	University of Utah, Contract # 2502032	UAA	1,076
47.RD	University of Virginia, Contract # GA107501311846	UAA	83,417
47.RD	University of Washington, Contract # 594594	UAA	492,479
47.RD	University of Wisconsin, Contract #s 0514592, 1012124	ASA	8,324
47.RD	University of Wisconsin-Madison, Contract # 0951209	ASA	5,794
47.RD	U.S. Civilian Research and Development, Contract # RUG12950K209	UAA	3,914
47.RD	Vanderbilt University, Contract # 0822370	ASA	96,999
47.RD	Virginia Polytechnic Institute, Contract # 47799119101	UAA	62,624
47.RD	Virginia Tech, Contract # ERFI-0938047	ASA	95,473
47.RD	Voltaix, Inc., Contract # 0539750	ASA	99,040

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
47.RD	Washington State University, Contract # IOS-0820346	UAA	233,523
47.RD	Washington University, Contract # WU0618429871M	UAA	148,801
47.RD	Wofford College, Contract # 0964955	ASA	42,183
	National Science Foundation Subtotal		111,369,187
<u>Department of Veterans Affairs</u>			
64.RD	Department of Veterans Affairs	ASA	65,719
64.RD	Veterans Administration	UAA	68,722
	Department of Veterans Affairs Subtotal		134,441
<u>Environmental Protection Agency</u>			
66.RD	Environmental Protection Agency	ASA	541,442
66.RD	Environmental Protection Agency	NAA	120,637
66.RD	Environmental Protection Agency	UAA	363,220
66.RD	Arizona Department of Agriculture, Contract # PRRFFY1101	UAA	952
66.RD	ARRA—Arizona Department of Environmental Quality, Contract # EV100098	UAA	6,971
66.RD	Border Environment Cooperative Commission, Contract # TAA10042	UAA	4,516
66.RD	Drexel University, Contract # 2398653663	UAA	18,411
66.RD	Michigan State University, Contract # 61-3383C	NAA	96,103
66.RD	Michigan State University, Contract # 613383D	UAA	220,384
66.RD	North Carolina State University, Contract # EM-83438801	ASA	17,638
66.RD	San Diego State University, Contract #s 55573A-7801, EM 83395501	ASA	58,541
66.RD	University of Arizona, Contract #s CD969762010, RD 83302501	ASA	51,875
66.RD	University of Texas-El Paso, Contract # 83486101	ASA	11,918
66.RD	Water Research Foundation, Contract # CR83419201	ASA	49,467
	Environmental Protection Agency Subtotal		1,562,075
<u>Department of Energy</u>			
81.RD	Department of Energy	ASA	5,175,523
81.RD	ARRA—Department of Energy	ASA	7,289,066
81.RD	Department of Energy	NAA	1,375,615
81.RD	Department of Energy	UAA	6,659,015
81.RD	ARRA—Department of Energy	UAA	3,121,599
81.RD	National Nuclear Security Administration	UAA	315,263
81.RD	Argonne National Laboratory, Contract #s DE-AC02-06CH11357, W-31-109-ENG-38	ASA	167,345
81.RD	ARRA—Argonne National Laboratory, Contract # DE-AC02-06CH11357	ASA	143,748
81.RD	Argonne National Laboratory, Contract # 6F00866	UAA	122,207
81.RD	Arizona Public Service (APS), Contract # DE-EE-0002060	ASA	105,271
81.RD	ARRA—Arizona Public Service (APS), Contract # DE-EE-0002060	ASA	74,484
81.RD	Aspen Aerogels, Inc., Contract # R-10011	ASA	27,067
81.RD	Battelle Energy Alliance, Contract #s 00090304, 00095573	UAA	24,519
81.RD	Battelle Memorial Institute, Contract #s 110080, 38318	UAA	40,391
81.RD	Battelle Memorial Institute, Pacific Northwest National Lab, Contract # DE-AC05-76RL01830	ASA	1,686
81.RD	Bechtel Corporation, Contract # 24590CMHC9W00000257	UAA	14,773
81.RD	Brookhaven National Laboratory, Contract #s 101340, 107946, 184712, 74201	UAA	447,285
81.RD	Carnegie Institution of Washington, Contract #s DE-FC52-08NA28554, DE-SC0001057	ASA	153,753
81.RD	Carnegie Institution of Washington, Contract # 4325308	UAA	51,513
81.RD	ARRA—City of Phoenix, Contract # EMCBC-00622-10	ASA	793,609
81.RD	ARRA—Donald Danforth Plant Science Center, Contract # 28302Q	UAA	787,508
81.RD	Fermi National Accelerator Lab, Contract #s 557734, 591354	UAA	48,986
81.RD	Georgia Institute of Technology, Contract # DE-FC26-08NT01580	ASA	124,888
81.RD	Idaho National Laboratory, Contract # CK0840611	UAA	9,000
81.RD	ARRA—Idaho Power Company, Contract # IPC01	UAA	30,453
81.RD	Lawrence Berkeley National Laboratory, Contract # DE-AC02-05CH11231	ASA	29,306
81.RD	Lawrence Livermore National Laboratory, Contract # DE-AC52-07NA27344	ASA	50,441
81.RD	Lawrence Livermore National Laboratory, Contract #s B581027, B583529, B593749	UAA	413,934
81.RD	Leland Stanford Junior University, Contract # 85948	UAA	464
81.RD	Los Alamos National Laboratories, Contract #s DE-AC52-06NA25396, W-7405-ENG-36	ASA	442,423
81.RD	Los Alamos National Laboratories, Contract # 81661-001-10	NAA	517,526
81.RD	ARRA—Los Alamos National Laboratories, Contract # DE-AC52-06NA25396	NAA	18,390
81.RD	Los Alamos National Laboratories, Contract #s 108604, 131481, 7228400109, 7360500109, 8668400110119319, 86684001108619600110	UAA	240,735
81.RD	Mississippi State University, Contract # 03881436296401	UAA	62,414
81.RD	National Renewable Energy Laboratory, Contract # DE-AC36-08GO28308	ASA	54,181
81.RD	National Renewable Energy Laboratory, Contract # XXL-7-77283-01	NAA	84,454
81.RD	National Renewable Energy Laboratory, Contract # ZEJ99903401	UAA	9,872
81.RD	Nevada System of Higher Education, Contract # DE-FG02-03ER63651	ASA	16,334

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
81.RD	Northern Arizona University, Contract # DE-FC02-06ER64159	ASA	124,220
81.RD	Northern Arizona University, Contract #s FUND35WW-MPC35WX, MPC35TV,	UAA	92,549
81.RD	Pennsylvania State University, Contract # DE-FG02-98ER20314	ASA	83,292
81.RD	Pennsylvania State University, Contract # 3594UAUSDOE4157	UAA	102,527
81.RD	ARRA—Pima County Development Services Department, Contract # 0725A1431200610	UAA	19,148
81.RD	PowerMark Corporation, Contract # DE-FC36-07GO17034	ASA	35,898
81.RD	Radiation Monitoring Devices, Inc., Contract #s C1012, C1106, C1108	UAA	153,847
81.RD	Rutgers University, Contract # DE-SC0005468	ASA	20,452
81.RD	Sandia National Laboratories, Contract #s 1024847, 1111357, DE-AC04-94AL85000	ASA	71,061
81.RD	Sandia National Laboratories, Contract #s 1117664, A03341114171, A0334677767, A0344752278, LTR DTD 080110, AO3341038164, AO3341059838, AO3341092632, AO3341097960, AO334870642, AO334880604	UAA	398,976
81.RD	San Diego State University, Contract # EM 83395501	ASA	8,045
81.RD	Thomas Jefferson National Accelerator Facility, Contract # 051165	ASA	108
81.RD	University of Arizona, Contract # DE-FG36-GO16029	ASA	27,658
81.RD	University of California-Davis, Contract # DE-FGS2-09NA29451	ASA	39,510
81.RD	University of Cincinnati, Contract # DE-FG36-05GO15043	ASA	140,812
81.RD	University of Massachusetts-Boston, Contract # 12006793A00	UAA	16,277
81.RD	University of Michigan, Contract # DE-SC0002644	ASA	62,359
81.RD	University of Michigan, Contract # 3001376450	UAA	5,344
81.RD	University of North Carolina-Chapel Hill, Contract # DEFCO206ER64156	ASA	30,929
81.RD	University of Wisconsin-Milwaukee, Contract # DE-SC0002141	ASA	24,919
81.RD	US Solar Thermal Storage, LLC, Contract # LTR DTD 071609	UAA	55,345
81.RD	UT—Battelle LLC, Contract # 4000086575	UAA	208,733
81.RD	Vanderbilt University, Contract # 1906755	UAA	262,793
81.RD	Versatilis LLC, Contract # DE-PS02-09ER09-27	ASA	24,531
81.RD	Vista Clara, Inc., Contract # LTR DTD 020810	UAA	100,812
81.RD	Washington State University, Contract #s 112789G002576, 113354G002583	UAA	109,090
81.RD	ARRA—Western Electricity Coordinating Council, Contract # DE-OE0000423	ASA	350,655
	Department of Energy Subtotal		31,614,931
<u>Department of Education</u>			
84.RD	Department of Education	ASA	2,299,089
84.RD	Department of Education	UAA	1,656,752
84.RD	Arizona Department of Education, Contract # 11-32-ED	UAA	82,773
84.RD	ARRA—Arizona State University, Contract # 11527	UAA	41,567
84.RD	Dine College, Contract # S299B0700017	ASA	10,157
84.RD	Educational Testing Service, Contract # R305F100005	ASA	88,237
84.RD	Ohio State University, Contract # 60023887	ASA	847,939
84.RD	Page Unified School District, Contract # 10FSDMSP-060590-02A	NAA	3,624
84.RD	Research Triangle Institute, Contract # 24-312-0209234	NAA	55,227
84.RD	Salt River Pima-Maricopa Indian Community, Contract # Q215F070078	ASA	24,056
84.RD	Salus University, Contract # 83401	UAA	20,590
84.RD	ARRA—Science Foundation of Arizona, Contract # OER-11-CON-GS-45	ASA	571,449
84.RD	ARRA—Science Foundation of Arizona, Contract #s OER11CONGS45, SRG044010	UAA	1,354,451
84.RD	Southwest Institute for Families & Children with Disabilities, Contract #s S359B070029, S35B90048	ASA	235,445
84.RD	Thomas Jefferson University, Contract # H327X070003	ASA	176,726
84.RD	University of Hawaii, Contract # R324J060033	NAA	236
84.RD	University of New Mexico, Contract # P116N070002	ASA	37,203
84.RD	University of Texas-El Paso, Contract # P116B080100	ASA	15,746
84.RD	Vanderbilt University, Contract # H373X070026	ASA	112,028
84.RD	WestEd, Contract # 5814S09052	UAA	103,944
84.RD	Western Michigan University, Contract # 6840	UAA	29,699
	Department of Education Subtotal		7,766,938
<u>Smithsonian Institution</u>			
85.RD	Smithsonian Astrophysical Observatory	UAA	1,114,418
85.RD	Smithsonian Institution	UAA	10,563
	Smithsonian Institution Subtotal		1,124,981
<u>National Archives and Records Administration</u>			
89.RD	National Historical Publications and Records Commission	UAA	80,492
	National Archives and Records Administration Subtotal		80,492
<u>Department of Health and Human Services</u>			
93.RD	Agency for Healthcare Research and Quality	UAA	234,329
93.RD	ARRA—Agency for Healthcare Research and Quality	UAA	291,970

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	Centers for Disease Control and Prevention	UAA	2,568,627
93.RD	Department of Health and Human Services	ASA	2,757,830
93.RD	ARRA—Department of Health and Human Services	ASA	116,324
93.RD	Department of Health and Human Services	UAA	313,714
93.RD	Fogarty International Center	UAA	330,055
93.RD	Food and Drug Administration	UAA	244,249
93.RD	Health Resources & Services Administration	UAA	591,331
93.RD	National Cancer Institute	UAA	24,984,799
93.RD	ARRA—National Cancer Institute	UAA	1,016,485
93.RD	National Center for Complementary & Alternative Medicine	UAA	859,311
93.RD	ARRA—National Center for Complementary & Alternative Medicine	UAA	441,935
93.RD	National Center for Research Resources	UAA	417,694
93.RD	ARRA—National Center for Research Resources	UAA	2,418,870
93.RD	National Center on Minority Health and Health Disparities	UAA	217,608
93.RD	National Eye Institute	UAA	2,993,088
93.RD	ARRA—National Eye Institute	UAA	1,083,801
93.RD	National Heart, Lung, & Blood Institute	UAA	8,579,832
93.RD	ARRA—National Heart, Lung, & Blood Institute	UAA	1,204,160
93.RD	National Human Genome Research Institute	UAA	309,046
93.RD	National Institute of Allergy & Infectious Diseases	UAA	5,348,685
93.RD	ARRA—National Institute of Allergy & Infectious Diseases	UAA	921,086
93.RD	National Institute of Arthritis and Musculoskeletal Skin Diseases	UAA	740,509
93.RD	National Institute of Biomedical Imaging and Bioengineering	UAA	3,219,613
93.RD	ARRA—National Institute of Biomedical Imaging and Bioengineering	UAA	862,800
93.RD	National Institute of Child Health and Human Development	UAA	4,752,061
93.RD	ARRA—National Institute of Child Health and Human Development	UAA	16,419
93.RD	National Institute of Dental & Craniofacial Research	UAA	310,976
93.RD	ARRA—National Institute of Dental & Craniofacial Research	UAA	513,830
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases	UAA	3,459,291
93.RD	ARRA—National Institute of Diabetes and Digestive and Kidney Diseases	UAA	1,115,175
93.RD	National Institute of Environmental Health Sciences	UAA	6,141,216
93.RD	ARRA—National Institute of Environmental Health Sciences	UAA	833,018
93.RD	National Institute of General Medical Services	UAA	7,193,763
93.RD	ARRA—National Institute of General Medical Services	UAA	1,624,184
93.RD	National Institute of Mental Health	UAA	602,054
93.RD	National Institute of Neurological Disorders and Stroke	UAA	3,263,452
93.RD	National Institute of Nursing Research	UAA	1,354,703
93.RD	ARRA—National Institute of Nursing Research	UAA	90,055
93.RD	National Institute of Occupational Safety and Health	UAA	339,378
93.RD	National Institute on Aging	UAA	3,730,388
93.RD	ARRA—National Institute on Aging	UAA	318,560
93.RD	National Institute on Alcohol Abuse and Alcoholism	UAA	193,761
93.RD	National Institute on Deafness and Other Communication Disorders	UAA	3,261,860
93.RD	ARRA—National Institute on Deafness and Other Communication Disorders	UAA	183,074
93.RD	National Institute on Drug Abuse	UAA	3,953,208
93.RD	National Institutes of Health	ASA	37,518,202
93.RD	ARRA—National Institutes of Health	ASA	7,729,637
93.RD	National Institutes of Health	NAA	2,293,295
93.RD	ARRA—National Institutes of Health	NAA	646,298
93.RD	National Institutes of Health	UAA	90,483
93.RD	National Library of Medicine	UAA	429,098
93.RD	<i>4D Technology Corporation, Contract #s 2R44RR02817002, R43RR028170</i>	UAA	996
93.RD	<i>Albert Einstein College of Medicine, Contract # 95265310</i>	UAA	92,359
93.RD	<i>American College of Radiology, Contract #s 4701, U10CA216614701</i>	UAA	805
93.RD	<i>American Lung Association, Contract # LTR DTD 111009</i>	UAA	29,260
93.RD	<i>Arizona Alzheimer's Disease Core Center (ADCC), Contract # P30 AG019610</i>	ASA	35,753
93.RD	<i>Arizona Department of Economic Security, Contract # DE111117-001</i>	ASA	8,412
93.RD	<i>Arizona Department of Health Services, Contract #s ADHS11005288, HS160052, HS654163, HS861132</i>	UAA	109,859
93.RD	<i>ARRA—Arizona Health-e Connection, Contract # 90RC0035</i>	ASA	224,158
93.RD	<i>Arizona State University, Contract #s 09062, 10221, 10229, 10230, 10244, 10375, 10383, 10418, 11457, 11588</i>	UAA	929,946
93.RD	<i>Association of American Medical Colleges, Contract # MM10640909</i>	UAA	114,125
93.RD	<i>Association of University Centers On Disability, Contract # 447</i>	UAA	74,843
93.RD	<i>Banner Health, Contract # P30 AG019610</i>	ASA	95,979
93.RD	<i>Banner Health Research Institute, Contract # P30 AG019610</i>	ASA	45,013
93.RD	<i>Banner Health System, Contract # 04350310006</i>	UAA	138,038
93.RD	<i>Barrows Neurological Institute (St. Josephs Hospital), Contract # R21 DC009871</i>	ASA	12,144

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	Baylor College of Medicine, Contract # 101085376	UAA	218,951
93.RD	Binghamton University, State University of NE, Contract # R01AG014792	UAA	164,952
93.RD	ARRA—Boston University, Contract # CA12273701A2	UAA	28,224
93.RD	Bowling Green State University, Contract # 10450045ARIZ	UAA	3,517
93.RD	Brigham and Women's Hospital, Contract # 103122	UAA	255,577
93.RD	ARRA—Brigham and Women's Hospital, Contract # 105109	UAA	583,596
93.RD	Caracal Incorporated, Contract #s 1R44CA144322, HHSN261200700046C	UAA	174,765
93.RD	Carnegie Mellon University, Contract # 1090143189596	UAA	141,044
93.RD	Caucaseco Scientific Research Center, Contract # U19 AI089702	ASA	8,350
93.RD	ARRA—Children's Hospital Boston, Contract # R21AI082000	ASA	66,448
93.RD	Children's Hospital of Philadelphia, Contract # BACKSTOP	UAA	753
93.RD	ARRA—Cincinnati Children's Hospital Medical Center, Contract # 106569	UAA	40,410
93.RD	C/J Media, Inc., DBA Intervision, Contract # 2R42HL083540	UAA	54,923
93.RD	Claremont Graduate University, Contract # U01 HL097839	ASA	112,545
93.RD	Columbia University, Contract #s R25 MH080665, U19 AI067773	ASA	392
93.RD	Columbia University, Contract #s 10535469, 11535469, 9 ACCT 539311, U01NS043975140, U01NS04397580	UAA	188,228
93.RD	Cornell University, Contract # 595439252	UAA	55,059
93.RD	Dahl Natural LLC, Contract # R43 ES018132	ASA	19,098
93.RD	DMETRIX, Inc., Contract # 1R44AG035446-01	UAA	34,750
93.RD	Duke University, Contract #s 3034320, 3035292	UAA	565,868
93.RD	ARRA—Duke University, Contract # 173530	UAA	3,938
93.RD	Emory University, Contract #s 542415G16, S391810	UAA	75,482
93.RD	ARRA—Emory University, Contract # S496154	UAA	144,783
93.RD	Engineering Arts, Contract # R42RR031446	ASA	57,147
93.RD	Genefluidics, Inc., Contract #s LTD DTD 101110, R43AI088756	UAA	138,761
93.RD	ARRA—Georgia Institute of Technology, Contract # S7059G4	UAA	38,641
93.RD	Group Health Research Institute, Contract #s 2010101624, 2011102816	UAA	104,613
93.RD	Gynecologic Oncology Group Administrative, Contract # CA101165	UAA	205,185
93.RD	H. Lee Moffitt Cancer Center and Research Institute, Contract # R01 CA097360	ASA	20,407
93.RD	H. Lee Moffitt Cancer Center and Research Institute, Contract #s 10154839901G2, 10154859901G1, 10158719901G1	UAA	721,154
93.RD	Harvard University, Contract # R01 GN081533	ASA	88,542
93.RD	Harvard University, Contract #s 1482512101, 1482512301, 23590-114324	UAA	574,436
93.RD	High Throughput Genomics, Inc., Contract # R43AI078577	UAA	138,296
93.RD	Hispanic Serving Health Professions Schools, Contract #s CDC-U50/CC325128-AZ-PUBH-01, CDCU50CC325128UAMED05	UAA	841
93.RD	Home Base Youth Services, Contract # TI20965	UAA	22,500
93.RD	Hualapai Tribe, Contract # LTR DTD 100509	UAA	30,986
93.RD	Image Quality LLC, Contract # SUB 1R43CA126009-01A1	UAA	11,287
93.RD	Indiana University, Contract # R01 DA013555	ASA	45,989
93.RD	Indiana University, Contract # IN468552UA	UAA	23,625
93.RD	ARRA—Indiana University, Contract # IUPUI4686815ARIZ	UAA	230,014
93.RD	Inter Tribal Council of Arizona, Inc., Contract # U26IHS300283	ASA	15,713
93.RD	Inter Tribal Council of Arizona, Inc., Contract #s CK58713, LTR DTD 092308, U26IHS300283	UAA	218,218
93.RD	ARRA—Inter Tribal Council of Arizona, Inc., Contract # U01CA114696	UAA	60,025
93.RD	ARRA—International Genomics Consortium, Contract # HHSN261201000059C	UAA	1,073
93.RD	logenetics, LLC, Contract #s 2R44AI056944, R44AI056944	UAA	198,818
93.RD	Jackson State University, Contract # 9N01HC95170	UAA	60,669
93.RD	Johns Hopkins Medical Institutions, Contract # R21 A1085380	ASA	14,976
93.RD	Johns Hopkins University, Contract #s 1R01 MH085641, P01TP000288	ASA	107,027
93.RD	Johns Hopkins University, Contract # U01HL064360	UAA	35,446
93.RD	Johns Hopkins University Bloomberg School of Public Health, Contract # U90PR000004	ASA	30,389
93.RD	Kaiser Foundation Research Institute, Contract #s 06CMCMU02M1, 1, U01HL081624,	UAA	80,238
93.RD	Los Alamos National Laboratories, Contract # 77990-001-09	NAA	165,180
93.RD	Louisiana State University and Agricultural and Mechanical College, Contract # 38251	UAA	20,290
93.RD	MAPP Biopharmaceutical, Inc., Contract # 701502	UAA	16,416
93.RD	Maricopa County, Contract # 1H79TI021549-01	ASA	69,382
93.RD	Massachusetts General Hospital, Contract # U01 A1077883	ASA	275,161
93.RD	Mayo Clinic-Rochester, Contract # DP1 DA031340	ASA	116,922
93.RD	Medical College of Georgia Research Institute, Contract # 2049735	UAA	36,222
93.RD	ARRA—MIT: Massachusetts Institute of Technology, Contract # U01AI082204	ASA	374,726
93.RD	ARRA—NABI Biopharmaceuticals, Contract # NABI4514	UAA	139,438
93.RD	National Childhood Cancer Foundation, Contract # 18568	UAA	33,072
93.RD	New England College of Optometry, Contract # LTR DTD 102510	UAA	17,065
93.RD	New York University, Contract # F646901	UAA	1,323
93.RD	Northern Arizona University, Contract # IHD31CP	UAA	71,000

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	Northwestern University, Contract # SP0004560PROJ0001555	UAA	133,187
93.RD	NSABP Foundation, Incorporated, Contract # ARZ01P2	UAA	49,380
93.RD	Ohio State University Research Foundation, Contract # 60022291RF01172823	UAA	157,734
93.RD	ARRA—Oregon Health & Science University, Contract #s R01 CA105774, RC1 NR11793	ASA	44,565
93.RD	Oregon Health & Science University, Contract #s AVGT1099, AVGTI0101, GVTI0036A	UAA	1,686,390
93.RD	Oregon Research Institute, Contract #s 1R21CA131461, R01AA019671, R01CA098555	UAA	48,601
93.RD	Palo Alto Institute of Research and Education Inc., Contract # LIA001201	UAA	232,739
93.RD	Pennsylvania State University, Contract #s R01 HD032336, R21 DA024266	ASA	141,076
93.RD	Pennsylvania State University, Contract #s 5U10HL064313, UAZHL098115	UAA	72,620
93.RD	Purdue University, Contract #s 410231499, 410234065	UAA	131,001
93.RD	Radiation Effects Research Foundation, Contract # HHSN272200900059C	UAA	224,008
93.RD	Radiation Monitoring Devices, Inc., Contract #s C1036, C1114, C1128	UAA	120,070
93.RD	Research Triangle Institute, Contract # R01 CA126858	ASA	148,108
93.RD	SAIC-Frederick Inc., Contract # HHSN261200800001E	ASA	94,117
93.RD	SJT Micropower Inc., Contract # R44 EB0077453	ASA	74,405
93.RD	Southwest Oncology Group, Contract # CA37429	UAA	42,936
93.RD	Special Olympics Inc., Contract # AGR 02/19/10	ASA	983
93.RD	Stanford University, Contract # 2650584050957A	UAA	134,646
93.RD	State of Nevada Aging and Disability Services Division, Contract # 18-040-45-AM-10	ASA	20,400
93.RD	Sun Health Research Institute, Contract # P30 AG019610	ASA	41,224
93.RD	Sun Health Research Institute, Contract #s P30AG019610, P30AG019610AHERN, P30AG019610KASZNIAC, P30AG019610RAPSCAK	UAA	241,488
93.RD	Temple University, Contract # 360544261	UAA	17,843
93.RD	The Critical Path Institute, Contract #s CP1700101, LTR DTD 082409	UAA	348,940
93.RD	Thomson Reuters, Contract # HNSA290200900022I	ASA	35,463
93.RD	Translational Genomics Research Institute, Contract # R01 NS059873	ASA	88,700
93.RD	Translational Genomics Research Institute, Contract #s 05-01, 07-01	NAA	181,103
93.RD	Translational Genomics Research Institute, Contract #s VONHOFF0503, VONHOFF0702	UAA	101,613
93.RD	ARRA—Translational Genomics Research Institute, Contract # MEURICE0902	UAA	1,748,776
93.RD	Tucson Indian Center, Contract # LTR DTD 121610	UAA	10,376
93.RD	University of Akron, Contract # 532803-NAU	NAA	41,862
93.RD	University of Alabama, Contract #s 000350200001, 000351256	UAA	164,464
93.RD	University of Arizona, Contract #s D31HP0883801, P50MH082679, R01 CA140285, R01 DA026451, R01 DK033351, R01 NS039951, R01 MH073930, U19AT02023	ASA	177,871
93.RD	University of British Columbia, Contract # F0904852	UAA	66,957
93.RD	University of California, Contract #s 2009-2156, 2009-2157	NAA	446,073
93.RD	ARRA—University of California-Davis, Contract # P01 AG022500	ASA	198,132
93.RD	University of California-Davis, Contract # SUB0600020	UAA	121,019
93.RD	University of California-Irvine, Contract # U54AI065359	ASA	6,286
93.RD	University of California-Irvine, Contract #s 20031181, 20092109, 20092154, 20092155, 20092317	UAA	558,821
93.RD	University of California-Los Angeles, Contract #s R01 CA127650, R01 HD034879, R01 HD057164	ASA	39,358
93.RD	University of California-Los Angeles, Contract # 1930GMA598	UAA	7,048
93.RD	ARRA—University of California-Los Angeles, Contract # 2000GME793	UAA	215,524
93.RD	University of California-Riverside, Contract #s R01 HD050637, U01 ES016026	ASA	85,991
93.RD	University of California-San Diego, Contract # R01 DC011422	ASA	94,345
93.RD	University of California-San Diego, Contract #s 16071, ADC031	UAA	40,664
93.RD	University of California-San Francisco, Contract #s 4884SC, 5712SC	UAA	138,464
93.RD	ARRA—University of Chicago, Contract # R01 GM078070	ASA	22,451
93.RD	ARRA—University of Chicago, Contract # 42938D	UAA	157,982
93.RD	University of Cincinnati, Contract # 006883	UAA	65,792
93.RD	University of Colorado, Contract # 05141001	UAA	2,576
93.RD	University of Colorado-Denver, Contract # R15NR010632	ASA	43,093
93.RD	University of Colorado at Denver Health Sciences Center, Contract # FY11219007	UAA	17,989
93.RD	University of Connecticut Health Center, Contract # R33 CA143531	ASA	39,435
93.RD	ARRA—University of Delaware, Contract # R01 EB004761	ASA	82,704
93.RD	ARRA—University of Florida, Contract # LTR DTD 092310	UAA	2,627
93.RD	ARRA—University of Georgia, Contract # 3P1 RR005351	ASA	179,702
93.RD	University of Illinois-Champaign/Urbana, Contract # 1R01HD061584-01A1	ASA	27,788
93.RD	University of Illinois-Chicago, Contract #s 1P60MD003424-01, NIAAA R01 AA13328-05A2, R01NR08425	ASA	63,053
93.RD	University of Iowa, Contract # AGR 09-28-10	ASA	14,999
93.RD	University of Iowa, Contract # W000228447	UAA	7,441
93.RD	University of Louisville, Contract # 09047301	UAA	86,767
93.RD	University of Medicine & Dentistry of New Jersey, Contract # LTR DTD 013008	UAA	36,452
93.RD	ARRA—University of Miami, Contract # 66755L	UAA	39,593
93.RD	University of Michigan, Contract #s 1R01NR009691, R01 GM096194	ASA	109,524

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	University of Michigan, Contract #s 5000002943000691503RPT07, 50000029493000691503RPT, 50000029493000691503RPT07, 50000029493000770476ALIAS, 50000029493001300049PIII, F025187, F025188, F025189, F027440, U10CA32102	UAA	485,171
93.RD	ARRA—University of Michigan, Contract # 50000029493001413084P	UAA	2,097
93.RD	University of Minnesota, Contract #s B6636074301, B6636294201	UAA	52,964
93.RD	University of Minnesota-Twin Cities Campus, Contract # P01-TP000301-02	ASA	5,200
93.RD	University of Mississippi, Contract # 5500101UA	UAA	23,514
93.RD	University of Missouri, Contract # C00006984	UAA	85,198
93.RD	University of Missouri-St. Louis, Contract # 00024009	UAA	5,819
93.RD	University of New Mexico, Contract #s N266200500040C;N01AI50040, R03 DA025992	ASA	339,455
93.RD	University of North Carolina, Contract # 531229	UAA	12,132
93.RD	University of North Carolina-Chapel Hill, Contract # P01 HD039667	ASA	5,778
93.RD	University of North Carolina-Chapel Hill, Contract # U54AI057157	UAA	216,052
93.RD	University of North Texas Health Science Center, Contract # R01 DA023957	ASA	86,390
93.RD	University of North Texas Health Science Center, Contract #s 715122007001, RN00342010001	UAA	63,291
93.RD	ARRA—University of Pennsylvania, Contract #s 553201, 555494	UAA	134,515
93.RD	University of Pittsburgh, Contract #s 5R01NS050256, R01 DA019697, R01 MH065368	ASA	352,253
93.RD	University of Pittsburgh, Contract # 0006476	UAA	12,823
93.RD	University of Rochester, Contract # R24 GM084917	ASA	18,671
93.RD	University of Rochester, Contract #s 414439G, 414440G, 414441G, 414442G, 414443G, 414444G,	UAA	836,452
93.RD	University of Southern California, Contract # U54 CA143907	ASA	277,264
93.RD	University of Southern California, Contract #s H43023, H43126, H47329, H48494	UAA	137,366
93.RD	University of Texas-Austin, Contract # UTA09000869	UAA	50,499
93.RD	University of Texas Health Science Center at Houston, Contract #s 90TR0004-01, P01 HD048497	ASA	81,859
93.RD	ARRA—University of Texas Health Science Center at Houston, Contract # 90TR0004-01	ASA	124,665
93.RD	University of Texas Health Science Center San Antonio, Contract # RN00132009001	UAA	93,274
93.RD	University of Texas MD Anderson Center, Contract #s 2790398012715, 2866398010478, 2869298018020	UAA	92,788
93.RD	University of Texas Southwestern Medical, Contract # GMO110311	UAA	118,425
93.RD	University of Utah, Contract # R21 AI078240	ASA	44,267
93.RD	University of Utah, Contract #s 2302004, 230200407AZ	UAA	137,753
93.RD	ARRA—University of Vermont, Contract # RC4 HL106625	ASA	75,560
93.RD	University of Washington, Contract # U19 AI089688	ASA	5,565
93.RD	ARRA—University of Washington, Contract # R01 AI078229	ASA	140,194
93.RD	University of Wisconsin-Madison, Contract # R01 MH59785	ASA	77,716
93.RD	University of Wisconsin-Milwaukee, Contract # R01 NR008911	ASA	29,016
93.RD	University of Wyoming, Contract # R01 EB000490	ASA	29,210
93.RD	Valley Fever Therapies, LLC, Contract # LTR DTD 081308	UAA	178,737
93.RD	Vanderbilt University, Contract # R21 CA131880	ASA	9,393
93.RD	Vanderbilt University, Contract # VUMC35128	UAA	64,169
93.RD	ARRA—Vanderbilt University, Contract # VUMC35934	UAA	43,382
93.RD	Wake Forest University, Contract #s WFUHS31171, WFUHS31191	UAA	7,608
93.RD	Washington University, Contract # P60 AA011998	ASA	18,696
93.RD	Western Research Company, Inc., Contract # 2R44HL08741302	UAA	2,359
93.RD	Wistar, Contract # 2420102352	UAA	8,350
93.RD	Yale University, Contract #s R01 AA016662, U01 NS044876	ASA	44,849
93.RD	Yale University, Contract #s A06961M08135, A07223M05A00381, A07593M10A10552, A08094M11A10894	UAA	186,908
	Department of Health and Human Services Subtotal		179,082,732
	Department of Homeland Security		
97.RD	Department of Homeland Security	ASA	532,279
97.RD	Department of Homeland Security	NAA	1,876,690
97.RD	Department of Homeland Security	UAA	2,778,228
97.RD	Federal Emergency Management Agency	UAA	583,816
97.RD	Arizona Geological Survey, Contract # AZ-2008-006	ASA	18,751
97.RD	Arizona Geological Survey, Contract # AZ2008006	UAA	18,000
97.RD	Intelesense Technologies, Contract # LTR DTD 030311	UAA	30,322
97.RD	Kansas State University, Contract # S10204	UAA	73,670
97.RD	Kutta Consulting, Inc., Contract # NBCHC070060	ASA	65,160
97.RD	Los Alamos National Laboratory, Contract # HSHQDC-09 X00644	NAA	240,357
97.RD	SUNY Institute of Technology, Contract # FA8750-09-2-0157	ASA	8,126
97.RD	Translational Genomics Research Institute, Contract # 10-02	NAA	233,294
97.RD	University of Arizona, Contract # 2008-ST-061-BS0002	ASA	276,828

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
97.RD	University of Maryland, Contract # Z957001	UAA	105,296
	Department of Homeland Security Subtotal		<u>6,840,817</u>
	<u>Agency for International Development</u>		
98.RD	Agency for International Development	UAA	18,348
98.RD	American Council on Education, Contract #s 523A00060000900, AEGA00050000700	UAA	147,919
98.RD	North Carolina State University, Contract # 2007120004	UAA	10,918
98.RD	Oregon State University, Contract # RD011GA	UAA	355,501
98.RD	The Council of State Governments, Contract # 523A000800010000	ASA	48,105
98.RD	Virginia Polytechnic Institute, Contract #s 19101425678, 42597619101	UAA	19,389
98.RD	Volunteers In Overseas Cooperative Assistance, Contract # AFPA00040003400	UAA	35,790
	Agency for International Development Subtotal		<u>635,970</u>
	<u>Miscellaneous Federal Agencies</u>		
99.RD	Miscellaneous Federal Agencies	ASA	204,190
	Miscellaneous Federal Agencies Subtotal		<u>204,190</u>
	Total Research and Development Cluster		<u>\$ 520,059,431</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 15,399,873,054</u>

See accompanying notes to schedule.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2011

Note 1 - Significant Accounting Policies

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

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

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and proprietary funds and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2011, 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.

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 *2011 Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "Unknown" were used. For programs within the Research and Development Cluster, the two-digit federal agency identifier, a period, and the letters "RD" were used.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2011

Note 3 - Research and Development Cluster

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

Note 4 - Pass-through Grantor Contract Numbers

For federal awards received by the State from a pass-through grantor, the pass-through grantor contract number is included, if available, immediately following the pass-through grantor's name. Pass-through grantors are italicized.

Note 5 - Loan Programs

Only administrative costs incurred for loan and loan guarantee programs are included in the schedule. However, OMB Circular A-133, Subpart B, §205(b) requires that the current year administrative costs and loan distributions, and the balances of the previous year's outstanding student loans and loan guarantees, also be included in these programs when determining federal awards expended for single audit purposes. Further, Subpart B, §310(b)(6) requires that loans or loan guarantees outstanding at year-end be included in either the schedule or a note to the schedule. Loans and loan guarantees outstanding at June 30, 2011, are described below:

Student Loan Programs

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

Loan Program	CFDA Number	Loans Distributed During the Year	Loan Balances Outstanding at June 30, 2011
Education and Human Resources ARRA—Trans-NSF Recovery Act	47.076	\$ 135,000	\$ 352,500
Research Support	47.082	10,000	70,000
Federal Perkins Loan Program— Federal Capital Contributions	84.038	4,068,319	28,380,615
Nurse Faculty Loan Program (NFLP)	93.264	856,351	2,366,206
Health Professions Student Loans, including Primary Care Loans/ Loans for Disadvantaged Students	93.342	492,004	2,387,518
Nursing Student Loans	93.364	386,481	1,440,148
ARRA—Nurse Faculty Loan Program	93.408	512,568	512,568

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2011

In addition, the universities distribute loans from two federal loan programs that are administered by independent third parties. As of the year ended June 30, 2011, the Universities distributed \$175,000 of Federal Family Education Loans (CFDA number 84.032), and \$771,448,963 of Federal Direct Student Loans (CFDA number 84.268).

Housing Program

The Department of Housing administers the Home Investment Partnerships Program (CFDA number 14.239), which provides loans to municipalities, nonprofit organizations, and individuals to purchase homes and rental properties. The Department distributed \$3,793,200 in loans during fiscal year 2011 and had \$21,527,827 in loan balances outstanding at June 30, 2011.

Note 6 - 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 on the schedule. The State's food commodity distributions during fiscal year 2011 totaled \$41,713,623, and the amounts, by CFDA number, are presented as follows:

CFDA Number	Program Title	Amount
10.555	National School Lunch Program	\$26,439,638
10.565	Commodity Supplemental Food Program	2,394,727
10.569	Emergency Food Assistance Program (Food Commodities)	12,879,258

Note 7 - Donation of Federal Surplus Personal Property

The value of the Donation of Federal Surplus Personal Property (CFDA number 39.003) program reported on 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 \$1,410,761 for the year ended June 30, 2011.

Note 8 - Immunization Cluster

The Immunization Cluster (CFDA number 93.268 and CFDA number 93.712) expenditures of \$92,497,816 include \$86,324,957 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 on the schedule.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2011

Note 9 - Unemployment Insurance (CFDA No. 17.225)

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

The amount presented on the schedule consists of the following:

Regular unemployment compensation benefits	\$1,557,562,675
ARRA—Federal Additional Compensation (FAC)	75,414,003
Unemployment compensation for federal employees	10,188,989
Unemployment compensation for ex-service members	6,791,109
Administrative costs	56,995,881
ARRA—Administrative costs	<u>1,900,732</u>
Total expenditures	<u>\$1,708,853,389</u>

Note 10 - Collateralized Loans/Capitalization Grants

The Water Infrastructure Finance Authority (WIFA), a discretely presented component unit on the State's fiscal year 2011 basic financial statements, has entered into capitalization grant agreements with the U.S. Environmental Protection Agency. During fiscal year 2011, the WIFA received capitalization grant monies, including ARRA funds, totaling \$10,176,766 from the Capitalization Grants for Clean Water State Revolving Funds (CFDA number 66.458) program and \$22,695,175 from the Capitalization Grants for Drinking Water State Revolving Funds (CFDA number 66.468) program for deposit into its revolving loan guarantee funds. These amounts are included on the schedule. The total capitalization grants received since the inception of the program were \$209,995,801 and \$206,748,742, respectively, at June 30, 2011.

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2011

Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Type of auditors' report issued on compliance for major programs:
 Unqualified for all major programs except for the National Guard Military Operations and Maintenance (O&M) Projects; Unemployment Insurance; Vocational Rehabilitation Cluster; TANF Cluster; Low-Income Home Energy Assistance; National Bioterrorism Hospital Preparedness Program; HIV Care Formula Grants which were qualified.

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	SNAP Cluster
10.553/10.555/10.556/10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.258	Tax Credit Assistance Program (Recovery Act Funded)
17.225	Unemployment Insurance
17.258/17.259/17.260/17.278	WIA Cluster
20.205/20.219	Highway Planning and Construction Cluster
64.005	Grants to States for Construction of State Home Facilities

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2011

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
81.041	State Energy Program
84.007/84.032/84.033/84.038/ 84.063/84.268/84.375/84.376/ 84.379/84.408/93.264/93.342/ 93.364/93.407/93.408/93.925	Student Financial Assistance Cluster
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391/84.392	Special Education Cluster (IDEA)
84.126/84.390	Vocational Rehabilitation Cluster
84.318/84.386	Educational Technology State Grants Cluster
84.367	Improving Teacher Quality State Grants
84.377/84.388	School Improvement Grants Cluster
84.394/84.397	State Fiscal Stabilization Fund Cluster
84.410	Education Jobs Fund
93.558/93.714	TANF Cluster
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.658	Foster Care—Title IV-E
93.667	Social Services Block Grant
93.720/93.775/93.777/93.778	Medicaid Cluster
93.767	Children’s Health Insurance Program
93.889	National Bioterrorism Hospital Preparedness Program
93.917	HIV Care Formula Grants
96.001	Disability Insurance/SSI Cluster
R&D	Research and Development Cluster

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

	Yes	No
Auditee qualified as low-risk auditee?	_____	_____X_____

Other Matters

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Financial Statement Findings

11-01

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

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

Condition and context: The director of the Department is responsible for establishing and maintaining the State's accounting systems and preparing accurate and timely financial reports, including the State's Comprehensive Annual Financial Report (CAFR). In accordance with Arizona Revised Statutes (A.R.S.) §41-703, the director has the authority to promulgate rules, regulations, and procedures to carry out his responsibilities. Further, A.R.S. §35-131(I) requires state agencies and other organizations included in the State's reporting entity to submit all necessary financial information to the Department in accordance with its policies and procedures. However, those statutes do not include provisions to enforce compliance, and as a result, state agencies and other organizations did not always comply with the established deadlines. To illustrate, state agencies and other organizations audited by contract auditors had a November 21, 2011, deadline to submit their audited financial statements and only four met this deadline; nine submitted their final audited financial statements from November 23, 2011 to February 8, 2012, and one failed to submit audited statements by the February 10, 2012, report date.

Effect: Since various state agencies and other organizations did not comply with state statutes or department rules and regulations, the State did not issue its CAFR by its December 31, 2011, deadline. Delays in financial reporting may result in rating agencies lowering the State's ratings for bonds and certificates of participation. This finding is a significant deficiency in internal control over financial reporting.

Cause: State statutes do not provide the director with enforcement power to ensure that state agencies and other organizations comply with department rules, regulations, and procedures for financial reporting.

Recommendation: To help ensure that the Department receives financial information necessary for timely issuance of the State's CAFR, the Department should:

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

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-02

The Industrial Commission of Arizona should maintain a record of all changes to its computer system

Criteria: The Industrial Commission of Arizona uses its computer system to record detailed financial transactions and generate monthly and year-end summary reports to support amounts reported in the financial statements. Therefore, it is essential that changes to the system and data be reviewed and documented.

Condition and context: When users made changes to system data, the changes were documented in the system; however, if the database administrator made changes to the system database, the changes would not be documented in the system. Additionally, any changes to key computer equipment, such as firewalls, routers, or switches, were made by the chief information officer, but were not reviewed or authorized by another employee.

Effect: Unauthorized changes could be made to the system or data without detection. This finding is a significant deficiency in internal control over financial reporting.

Cause: The Commission did not have effective controls over system and data changes since it plans to replace its computer system. Therefore, it has chosen not to invest additional time or resources into an outdated system.

Recommendation: To help strengthen controls over system and data changes to its computer system, the Commission should:

- Maintain a record of all system and data changes, including changes made directly to the system, to help monitor changes.
- Have an independent employee review and authorize all major changes to computer equipment.

This finding is similar to a prior-year finding.

11-03

The Industrial Commission of Arizona should strengthen controls over payments made to the State Compensation Fund

Criteria: The Industrial Commission of Arizona should have strong internal controls in place to accurately process and record reimbursements to the State Compensation Fund (SCF).

Condition and context: In accordance with Arizona Revised Statutes §23-966, the Commission is required to have the SCF process and pay all workers' compensation claims for those insurance carriers that have become insolvent and reimburse the SCF for those payments. During fiscal year 2011, the Commission reimbursed the SCF for processed claims totaling approximately \$11.9 million. When testing reimbursement payments to the SCF, auditors noted that the Commission did not adequately review the

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

quarterly reimbursement billings; this resulted in an overpayment of \$165,233 by the Commission for the second quarter's billing. Further, adequate reconciliations of the SCF billing statements were not prepared because the Commission's listing was inaccurate since some claimants were missing, claimants assigned in previous years were listed on the report as new claimants, and claimant names were misspelled.

Effect: The Commission overpaid the SCF by \$165,233 for the second quarter billing. In addition, the Commission is unable to prepare adequate reconciliations of its listing to the SCF's detailed billings statement. The Commission adjusted its financial statements for the error noted above and received a credit from SCF for the overpayment in the subsequent fiscal year. This finding is a significant deficiency in internal control over financial reporting.

Cause: The SCF's second quarter billing statement was not accurate since the totals in the detailed billing statement were incorrect and the Commission's review of the billing statement failed to detect this error. In addition, the Commission was unable to reconcile its listing of current-year insolvent carriers and claimants to the detailed billing statement provided by the SCF because the Commission did not have adequate controls to ensure that information entered into its claims system was accurate. Also, the listing generated by the Commission's system included only information for current-year insolvent carriers, and therefore, any new claimants assigned under an existing insolvent carrier were not included. Further, the Commission was unable to match individual claims between its listing and the SCF's detailed billing statement since the billing statement did not provide a unique identifier such as the Commission's claim number or a date of assignment.

Recommendation: The Commission should revise its policies and procedures to help ensure that reimbursement payments to the SCF are accurately processed and recorded. This would also include procedures to enable the Commission to reconcile its listing of current-year insolvent carriers and claimants to the SCF's detailed billing statement. The procedures should include the following:

- Perform a detailed review of the billing statements, including verifying the total amount due. Further, a second employee should verify that the information is accurate.
- Perform validation procedures for all information entered into the Commission's claims system.
- Address the limitations in the Commission's claims system to ensure that a complete and accurate listing of current-year insolvent carriers and new claimants from previously assigned carriers can be generated, or develop sufficient alternative procedures.
- Request the SCF to provide the Commission with a unique identifier for each individual claim on the detailed billing statement.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-04

The Department of Revenue's computer access controls should continue to be strengthened

Criteria: The Department of Revenue should have effective computer access controls to prevent and detect unauthorized use, damage, loss, or modification of programs and data, and misuse of sensitive or confidential information.

Condition and context: While performing test work over access controls to the Department's computerized financial information systems, auditors noted the Department did not always retain documentation to support its review and approval of users' access rights. For example, for 6 of 15 employees selected for test work, the Department was unable to provide documentation authorizing the employees' system access and approval of those rights by a supervisor. Also, the Department did not actively monitor database administrators with elevated user access privileges.

Effect: There is an increased risk of theft, manipulation, or misuse of sensitive or confidential data by unauthorized users or by users who were not being properly monitored. This finding is a significant deficiency in internal control over financial reporting.

Cause: The Department did not commit sufficient resources to ensure appropriate documentation of supervisory approval of employee access rights. In addition, the Department did not have policies and procedures in place to independently monitor and review the activities of database administrators with elevated system access.

Recommendation: To help ensure the integrity of the Department's computerized financial information systems, the Department should follow its policies and procedures, which require documentation of supervisory approval on all requests for system access. In addition, the Department should develop policies and procedures that require the activities of database administrators with elevated user access privileges to be independently monitored and reviewed for propriety.

This finding is similar to a prior-year finding.

11-05

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

Criteria: The Department should improve procedures to ensure that it records and reports all tax revenues of the State.

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: The State may not receive the proper amount of individual income taxes. This finding is a significant deficiency in internal control over financial reporting.

Cause: The computer system did not have the functionality to perform the identified omitted procedures.

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

This finding is similar to a prior-year finding.

11-06

The Department of Revenue should better protect its computer network

Criteria: The Department of Revenue should have effective network security controls to prevent and detect unauthorized use, damage, loss, or modification of programs and data, and misuse of sensitive or confidential information.

Condition and context: The Department is the main tax collector for the State of Arizona, and in connection with those tax collections, the Department maintains a significant amount of confidential data on its computerized information systems. However, the Department did not have adequate controls in place to help identify and resolve vulnerabilities to its network. Because this finding is of a sensitive nature, its specific details, including detailed recommendations, were verbally communicated to those officials directly responsible for implementing corrective action.

Effect: There is an increased risk for unauthorized persons to obtain confidential data or make changes to computer programs or data. This finding is a significant deficiency in internal control over financial reporting.

Cause: The Department had insufficient internal control policies and procedures to address the potential vulnerabilities.

Recommendation: The Department should implement additional policies and procedures for network security to help prevent and detect unauthorized access or misuse of confidential information.

This finding is similar to a prior-year finding.

11-07

The Department of Emergency and Military Affairs should strengthen internal controls to safeguard public monies

Criteria: Public officials with oversight authority are responsible for ensuring that internal controls are established and implemented to protect public monies. At a minimum, an internal control environment should allow management and employees, in the normal course of performing their assigned functions, to prevent or detect errors and fraudulent activity on a timely basis.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: As discussed in federal award finding 11-129, the Department did not establish adequate policies and procedures to ensure that public monies were used solely for authorized purposes. Consequently, a department official embezzled monies from the Department between October 2007 and July 2011.

Effect: This finding is a significant deficiency in internal control over financial reporting that resulted in fraud, but did not affect our opinion on the State's financial statements.

Cause: There was inadequate review and supervision of the department official's activities.

Recommendation: The Department should establish adequate written policies and procedures governing the disbursement request process, which include the following:

- Outline the process for any requests made by management-level employees, which should include a review and approval from a supervisor or periodic review of their activities.
- Require expenditures to be supported by proper documentation, including claim requests, purchase orders, vendor invoices, and vendor contracts.

Other auditors' findings:

The other auditors who audited the UA Healthcare, Inc. reported the following significant deficiencies:

11-08

Allowances for Patient Accounts Receivable

University Medical Center

- A letter of agreement from a third-party payor for a transplant patient was received by the medical records department but not sent to the business office until the following month. This created an overstatement in patient accounts receivable until the letter of agreement was received by the business office.
- A third-party payor was identified by the accounting department as a payor that the accounts receivable system prorates the gross charge to the expected net collectible amount. However, it was determined that the third-party payor's contract was not actually loaded into the system that generates these automatic adjustments, creating an overstatement in patient accounts receivable.

We did note that this payor was a very small percentage of overall patient accounts receivable.

University Physicians Healthcare Hospital

- We noted that there was a mathematical error in the calculation of allowances for patient accounts receivable at June 30, 2011. Subsequent to us identifying this calculation error, management corrected the amount by posting an adjustment to the June 30, 2011, financial statements.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Federal Award Findings and Questioned Costs

11-101

SNAP Cluster:

CFDA No.: 10.551 **Supplemental Nutrition Assistance Program**

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

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

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ400AZ4

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program**

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

CFDA No.: 10.558 **Child and Adult Care Food Program**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: Various

U.S. Department of Defense

WIA Cluster:

CFDA No.: 17.258 **WIA Adult Program**

17.258 **ARRA—WIA Adult Program**

17.259 **WIA Youth Activities**

17.259 **ARRA—WIA Youth Activities**

17.260 **WIA Dislocated Workers**

17.260 **ARRA—WIA Dislocated Workers**

17.278 **WIA Dislocated Worker Formula Grants**

Award Period: April 1, 2008 through June 30, 2011

April 1, 2009 through June 30, 2012

April 1, 2010 through June 30, 2013

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Award Numbers: AA-17107-08-55, AA-18266-09-55, and AA-20181-10-55

U.S. Department of Labor

Highway Planning and Construction Cluster:

CFDA No.: 20.205 **Highway Planning and Construction**

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Award Period: Various

Award Numbers: Various

U.S. Department of Transportation

CFDA No.: 81.041 **State Energy Program**

81.041 **ARRA—State Energy Program**

Award Period: April 21, 2009 through April 30, 2012

July 1, 2010 through June 30, 2011

Award Numbers: DE-EE0000106 and DE-EE003872

U.S. Department of Energy

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: H027A080007, H027A090007A, H027A100007, H173A080003, H173A090003,
H173A100003, H391A090007A, and H392A090003

Vocational Rehabilitation Cluster:

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

84.390 **ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States,
Recovery Act**

Award Period: October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: H126A8000209, H126A1000210, H126A110002, and H390A090002

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S377A080004, S377A090003, S377A100003, and S388A090003

State Fiscal Stabilization Fund Cluster:

CFDA No.: 84.394 **ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act**

84.397 **ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act**

Award Period: June 4, 2009 through September 30, 2011

Award Numbers: S394A09003, S394A09003A, S397A09003, and S397A09003A

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Award Period: July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S367A080049, S367B080003, S367A090049, S367B090003, S367A100049, and S367B100003A

U.S. Department of Education

Medicaid Cluster:

CFDA No.: 93.720 **ARRA—Survey Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative**

93.775 **State Medicaid Fraud Control Units**

93.777 **State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare**

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

Award Period: Various

Award Numbers: 1005AZ5ADM, 1005AZ5MAP, and 1005AZARRA

CFDA No.: 93.767 **Children's Health Insurance Program**

Award Period: Various

Award Numbers: 1105AZ5021

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Award Period: July 1, 2010 through June 30, 2011

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Award Number: 5U3REP090227-02-00

CFDA No.: 93.917 **HIV Care Formula Grants**

Award Period: April 1, 2010 through March 31, 2011

September 20, 2010 through September 29, 2011

April 1, 2011 through March 31, 2012

Award Numbers: X07HA00080-20-00, X07HA00080-20-01, X07HA00080-20-04, X07HA00080-21-00, and X08HA19857-01-00

U.S. Department of Health and Human Services

Allowable Costs/Cost Principles

Questioned Cost: \$534,234

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

Condition and context: The State of Arizona did not comply with the allowable costs/cost principles requirements with respect to the general agency counsel service costs provided by the Office of the Attorney General that were charged to federal programs administered by various state agencies. A.R.S. §41-191.09 created the Attorney General Legal Services Cost Allocation Fund (Fund) to reimburse the Attorney General's Department of Law for general agency counsel services. Beginning on July 1, 2006, all state agency funds, except those specifically exempted by the statute, were required to reimburse the Fund for the costs of general agency counsel services. Reimbursements were obtained by charging 0.675 percent of each applicable agency's total payroll expenditures, including those paid with federal monies, each pay period.

Effect: During fiscal year 2011, these charges totaled \$534,234, including \$203,791 for the major federal programs listed above and \$330,443 for all other federal programs. This finding is in noncompliance with the allowable costs/cost principles requirements and could potentially affect all federal programs administered by the affected state agencies that incurred payroll costs.

Cause: The noncompliance resulted from a statutory requirement that these programs be charged for general agency counsel service costs, and therefore, this was not caused by the federal programs' administration.

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

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-102

SNAP Cluster:

CFDA No.: 10.551 **Supplemental Nutrition Assistance Program**

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

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

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ400AZ4

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program**

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

CFDA No.: 10.558 **Child and Adult Care Food Program**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: Various

U.S. Department of Defense

WIA Cluster:

CFDA No.: 17.258 **WIA Adult Program**

17.258 **ARRA—WIA Adult Program**

17.259 **WIA Youth Activities**

17.259 **ARRA—WIA Youth Activities**

17.260 **WIA Dislocated Workers**

17.260 **ARRA—WIA Dislocated Workers**

17.278 **WIA Dislocated Worker Formula Grants**

Award Period: April 1, 2008 through June 30, 2011

April 1, 2009 through June 30, 2012

April 1, 2010 through June 30, 2013

Award Numbers: AA-17107-08-55, AA-18266-09-55, and AA-20181-10-55

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Award Period: October 1, 2008 through September 30, 2011
October 1, 2009 through September 30, 2012
October 1, 2010 through September 30, 2013
Award Numbers: UI-18007-09-55, UI-19569-10-55, and UI-21086-11-55

U.S. Department of Labor

Highway Planning and Construction Cluster:

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

Award Period: Various
Award Numbers: Various

U.S. Department of Transportation

CFDA No.: 81.041 **State Energy Program**
81.041 **ARRA—State Energy Program**

Award Period: April 21, 2009 through April 30, 2012
July 1, 2010 through June 30, 2011

Award Numbers: DE-EE0000106 and DE-EE003872

U.S. Department of Energy

Title I, Part A Cluster:

CFDA No.: 84.010 **Title I Grants to Local Educational Agencies**
84.389 **Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**
84.173 **Special Education—Preschool Grants**
84.391 **ARRA—Special Education—Grants to States, Recovery Act**
84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: H027A080007, H027A090007A, H027A100007, H173A080003, H173A090003,
H173A100003, H391A090007A, and H392A090003

Vocational Rehabilitation Cluster:

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: H126A8000209, H126A1000210, H126A110002, and H390A090002

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S377A080004, S377A090003, S377A100003, and S388A090003

State Fiscal Stabilization Fund Cluster:

CFDA No.: 84.394 **ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act**

84.397 **ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act**

Award Period: June 4, 2009 through September 30, 2011

Award Numbers: S394A09003, S394A09003A, S397A09003, and S397A09003A

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Award Period: July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S367A080049, S367B080003, S367A090049, S367B090003, S367A100049, and S367B100003A

CFDA No.: 84.410 **Education Jobs Fund**

Award Period: August 10, 2010 through September 30, 2011

Award Number: S410A10003

U.S. Department of Education

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program**

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: G0902AZTANF, G1002AZTANF, and G1102AZTANF

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Medicaid Cluster:

CFDA No.: 93.720 **ARRA—Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative**

93.775 **State Medicaid Fraud Control Units**

93.777 **State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare**

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

Award Period: October 1, 2010 through September 30, 2011

Award Numbers: 05-1105-AZ-5001, 05-1105-AZ-5000, and 05-1105-AZ-5002

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

93.563 **ARRA—Child Support Enforcement**

Award Period: October 1, 2009 through September 30, 2011

October 1, 2010 through September 30, 2011

Award Numbers: G1004AZ4002, G1004AZ4004, and G1104AZ4004

CFDA No.: 93.568 **Low-Income Home Energy Assistance**

Award Period: October 1, 2008 through September 30, 2010

October 1, 2009 through September 30, 2011

October 1, 2010 through September 30, 2012

Award Numbers: G-09B1AZLIEA, G-0901AZLIE2, G-10B1AZLIEA, G-1001AZLIE2, and G-11B1AZLIEA

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

93.658 **ARRA—Foster Care—Title IV-E**

Award Period: October 1, 2007 through September 30, 2008

October 1, 2008 through September 30, 2009

January 1, 2009 through September 30, 2009

October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: 0801AZ1401, 0901AZ1401, 0901AZ1402, 1001AZ1401, 1001AZ1402, 1001AZ1402, 1101AZ1401, 1101AZ1402, 1101AZ1404

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

Award Period: October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: G0901AZSOSR, G1001AZSOSR, and G1101AZSOSR

CFDA No.: 93.767 **Children's Health Insurance Program**

Award Period: Various

Award Numbers: 1005AZADM, 1005AZ5MAP, and 1005AZARRA

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Award Period: July 1, 2010 through June 30, 2011

Award Number: 5U3REP090227-02-00

CFDA No.: 93.917 **HIV Care Formula Grants**

Award Period: April 1, 2010 through March 31, 2011

September 20, 2010 through September 29, 2011

April 1, 2011 through March 31, 2012

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Award Numbers: X07HA00080-20-00, X07HA00080-20-01, X07HA00080-20-04, X07HA00080-21-00, and X08HA19857-01-00

U.S. Department of Health and Human Services

Disability Insurance/SSI Cluster:

CFDA No.: 96.001 **Social Security—Disability Insurance**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: 011004AZD100 and 011104AZD100

U.S. Social Security Administration

Allowable Costs/Cost Principles

Questioned Cost: Unknown

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

Condition and context: The State of Arizona did not comply with the allowable costs/cost principles requirements with respect to information technology service costs provided by the Government Information Technology Agency (GITA) that were charged to federal programs administered by various state agencies. A.R.S. §41-3505 created the Information Technology Fund (Fund) for GITA to provide information technology services. Beginning on July 1, 1997, all state agency funds were required to contribute to the Fund for the costs of information technology services. These contributions were obtained by charging 0.2 percent of each applicable agency's total payroll expenditures, including those paid with federal monies, each pay period. The information technology services GITA provided included information technology coordination, strategic planning, information security and privacy, technology project oversight services for all information technology projects costing more than \$25,000, and digital government services. The technology project oversight services were performed through a Project Investment Justification process, which allowed GITA to implement its strategic vision by requiring agencies to comply with state-wide policies and standards along with the strategic direction in the state-wide plan. The digital government services included developing strategies and deploying accessible, reliable, and cost-effective digital government services through the State's web portal, such as application website development, hosting and support services. The costs of these technology project oversight services and digital government services were determined to be unallowable because the services involved were not chargeable in accordance with relative benefits received.

Effect: It was not practical to extend our auditing procedures to determine questioned costs that may have resulted from this finding. This finding is in noncompliance with the allowable costs/cost principles requirements and could potentially affect all federal programs administered by the affected state agencies that incurred payroll costs.

Cause: The noncompliance resulted from a statutory requirement that these programs be charged for information technology service costs and digital government services, and therefore, this was not caused by the federal programs' administration.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

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

This finding is similar to a prior-year finding.

11-103

CFDA No.: **Various**

Award Period: Various

Award Numbers: Various

Allowable Costs/Cost Principles

Questioned Costs: Unknown

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

Condition and context: House Bill 2001 of the 49th Legislature, Seventh Special Session 2010, Chapter 1, §§112, 113, and 148, and Senate Bill 1612 of the 50th Legislature, First Regular Session 2011, Chapter 24, §§108 and 129, mandated transfers of fund balances from various state agencies to the State of Arizona's General Fund to help provide support and maintenance for the agencies of the State. A portion of the balances transferred included federal monies and were therefore unallowable since the transfers were not based on the relative benefits received. The Department of Administration has estimated the federal portion of the transfers to be \$2,474,591 during fiscal year 2011. However, the Department has not compiled the information by federal agency and program. In addition, this amount is still subject to review and approval by the U.S. Department of Health and Human Services.

Effect: The State is responsible for reimbursing the federal agencies the amount of unallowable costs. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding or to identify all the federal programs that were affected by this finding. This finding is in noncompliance with the allowable costs/cost principles requirements and could potentially affect all federal programs administered by state agencies that had legislatively mandated transfers of fund balances.

Cause: The noncompliance resulted from legislatively mandated transfers of fund balances, and therefore, was not caused by the federal programs' administration.

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-104

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Award Period: October 1, 2008 through September 30, 2011

October 1, 2009 through September 30, 2012

October 1, 2010 through September 30, 2013

Award Numbers: UI-18007-09-55, UI-19569-10-55, and UI-21086-11-55

U.S. Department of Labor

Reporting

Questioned Cost: N/A

Criteria: In accordance with 29 CFR §97.20(b)(1),(2), and (6), the Department of Economic Security must report financial information through authorized reports, in accordance with instructions from the federal agency, and report information that agrees to its financial records.

Condition and context: The Department did not accurately prepare or provide support for various Unemployment Insurance reports submitted during fiscal year 2011. Auditors noted errors in five of the eight reports tested. Specifically, auditors noted the following:

Financial Services Administration (FSA)

- For the March 31, 2011, quarterly ETA 9130—Financial Status Report, the FSA omitted \$10,505 of expended program income for award number UI-19569-10-55.
- For the June 30, 2011, quarterly ETA 9130—Financial Status Report, the FSA overstated total federal program income earned by \$1,132 and omitted \$10,224 of expended program income for award number UI-21086-11-55.

Division of Employment and Rehabilitation Services (DERS)

- For the March 31, 2011, quarterly ETA 581—Contribution Operations report, the financial management system did not support amounts reported for Liquidated Contributory Employers Receivables of \$1,025,816 and for Liquidated Reimbursing Employers Receivables of \$1,945,533.
- For the March 31, 2011, quarterly ETA 227—Overpayment Detection and Recovery Activities report, the DERS could not support the amounts reported for Additions—UI Fraud of \$695,073 and Subtractions—UCFE/UCX Fraud of \$7,302.
- For the September 30, 2010, quarterly ETA 227 EUC—Overpayment Detection and Recovery Activities report, the DERS could not support the numbers reported for Non-Fraud Total—UCFE/UCX of three cases and the amount reported for Recovered Total—UCFE/UCX Fraud of \$1,553.

Effect: Incorrect financial and nonfinancial data was submitted to the federal grantor that may result in potential errors in analysis or other determinations. This finding did not result in questioned costs since the reports were not used to request reimbursement of federal expenditures. This finding is a material weakness in internal control over compliance and material noncompliance with the program's reporting requirements.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Cause: The FSA did not adequately implement procedures to ensure that all relevant financial data was included on the ETA 9130 reports. Furthermore, as a result of some programming deficiencies in system-generated reports, the DERS made manual adjustments to the ETA 581 and ETA 227 reports to accurately report ending balances that were supported by the financial management system.

Recommendation: The FSA and the DERS should establish the following procedures to help ensure compliance with reporting requirements:

- Require documentation to be retained to support the amounts reported.
- Establish a detailed review process to help ensure federal reports are complete and accurate before they are submitted to the U.S. Department of Labor.

In addition, the DERS should investigate the system deficiencies and correct programming errors to ensure that accurate internal reports are generated to support various financial and nonfinancial information.

This finding is similar to a prior-year finding.

11-105

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Award Period: October 1, 2008 through September 30, 2011

October 1, 2009 through September 30, 2012

October 1, 2010 through September 30, 2013

Award Numbers: UI-18007-09-55, UI-19569-10-55, and UI-21086-11-55

U.S. Department of Labor

Period of Availability and Special Tests and Provisions

Questioned Cost: \$7,956,927

Criteria: In accordance with 20 CFR §§602.11(d) and 602.21(c), the Department of Economic Security is required to operate a quality control program to assess the accuracy of unemployment insurance benefit payments and denied claims. In addition, this quality control program should require all claimants selected for investigation to complete a questionnaire designed by the Department. The *Benefit Accuracy Measurement State Operations Handbook, ET Handbook No. 395, 5th Edition*, requires the Department to select a minimum number of payments and denied claims each week, quarter, and calendar year and review them for accuracy. Also, work search investigations are to take place to determine the claimant met work search requirements.

In accordance with the Supplemental Appropriations Act of 2008, Public Law 110-252, section 4001, the Department should make payments of emergency unemployment compensation only to individuals with no rights to regular compensation. In addition, in accordance with the Supplemental Appropriations Act of 2008 and Public Law 111-157, the Department should have adequate internal control procedures to ensure claimants receive compensation only during the program's funding period.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

In accordance with the Supplemental Appropriations Act of 2008, Public Law 110-252, section 4005, the Department should require individuals to repay the amounts or offset overpayments from future benefit payments when they have received Emergency Unemployment Compensation (EUC) or Federal Additional Compensation (FAC) to which they were not entitled.

Condition and context: The Department did not always follow its policies and procedures for three of the Unemployment Insurance program's special tests and provisions compliance requirements and for the period of availability compliance requirement related to FAC Benefit Payments. Specifically, auditors noted the following errors.

Unemployment Insurance Benefit Payments—The Benefit Accuracy Measurement Unit (BAM Unit) did not always follow its policies and procedures and select the minimum number of benefit payments for quality control testing. Although the BAM Unit exceeded the minimum requirements for the year, the quarterly minimum requirements were not met. Specifically, for the fourth quarter of calendar year 2010, the BAM Unit selected 103 paid and 101 denied cases instead of the minimum of 108 for each test. In addition, for 1 of 40 cases tested, the BAM Unit did not require the claimant to complete the questionnaire and provide work search contacts for the key week. As the claimant questionnaire and work search efforts were not provided, auditors determined that the key week should have been disqualified, resulting in questioned costs of \$240. This error did not affect any American Recovery and Reinvestment Act (ARRA) monies.

Emergency Unemployment Compensation Benefit Payments—A system programming error caused the Division of Employment and Rehabilitation Services (Division) to potentially make 5,061 EUC and associated FAC payments for weeks when they were eligible for regular benefits. Division programmers developed a solution in March 2011 that involved shifting payments to the correct funding source for benefits; however, the Division failed to calculate and record EUC overpayments that may have resulted from this shifting. Auditors were unable to determine the amount of EUC overpayments. In addition, FAC payments totaling \$114,325, which were originally associated with the EUC payments, were paid outside of the period of availability and overpayments had not been calculated and recorded.

Federal Additional Compensation Benefit Payments—The Division failed to recover FAC benefit payments resulting from fraud and overpayments. Specifically, the Division did not record all FAC overpayments on its financial accounting system. As a result, the Division did not recover the overpayments from individuals through repayment or reducing future benefit payments. Auditors noted that FAC overpayments totaling \$7,842,362 should have been recorded as of June 30, 2011.

Questioned costs totaling \$7,956,687 were from ARRA monies.

Effect: Failure to operate the BAM Unit program in accordance with the requirements can result in noncompliance with federal regulations and failure to identify overpaid, underpaid, or erroneously denied claims. Failure to calculate and record overpayments inhibits the Division's ability to notify the appropriate individuals of their overpayment and recover the overpayments. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's special tests and provisions requirements and a significant deficiency in internal control over compliance and noncompliance with the program's period of availability requirements.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Cause: Due to staffing shortages during the period, the BAM Unit was unable to test the minimum number of benefit payments. In addition, the Division did not implement the necessary software changes in the financial accounting system to record all overpayments. The EUC and FAC overpayments related to the shifting of payments to the proper funding source, were not calculated and recorded due to a pending review of the overpayments.

Recommendation: The BAM Unit and the Division should enforce the following policies and procedures to help ensure compliance with special tests and provisions requirements:

- Test the minimum number of benefit payments for each week, quarter, and year as required by the U.S. Department of Labor.
- Stop future benefit payments until the claimant has fulfilled the program's requirements.
- Implement the necessary software changes to calculate and record overpayments.
- Perform a system review on a quarterly basis to ensure that claimants are being paid from the proper funding source.
- Follow its policies and procedures to ensure that benefit payments are made during the period of availability.

This finding is similar to a prior-year finding.

11-106

Vocational Rehabilitation Cluster:

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

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: H126A8000209, H126A1000210, H126A110002, and H390A090002

U.S. Department of Education

Eligibility

Questioned Cost: None

Criteria: In accordance with 29 U.S. Code 722(a)(6), the Department of Economic Security must determine whether an individual is eligible for vocational rehabilitation services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services, unless exceptional and unforeseen circumstances exist beyond the Department's control and the Department and the applicant agree to a specific extension of time or the Department is exploring the individual's abilities, capabilities, and capacity in order to be able to make the eligibility determination or close the case.

Condition and context: The Department of Economic Security, Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not always follow its policies and procedures to prepare and retain documentation of an extension beyond the 60 days.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Specifically, for 12 of 40 applications tested, it took the Administration between 62 and 706 days, or an average of 196 days, to determine if the applicants were eligible for the program or close the case. For 6 of the 12 applicants, the Administration had no documentation regarding the late determination or had only a case note documenting the reason for the late eligibility determination. For 4 of the 12 applicants, the Administration included an extension letter in the applicant's case file; however, it lacked the applicant's signature evidencing that the applicant agreed to a specific extension of time. Finally, for the 2 remaining applicants, the extension letter was prepared and signed after the 60-day period.

Effect: Failure to make eligibility determinations in a timely manner may result in a delay of services provided. This finding is a material weakness in internal control over compliance and material noncompliance with the Cluster's eligibility requirements.

Cause: The Administration did not react to system alerts that open applications were close to the 60-day eligibility determination requirement.

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

- Determine an applicant's eligibility within 60 days of the application submission date.
- Prepare a letter before the end of the 60-day eligibility period to establish a specific extension of time and to justify exceeding the 60-day period. This letter should be signed by both the Administration and the applicant.
- Document the Administration's continued exploration of the applicant's abilities, capabilities, and capacity to perform in work situations.

Furthermore, the Administration should establish a control system, such as a checklist, to ensure all documentation to determine eligibility is retained in the applicant's case file.

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-107

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Award Period: October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: G0902AZTANF, G1002AZTANF, and G1102AZTANF

U.S. Department of Health and Human Services

Reporting

Questioned Cost: None

Criteria: In accordance with 45 CFR §265.7(a), reporting for the ACF-196 TANF Financial Report and ACF-199 TANF Data Report must be complete and accurate.

In accordance with 45 CFR §§92.24(b)(7) and 265.9(c)(4), reporting for the ACF-204 Annual Report, including the Annual Report on State Maintenance-of-Effort Programs, third-party in-kind contributions count toward satisfying a cost-sharing requirement only when the costs would be allowable if the party receiving the contributions were to pay for them. Also, each state must provide the total annual state expenditures claimed as maintenance of effort (MOE) for each program.

Condition and context: The Department of Economic Security did not accurately prepare or provide support for various reports submitted during fiscal year 2011 for the Temporary Assistance for Needy Families program. Auditors noted errors in four of the seven reports tested. Specifically, auditors noted the following:

Financial Services Administration (FSA)

- For the March 31, 2011, quarterly ACF-196 TANF Financial Report for award year 2011, the FSA misreported \$4,659,668 of cumulative child support services expenditures in the Non-Assistance Authorized Solely Under Prior Law reporting line when these expenditures should have been included in the Other reporting line. This error was not corrected until the following quarter; thus all reports within the first three quarters were inaccurate during the fiscal year.
- For the fiscal year 2010 ACF-204 Annual Report including the Annual Report on State Maintenance-of-Effort Programs, the Department may claim third-party, in-kind contributions toward satisfying a cost-sharing requirement. The FSA established relationships with seven community partners for this purpose; however, the FSA did not obtain sufficient evidence from two of the seven partners to determine that expenditures totaling \$517,282 were allowable.
- For the fiscal year 2010 ACF-204 Annual Report, including the Annual Report on State Maintenance-of-Effort Programs, the FSA omitted \$3,000 from the state MOE expenditures total for the Adoption Maintenance program and overstated state MOE expenditures in the Child In-Home Services program by \$3,000.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Family Assistance Administration (FAA)—Auditors tested 13 case files from the June 30, 2011, quarterly ACF-199 TANF Data Report and found that for one case the reported number of months countable toward the federal time limit was overstated by 7 months.

Effect: Incorrect financial and nonfinancial data was submitted to the federal grantor that may result in potential errors in analysis or other determinations. In addition, possible unallowable state expenditures were reported and used to count toward the maintenance-of-effort requirements; however, the MOE requirement would have been met without these expenditures. In addition, this finding did not result in questioned costs since the report errors did not affect total federal expenditures. This finding is a material weakness in internal control over compliance and material noncompliance with the Temporary Assistance for Needy Families program's reporting requirements.

Cause: The Department did not have procedures in place to ensure expenditures are reported in the proper reporting categories. Additionally, the Department did not have controls in place for preparation and review of program reports to prevent or detect errors.

Recommendation: The Department should establish policies and procedures to help ensure compliance with reporting requirements. Specifically, the Department should have procedures to identify how to accumulate data for reports, and supervisors should perform a detailed review over federal reports to ensure accurate amounts are reported.

This finding is similar to a prior-year finding.

11-108

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Award Period: October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: G0902AZTANF, G1002AZTANF, and G1102AZTANF

U.S. Department of Health and Human Services

Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: In accordance with OMB Circular A-133 §.210(e), the pass-through entity is responsible for establishing requirements to ensure compliance by for-profit subrecipients.

Condition and context: The Division of Employment and Rehabilitation Services (DERS) performed a review over TANF subrecipients to ensure their expenditures were in compliance with the TANF program's terms; however, no evidence supported that these reviews occurred during fiscal year 2011. Additionally, the DERS monitored the performance of each subrecipient, by district, by preparing quarterly report cards

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

that included the program's performance goals and the percentage that each district achieved during each quarter of the federal fiscal year. Auditors examined two districts' quarterly report cards and found that over a period of 4 quarters, 94 of the 168 performance goals were not achieved. Finally, the DERS did not require the subrecipients to prepare a corrective action plan in response to those deficiencies.

Effect: Potentially unallowable expenditures were paid for with TANF program monies. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the TANF program's subrecipient monitoring requirements.

Cause: The DERS did not have adequate policies and procedures in place to ensure that documentation for monitoring was properly maintained and that subrecipients submitted corrective action plans in a timely manner when program performance goals were not met.

Recommendation: The DERS should establish policies to ensure subrecipient monitoring documentation is prepared and retained. In addition, the DERS should require timely corrective action plans from its subrecipients when performance goals are not met.

11-109

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Award Period: October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: G0902AZTANF, G1002AZTANF, and G1102AZTANF

U.S. Department of Health and Human Services

Special Tests and Provisions

Questioned Cost: None

Criteria: In accordance with 45 CFR §§205.55(a) and 205.60(a), income and benefit information must be requested from other federally assisted programs and federal agencies through automated data exchanges and used for identifying ineligible recipients. In addition, the information used to support wage and unemployment compensation verification through the data exchange must be retained.

Condition and context: The Department of Economic Security, Division of Benefits and Medical Eligibility (Division), recorded and stored eligibility information and supporting documents for participants on a documentation management system, including the support obtained from using the Income Eligibility and Verification System (IEVS). However, for 12 of 40 case files tested, no documentation was retained to evidence that the IEVS was used when determining applicant eligibility.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: Assistance may be granted to ineligible recipients, or incorrect benefit determinations may result in over- or underpayments. This finding did not result in questioned costs since the Division was able to provide documentation to support its eligibility determinations. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's special tests and provisions requirements.

Cause: The Division did not follow its policies and procedures to use the IEVS to determine eligibility; or, if it was used, documentation was not retained to support its use.

Recommendation: The Division should ensure that employees request and use income and benefit information from the IEVS when determining eligibility for all applicants applying for cash assistance. Additionally, employees should retain support in the document management system to evidence the review.

11-110

CFDA No.: 93.568 **Low-Income Home Energy Assistance**

Award Period: October 1, 2008 through September 30, 2010

October 1, 2009 through September 30, 2011

October 1, 2010 through September 30, 2012

Award Numbers: G-09B1AZLIEA, G-0901AZLIE2, G-10B1AZLIEA, G-1001AZLIE2, and G-11B1AZLIEA

U.S. Department of Health and Human Services

Reporting

Questioned Cost: None

Criteria: In accordance with 45 CFR §96.30(b)(2)(ii) and the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services' action transmittal number LIHEAP-AT-2011-02, the Department of Economic Security must include the date of the last obligation of monies for the reporting periods on the annual SF-269A financial report. Also, in accordance with 45 CFR §96.81(b)(1) and action transmittal number LIHEAP-AT-2010-8 and its attached instructions, the Department must report the projected unobligated balance and carryover amount on the annual Carryover and Reallotment special report as well as submit a corrected Carryover and Reallotment special report as soon as possible if the estimated amounts submitted on its original Carryover and Reallotment special report were later found to be inaccurate. Finally, in accordance with 45 CFR §96.82(b) and action transmittal number LIHEAP-AT-2010-9 and its attached instructions, the Department must submit the annual LIHEAP Household Report, which includes data on the number of households that were assisted with program monies and the number of households that applied for program assistance. In accordance with the action transmittal, grantees are required to submit actual, not estimated, household data.

Condition and context: The Department of Economic Security did not accurately prepare or provide support for various Low-Income Home Energy Assistance reports submitted during fiscal year 2011. Auditors noted errors in all five of the reports tested. Specifically, auditors noted the following:

Financial Services Administration (FSA)—For all three SF-269A financial reports tested, the FSA did not include the date of the last obligation of monies for the reporting period ended September 30, 2010.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Division of Aging and Adult Services (DAAS)

- For the September 30, 2010, Carryover and Reallotment special report, the DAAS reported an inaccurate projected unobligated balance and carryover amount and did not submit a revised report to include changes to the current year amount payable, projected unobligated balance, and carryover amount. Specifically, the DAAS reported \$0 as both the projected unobligated balance and the carryover amount; however, at the time of the report submission, the projected unobligated balance and carryover amount was an estimated \$1,830,000. Furthermore, the DAAS did not submit a corrected Carryover and Reallotment special report to include the additional grant monies in the current year amount payable line and the changes to the projected unobligated balance, and carryover amount. This resulted in the DAAS not determining a revised projected unobligated balance which caused an ultimate understatement of \$386,465 for the reported current year amount payable and an ultimate understatement of \$1,299,170 for the unobligated balance and carryover amount.
- For the September 30, 2010, LIHEAP Household Report, the DAAS reported inaccurate amounts for the number of households assisted. Specifically, out of the 27 discretely presented amounts on Part 1 of the report, 23 amounts were erroneous. Discrepancies ranged from 1 unit to 573 units. In addition, the DAAS did not obtain applicant household information from its subrecipients; therefore, the number of applicant households presented on the report did not include pending and denied applications. Additionally, although the DAAS obtained the actual aggregate amounts of households with at least one member who is elderly, disabled, or a young child for the Heating and Winter/Year-round Crisis types of assistance, the DAAS estimated the breakout of such households by the two types of assistance, resulting in estimated amounts being included in the report.

Effect: Incorrect financial and nonfinancial data was submitted to the federal grantor that may result in potential errors in analysis or other determinations and in the *LIHEAP Report to Congress*. This finding did not result in questioned costs since the reports were not used to request reimbursement of federal expenditures. This finding is a material weakness in internal control over compliance and material noncompliance with the program's reporting requirements.

Cause: The FSA did not adequately implement procedures to ensure that all relevant financial data was included on the annual SF-269A financial reports. The DAAS did not adequately implement procedures to ensure that accurate amounts were reported on the Carryover and Reallotment special report and the LIHEAP Household Report and that a corrected Carryover and Reallotment special report was submitted if previously submitted information was found to be inaccurate.

Recommendation: The FSA and DAAS should establish the following procedures to help ensure compliance with reporting requirements:

- Integrate a review of the annual reporting requirements into the overall review and approval process already in place.
- Stay apprised of the requirements related to reported data elements to ensure that preparers are able to obtain the required information.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-111

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: G0902AZTANF, G1002AZTANF, and G1102AZTANF

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

93.563 **ARRA—Child Support Enforcement**

Award Period: October 1, 2008 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: G1004AZ4002, G1004AZ4004, and G1104AZ4004

CFDA No.: 93.568 **Low-Income Home Energy Assistance**

Award Period: October 1, 2008 through September 30, 2010
October 1, 2010 through September 30, 2012

Award Numbers: G-09B1AZLIEA, G-0901AZLIE2, G-10B1AZLIEA, G-1001AZLIE2, and G-11B1AZLIEA

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

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: G0901AZSOSR, G1001AZSOSR, and G1101AZSOSR

U.S. Department of Health and Human Services

Reporting

Questioned Cost: N/A

Criteria: In accordance with 2 CFR §170 Appendix A, and the Federal Funding Accountability and Transparency Act of 2006 (FFATA), for grant awards beginning on October 1, 2010, or later, the Department of Economic Security must report each subaward to a subrecipient that amounts to \$25,000 or more, not including subawards of American Reinvestment & Recovery Act (ARRA) monies. Each subaward action must be reported no later than the end of the month following the month in which the obligation was made.

Condition and context: The Department of Economic Security, Financial Services Administration (FSA) did not submit any reports of subawards. Auditors could not determine the number of monthly reports that should have been submitted for each cluster and program. Although the FSA provided evidence it communicated with the State's General Accounting Office regarding FFATA during the fiscal year, the FSA did not provide evidence it communicated with the awarding agencies or the General Services Office to sufficiently demonstrate it made a "good faith" effort to comply with the FFATA requirements. Additionally, the FSA did not request or obtain permission from the Office of Management and Budget to deviate from this requirement.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: Obligations to subrecipients were not posted to the federal FSRS.gov website, resulting in a lack of information on USASpending.gov. This finding is a material weakness in internal control over compliance and material noncompliance with the TANF Clusters' and Low-Income Home Energy Assistance programs' reporting requirements. This finding is a significant deficiency in internal control over compliance and noncompliance with the Child Support Enforcement and Social Services Block Grant programs' reporting requirements.

Cause: The FSA did not accurately apply the FFATA regulations and did not have the resources necessary to develop and follow policies and procedures to ensure compliance with the FFATA reporting requirements.

Recommendation: The FSA should work with its federal agency representatives or the General Services Office to clarify the FFATA reporting requirements. In addition, the FSA should establish the following procedures to help ensure compliance with the FFATA reporting requirements:

- Develop internal control policies and procedures to identify all subawards made to subrecipients from individual awards.
- Develop internal control policies and procedures to ensure the required reports are accurately compiled, reviewed, and submitted in a timely manner.

11-112

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: G0902AZTANF, G1002AZTANF, and G1102AZTANF

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

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
October 1, 2010 through September 30, 2011

Award Numbers: G0901AZSOSR, G1001AZSOSR, and G1101AZSOSR

U.S. Department of Health and Human Services

Allowable Costs/Cost Principles

Questioned Cost: \$89,681

Criteria: In accordance with 2 CFR §225 Appendix C, A.1, allocated costs distributed across different federal programs should be supported by formal accounting and other records that will support the propriety of those costs assigned to the federal awards.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: The Department of Economic Security, Division of Children, Youth, and Families, misstated the eligible TANF population used in the December 2010 population case factor calculation. As a result, the TANF program was overcharged \$89,681, and the Social Services Block Grant program was undercharged \$89,681. This finding did not affect any American Recovery and Reinvestment Act (ARRA) monies.

Effect: Failure to use proper supporting documentation when allocating costs can lead to improper charges. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding results in noncompliance with allowable costs/cost principles requirements for the TANF Cluster and the Social Services Block Grant program.

Cause: The Division did not use the proper eligible TANF population when calculating the population factor used in the cost allocation.

Recommendation: The Division should ensure that appropriate reviews are performed to verify the accuracy of the cost allocations to each program.

11-113

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program**

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

CFDA No.: 10.558 **Child and Adult Care Food Program**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011
Award Numbers: H027A080007, H027A090007A, H027A100007, H173A080003, H173A090003,
H173A100003, H391A090007A, and H392A090003

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S377A080004, S377A090003, S377A100003, and S388A090003

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Award Period: July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S367A080049, S367B080003, S367A090049, S367B090003, S367A100049, and
S367B100003A

U.S. Department of Education

Cash Management, Eligibility, Reporting, Subrecipient Monitoring, and Special Tests and Provisions

Questioned Cost: Unknown

Criteria: A state should have effective policies and procedures in place to prevent and detect unauthorized access to its information systems and to protect against unauthorized system and program changes. In addition, states should have an updated and fully tested disaster recovery plan to provide for the continuity of operations and ensure that data can be recovered in the event of a system or equipment failure or other interruption.

Condition and context: The Department of Education's Grants Management System and Child Nutrition Program Web application were used by internal and external users to apply for, approve, and disburse federal grant awards; record federal award expenditures and budget information; and report and monitor compliance with federal requirements. Auditors tested the Department's controls over these systems and applications and noted the following deficiencies:

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

- *Access controls*—The Department did not always maintain documentation for employees' and external users' access, and granted access for several users without proper approval and without ensuring that the access rights were necessary and compatible with employees' job responsibilities. Also, the Department did not immediately remove terminated employees' access rights.
- *Change controls*—The Department did not maintain documentation of all system and program changes.
- *Recovery controls*—The Department did not have an up-to-date and tested disaster recovery plan for its significant systems and applications.

Effect: There is a risk of noncompliance with federal requirements and of theft, manipulation, or misuse of confidential or sensitive data due to unauthorized access or changes. Additionally, the Department may not be able to recover data or materially comply with compliance requirements in the event of system or equipment failure or other interruption. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance with the programs' and clusters' cash management, eligibility, reporting, subrecipient monitoring, and special tests and provisions requirements. In addition, this finding could potentially affect other federal programs, including American Recovery and Reinvestment Act (ARRA) programs, that the Department administered.

Cause: The Department did not consistently follow its policies and procedures for granting access to users and making changes to its information systems and applications. Additionally, the Department had not updated and tested the disaster recovery plan because of changes in administration.

Recommendation: To strengthen internal controls over its systems and applications, and to help ensure compliance with federal requirements for the programs it administers, the Department should:

- Ensure that system access granted to all users is documented and authorized. Grant only access rights that are necessary and compatible with users' job responsibilities, and immediately revoke access for terminated employees.
- Periodically perform a comprehensive review of user access granted to all of its applications and systems, and remove inappropriate access.
- Follow procedures for documenting and approving all changes to its systems and applications.
- Update and test its disaster recovery plan annually.

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-114

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: H027A080007, H027A090007A, H027A100007, H173A080003, H173A090003, H173A100003, H391A090007A, and H392A090003

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Award Period: July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S367A080049, S367B080003, S367A090049, S367B090003, S367A100049, and S367B100003A

U.S. Department of Education

Cash Management and Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: As required by 34 CFR §80.21, state educational agencies should have procedures in place to minimize the time elapsing between the transfer of monies to and disbursement by the Local Educational Agencies (LEAs). The LEAs may be paid in advance if they are able to minimize the time elapsing between the receipt of the monies and their disbursement so that they do not accumulate excess cash balances of federal monies. Further, LEAs that earn interest over \$100 on excess cash balances should remit the interest to the Department of Education.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: The Department did not always sufficiently monitor LEAs' monthly cash management reports and annual completion reports to ensure that LEAs did not have excess cash balances of federal monies before disbursing more monies for the subsequent grant award. Auditors tested a sample of monthly cash management reports and completion reports for each of the major federal programs administered through the Department's Grants Management System and found similar deficiencies for the major federal programs tested. Specifically, auditors found that, for several LEAs, the Department disbursed monies for subsequent grant awards because LEAs did not carry forward the excess cash balances from the previous grant award to the subsequent grant award's budget as directed by the Department. Auditors also found that a few of the LEAs reported excess cash balances on their monthly cash management reports although additional monies were not disbursed in these cases because of adequate system controls. Additionally, auditors noted that the Department did not have written procedures for monitoring those LEAs that did not file the required monthly cash management reports. Finally, the Department did not have specific monitoring controls in place to address remaining cash balances for its American Recovery and Reinvestment Act (ARRA) programs or for LEAs that did not apply for subsequent grant awards.

Effect: Because the Department did not monitor LEAs' monthly cash management reports, LEAs were allowed to maintain excess cash balances throughout the year, and some LEAs did not report their cash balances monthly, as required. Further, the Department disbursed monies for subsequent grant awards when LEAs had excess cash balances and, therefore, did not comply with its major federal programs' cash management requirements. In addition, any interest that may have been earned on the excess cash balances may not have been remitted to the Department. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with cash management and subrecipient monitoring requirements for the major federal programs administered through the Department's Grants Management System. This finding could potentially affect other federal programs, including ARRA programs, that the Department administered.

Cause: The Department's Grants Management System does not prohibit the disbursement of monies after the award period-end when excess cash balances are reported on completion reports. As a result, the Department must manually monitor LEAs to prevent the improper disbursement of federal monies when LEAs have remaining cash balances from the previous grant award but have not made the proper amendments to the next grant award's budget. Further, while the Department can generate reports from the system to manually monitor those LEAs that did not file the required monthly cash management reports or reported excess cash balances, it does not have written procedures for this level of monitoring. In addition, the Department does not have formal procedures for requesting the return of excess cash balances, especially with respect to ARRA programs and in instances when the LEA did not apply for program funding for the subsequent year.

Recommendation: To help ensure compliance with its major federal programs' cash management requirements, the Department should improve its policies and procedures for monitoring LEAs' cash balances throughout the year using its current system. For example, the Department could require LEAs to amend the subsequent award's budget for excess cash balances immediately after the completion reports have been approved and better enforce its policies to place future grant awards on hold, or require

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

LEAs to remit all unspent cash balances to the Department upon approval of the completion reports. In addition, the Department should establish procedures to request LEAs to return excess cash balances when LEAs have not applied for program funding in the subsequent year, and for remitting interest earned in excess of \$100.

This finding is similar to a prior-year finding.

11-115

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S3181X00003, and S386A090003

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S377A080004, S377A090003, S377A10003, and S388A090003

U.S. Department of Education

Reporting

Questioned Cost: None

Criteria: In accordance with the *American Recovery and Reinvestment Act (ARRA) of 2009*, P.L. 111-5, Section 1512(c), total ARRA monies received and expended are required data elements that should be reported accurately. The amounts included in the 1512 Report should be supported by accounting records and schedules documenting the cumulative revenue and expenditure data.

Condition and context: The Department of Education's revenues and expenditures reported on the 1512 Report did not agree to its accounting system. In addition, the Department did not maintain documentation supporting the amounts that it presented on the State of Arizona's 1512 Report and were unable to account for the differences.

Effect: Revenues reported on the 1512 Reports were understated by \$415,256 and expenditures reported on the 1512 Reports were overstated by \$492,619. This finding is a significant deficiency in internal control over compliance and noncompliance with the clusters' reporting requirements. In addition, this finding could potentially affect other ARRA programs that the Department administered.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Cause: The errors occurred because the Department did not maintain supporting documentation for amounts reported on the 1512 Reports.

Recommendation: To help ensure that its ARRA 1512 Reports are compiled accurately, the Department should strengthen its internal control policies and procedures over ARRA reporting and maintain supporting documentation for all amounts reported. In addition, if any material errors are subsequently noted within the 1512 Reports, the errors should be corrected during the continuous corrections period.

11-116

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Award Period: July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S367A080049, S367B080003, S367A090049, S367B090003, S367A100049, and S367B100003A

U.S. Department of Education

Level of Effort

Questioned Cost: None

Criteria: In accordance with 34 CFR §299.5(a), the Department of Education is required to determine that Local Educational Agencies (LEAs) have maintained fiscal effort prior to allocating federal monies to them. Additionally, the Department should maintain documentation supporting its level of effort calculation.

Condition and context: The Department did not always maintain documentation supporting the level of effort calculation performed for its LEAs. Specifically, for 6 of 43 LEAs tested, the Department did not have supporting documentation for the LEAs' average daily membership (ADM) numbers used in the level of effort calculation.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: There is the potential risk that LEAs may not meet level of effort requirements. Auditors performed additional audit procedures to recalculate the level of effort using the LEAs' available ADM numbers and determined that the LEAs in the sample maintained the required fiscal effort; therefore, no questioned costs were noted. This finding is a significant deficiency in internal control over compliance with the clusters' and program's level of effort requirement.

Cause: The Department did not maintain supporting documentation for the ADM data used to prepare the level of effort calculations.

Recommendation: To help ensure that it complies with level of effort requirements, the Department should maintain documentation to support the level of effort calculations for its LEAs.

This finding is similar to a prior-year finding.

11-117

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Award Period: July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: S367A080049, S367B080003, S367A090049, S367B090003, S367A100049, and S367B100003A

U.S. Department of Education

Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: According to 34 CFR §80.40(a) and OMB Circular A 133, §400(d)(3), grantees must monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. Therefore, the Department of Education is responsible for identifying the federal award information, including applicable compliance

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

requirements, and monitoring the subrecipient's use of federal awards through reporting, site visits, and regular contact. The Department performs monitoring reviews of subrecipients' activities on a 6-year cycle, each year reviewing a different aspect of the grant. As such, the Department requires each subrecipient to state its program goals in a Continuous Improvement Plan and affirm in writing, through Statements of Assurance, that it is aware of the applicable compliance requirements and the Department's policies and procedures.

Condition and context: The Department of Education did not obtain all monitoring documentation from Local Educational Agencies (LEAs), approve monitoring documents in a timely manner, or maintain regular contact with its subrecipients during the year. In addition, the Department did not always follow up in a timely manner with subrecipients who were found to be in noncompliance with requirements. Specifically, auditors noted the following deficiencies:

- For 4 of 40 LEAs tested for the Title I, Part A Cluster and the Improving Teacher Quality State Grants program, the Department did not obtain a Statement of Assurance from the LEA. For 2 of the 40 LEAs tested, the Department did not obtain the LEA's Continuous Improvement Plan. Further, for 16 of the LEAs tested, the Department did not review the documentation submitted by the LEAs in a timely manner in accordance with its policies.
- For 2 of 25 LEAs tested for the Educational Technology State Grants Cluster, the Department did not review the documentation submitted by the LEAs in a timely manner in accordance with its policies. Additionally, for 1 of these LEAs, there was no evidence that the Department reviewed the information the LEA submitted.

Effect: There is an increased risk that the LEAs may not comply with all applicable compliance requirements because the Department did not receive assurances from its LEAs. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with subrecipient monitoring requirements. This finding could potentially affect other federal programs, including American Recovery and Reinvestment Act (ARRA) programs, that the Department administered.

Cause: The Department uses the Arizona Local Education Agency Tracker (ALEAT) system to track its monitoring of LEAs' compliance, but did not follow up on its monitoring in accordance with its policies.

Recommendation: To help ensure that it complies with subrecipient monitoring requirements, the Department should follow its policies and procedures and:

- Maintain regular contact with subrecipients and ensure that they are aware of the applicable compliance requirements.
- Review all the LEAs' files in the ALEAT to ensure the applicable documents are submitted by the LEAs and reviewed in a timely manner.

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-118

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S010A080003, S010A090003, S010A100003, and S389A090003A

U.S. Department of Education

Subrecipient Monitoring and Special Tests and Provisions

Questioned Cost: Unknown

Criteria: In accordance with 20 U.S. Code 6321(c), a Local Educational Agency (LEA) may receive federal monies under Title I, Part A, if state and local monies are used in schools to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving these federal monies. The Department of Education requires the LEAs to submit an Assurance of Comparability, indicating that they meet this requirement or that it is not applicable.

Condition and context: The Department's internal control procedures were not adequate to ensure all the LEAs' forms were collected and reviewed. Specifically, for 9 of 40 LEAs tested, the Department did not ensure that the LEAs submitted the Assurance of Comparability forms. Further, the Department did not approve any of the forms submitted.

Effect: There is an increased risk of noncompliance with the subrecipient monitoring and special tests and provisions requirements since the Department did not always obtain the Assurance of Comparability forms and did not approve submitted forms. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with subrecipient monitoring and special tests and provisions requirements.

Cause: The employee responsible for this procedure did not collect all forms for the affected LEAs and subsequently terminated employment with the Department. The Department did not have policies and procedures in place to ensure that the employee was requesting and reviewing these forms from the LEAs.

Recommendation: To help ensure that it complies with the Cluster's requirements for subrecipient monitoring and special tests and provisions, the Department should develop policies and procedures to obtain and review LEAs' Assurance of Comparability forms.

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-119

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Award Period: July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2011
July 1, 2009 through September 30, 2010
July 1, 2010 through September 30, 2011

Award Numbers: H027A080007, H027A090007A, H027A100007, H173A080003, H173A090003,
H173A100003, H391A090007A, and H392A090003

U.S. Department of Education

Level of Effort

Questioned Cost: None

Criteria: In accordance with 34 CFR §300.163(a), the State must not reduce the amount of state financial support made available for special education and related services for children with disabilities below the amount of that support for the preceding year. State educational agencies are responsible for demonstrating that the State complies with this requirement.

Condition and context: The Department of Education did not implement policies and procedures during the fiscal year to identify the financial support made available within the Department and other state agencies for special education and related services for children with disabilities. Further, the Department did not verify the adequacy of information received from other state agencies when preparing an analysis of the State's level of effort.

Effect: The Department risks noncompliance if it is not able to verify the accuracy and consistency of information obtained to demonstrate that level of effort was maintained. Auditors were able to verify that amounts made available were reasonable and that the State's level of effort was maintained. Therefore, no questioned costs were noted. This finding is a significant deficiency in internal control over compliance with the Cluster's level of effort requirements.

Cause: The Department did not begin analyzing amounts that it had made available to schools for special education and related services for children with disabilities until February 2011. In addition, the Department did not begin gathering information from other state agencies until June 2011 and did not ensure that it understood how the information was obtained and whether it was reasonable.

Recommendation: The Department should develop policies and procedures to ensure that it obtains consistent information to identify all state monies made available to provide special education and related services for children with disabilities to demonstrate that the State did not reduce the amount of financial support provided from the preceding year.

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-120

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Award Period: February 17, 2009 through September 30, 2011

July 1, 2009 through September 30, 2010

July 1, 2010 through September 30, 2011

Award Numbers: S318X090003A, S318X100003, and S386A090003

U.S. Department of Education

Earmarking and Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: As required by 20 U.S. Code 6766(a), Local Educational Agencies (LEAs) must use a minimum of 25 percent of this Cluster's monies for professional development.

Condition and context: The Department of Education awarded program monies to only those LEAs whose applications included a minimum of 25 percent of total budgeted expenditures dedicated for professional development. However, auditors noted that 4 of 41 LEAs tested did not meet the earmarking requirements.

Effect: LEAs did not comply with the Cluster's earmarking requirements. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's earmarking and subrecipient monitoring compliance requirements.

Cause: When an LEA does not meet the 25 percent professional development requirement for the program year, the Department's policy is to request that the LEA amend the subsequent year's budget to correct for the shortfall; however, the Department did not always monitor the LEA to ensure that the LEA amended its budget. Additionally, the Department did not have policies and procedures in place to follow up with its LEAs who were not awarded subsequent projects to require the LEAs to remit monies that were not spent in accordance with the Cluster's requirements.

Recommendation: The Department should monitor LEAs to ensure they meet the 25 percent professional development earmarking requirement each grant year. In addition, the Department should develop policies and procedures to require LEAs to return monies to the Department when necessary to comply with the earmarking requirements.

This finding is similar to a prior-year finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-121

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program**

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

CFDA No.: 10.558 **Child and Adult Care Food Program**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

Reporting

Questioned Cost: N/A

Criteria: In accordance with 2 CFR §170 Appendix A, and the Federal Funding Accountability and Transparency Act (FFATA) of 2006, for grant awards beginning on October 1, 2010, or later, the Department of Education must report each subaward to a subrecipient that amounts to \$25,000 or more, not including American Recovery and Reinvestment Act awards. Each subaward payment must be reported no later than the end of the month following the month in which the obligation was made.

Condition and context: The Department did not submit the required FFATA reports. Additionally, the Department did not request or obtain permission from the Office of Management and Budget to deviate from this requirement and did not contact the federal awarding agency to attempt a "good faith" effort to comply with this requirement.

Effect: The Department did not comply with FFATA requirements for reporting subawards to subrecipients. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's and Program's reporting requirements.

Cause: The Department did not have the resources necessary to develop policies and procedures to ensure compliance with the FFATA reporting requirements.

Recommendation: To comply with FFATA requirements for reporting subawards to subrecipients, the Department should develop policies and procedures to ensure the required reports are accurately compiled, reviewed, and submitted in a timely manner.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-122

CFDA No.: 81.041 **State Energy Program**

81.041 **ARRA—State Energy Program**

Award Period: April 21, 2009 through April 30, 2012

July 1, 2010 through June 30, 2015

Award Numbers: DE-EE0000106 and DE-EE0003872

U.S. Department of Energy

Suspension and Debarment

Questioned Cost: N/A

Criteria: In accordance with 2 CFR §180 and 10 CFR §600.235, the School Facilities Board (Board) and the State Land Department (Department) must not make any subaward to or contract with any party that has been suspended or debarred or is otherwise excluded from or ineligible for participation in federal assistance programs. This may be accomplished by checking the Excluded Parties List System maintained by the General Services Administration, obtaining vendor certifications, or adding clauses or conditions to the contracts.

Condition and context: The Board and the Department did not establish adequate internal control policies and procedures over suspension and debarment compliance requirements. Specifically, the Board did not verify its subrecipients and the Department did not ensure its vendors who received \$25,000 or more in federal monies had not been suspended or debarred, or otherwise excluded from entering into federal contracts. Auditors performed additional audit procedures and determined no payments were made to suspended or debarred parties.

Effect: Payments could be made to suspended or debarred parties. This finding is a material weakness in internal control over compliance and noncompliance with the program's suspension and debarment requirements. This finding could affect other federal programs that the Board and Department administered.

Cause: The Board was unaware that the suspension and debarment compliance requirements were also applicable to subrecipients, whereas the Department was unaware of the suspension and debarment requirements.

Recommendation: The Board and Department should establish procedures to verify that all subrecipients or vendors awarded contracts in excess of \$25,000 are not suspended or debarred. Documentation of this verification must be retained.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-123

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Award Period: July 1, 2010 through June 30, 2011

Award Number: 5U3REP090227-02-00

U.S. Department of Health and Human Services

Cash Management

Questioned Cost: Unknown

Criteria: In accordance with 45 CFR §74.22(2), cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with actual, immediate program expenditures. Further, in accordance with 45 CFR §74.22(k-l), recipients who receive \$120,000 or more in federal monies shall maintain advances in interest-bearing accounts and interest earned in excess of \$250 shall be remitted annually to the U.S. Department of Health and Human Services.

Condition and context: The Department of Health Services disbursed program monies to subrecipients for the entire program year without considering the immediate cash needs to carry out the program's purpose. In addition, the Department did not monitor its subrecipients to ensure that monies were deposited in interest-bearing accounts and aggregated interest earned in excess of \$250 was collected by the Department and remitted to the U.S. Department of Health and Human Services.

Effect: The Department may have advanced program monies to subrecipients in excess of their immediate cash needs, and interest earnings on the advanced monies have not been calculated and remitted to the federal agency. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's cash management requirements.

Cause: The Department was unaware of the cash management requirements for program advances to subrecipients.

Recommendation: The Department should develop adequate internal control procedures to ensure that cash advanced to subrecipients is limited to the minimum amounts needed for program expenditures. Further, the Department should implement procedures to monitor subrecipients to ensure excess program monies are deposited in interest-bearing accounts and aggregated interest earnings in excess of \$250 are collected by the Department and remitted to the U.S. Department of Health and Human Services.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-124

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Award Period: July 1, 2010 through June 30, 2011

Award Number: 5U3REP090227-02-00

U.S. Department of Health and Human Services

Level of Effort

Questioned Cost: None

Criteria: In accordance with 42 U.S. Code 247d-3b(h)(1), the Department of Health Services must maintain its nonfederal health care preparedness expenditures at a level that is not less than the average of expenditures made during the preceding 2-year period. Further, in accordance with 45 CFR §92.20(b)(6), the costs must be verifiable from accounting records.

Condition and context: The Department did not adequately monitor the program to ensure the level of effort requirements were met with allowable nonfederal sources. Specifically, the Department did not calculate or track the amount of monies from nonfederal sources that were used for health care preparedness.

Effect: During the audit, the Department was able to demonstrate that it had fulfilled its level of effort requirements, and therefore, there were no questioned costs. However, this finding is a material weakness in internal control over compliance with the program's level of effort requirements.

Cause: The Department did not adequately review program award notifications and guidance to determine the applicable requirements.

Recommendation: The Department should establish policies and procedures for determining the level of effort to be maintained based on actual nonfederal expenditures. In addition, the Department should maintain records to demonstrate that the level of effort requirements were met with allowable nonfederal sources.

11-125

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Award Period: July 1, 2010 through June 30, 2011

Award Number: 5U3REP090227-02-00

U.S. Department of Health and Human Services

Matching and Reporting

Questioned Cost: Unknown

Criteria: In accordance with 42 U.S. Code 247d-3a(i)(1)(c)(ii) and 45 CFR §92.24(b)(6), the Department of Health Services must match program monies with nonfederal expenditures of at least 10 percent of the award amount and these matching expenditures must be verifiable from accounting records. Further, in accordance with 45 CFR §92.20(b)(1), financial reports must be accurate, current, and complete and disclose the financial results of federal activities in accordance with the program's financial reporting requirements.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: The Department calculated the nonfederal match required based on federal program expenditures and reported this amount on the financial reports; however, the amounts could not be supported by the Department's accounting records. Further, the Department relied on its subrecipients to meet the matching requirement on the monies awarded to them; however, it did not verify that the subrecipients maintained accounting records to support matching expenditures or that the expenditures were made with nonfederal monies.

Effect: The Department was able to demonstrate that it met the matching requirements for the portion of expenditures that were not passed through to subrecipients. However, the Department did not substantiate that its subrecipients met their matching requirements and could not support the matching amounts reported on the financial reports submitted during the year. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and noncompliance with the program's matching requirements and a significant deficiency in internal control over compliance and noncompliance with the program's reporting requirements.

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

Recommendation: The Department should establish procedures to ensure it complies with the program's matching requirements. This includes ensuring that matching expenditures as reported to the federal grantor are supported by the Department's and subrecipients' accounting records.

11-126

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Award Period: July 1, 2010 through June 30, 2011

Award Number: 5U3REP090227-02-00

U.S. Department of Health and Human Services

Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: In accordance with 45 CFR §92.40(a) and OMB Circular A-133, §.400(d)(3), the Department of Health Services must monitor subrecipients' activities to ensure that federal awards are used for authorized purposes and in accordance with laws, regulations, and the provisions of contracts or grant agreements. This can be accomplished by conducting site visits, reviewing financial and performance reports submitted by the subrecipients, contacting subrecipients and making inquiries concerning program activities, or conducting limited-scope audits.

Condition and context: During fiscal year 2011, the Department distributed approximately \$5 million in program monies to subrecipients. However, the Department did not perform monitoring procedures to ensure that subrecipient expenditures were allowable and supported. Specifically, auditors noted that the Department did not conduct site visits, review financial records, or evaluate the subrecipients' related internal controls.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: There is an increased risk of noncompliance with applicable compliance requirements because the Department did not perform adequate monitoring procedures to determine whether the subrecipients complied with the grant agreements. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's subrecipient monitoring requirements.

Cause: The Department relied on the subrecipients to report accurate financial information without performing monitoring procedures to determine accuracy.

Recommendation: The Department should establish procedures to monitor subrecipients' use of federal monies by reviewing reports, conducting site visits, maintaining regular contact, or performing other procedures. This would help provide reasonable assurance that the subrecipient spends its federal monies in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

11-127

CFDA No.: 93.917 **HIV Care Formula Grants**

Award Period: April 1, 2010 through March 31, 2011

September 20, 2010 through September 29, 2011

April 1, 2011 through March 31, 2012

Award Numbers: X07HA00080-20-00, X07HA00080-20-01, X07HA00080-20-04, X07HA00080-21-00, and X08HA19857-01-00

U.S. Department of Health and Human Services

Matching and Level of Effort and Reporting

Questioned Cost: Unknown

Criteria: In accordance with 42 U.S. Code 300ff-27(b)(7)(E), 42 U.S. Code 300ff-27(d), and the Notice of Grant Award, the Department of Health Services must match program monies with nonfederal expenditures in an amount of \$1 for each \$2 of federal monies provided in the grant and must maintain its HIV-related expenditures at a level that is equal to, not less than, the level of expenditures made during the 1-year period preceding the grant year. In addition, the amounts contributed toward meeting the matching requirements may not include any nonfederal contributions provided as a condition of receiving federal monies under any related federal program. Further, in accordance with 45 CFR §92.24(b)(6) and 45 CFR §92.20(b)(1), costs used to meet matching and level of effort requirements must be verifiable from accounting records and financial reports must be accurate, current, and complete and disclose the financial results of federal activities in accordance with the program's financial reporting requirements.

Condition and context: The Department did not have adequate policies and procedures to help ensure compliance with matching and level of effort requirements for HIV-related expenditures. Specifically, the Department did not ensure that the amount of nonfederal expenditures used to meet matching requirements did not include other nonfederal contributions used to meet conditions of the award application. Also, the Department considered nonfederal expenditures used to meet level of effort

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

requirements, which were a condition of the award application, as contributions to meet the matching requirements and reported these contributions on its financial reports. In addition, the Department did not verify that other state agencies that contributed expenditures to meet the matching and level of effort requirements maintained accounting records to support those expenditures or that the expenditures were made with nonfederal monies.

Effect: The Department did not demonstrate that it met the matching requirements and may not have maintained the required level of effort to support HIV-related activities as reported to the federal grantor. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's matching and level of effort requirements and a significant deficiency in internal control over compliance and noncompliance with the program's reporting requirements.

Cause: The Department did not have adequate policies and procedures to ensure that contributions used to meet matching requirements were contributions other than those used to meet conditions of the award application. In addition, the Department's policies and procedures did not require contributions from other state agencies used to meet matching and level of effort requirements to be properly supported by accounting records.

Recommendation: The Department should establish policies and procedures to ensure that it complies with the program's matching and level of effort requirements. This includes ensuring that matching expenditures as reported to the federal grantor are nonfederal contributions that are not used to meet conditions of the award application and obtaining adequate support for expenditures from other state agencies used to meet the matching and level of effort requirements.

11-128

CFDA No.: 93.917 **HIV Care Formula Grants**

Award Period: September 20, 2010 through September 29, 2011

April 1, 2010 through March 31, 2011

April 1, 2011 through March 31, 2012

Award Numbers: X08HA19857-01-00, X07HA00080-20-00, X07HA00080-20-01, X07HA00080-20-04, and X07HA00080-21-00

U.S. Department of Health and Human Services

Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: In accordance with 45 CFR §92.40(a) and OMB Circular A-133, §.400(d)(3), the Department of Health Services must monitor subrecipients' activities to ensure that federal awards are used for authorized purposes and in accordance with laws, regulations, and the provisions of contracts or grant agreements. This can be accomplished by conducting site visits, reviewing financial and performance reports submitted by the subrecipients, contacting subrecipients and making inquiries concerning program activities, or conducting limited-scope audits.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: During fiscal year 2011, the Department distributed approximately \$4.9 million in program monies to subrecipients. However, the Department did not establish monitoring procedures to ensure that subrecipient expenditures were allowable and supported until June 2011. Specifically, auditors noted that for 10 of 11 subrecipients, the Department did not perform monitoring procedures by reviewing financial and performance records or evaluating the subrecipients' related internal controls.

Effect: There is an increased risk of noncompliance with applicable compliance requirements because the Department did not perform adequate monitoring procedures throughout the fiscal year to determine whether the subrecipients complied with the grant agreements. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's subrecipient monitoring requirements.

Cause: The Department relied on the subrecipients to report accurate financial information without performing monitoring procedures to determine accuracy.

Recommendation: The Department should continue to monitor subrecipients' use of federal monies by reviewing reports, conducting site visits, maintaining regular contact, or performing other procedures. This would help provide reasonable assurance that the subrecipient spends its federal monies in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

11-129

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: Various

CFDA No.: 12.404 **National Guard ChalleNGe Program**

Award Period: July 1, 2010 through December 31, 2011

Award Number: W912L2-10-2-4002

U.S. Department of Defense

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Questioned Cost: Unknown

Criteria: In accordance with 32 CFR §33.20(b)(3), the Department of Emergency and Military Affairs must maintain effective control and accountability for all grant cash, real and personal property, and other assets, and must adequately safeguard all such property and ensure that it is used solely for authorized purposes.

Condition and context: The Department did not establish adequate policies and procedures to ensure that grant monies were used solely for authorized purposes. During the period between October 2007 and July 2011, a department official embezzled monies from the National Guard Military Operations and Maintenance (O&M) Projects and National Guard ChalleNGe Program grants. Program monies were

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

directed to a nonprofit organization for which the department official served as comptroller. The department official had unlimited access to the nonprofit organization's bank accounts and was able to redirect the program monies for his personal use. The Auditor General's Special Investigative Unit issued a special investigation report on this matter on February 23, 2012.

Effect: Inadequate internal control policies and procedures over program expenditures resulted in an increased risk of noncompliance with program requirements and potential fraud, waste, and abuse. The department official embezzled a total of \$643,140 between October 2007 and July 2011, including \$223,552 during fiscal year 2011. A total of \$363,140 was taken from the National Guard Military Operations and Maintenance (O&M) Projects grant and \$280,000 was taken from the National Guard ChalleNGe Program grant. In November 2011, the Department reimbursed the ChalleNGe Program grant for the total amount embezzled. Due to inadequate accounting records and commingling of state and federal monies, it was not practical to extend our auditing procedures to determine the total questioned cost that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the programs' activities allowed or unallowed and allowable costs/cost principles compliance requirements.

Cause: There was inadequate review and supervision of the department official's activities.

Recommendation: The Department should establish adequate written policies and procedures governing the disbursement and transfer of grant monies, which include the following:

- Outline the process for any requests made by management-level employees, which should include a review and approval from a supervisor or a periodic review of their activities.
- Require expenditures to be supported by proper documentation, including claim requests, purchase orders, vendor invoices, and vendor contracts.
- Require all intra-agency transfer of grant monies to be supported and approved by an appropriate official. In addition, all intra-agency transfers of grant monies should be reconciled to the Department's accounting records by an independent supervisor on a periodic basis.

11-130

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: Various

U.S. Department of Defense

Cash Management

Questioned Cost: Unknown

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Condition and context: The Department of Emergency and Military Affairs did not have effective internal control procedures in place to minimize the time elapsing between the transfer of monies from the U.S. Treasury and their disbursement. Specifically, the Department exceeded its allowable cash balance for 102 days during the fiscal year.

Effect: The Department could incur an interest liability on cash balances that exceed the required time frames. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and noncompliance with the program's cash management requirements.

Cause: The Department did not minimize the time elapsing between the transfer of monies and their disbursement due to a lack of adequate procedures.

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

This finding is similar to a prior-year finding.

11-131

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Award Period: October 1, 2009 through September 30, 2010

October 1, 2010 through September 30, 2011

Award Numbers: Various

U.S. Department of Defense

Suspension and Debarment

Questioned Cost: N/A

Criteria: In accordance with 2 CFR §§180.220 and 180.300, the Department of Emergency and Military Affairs must not contract with any party that has been suspended or debarred or is otherwise excluded from or ineligible for participation in federal assistance programs. This may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration, obtaining vendor certifications, or adding clauses or conditions to the contracts.

Condition and context: For contracts greater than \$5,000 but less than \$50,000, the Department stated that it reviewed the EPLS website to verify that vendors providing goods and services paid with federal monies had not been suspended or debarred or otherwise excluded from federal contracts. However, the Department did not document or otherwise evidence that this procedure was performed. Specifically, for 6 of 25 vendors tested who were paid over \$25,000 in federal monies, auditors were unable to determine whether the Department performed procedures to ensure that the contracted vendors were not suspended or debarred. Auditors performed additional audit procedures and noted no instances of payments made to suspended or debarred individuals or organizations.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: Payments could be made to suspended or debarred parties. This finding is a significant deficiency in internal control over compliance and noncompliance with the program's suspension and debarment compliance requirements. This finding could affect other federal programs that the Department administered.

Cause: The Department did not have policies that required employees to document or otherwise evidence the review of the EPLS website.

Recommendation: The Department should document its determination that vendors being paid over \$25,000 in federal monies have not been suspended or debarred from doing business with governmental entities.

11-132

CFDA No.: 64.005 **Grants to States for Construction of State Home Facilities**

64.005 **ARRA—Grants to States for Construction of State Home Facilities**

Award Period: None

Award Numbers: FAI 04-002 and FAI 04-004

U.S. Department of Veterans Affairs

Davis-Bacon Act

Questioned Cost: Unknown

Criteria: In accordance with 29 CFR §5, the Department of Veterans' Services must include in its construction contracts over \$2,000 a requirement that the contractor or subcontractor pay wages at least equal to rates prevailing for similar projects in the area, as determined by the U.S. Secretary of Labor.

Condition and context: The Department spent \$34,714 in program monies for installation of fiber optic connections for the Arizona State Veterans' Home in Tucson, which was less than 1 percent of the program's total construction expenditures. However, the Department did not include in the contract a requirement that the contractor comply with the requirements of the Davis-Bacon Act. Additionally, the Department did not require the contractor to submit weekly certified payrolls.

Effect: The Department could not ensure that the contractor was paying prevailing wage rates. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control and noncompliance with Davis-Bacon Act requirements.

Cause: The Department did not have adequate policies and procedures in place to ensure that all contractors subject to Davis-Bacon Act requirements were sufficiently notified and monitored.

Recommendation: To help ensure that the Department complies with Davis-Bacon Act requirements, it should require contractors and subcontractors who are awarded federal monies exceeding \$2,000 to pay employees the prevailing wage rates established by the U.S. Department of Labor. To accomplish this, the

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Department should include the prevailing wage rate contract clauses defined in 29 CFR §5 and request and review contractors' and subcontractors' payroll certification reports to verify that prevailing wages were paid. If the Department determines that the contractors or subcontractors did not pay prevailing wages or if the Department does not receive payroll certification reports, it should withhold payment until the requirements are met.

11-133

CFDA No.: 64.005 **Grants to States for Construction of State Home Facilities**

64.005 **ARRA—Grants to States for Construction of State Home Facilities**

Award Period: None

Award Numbers: FAI 04-002 and FAI 04-004

U.S. Department of Veterans Affairs

Suspension and Debarment

Questioned Cost: Unknown

Criteria: In accordance with 2 CFR §§180.220 and 180.300, the Department of Veterans' Services must not contract with any party that has been suspended or debarred or is otherwise excluded from or ineligible for participation in federal assistance programs. This may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration, obtaining vendor certifications, or adding clauses or conditions to the contracts.

Condition and context: For one of three vendors tested that were paid federal monies exceeding \$25,000, the Department did not ensure that the vendor was not suspended or debarred. Auditors performed additional audit procedures and noted no instances of payments made to suspended or debarred individuals or organizations.

Effect: Payments could be made to suspended or debarred parties. This finding is a significant deficiency in internal control over compliance and noncompliance with the program's suspension and debarment requirements. This finding could affect other federal programs that the Department administered.

Cause: The Department did not establish adequate procedures to verify that vendors providing goods and services paid with federal monies had not been suspended, debarred, or otherwise excluded from federal contracts.

Recommendation: The Department should establish procedures to verify that vendors awarded contracts in excess of \$25,000 are not suspended or debarred from doing business with governmental entities.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

11-134

Student Financial Assistance Cluster:

CFDA No.: 84.007 **Federal Supplemental Educational Opportunity Grants**

84.032 **Federal Family Education Loans**

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**

84.375 **Academic Competitiveness Grants**

84.376 **National Science and Mathematics Access to Retain Talent (SMART) Grants**

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

84.408 **Postsecondary Education Scholarships for Veteran's Dependents**

Award Period: July 1, 2010 through June 30, 2011

Award Numbers: Various

U.S. Department of Education

CFDA No.: 93.264 **Nurse Faculty Loan Program**

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

93.364 **Nursing Student Loans**

93.407 **ARRA—Scholarships for Disadvantaged Students**

93.408 **ARRA—Nurse Faculty Loan Program**

93.925 **Scholarships for Health Professions Students from Disadvantaged Backgrounds**

Award Period: July 1, 2010 through June 30, 2011

Award Numbers: Various

U.S. Department of Health and Human Services

Special Tests and Provisions

Questioned Cost: \$1,932

Criteria: In accordance with 34 CFR §668.22, when a recipient of a Title IV grant or loan assistance withdraws from an institution, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date and calculate the amount that should be returned. Additionally, in accordance with 34 CFR §668.173(b), returns of Title IV monies are required to be made no later than 45 days after the date the institution determines that the student withdrew.

Condition and context: During the fiscal year, Arizona State University awarded approximately \$527 million in financial aid grants and loan assistance to 44,222 students, and 3,360 of those students withdrew and may have received assistance that should have been returned. However, the University's internal control policies and procedures were not sufficient to ensure that all returns of Title IV monies were calculated correctly and processed within the required time frame. Specifically, auditors noted the following:

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

- For 1 of 40 students tested for eligibility, the student had withdrawn from the University and received \$1,225 in Title IV monies from the Federal Pell Grant Program that had not been earned, but the return of monies was not processed because an incorrect code was entered into the student information system.
- For 1 of 40 students tested for return of Title IV monies, the return of Federal Direct Student Loans processed by the University was understated by \$360 as a result of a data entry error.
- For 1 of 40 students tested for return of Title IV monies, the student had unofficially withdrawn during the fall semester and this was determined by the University on December 23, 2010. However, the return of Federal Pell Grant Program monies of \$347 was not processed until January 23, 2012, since a counselor did not adjust the student's award on the student information system, and this issue was not identified until the subsequent fiscal year.

Effect: It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's special tests and provisions requirements.

Cause: The University did not have a control in place to ensure the accuracy of the data entered by accountants responsible for adjusting student awards on the University's student information system.

Recommendation: The University should establish policies and procedures requiring an independent review of data entered by employees responsible for processing returns of Title IV monies or other controls, such as system edit checks, to validate the data entered and ensure that returns are processed accurately by the required deadline.

11-135

Student Financial Assistance Cluster:

CFDA No.: 84.007 **Federal Supplemental Educational Opportunity Grants**

84.032 **Federal Family Education Loans**

84.033 **Federal Work-Study Program**

84.038 **Federal Perkins Loan—Federal Capital Contributions**

84.063 **Federal Pell Grant Program**

84.268 **Federal Direct Student Loans**

84.375 **Academic Competitiveness Grants**

84.376 **National Science and Mathematics Access to Retain Talent (SMART) Grants**

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

84.408 **Postsecondary Education Scholarships for Veteran's Dependents**

Award Period: July 1, 2010 through June 30, 2011

Award Numbers: Various

U.S. Department of Education

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

CFDA No.: 93.264 **Nurse Faculty Loan Program**

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

93.364 **Nursing Student Loans**

93.407 **ARRA—Scholarships for Disadvantaged Students**

93.408 **ARRA—Nurse Faculty Loan Program**

93.925 **Scholarships for Health Professions Students from Disadvantaged Backgrounds**

Award Period: July 1, 2010 through June 30, 2011

Award Numbers: Various

U.S. Department of Health and Human Services

Eligibility

Questioned Cost: \$2,081

Criteria: In accordance with 34 CFR §§690.62 and 690.63, Pell Grant awards are required to be determined based on the student's enrollment status, expected family contribution, cost of attendance, and the academic year structure. Award amounts are calculated based on all of these factors and are specified on the U. S. Department of Education's (USDOE) payment and disbursement schedules.

Condition and context: Auditors tested 40 students and noted that the University of Arizona had awarded one student \$2,081 too much in Pell Grant monies. During the monthly process of reconciling Pell Grant award data between the University's and USDOE's computer systems, the University realized that it needed to update USDOE's reporting system for this student's enrollment status change to less than full time. However, rather than updating USDOE's reporting system with the correct enrollment status, the University manually adjusted its own system instead. Because the enrollment status in the University's system is used to determine the award amount, the student was overawarded. The University's established procedures failed to prevent this error.

Effect: The inaccurately recorded enrollment status resulted in the University's awarding and disbursing Pell Grant monies that were \$2,081 in excess of amounts established on the USDOE's Pell Grant payment and disbursement schedules. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's Pell Grant eligibility requirements. It was not practical to extend our auditing procedures to determine whether any additional questioned costs resulted from this finding.

Cause: The University implemented a new student information system during the fiscal year. University employees were unfamiliar with and misapplied the new procedures in effect for reconciling Pell Grant award data, which allowed for the improper change of enrollment status and resulting overaward.

Recommendation: To help ensure that it complies with the Cluster's Pell Grant eligibility requirements, the University should clarify its policies and procedures for reconciling Pell Grant award data and provide employees with training to help prevent inaccurate enrollment changes from being entered into its student information system.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Other auditors' findings:

The other auditors who audited the Department of Transportation reported the following significant deficiencies in internal control over compliance and noncompliance:

11-136

Highway Planning and Construction Cluster:

CFDA No.: 20.205 **Highway Planning and Construction**

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Award Period: Various

Award Numbers: Various

U. S. Department of Transportation

Subrecipient Monitoring

Questioned Cost: N/A

Criteria: As a pass-through entity, the Arizona Department of Transportation (ADOT) must have adequate controls in place to ensure all aspects of subrecipient monitoring are in compliance with federal requirements. Prior to the award of a grant ADOT must determine whether the subrecipient has an adequate project delivery system and accounting controls (23 USC 106(g)(4)(A)). At the time of the award the ADOT must identify the CFDA title and number, award name and number, and the name of the awarding agency. Additionally, ADOT must identify ARRA allocations in the award and that the subrecipient is required to identify ARRA funds in their Schedule of Expenditures of Federal Awards (SEFA). Once the grant is awarded ADOT must design and perform monitoring procedures to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that those performance goals are achieved.

These requirements are outlined in OMB Circular A-133 Compliance Supplement under the Subrecipient Monitoring section for the Department of Transportation, Highway Planning and Construction Grant.

Condition and context: The following conditions were noted during the audit:

- ADOT does not have a set of policies in place that require recertification of certified accepted entities at regular intervals as required by the agreement between ADOT and the Federal Highway Administration (FHWA).
- ADOT does not explicitly identify the CFDA number, grant name, and ARRA allocation (if any) in the award letter to subrecipients.
- ADOT does not have a formal set of policies and procedures in place or perform any procedures for monitoring subrecipients after the award has been made, including the determination of subrecipients expending \$500,000 or more in Federal awards received a timely single audit.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Effect: There is increased risk of noncompliance with applicable compliance requirements by the subrecipients of Federal Highway Administration administered by ADOT. There was no specific questioned cost noted related to this control deficiency.

Cause: ADOT has not formally documented subrecipient monitoring policies and procedures.

Recommendation: ADOT should draft and adopt a set of written policies and procedures that ensure that subrecipient monitoring procedures are performed as required by Federal requirements.

11-137

Highway Planning and Construction Cluster:

CFDA No.: 20.205 **Highway Planning and Construction**

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Award Period: Various

Award Numbers: Various

U. S. Department of Transportation

Special Tests and Provisions

Questioned Cost: N/A

Criteria: A State DOT or LPA must have a quality assurance (QA) program, approved by FHWA, for construction projects on the National Highway System to ensure that materials and workmanship conform to approved plans and specifications. Verification sampling must be performed by qualified testing personnel employed by the State DOT, or by its designated agent, excluding the contractor. (23 CFR sections 637.201, 637.205, and 637.207). Samples must fall within prescribed ranges determined by the Arizona Department of Transportation Standard Specifications for Road and Bridge Construction 2008 and the ADOT Materials Quality Assurance Program to be acceptable.

Condition and context: For three of 25 quality assurance samples reviewed we determined that the test results fell outside the acceptable deviation. No follow up or corrective action was noted. Additionally, for one of the twenty five quality assurance samples reviewed, the individual taking the sample was an employee of the subcontractor and did not note the presence of an ADOT technician.

Effect: Substandard materials may have been used in the construction of roads and/or highways.

Cause: The approved Quality Assurance Program was not followed due to insufficient manpower and training.

Recommendation: The materials lab should hire additional engineers and technicians to ensure that workload demands are met. The materials lab should also ensure that all construction administration personnel are adequately trained.

(This page is left intentionally blank)

Appendix

(This page is left intentionally blank)

State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2011

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

State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2011

Agency Code

SFA
SPA
STA
TRA
UAA
VSA
WCA
WFA

Agency

School Facilities Board
Arizona Supreme Court
Office of the Secretary of State
Office of the Arizona State Treasurer
University of Arizona
Arizona Department of Veterans' Services
Arizona Department of Water Resources
Water Infrastructure Finance Authority of Arizona

Corrective Action Plan

(This page is left intentionally blank)

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Financial Statement Findings

11-01

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

Agency: Department of Administration

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

Anticipated completion date: December 31, 2012

Agency Response: Concur

Agency Corrective Action Plan: Timeliness is one of the fundamental thresholds of financial reporting and the timely issuance of the CAFR is vital to other reporting requirements and deadlines. A.R.S. §35-131 clearly requires State agencies and other organizations that are part of the State's reporting entity to submit all necessary financial statements and other information in accordance with the policies and procedures of the Arizona Department of Administration, General Accounting Office. This includes adherence to established time frames and deadlines. However, there are no specific provisions in the law for actions that may be taken to enforce such compliance. We are continuing to explore potential options for enforcement actions and will continue to work with State agencies to effectively resolve the issue of timely submission of financial information.

Administratively, we have addressed the specific issues resulting in delays with various State agencies and other organizations, and through these collective efforts have seen significant results in the past few years. The FY 2007, FY 2008, FY 2009, FY 2010, and FY 2011 CAFRs were issued June 16, 2008, May 26, 2009, May 7, 2010, March 4, 2011, and February 10, 2012, respectively. Further, despite the on-going challenges of additional reporting requirements amid limited resources, we expect to continue to improve our timeliness and intend to issue the FY 2012 CAFR by December 31, 2012.

11-02

The Industrial Commission of Arizona should maintain a record of all changes to its computer system

Agency: Industrial Commission of Arizona

Contact person: Michael Hawthorne, Chief Financial Officer, (602) 542-5380

Anticipated completion date: June 2012

Agency Response: Concur

Agency Corrective Action Plan: The finding requires that the PACE application log all system level database changes that could be made directly to the database by the PACE administrator. The PACE system was developed at a time when this was not a requirement, the system currently in place does not have a means to log direct database administrator changes, and the Commission does not have a means to modify the code to correct this issue.

The Commission is currently working with a developer to convert the PACE legacy system to a modern platform, which is scheduled to be deployed no later than June 2012 to resolve this problem.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-03

The Industrial Commission of Arizona should strengthen controls over payments made to the State Compensation Fund

Agency: Industrial Commission of Arizona

Contact person: Michael Hawthorne, Chief Financial Officer, (602) 542-5380

Anticipated completion date: Various, for anticipated completion dates see corrective action plan below.

Agency Response: Concur

Agency Corrective Action Plan: Prior to the audit, staff identified and worked out a resolution of the SCF payment error. However, to ensure that adequate reviews of SCF payment documents were being performed, management reviewed the invoice in question and determined that required documentation was not thoroughly reviewed at the time of payment. All issues noted in the finding were addressed with the appropriate staff member. In order to avoid an error like this occurring in the future, staff has been instructed to thoroughly review the transaction details and summary invoice provided by SCF, and to properly document all noted discrepancies and corrective actions. Staff has also strengthened the review and reconciliation process and is now utilizing spreadsheet tools to compare the information provided by SCF with information in the Claims System. With these new procedures and tools in place, we do not feel that a secondary staff review of the SCF invoice would be efficient use of staff time.

The Claims file is the official file of record and once a claim becomes a legal file it is not changed without supporting documentation. Some differences with SCF's records occur because SCF may enter different information into their system. Differences may include name changes due to marriage or divorce, different conventions for entering hyphenated names, use of abbreviations, use of initials and nicknames, etc. Some errors in the files are the result of the claimant submitting a handwritten claim that is hard to decipher. Other errors may be due to data processing errors by the Claims Division key punch operators.

The Claims System does not have an automated validation process so quality control verification of data entered into the system must be performed manually. The Claims Division has seven key punch operators; however, due to the hiring freeze three of these positions are currently vacant. Currently, the Commission lacks both the financial and staff resources to implement additional validation procedures over the Claims data input process. As a compensating control, on a quarterly basis, Accounting Division staff will now review the Claims Division reports as part of the review and reconciliation process discussed above. Accounting Division staff will communicate with Claims Division staff any noted discrepancies.

MIS has created two new reports for the Claims System, one that lists current-year insolvent carriers and one that lists new claimants from previously assigned carriers, and staff is now reviewing them as part of the quarterly reconciliation procedure discussed above. This information has always been maintained in the Claims System.

Staff has requested SCF add additional identifying information to their billing statements, such as the Commission's Claims number, to aid staff in identifying and reconciling the claimants listed on their bills. The Commission has long recognized that there are deficiencies with SCF's billing statements and has requested improvements be made by SCF; however, until SCF is able to address the deficiencies on their end we cannot fully resolve this issue.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-04

The Department of Revenue's computer access controls should continue to be strengthened

Agency: Department of Revenue

Contact person: Francis Becker, Senior Internal Auditor, (602) 716-6156

Anticipated completion date: Various, for anticipated completion dates see corrective action plan below.

Agency Response: Concur

Agency Corrective Action Plan:

Documentation of User Access Rights

It is the Department's policy and standard practice that only Information Security can set up system access. To initiate access to any system a fully completed System Access Request form is required. This form is stored with the Heat ticket that is also created as part of this process. The 6 employees who did not have this documentation are long term employees who were employed prior to the implementation of this documentation process. The Department has been working to address this issue and is currently about 50% complete. Necessary staff has been engaged and the targeted completion date is May 1, 2012.

DBA Monitoring Controls

The Department captures and retains activity logs for database administrators with elevated user access. These logs are reviewed on an as needed basis. Actively monitoring activity logs relies on technology upgrades that are planned in FY13 but are dependent on approval for supplemental funding. If FY13 funding is available and system upgrades are complete, and if funding is available in FY14, the department will implement a process to actively monitor database administrators with elevated user access. There are currently very few database administrators with elevated user access.

11-05

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

Agency: Department of Revenue

Contact person: Francis Becker, Senior Internal Auditor, (602) 716-6156

Anticipated completion date: Unknown

Agency Response: Concur

Agency Corrective Action Plan: The Department understands and has prioritized the continual improvement of its operations including all departmental procedures and controls and will continue to do so. Where constrained by limited resources, the Department has instituted compensating controls to help minimize risks to tax revenues.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-06

The Department of Revenue should better protect its computer network

Agency: Department of Revenue

Contact person: Francis Becker, Senior Internal Auditor, (602) 716-6156

Anticipated completion date: June 2, 2011

Agency Response: Concur

Agency Corrective Action Plan: During FY 2011 the Department implemented tools, including policies and procedures, to eliminate this finding. This was a multi-step process, with the final step being implemented on June 2, 2011.

11-07

The Department of Emergency and Military Affairs should strengthen internal controls to safeguard public monies

Agency: Department of Emergency and Military Affairs

Contact person: Renee Dudden, Resource Manager, (602) 267-2730

Anticipated completion date: March 2012

Agency Response: Concur

Agency Corrective Action Plan: The Department has instituted internal policies and procedures to ensure that all public funds within the Department's control are used solely for authorized purposes.

The Department has included in its internal policies and procedures the mandated requirements for claims disbursement. It includes the process to generate a disbursement and the required supporting documentation. The Department has given formal instruction and guidance to all finance staff on the requirements of a disbursement utilizing Section II H of the State Accounting Manual and its internal policies and procedures.

The Department is working on establishing an internal Whistle Blower policy which will maintain the anonymity and protect the individual reporting the fraud and formally document the complaint for review by the Department's Director, The Adjutant General (TAG). All complaints will be investigated by direction of TAG and the findings will be documented and reported as needed to the appropriate agencies.

The Department recently hired additional internal audit staff to allow for increased focus in the areas of procurement, human resources and finance. The staff is supervised on an operational basis by the Senior Executive Officer for the Department but they report directly to TAG. The Senior Executive Officer, with TAG's direction, works with the audit staff to develop the annual audit plan.

The Resource Manager now reports directly to TAG thereby creating segregation between financial management and regulatory oversight. The prior reporting structure created an almost self-regulating environment. With both positions reporting directly to TAG, it dissolves any bias and creates a direct line of communication.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Federal Award Findings and Questioned Costs

11-101

SNAP Cluster:

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

Child Nutrition Cluster:

- CFDA No.: 10.553 **School Breakfast Program**
- 10.555 **National School Lunch Program**
- 10.556 **Special Milk Program for Children**
- 10.559 **Summer Food Service Program for Children**
- CFDA No.: 10.558 **Child and Adult Care Food Program**
- CFDA No.: 12.401 **National Guard Military Operations and Maintenance (O&M) Projects**
- 12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

WIA Cluster:

- CFDA No.: 17.258 **WIA Adult Program**
- 17.258 **ARRA—WIA Adult Program**
- 17.259 **WIA Youth Activities**
- 17.259 **ARRA—WIA Youth Activities**
- 17.260 **WIA Dislocated Workers**
- 17.260 **ARRA—WIA Dislocated Workers**
- 17.278 **WIA Dislocated Worker Formula Grants**

Highway Planning and Construction Cluster:

- CFDA No.: 20.205 **Highway Planning and Construction**
- 20.205 **ARRA—Highway Planning and Construction**
- 20.219 **Recreational Trails Program**
- CFDA No.: 81.041 **State Energy Program**
- 81.041 **ARRA—State Energy Program**

Title I, Part A Cluster:

- CFDA No.: 84.010 **Title I Grants to Local Educational Agencies**
- 84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Special Education Cluster (IDEA):

- CFDA No.: 84.027 **Special Education—Grants to States**
- 84.173 **Special Education—Preschool Grants**
- 84.391 **ARRA—Special Education—Grants to States, Recovery Act**
- 84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Vocational Rehabilitation Cluster:

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

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

State Fiscal Stabilization Fund Cluster:

CFDA No.: 84.394 **ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act**

84.397 **ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act**

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Medicaid Cluster:

CFDA No.: 93.720 **ARRA—Survey Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative**

93.775 **State Medicaid Fraud Control Units**

93.777 **State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare**

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

CFDA No.: 93.767 **Children's Health Insurance Program**

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

CFDA No.: 93.917 **HIV Care Formula Grants**

Agency: Department of Administration

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

Anticipated completion date: Unknown

Agency Response: Concur

Agency Corrective Action Plan: We have an established process in place for monitoring legislation. In fact, a concern was raised for over two years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-102

SNAP Cluster:

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

Child Nutrition Cluster:

- CFDA No.: 10.553 School Breakfast Program
- 10.555 National School Lunch Program
- 10.556 Special Milk Program for Children
- 10.559 Summer Food Service Program for Children
- CFDA No.: 10.558 Child and Adult Care Food Program
- CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects
 - 12.401 ARRA—National Guard Military Operations and Maintenance (O&M) Projects

WIA Cluster:

- CFDA No.: 17.258 WIA Adult Program
 - 17.258 ARRA—WIA Adult Program
 - 17.259 WIA Youth Activities
 - 17.259 ARRA—WIA Youth Activities
 - 17.260 WIA Dislocated Workers
 - 17.260 ARRA—WIA Dislocated Workers
 - 17.278 WIA Dislocated Worker Formula Grants
- CFDA No.: 17.225 Unemployment Insurance
 - 17.225 ARRA—Unemployment Insurance

Highway Planning and Construction Cluster:

- CFDA No.: 20.205 Highway Planning and Construction
 - 20.205 ARRA—Highway Planning and Construction
 - 20.219 Recreational Trails Program
- CFDA No.: 81.041 State Energy Program
 - 81.041 ARRA—State Energy Program

Title I, Part A Cluster:

- CFDA No.: 84.010 Title I Grants to Local Educational Agencies
 - 84.389 Title I Grants to Local Educational Agencies, Recovery Act

Special Education Cluster (IDEA):

- CFDA No.: 84.027 Special Education—Grants to States
 - 84.173 Special Education—Preschool Grants
 - 84.391 ARRA—Special Education—Grants to States, Recovery Act
 - 84.392 ARRA—Special Education—Preschool Grants, Recovery Act

Vocational Rehabilitation Cluster:

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

Educational Technology State Grants Cluster:

- CFDA No.: 84.318 Educational Technology State Grants

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

84.386 ARRA—Education Technology State Grants, Recovery Act

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

State Fiscal Stabilization Fund Cluster:

CFDA No.: 84.394 **ARRA—State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act**

84.397 **ARRA—State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act**

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

CFDA No.: 84.410 **Education Jobs Fund**

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program**

Medicaid Cluster:

CFDA No.: 93.720 **ARRA—Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative**

93.775 **State Medicaid Fraud Control Units**

93.777 **State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare**

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

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

CFDA No.: 93.568 **Low-Income Home Energy Assistance**

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

93.658 **ARRA—Foster Care—Title IV-E**

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

CFDA No.: 93.767 **Children's Health Insurance Program**

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

CFDA No.: 93.917 **HIV Care Formula Grants**

Disability Insurance/SSI Cluster:

CFDA No.: 96.001 **Social Security—Disability Insurance**

Agency: Department of Administration

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

Anticipated completion date: Unknown

Agency Response: Concur

Agency Corrective Action Plan: We have an established process in place for monitoring legislation. On multiple occasions we have advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

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

11-103

CFDA No.: **Various**

Agency: Department of Administration

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

Anticipated completion date: Unknown

Agency Response: Concur

Agency Corrective Action Plan: We have requested authority to pay the federal government its corresponding prorata share related to the transferred monies. This resolution is pending legislative authorization.

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 result in an obligation to the federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

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

11-104

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Agency: Department of Economic Security

Contact persons: Jim Benson, Financial Services Administration Manager, (602) 542-6554 and Mario Anzalotti, Unemployment Insurance Tax Supervisor, (602) 771-8343

Anticipated completion date: Various, for anticipated completion dates see corrective action plan below.

Agency Response: Concur

Agency Corrective Action Plan: The DES Financial Services Administration (FSA) identified the report discrepancies prior to the audit and had planned to make adjustments. However, because the discrepancy amounts were small in comparison to the amounts reported for the affected grant awards, FSA made inception-to-date adjustments in the reports for the fiscal quarter ended December 31, 2011. Reporting procedures for this grant are unique with respect to program income reporting. With FSA now being cognizant of the problem, the existing report preparation and detailed review process already in place should be adequate to prevent discrepancies of this nature in the future.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

The DES Unemployment Insurance Administration (UI) completed an analysis of these issues and believes they have identified the system programming errors that resulted in incorrect information in the ETA-581, ETA-227, and ETA-227-EUC reports. UI will complete the programming changes so that manual adjustments in these two categories will no longer be necessary. It is expected these changes will be completed for the next annual Data Validation submittal due to DOL by June 10, 2012.

11-105

CFDA No.: 17.225 **Unemployment Insurance**
17.225 **ARRA—Unemployment Insurance**

Agency: Department of Economic Security

Contact person: Maria Perez-Parra, Unemployment Insurance Administration Quality Assurance Manager,
(602) 364-2415

Anticipated completion date: Various, for anticipated completion dates see corrective action plan below.

Agency Response: Concur

Agency Corrective Action Plan: The DES Unemployment Insurance Administration (UI) developed and began using new reports to ensure the proper quarterly and yearly reviews are completed as required by the DOL Handbook 395. The UI Quality Assurance Manager focused on removing Arizona from the State Quality Service Plan (SQSP) where Arizona was not meeting the yearly sample of 480 paid and 450 denied cases. The manager did not realize overcompensating in prior quarters to meet the yearly sample did not remove the quarterly requirement. Arizona met the yearly SQSP sample requirement in calendar year 2010 and will meet all quarterly and yearly requirements in the future.

As of March 2011, a Benefit Accuracy Measurement (BAM) Unit Supervisor was hired to focus on reviewing cases and identifying errors prior to signoff. The BAM Supervisor is aware of the finding and met with all BAM staff to ensure they understand a stop must be set when the claimant fails to comply with requirements.

UI and the DES Division of Technology Services (DTS) completed all the programming and initial testing required for the GUIDE system to correctly identify and process FAC overpayments. These programming changes were migrated into the GUIDE on May 8, 2011. Following the migration, UI identified additional necessary programming adjustments. UI Business & Technology Solutions continues testing the changes made by UI Systems and Programming. The expected completion date is April 30, 2012. Following implementation, the UI Benefit Processing Control Unit will establish the FAC overpayments as the program changes add them to the GUIDE system.

11-106

Vocational Rehabilitation Cluster:

CFDA No.: 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

Contact person: Katharine Levandowsky, Rehabilitation Services Administrator, (602) 542-3332

Anticipated completion date: January 31, 2013

Agency Response: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Agency Corrective Action Plan: The Department of Economic Security Rehabilitation Services Administration (RSA) continues to stress to staff through training, email reminders, and alert lists the importance of:

- Determining client eligibility within 60 days from application date,
- Documenting all efforts to communicate with the client, and
- Obtaining a signed and dated extension letter should eligibility determination take longer than the 60 days.

RSA will continue to conduct routine reviews of random VR case files in an effort to ensure compliance in this area.

In addition, the RSA Policy Unit has contacted other state programs to explore policies and practices that address this issue.

11-107

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Agency: Department of Economic Security

Contact persons: Karen E. Johnson, Financial Services Administration Manager, (602) 542-6548 and
Leona Hodges, Division of Benefits & Medical Eligibility Assistant Director,
(602) 542-3596

Anticipated completion date: Various, for anticipated completion dates see corrective action plan below.

Agency Response: Concur

Agency Corrective Action Plan: To accurately prepare and provide support for reports the DES Financial Services Administration (FSA) will implement the following procedures by June 30, 2012:

- FSA modified the quarterly ACF-196 TANF Financial Report criterion to exclude expenditures categorized as “Non-Assist Authorized Solely Under Prior Law” and instead properly classify them as “Other”. FSA resubmitted the reports with the correction in the subsequent quarter (ending June 30, 2011).
- The discrepancies in the 2010 ACF-204 Annual Report and the Annual Report on State Maintenance-of-Effort (MOE) Programs were due to keying errors that occurred while inputting data into the report. However, because the errors consisted of an understatement and an overstatement of the same amount, the report as a whole was unaffected. In the future, FSA will more carefully review figures for keying accuracy and implement a signoff process for review.
- To ensure community providers expenditures in the ACF-204 Annual Report and the MOE Report are allowable, FSA will work more closely with the providers to obtain a detailed description of expenditures determined to be allowable and will more closely review submitted expenditures for appropriateness.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

To correct the error identified in the ACF-199 TANF Data Report, the DES Family Assistance Administration Systems Unit completed an extensive review of the case in question. In November 2011, the unit ran a report that clarified how the error occurred and corrected the case. In addition, the unit ran further reports and no other similar errors were detected. A repeat of this error is unlikely. DES Division of Benefits & Medical Eligibility management will continue to perform detailed reviews of the ACF-199 Report to ensure its accuracy.

11-108

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Agency: Department of Economic Security

Contact person: Dr. Melissa Williams, DERS Employment Services Support Unit Manager,
(602) 771-1322

Anticipated completion date: January 31, 2012

Agency Response: Concur

Agency Corrective Action Plan: Following a review of the subrecipient monitoring policy, the DERS Unemployment Insurance Quality and Assurance Unit (QA) and Employment Services Support Unit managers revised the corrective action plan (CAP) format and requirements. DERS finalized the revised CAP in January 2012. Upon receipt of the annual report cards, DERS placed both contractors on a CAP. Both contractors submitted plans to improve the deficient performance measures. As of February 2012, the QA Manager approved both plans.

The DES Unemployment Administration (UI) routinely reviews policies at the bimonthly TANF Economic Alliance Meetings (TEAM). Based on TEAM findings, UI makes changes to processes. Quarterly meetings are held with each contractor, to discuss best practices, policy concerns, and CAP progress.

11-109

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

Agency: Department of Economic Security

Contact person: Leona Hodges, Division of Benefits & Medical Eligibility Assistant Director,
(602) 542-3596

Anticipated completion date: March 2012

Agency Response: Concur

Agency Corrective Action Plan: The DES Division of Benefits & Medical Eligibility (DBME) implemented a change to the AZTECS system that would automatically upload the necessary documentation to the imaging database. When DBME determined that some of the documents were not uploading properly, they began analyzing the document imaging system to determine the cause. In addition, the inability to locate screens in case files was also a problem in the document imaging system. The vendor is working with DES on solutions to these issues and a report of their findings is forthcoming.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-110

CFDA No.: 93.568 **Low-Income Home Energy Assistance**

Agency: Department of Economic Security

Contact persons: Lela Wendell, Financial Services Administration Manager, (602) 542-8658 and Melanie Starns, Division of Aging & Adult Services Assistant Director, (602) 542-2591

Anticipated completion date: Various, for anticipated completion dates see corrective action plan below.

Agency Response: Concur

Agency Corrective Action Plan: Although, the DES Financial Services Administration (FSA) did not include the date of the last obligation of monies as required by LIHEAP regulations for the three SF-269A reports tested, all dollar amounts reported were accurate. To ensure FSA accurately prepares and provides support for the LIHEAP SF-269A Report, FSA implemented the following procedures on February 13, 2012:

- FSA updated the report working documents to include reminders that the date of the last obligation of monies for the reporting period must be included.
- FSA added a link on the working documents that will display the report requirements.
- FSA staff will follow all processes regarding the review of the report to ensure all reporting requirements are met prior to future report submittals.

In addition, FSA contacted the federal grant representative to obtain direction on the specific course of action they deem necessary to provide the missing dates.

To ensure the DES Division of Aging & Adult Services (DAAS) accurately prepares and provides support for various Low-Income Home Energy Assistance reports DAAS has implemented the following changes and protocol:

- To ensure DAAS updates estimated numbers to actual figures before reporting to the Federal Office of Community Services (OCS), the DAAS Finance & Business Operations (FBO) will complete the Carryover and Re-allotment Report rather than the program unit. Upon receipt of the SF-269A report from the DES Financial Services Administration, FBO will generate a revised Carryover and Re-allotment Report reflecting the actual Carryover figure taken from the SF-269A and submit to OCS.
- To ensure DAAS reports accurate amounts for the number of households assisted, DAAS revised the databases provided to the contractors to track this data. All of the preprogrammed formulas and fields have been protected to ensure they cannot be overwritten so future calculations should be accurate.
- To ensure that contractors know what is required when reporting, DAAS will issue an ALERT on March 16, 2012. The ALERT will provide all Community Action Program contractors the correct form for reporting actual numbers and detailed instructions on how to complete each of the report fields.
- To ensure DAAS captures information related to approved, pending, and denied applications, DAAS has provided instructions for completion of the Monthly Case Management Report. The instructions specifically address the need to capture the number of applications whether approved, pending, or denied. This information will be included in the March 16, 2012 ALERT. In addition, the need to collect and report applicant data will be reviewed with contractors during the monthly Directors Conference Call. DAAS will also review each monthly report to ensure the report is accurate and complete prior to approval of payment for that month.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-111

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

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

93.563 **ARRA—Child Support Enforcement**

CFDA No.: 93.568 **Low-Income Home Energy Assistance**

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

Agency: Department of Economic Security

Contact person: Karen E. Johnson, Financial Services Administration Manager, (602) 542-6548

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The DES Financial Services Administration (FSA) attempted to follow the FFATA regulations. FSA staff read the requirements, listened to webcasts, registered on FSRs, and had many discussions internally and with Arizona's General Accounting Office pertaining to the reporting requirements. In addition, FSA added a field for the Federal Aid Identification Number (FAIN) to both the financial system (FMCS) and the data warehouse.

FSA concluded that most DES contracts would not meet the requirements for reporting, because contracts for goods and services and contracts with individuals do not meet reporting requirements. However, to ensure FSA accurately reports sub-awards, the department identified some issues that could require changes to the FMCS, the contract process, and/or certain business processes.

DES filed some reports in FY 2012. In addition, FSA will contact federal agencies for those grants FSA determines may have qualifying sub-awards for guidance on how best to report those sub-awards and to determine how to resolve the various issues identified.

11-112

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**

93.714 **ARRA—Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs**

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

Agency: Department of Economic Security

Contact person: Sherry Seaman, DCYF Performance Improvement & Accountability Manager,
(602) 542-2275

Anticipated completion date: November 2011

Agency Response: Concur

Agency Corrective Action Plan: The DES Division of Children, Youth and Families (DCYF) misstatement of the eligible TANF population resulted in the understatement/overstatement of charges to the TANF and

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Social Services Block Grant Program. The DCYF corrected this oversight and adjusted the necessary data. The Financial Management and Control System (FMCS) accepted the amendment on November 4, 2011.

The DCYF reviewed the finding with the staff involved in compiling this information and emphasized the importance of accurately charging the correct funding source. To ensure that the appropriate allocation of costs is reflected on future submissions, a secondary level of review was implemented in November 2011. The DCYF Budget Manager will continue to examine the information to certify the veracity of the data.

11-113

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program**

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

CFDA No.: 10.558 **Child and Adult Care Food Program**

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education (ADE) will perform the following in order to improve access, change, and recovery controls over the Grants Management Enterprise System (GMS) and the Child Nutrition Program (CNP Web) system:

- *Access Controls*
 - The following ADE policies and procedures updates are planned to be implemented by June 30, 2012:

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

- Units responsible for their own software, such as Grants Management (GM) and Health and Nutrition Services (HNS), will now manage the permissions and documentation specific to their software.
- Agency-level End User Network Agreement (EUNA) and the permissions granted by ADE IT will be restricted to Agency-level permissions, such as email and initial computer setups for new employees. HNS and GM will develop their own EUNA forms to grant their employees permissions for their specific systems.
- Units responsible for their own software, such as GM and HNS, will be added to the Agency Termination Form allowing them to remove permissions, update documentation, and sign off on the formal removal of the terminated employees.
- Units responsible for their own software, such as GM and HNS, will now include human resources in their quarterly review process to verify that terminated employees do not have any active permissions.
- *Change Controls*
 - The ADE Information Technology Unit (IT) now has an organized Change Management group that meets weekly to review and approve all changes that will be migrated to any production environment. Migrations are scheduled for Thursdays of each week and all exceptions to the scheduled migration day must meet the requirements to be considered an emergency and must be approved by the Change Management team. All migrations are fully documented.
- *Recovery Controls*
 - The ADE is working on the Business Continuity/Disaster Plan based on the new organization. The first phase for critical and essential functions is scheduled to be completed in June 2012 and tested in September 2012.

11-114

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education (ADE) Grants Management Unit is in the process of developing an improved cash management reporting process which will allow program areas to monitor subrecipients' expenditures throughout the year.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

The improvements will accomplish the following:

1. It will reduce the time necessary for staff to manually review completion reports at the end of the project, as the data being submitted throughout the project period will be grouped by comp. object and function code.
2. It will allow subrecipients to request payment more frequently and only for expenditures that have been or are soon to be liquidated (e.g., forthcoming payroll).

The Grants Management Unit is already drafting and circulating these proposed changes to its practices. Furthermore, these changes also include requirements for LEAs to return interest in excess of \$100 *per LEA* at least quarterly to ensure compliance with Federal rule. All updated internal policies and procedures surrounding grant disbursement will be completed prior to the start of FY 2013.

11-115

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

School Improvement Grants Cluster:

CFDA No.: 84.377 **School Improvement Grants**

84.388 **ARRA—School Improvement Grants, Recovery Act**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education will develop and implement procedures for routing ARRA 1512 reporting data through its IT Department, with the Grants Management Division being ultimately responsible for submitting data to the Governor's Office/Arizona Department of Administration. The IT Department will consolidate information from the Grants Management Enterprise, including expenditures of grants as well as the number of subrecipients and other programmatic information required (such as the numbers of jobs created through grant funds at the subrecipient level). The Grants Management Division will then take this information and compare the expenditures pulled from Grants Management against total expenditures under the grant pulled from AFIS (via the Department's existing AFIS reporting capabilities). Any discrepancies will be researched and resolved prior to the Grants Management Division submitting the data. One employee in the Program Operations unit currently ensures that the data is transmitted and other narrative is entered into the system for statewide reporting.

In addition, the Division will submit to the centralized reporting system the revenue figures for each grant as recorded in AFIS during the reporting period. The Grants Management Division will ensure at least one other person besides the individual responsible for submitting the data will assist with reconciliation of all expenditure as well as revenue data against AFIS figures. After submittal, the Division will be responsible for storage of the reconciled data, and will keep each quarter's submittal on a dedicated SharePoint

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

intranet site as well as hard copies of each submission in central files. The archived data will include the submittal and dated AFIS reports that the submitted report was reconciled to, as well as any documentation of errors that were found and resolved.

11-116

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education is meeting with their School Finance unit to determine the best way to maintain the records used to determine whether LEAs have maintained fiscal effort. At a minimum, the Operations unit will maintain the file prepared by the School Finance unit as an Excel worksheet, with the creation date and other meta data.

11-117

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

CFDA No.: 84.367 **Improving Teacher Quality State Grants**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: Annually, upon completion of the grants application cycle for Titles I and II, the Assistant Deputy Associate Superintendent will review the Arizona Local Education Agency Tracker (ALEAT) to ensure that all LEAs were correctly identified as being required to submit the Statement of Assurance and LEA Continuous Improvement plans in ALEAT and to ensure that all approved grants from those LEAs have been accompanied by the Assurances. The FY12 grant cycle ended on February 15, 2012 and final review will be completed by April 1, 2012.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Additionally, the Director of Plans and Systems will review monthly activity reports, which are currently being developed, for all Title I and Title II staff. This will ensure that the supervisor is aware of staff that are not meeting review deadlines and can take appropriate action. Activity reports will be available beginning February 15, 2012.

11-118

Title I, Part A Cluster:

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

84.389 **ARRA—Title I Grants to Local Educational Agencies, Recovery Act**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: This finding was a result of a staff shortage. The current procedures identify staff responsible for this process and this error should not occur in the future.

11-119

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**

84.173 **Special Education—Preschool Grants**

84.391 **ARRA—Special Education—Grants to States, Recovery Act**

84.392 **ARRA—Special Education—Preschool Grants, Recovery Act**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education's Exceptional Student Services (ESS) division will develop policies and procedures to ensure it obtains consistent information to identify all state monies made available to provide special education and related services for children with disabilities to demonstrate that the State did not reduce the amount of financial support provided from the preceding year.

A list of contacts for other state agencies will be maintained in the ESS funding unit. Each of those contacts will be notified that they need to provide backup, such as appropriation numbers or other AFIS detail reports, to certify amounts reported as "made available" to provide special education and related services for children with disabilities. The ESS division director will contact each of these agencies to obtain backup for amounts previously provided for FY11. In addition, we will obtain information for FY12 prior to June 30, 2012.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-120

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**

84.386 **ARRA—Education Technology State Grants, Recovery Act**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Educational Technology State Grants (EETT) program was eliminated in the Arizona Department of Education (ADE) budget for FY2012 and FY2013. ARRA EETT carryover funds will not be reallocated back to LEAs; instead, two competitive ARRA EETT projects will be funded and at least 35% of the funding will be used to provide professional development stipends. Thus, the 25% requirement will be met and funds will be expended by June 30, 2012.

For EETT regular funds, upon filing of the completion report, if it is determined that an LEA spent less than 25% of the total funds expended on professional development, ADE will require the LEA to return the amount of funds required to ensure their expended budget meets the 25% of total budgeted funds dedicated for professional development and the LEA will need to revise and resubmit the completion report accordingly. The agency will alert all subrecipients prior to the end of project that the 25% professional development requirement must be met for the amount of funds spent during that fiscal year or the ADE would be requesting a return of funds in order to bring them into compliance. The cut-off for EETT regular funds is June 30, 2012 and then close-out will begin.

11-121

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program**

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

CFDA No.: 10.558 **Child and Adult Care Food Program**

Agency: Department of Education

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: By June 30, 2012, the Arizona Department of Education will ensure that subrecipients receiving Federal Child Nutrition Programs funding will be reported in accordance with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, and consistent with the current FFATA reporting process completed by the Department for subrecipients funded through the Grants Management system.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-122

CFDA No.: 81.041 **State Energy Program**

81.041 **ARRA—State Energy Program**

Agency: Land Department and School Facilities Board

Contact person: David Trimble, Land Department Budget and Procurement Specialist, (602) 542-2649
and Philip Williams, School Facilities Deputy Director-Finance, (602) 542-4457

Anticipated completion date: Land Department, February 15, 2012 and School Facilities Board,
September 2011

Land Department

Agency Response: Concur

Agency Corrective Action Plan: The Land Department has added a "Suspension and Debarment" clause to all contracts that involve Federal funding. The language added is: "Suspension or Debarment: The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State."

School Facilities Board

Agency Response: Concur

Agency Corrective Action Plan: While the School Facilities Board (SFB) maintained adequate control policies and procedures over suspension and debarment compliance requirements for contractors and subcontractors, the agency failed to screen sub-recipient school districts because it believed that they were already being screened under federal programs such as Title I, II and IV. The Auditor clarified that Federal Acquisition Regulations (2 CFR 180 and CFR 600.235) require each sub-recipient to be verified against the Denied Parties List maintained by the General Services Administration.

SFB immediately modified the sub-recipient approval process to include the verification of school districts to ensure that contracts are not awarded to school districts that have been suspended or debarred.

11-123

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Agency: Department of Health Services

Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

Anticipated completion date: June 2012

Agency Response: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Agency Corrective Action Plan: The Agency's Bureau of Public Health Emergency Preparedness will facilitate further discussion with the U.S. Department of Health and Human Services. It will also: consider reducing the number of contracts in the grant, consider engaging a fiscal agent such as the Arizona Hospital Association to handle subrecipient payments, and consider the feasibility of paying subrecipients through working capital advances.

11-124

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Agency: Department of Health Services

Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

Anticipated completion date: June 2012

Agency Response: Concur

Agency Corrective Action Plan: The Agency's Division for Planning and Operations, Financial Section partnered with the Division of Public Health Services, Bureau of Public Health Emergency Preparedness, and developed a listing of nonfederal expenditures for the preceding 2-year period. The dollar amounts were taken from Arizona Financial Information System (AFIS) and listed by account code (e.g. index and program cost account (PCA)). The Agency will now establish policies and procedures to calculate, track, and ensure that level of effort requirements are met with allowable nonfederal sources.

11-125

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Agency: Department of Health Services

Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

Anticipated completion date: June 2012

Agency Response: Concur

Agency Corrective Action Plan: The Agency's Division for Planning and Operations, Financial Section will partner with the Division of Public Health Services, Bureau of Public Health Emergency Preparedness to ensure that matching amounts reported on the FSR 269 report are supported by accounting records going forward. Also, the Bureau of Public Health Emergency Preparedness will verify subrecipient matching amounts as part of the hospital monitoring process, and ensure that these expenditures are made with nonfederal funds.

11-126

CFDA No.: 93.889 **National Bioterrorism Hospital Preparedness Program**

Agency: Department of Health Services

Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

Anticipated completion date: March 2012

Agency Response: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Agency Corrective Action Plan: As of February 2012, the Agency's Bureau of Public Health Emergency Preparedness has implemented a risk-based hospital monitoring process with regular site visits. This process includes verification of dollar amounts reported, and an evaluation of the hospital's financial records and internal controls.

11-127

CFDA No.: 93.917 **HIV Care Formula Grants**

Agency: Department of Health Services

Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

Anticipated completion date: October 2012

Agency Response: Concur

Agency Corrective Action Plan: The Department's Program Area has ensured that within the grant application for fiscal year 2012, no dollar amounts were included as both the state match and the level of effort requirements.

Also, the Department's Program Area is taking steps to ensure data from reporting agencies is valid, which will include seeking input from HRSA regarding implementation of a verification process for dollar amounts received from other agencies.

11-128

CFDA No.: 93.917 **HIV Care Formula Grants**

Agency: Department of Health Services

Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

Anticipated completion date: February 2012

Agency Response: Concur

Agency Corrective Action Plan: Beginning in June 2011, the Department's Program Area has been conducting site visits for all subrecipients, and will continue with these annual visits going forward.

11-129

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

CFDA No.: 12.404 **National Guard ChalleNGe Program**

Agency: Department of Emergency and Military Affairs

Contact person: Renee Dudden, Resource Manager, (602) 267-2730

Anticipated completion date: March 2012

Agency Response: Concur

Agency Corrective Action Plan: The Department has instituted internal policies and procedures to ensure that all public funds within the Department's control are used solely for authorized purposes. In regards to

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

grant funds these include: monthly reconciliations with program managers on all open grants, quarterly reconciliations with the federal cognizant agent, increased internal audits, and strict guidance and adherence to the disbursement process.

The Department currently conducts monthly reconciliations on each open grant with federal program managers and on a quarterly basis with the Grants Officer Representative of the Department's federal cognizant agent pertaining to National Guard grants. Monthly reconciliations include a review of the detailed transactions for the month prior, year to date status of expenditures, verification of revenues advanced from the federal cognizant agent, and future monthly expenditure and revenue projections. All expenditures and revenues reported by the Department to the federal cognizant agent and program managers are validated to the Arizona Financial Information System. All information is provided to the program managers electronically and reconciliations are formally documented utilizing a reconciliation checklist which is maintained permanently in the grant file.

The Department has included in its internal policies and procedures the mandated requirements for claims disbursement. It includes the process to generate a disbursement and the required supporting documentation. The Department has given formal instruction and guidance to all finance staff on the requirements of a disbursement utilizing Section II H of the State Accounting Manual and its internal policies and procedures.

The Department is working on establishing an internal Whistle Blower policy which will maintain the anonymity and protect the individual reporting the fraud and formally document the complaint for review by the Department's Director, The Adjutant General (TAG). All complaints will be investigated by direction of TAG and the findings will be documented and reported as needed to the appropriate agencies.

The Department recently hired additional internal audit staff to allow for increased focus in the areas of procurement, human resources and finance. The staff is supervised on an operational basis by the Senior Executive Officer for the Department but they report directly to TAG. The Senior Executive Officer, with TAG's direction, works with the audit staff to develop the annual audit plan.

11-130

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Agency: Department of Emergency and Military Affairs

Contact person: Renee Dudden, Resource Manager, (602) 267-2730

Anticipated completion date: February 2012

Agency Response: Concur

Agency Corrective Action Plan: To ensure proper fiscal management, to include cash management, the Department has instituted a process by which cash flow will be projected and managed for each grant throughout the fiscal year. The process is designed to ensure sufficient funds are available to meet disbursement requirements yet not exceed the 45 days between the transfer of monies from the U.S. Treasury and their disbursement.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

Monthly cash flow projections will be developed at the beginning of the federal fiscal year for each grant. The projections will be based upon staffing, reoccurring and known operational costs and any estimated costs such as repair, maintenance and operational supplies. These cash flow projections will be updated monthly reflecting actual expenditures and revenues from the prior month. During the monthly reconciliations with program managers, any necessary adjustments to the remaining monthly projections will be made. After adjustments are made, the Department will request advance funds for the next 60 days. The request will be based upon cumulative expenditures up to the next 60 days, minus advance funds already requested. Because it takes approximately 15 days from the close of a month to receive the request for advance funds, the agency will always maintain no more than 45 days cash on hand.

11-131

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

12.401 **ARRA—National Guard Military Operations and Maintenance (O&M) Projects**

Agency: Department of Emergency and Military Affairs

Contact person: Renee Dudden, Resource Manager, (602) 267-2730

Anticipated completion date: December 2011

Agency Response: Concur

Agency Corrective Action Plan: The Department has instituted a process to ensure proper documentation exists which verifies that vendors are not suspended or debarred before entering into contracts greater than \$5,000 but less than \$50,000. The Department verifies through the Excluded Parties List System (EPLS) that a vendor has not been suspended or debarred and prints out the verification. The verification is placed either into the contract folders for contracts or attached to a purchase order within ProcureAZ for non-contracted purchases.

11-132

CFDA No.: 64.005 **Grants to States for Construction of State Home Facilities**

64.005 **ARRA—Grants to States for Construction of State Home Facilities**

Agency: Department of Veterans' Services

Contact person: Joey Strickland, Director, (602) 234-8415

Anticipated completion date: February 2012

Agency Response: Concur

Agency Corrective Action Plan: As of February 22, 2012, award FAI 04-002 is 98% expended. For future construction grants, the Department will diligently monitor the performance to ensure compliance with the project charter.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

11-133

CFDA No.: 64.005 **Grants to States for Construction of State Home Facilities**
64.005 **ARRA—Grants to States for Construction of State Home Facilities**

Agency: Department of Veterans' Services

Contact person: Joey Strickland, Director, (602) 234-8415

Anticipated completion date: March 31, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Department of Veterans' Services uses the Excluded Parties List System (EPLS) to verify that vendors providing goods or services paid with federal monies have not been suspended or debarred, or otherwise excluded, from federal contracts. The Department will incorporate the requirement to document the verification in its Procurement Policies and Procedures.

11-134

Student Financial Assistance Cluster:

CFDA No.: 84.007 **Federal Supplemental Educational Opportunity Grants**

84.032 **Federal Family Education Loans**

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**

84.375 **Academic Competitiveness Grants**

84.376 **National Science and Mathematics Access to Retain Talent (SMART) Grants**

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**

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

93.364 **Nursing Student Loans**

93.407 **ARRA—Scholarships for Disadvantaged Students**

93.408 **ARRA—Nurse Faculty Loan Program**

93.925 **Scholarships for Health Professions Students from Disadvantaged Backgrounds**

Agency: Arizona State University

Contact person: Susan Sedik-Barker, Director Client Relations, (480) 965-1127

Anticipated completion date: January 2012

Agency Response: Concur

Agency Corrective Action Plan: All recommendations have been implemented.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

The University has fully implemented processes to validate the integrity of data entered and to ensure returns are processed by the required deadline. Through programming changes, the need for manual intervention has been significantly reduced, therefore minimizing the opportunity for clerical errors. Should clerical errors occur, new reports will immediately identify and flag suspect transactions for review by the accounting staff.

11-135

Student Financial Assistance Cluster:

CFDA No.: 84.007 **Federal Supplemental Educational Opportunity Grants**

84.032 **Federal Family Education Loans**

84.033 **Federal Work-Study Program**

84.038 **Federal Perkins Loan—Federal Capital Contributions**

84.063 **Federal Pell Grant Program**

84.268 **Federal Direct Student Loans**

84.375 **Academic Competitiveness Grants**

84.376 **National Science and Mathematics Access to Retain Talent (SMART) Grants**

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**

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

93.364 **Nursing Student Loans**

93.407 **ARRA—Scholarships for Disadvantaged Students**

93.408 **ARRA—Nurse Faculty Loan Program**

93.925 **Scholarships for Health Professions Students from Disadvantaged Backgrounds**

Agency: University of Arizona

Contact person(s): John Nametz, Director, Office of Scholarships and Financial Aid, (520) 307-1077 and
Helen Horetski, Associate Director, Business and Finance, (520) 621-3543

Anticipated completion date: August 31, 2011

Agency Response: We do concur with the facts as stated in the case. However, we also believe that it is represented more accurately by "A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively" as defined in auditing standards. This case resulted from the employee misapplying the procedure of a control that was specifically put in place to discover mismatches between COD and our administrative financial aid system (PeopleSoft). She updated the wrong system in this case.

Agency Corrective Action Plan: We had already recognized that PeopleSoft does not provide a sufficient comfort level of control against individual errors, especially in the area of manual award adjustments. We implemented an additional overarching control on August 31, 2011, looking at 2011-12 academic year disbursements. We now run this new Pell reconciliation, outside of PeopleSoft (programmed in Excel) that recalculates Pell awards based on EFC and enrollment, comparing the results to actual disbursements. This is an OSFA Calendar Item named "Pell Enrollment/EFC Check". It is timed at September 15,

State of Arizona
Corrective Action Plan
Year Ended June 30, 2011

March 15 and July 30. This significant and intensive protocol picks up any errors or mismatches that might have to do with either enrollment status (at time of disbursement) or with EFC not perfectly matching scheduled Pell Amount. (This definitely would have picked up the case above, if we had had it in place at the time.) We are also including in our OSFA Staffing Proposal an identified position of a Compliance Specialist. I expect that this audit result will help us make the case for that position, and to reallocate divisional assets to fund it.

Other auditors' corrective action plans:

11-136

Highway Planning and Construction Cluster:

CFDA No.: 20.205 **Highway Planning and Construction**

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Agency: Department of Transportation

Contact person: Jodi Rooney, Administrative Services Officer 5, (602) 206-3524

Anticipated completion date: December 2012

Agency Response: Concur

Agency Corrective Action Plan: ADOT is in the process of drafting a set of policies and procedures that will be implemented to ensure that all aspects of subrecipient monitoring are performed.

11-137

Highway Planning and Construction Cluster:

CFDA No.: 20.205 **Highway Planning and Construction**

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Agency: Department of Transportation

Contact person: Brent Connor, Quality Assurance Engineer, (602) 712-8206

Anticipated completion date: February 2012

Agency Response: Concur

Agency Corrective Action Plan: Manpower at the Phoenix Regional lab has been increased through the addition of an additional Engineer and two additional Technicians. Staffing levels are also supplemented by Consultant Technicians as needed to support varying workload demands. These increases in manpower were fully implemented in the fall of 2011.

Training of construction administration personnel by the Materials Group is an on-going process. The instance noted in your report of improper computer entry related to the chain of custody of Construction Materials Samples is an example of a work duty that needs increased training. Materials Group has nearly completed development of "FAST End Users Manual" to assist technicians in the use of ADOT's Construction Administration computer program (FAST). This manual is scheduled to be completed in early 2012.

Summary Schedule of Prior Audit Findings

(This page is left intentionally blank)

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

Status of Federal Award Findings and Questioned Costs

06-107

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

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) Grants Management Unit is in the process of developing an improved cash management reporting process which will allow program areas to monitor subrecipients' expenditures throughout the year.

The improvements will accomplish the following:

1. It will reduce the time necessary for staff to manually review completion reports at the end of the project, as the data being submitted throughout the project period will be grouped by comp. object and function code.
2. It will allow subrecipients to request payment more frequently and only for expenditures that have been or are soon to be liquidated (e.g., forthcoming payroll).

The Grants Management Unit is already drafting and circulating these proposed changes to its practices. Furthermore, these changes also include requirements for LEAs to return interest in excess of \$100 *per LEA* at least quarterly to ensure compliance with Federal rule. All updated internal policies and procedures surrounding grant disbursement will be completed prior to the start of FY 2013.

07-101

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

10.558 Child and Adult Care Food Program

84.010 Title I Grants to Local Educational Agencies

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.357 Reading First—State Grants

84.367 Improving Teacher Quality State Grants

93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance

97.008 Urban Areas Security Initiative

16.007 State Domestic Preparedness Equipment Support Program

97.004 State Domestic Preparedness Equipment Support Program

97.067 Homeland Security Grant Program

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

Agency: Department of Administration
Status: Not corrected
Contact person: Clark Partridge, State Comptroller, (602) 542-5405

We have an established process in place for monitoring legislation. In fact, a concern was raised for over two years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

07-104
CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.011 Migrant Education—State Grant Program
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.367 Improving Teacher Quality State Grants

Agency: Department of Education
Status: Not corrected
Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) Grants Management Unit is in the process of developing an improved cash management reporting process which will allow program areas to monitor subrecipients' expenditures throughout the year.

The improvements will accomplish the following:

1. It will reduce the time necessary for staff to manually review completion reports at the end of the project, as the data being submitted throughout the project period will be grouped by comp. object and function code.
2. It will allow subrecipients to request payment more frequently and only for expenditures that have been or are soon to be liquidated (e.g., forthcoming payroll).

The Grants Management Unit is already drafting and circulating these proposed changes to its practices. Furthermore, these changes also include requirements for LEAs to return interest in excess of \$100 *per LEA* at least quarterly to ensure compliance with Federal rule. All updated internal policies and procedures surrounding grant disbursement will be completed prior to the start of FY 2013.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

08-101

CFDA No.: 10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program

10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.558 Child and Adult Care Food Program

10.664 Cooperative Forestry Assistance

20.205 Highway Planning and Construction

66.458 Capitalization Grants for Clean Water State Revolving Funds

66.468 Capitalization Grants for Drinking Water State Revolving Funds

84.002 Adult Education—Basic Grants to States

84.010 Title I Grants to Local Educational Agencies

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

84.367 Improving Teacher Quality State Grants

93.268 Immunization Grants

93.575 Child Care and Development Block Grant

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

93.667 Social Services Block Grant

93.767 State Children's Insurance Program

93.775 State Medicaid Fraud Control Units

93.777 State Survey and Certification of Health Care Providers and Suppliers

93.778 Medical Assistance Program

97.004 State Domestic Preparedness Equipment Support Program

97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

We have an established process in place for monitoring legislation. In fact, a concern was raised for over two years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

08-103

CFDA No.: 10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

08-106

CFDA No.: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Status: Partially corrected

Contact person: Mark Darmer, Deputy Assistant Director, (602) 542-4910

Due to the increase in Unemployment Insurance claims and system modifications required to implement the various benefit tiers implemented by the Federal Government, it has been difficult for the DES Division of Employment and Rehabilitation Services (DERS) Information Technology staff to retain supporting documentation for federal reports in a manner that allows easy retrieval. The U.S. Department of Labor (US DOL) advised DERS the submitted reports were deemed acceptable. DERS Management Information System staff reviewed coding associated with the reports identified in the finding and have not identified any deficiencies.

DERS implemented additional procedures that require retention of all supporting documentation of manual adjustments required to reconcile the ETA-581 and ETA-227 reports in preparation for submittal to the US DOL.

08-115

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.558 Child and Adult Care Food Program

84.002 Adult Education—State Grant Program

84.010 Title I Grants to Local Educational Agencies

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) will perform the following in order to improve access, change, and recovery controls over the Grants Management Enterprise System (GMS) and the Child Nutrition Program (CNP Web) system:

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

- *Access Controls*
 - The following ADE policies and procedures updates are planned to be implemented by June 30, 2012:
 - Units responsible for their own software, such as Grants Management (GM) and Health and Nutrition Services (HNS), will now manage the permissions and documentation specific to their software.
 - Agency-level End User Network Agreement (EUNA) and the permissions granted by ADE Information Technology Unit (IT) will be restricted to Agency-level permissions, such as email and initial computer setups for new employees. HNS and GM will develop their own EUNA forms to grant their employees permissions for their specific systems.
 - Units responsible for their own software, such as GM and HNS, will be added to the Agency Termination Form allowing them to remove permissions, update documentation, and sign off on the formal removal of the terminated employees.
 - Units responsible for their own software, such as GM and HNS, will now include human resources in their quarterly review process to verify that terminated employees do not have any active permissions.

- *Change Controls*
 - The ADE IT now has an organized Change Management group that meets weekly to review and approve all changes that will be migrated to any production environment. Migrations are scheduled for Thursdays of each week and all exceptions to the scheduled migration day must meet the requirements to be considered an emergency and must be approved by the Change Management team. All migrations are fully documented.

- *Recovery Controls*
 - The ADE is working on the Business Continuity/Disaster Plan based on the new organization. The first phase for critical and essential functions is scheduled to be completed in June 2012 and tested in September 2012.

08-118

CFDA No.: 84.002 Adult Education—State Grant Program
84.010 Title I Grants to Local Educational Agencies
84.011 Migrant Education—State Grant Program
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) Grants Management Unit is in the process of developing an improved cash management reporting process which will allow program areas to monitor subrecipients' expenditures throughout the year.

The improvements will accomplish the following:

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

1. It will reduce the time necessary for staff to manually review completion reports at the end of the project, as the data being submitted throughout the project period will be grouped by comp. object and function code.
2. It will allow subrecipients to request payment more frequently and only for expenditures that have been or are soon to be liquidated (e.g., forthcoming payroll).

The Grants Management Unit is already drafting and circulating these proposed changes to its practices. Furthermore, these changes also include requirements for LEAs to return interest in excess of \$100 *per LEA* at least quarterly to ensure compliance with Federal rule. All updated internal policies and procedures surrounding grant disbursement will be completed prior to the start of FY 2013.

08-123

CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Status: Fully corrected
Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

08-125

CFDA No.: 10.664 Cooperative Forestry Assistance
Agency: State Forestry Division
Status: Partially corrected
Contact person(s): Glen Buettner, Grants Program Manager, (602) 771-1410

The Arizona State Forestry Division has developed and implemented subrecipient monitoring procedures which include receiving and reviewing subrecipients' single audit reports. These procedures are being finalized to include issuing management decisions and taking appropriate and timely corrective action for subrecipients that have audit findings. The Division anticipates this will be fully completed by March 31, 2012.

08-128

Research and Development Cluster
All Arizona State University Research and Development awards and contracts
CFDA No.: 47.076 Education and Human Resources
Agency: Arizona State University
Status: Fully corrected
Contact person: Marilyn Mulhollan, Executive Director Financial Services, (480) 965-7236

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

09-102

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.558 Child and Adult Care Food Program
12.401 National Guard Military Operations and Maintenance (O&M) Projects
17.207 Employment Service/Wagner-Peyser Funded Activities
17.801 Disabled Veterans' Outreach Program (DVOP)
17.804 Local Veterans' Employment Representative Program
17.258 WIA Adult Program
17.258 ARRA—WIA Adult Program
17.259 WIA Youth Activities
17.259 ARRA—WIA Youth Activities
17.260 WIA Dislocated Workers
17.260 ARRA—WIA Dislocated Workers
20.205 Highway Planning and Construction
20.219 Recreation Trails Program
84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.181 Special Education—Grants for Infants and Families
84.393 Special Education—Grant for Infants and Families, Recovery Act
84.367 Improving Teacher Quality State Grants
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
93.713 ARRA—Child Care and Development Block Grant
93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers
93.778 Medical Assistance Program
93.778 ARRA—Medical Assistance Program
93.658 Foster Care—Title IV-E
93.658 ARRA—Foster Care—Title IV-E
93.767 Children's Health Insurance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse
97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

We have an established process in place for monitoring legislation. In fact, a concern was raised for over two years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

09-104

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558 Temporary Assistance for Needy Families
Agency: Department of Economic Security
Status: Fully corrected
Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

09-105

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Agency: Department of Economic Security
Status: Not corrected
Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

To ensure all documentation required to be included in SNAP recipient case files is received, prepared, and retained, and to accurately record correct recipient information into the eligibility system; the DES Division of Benefits and Medical Eligibility (DBME) continues to perform extensive reviews throughout the eligibility determination process to detect and correct errors such as the ones noted in this finding. This includes case reads by supervisors, quality control reviews, management evaluation reviews and secondary case reads by quality control staff. In November 2010, DBME made significant changes in the case read process, by prioritizing case reads and targeting elements as recommended by our Federal partners. All offices read targeted elements for the following types of cases:

- SNAP only and SNAP combination cases with earned income of \$800 or more and SNAP benefit issuance is \$300 and greater for any month,

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

- SNAP only and SNAP combination cases with earned income,
- Medical Assistance only cases with earned income,
- Combination cases (any programs) with unearned or no income,
- SNAP only cases with unearned or no income.

DBME also centralized the quality function in order to provide more focus, better analysis and a consistent, efficient statewide approach.

In July 2011, DBME implemented the CADO Extension Form template. DBME created the template to document interview notes, to ensure a standardized narrative format, and to streamline system data entry and eligibility documentation.

In January 2012, DBME implemented the Statewide Accuracy Team (SWAT) Interview Assessment. The SWAT team visits local offices for two days and observes interviews. The SWAT team uses a checklist to compile information on what occurred during the interview, including the use of the interview scripts, CADO extension form, pre-authorizations conducted, and whether or not staff are exploring and addressing information that appears to be questionable.

Also in January 2012, DBME implemented Process Management Post Implementation Assessments. The Process Management team visit local offices and observe how staff implement Process Management. The team then provides feedback and suggestions to the office employees.

09-107

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Agency: Department of Economic Security

Status: Not corrected

Contact person: Mark Darmer, Deputy Assistant Director, (602) 542-4910

Due to the increase in Unemployment Insurance claims and system modifications required to implement the various benefit tiers implemented by the Federal Government, it has been difficult for the DES Division of Employment and Rehabilitation Services (DERS) Information Technology staff to retain supporting documentation for federal reports in a manner that allows easy retrieval. The US DOL advised DERS the submitted reports were deemed acceptable. DERS Management Information System staff reviewed coding associated with the reports identified in the finding and have not identified any deficiencies.

DERS implemented additional procedures that require retention of all supporting documentation of manual adjustments required to reconcile the ETA-581 and ETA-227 reports in preparation for submittal to the US DOL.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

09-121

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.558 Child and Adult Care Food Program
84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) will perform the following in order to improve access, change, and recovery controls over the Grants Management Enterprise System (GMS) and the Child Nutrition Program (CNP Web) system:

- *Access Controls*
 - The following ADE policies and procedures updates are planned to be implemented by June 30, 2012:
 - Units responsible for their own software, such as Grants Management (GM) and Health and Nutrition Services (HNS), will now manage the permissions and documentation specific to their software.
 - Agency-level End User Network Agreement (EUNA) and the permissions granted by ADE Information Technology Unit (IT) will be restricted to Agency-level permissions, such as email and initial computer setups for new employees. HNS and GM will develop their own EUNA forms to grant their employees permissions for their specific systems.
 - Units responsible for their own software, such as GM and HNS, will be added to the Agency Termination Form allowing them to remove permissions, update documentation, and sign off on the formal removal of the terminated employees.
 - Units responsible for their own software, such as GM and HNS, will now include human resources in their quarterly review process to verify that terminated employees do not have any active permissions.
- *Change Controls*
 - The ADE IT now has an organized Change Management group that meets weekly to review and approve all changes that will be migrated to any production environment. Migrations are scheduled for Thursdays of each week and all exceptions to the scheduled migration day must meet the requirements to be considered an emergency and must be approved by the Change Management team. All migrations are fully documented.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

- *Recovery Controls*
 - The ADE is working on the Business Continuity/Disaster Plan based on the new organization. The first phase for critical and essential functions is scheduled to be completed in June 2012 and tested in September 2012.

09-122

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Annually, upon completion of the grants application cycle for Titles I and II, the Assistant Deputy Associate Superintendent will review the Arizona Local Education Agency Tracker (ALEAT) to ensure that all LEAs were correctly identified as being required to submit the Statement of Assurance and LEA Continuous Improvement plans in ALEAT and to ensure that all approved grants from those LEAs have been accompanied by the Assurances. The FY12 grant cycle ended on February 15, 2012 and final review will be completed by April 1, 2012.

Additionally, the Director of Plans and Systems will review monthly activity reports, which are currently being developed, for all Title I and Title II staff. This will ensure that the supervisor is aware of staff that are not meeting review deadlines and can take appropriate action. Activity reports will be available beginning February 15, 2012.

09-123

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) Grants Management Unit is in the process of developing an improved cash management reporting process which will allow program areas to monitor subrecipients' expenditures throughout the year.

The improvements will accomplish the following:

1. It will reduce the time necessary for staff to manually review completion reports at the end of the project, as the data being submitted throughout the project period will be grouped by comp. object and function code.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

2. It will allow subrecipients to request payment more frequently and only for expenditures that have been or are soon to be liquidated (e.g., forthcoming payroll).

The Grants Management Unit is already drafting and circulating these proposed changes to its practices. Furthermore, these changes also include requirements for LEAs to return interest in excess of \$100 *per LEA* at least quarterly to ensure compliance with Federal rule. All updated internal policies and procedures surrounding grant disbursement will be completed prior to the start of FY 2013.

09-124

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act

Agency: Department of Education

Status: Fully corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

09-125

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Fully corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

09-128

Research and Development Cluster

All Arizona State University Research and Development awards and contracts

Agency: Arizona State University

Status: Fully corrected

Contact person: Marilyn Mulhollan, Executive Director Accounting Services, (480) 965-7236

10-101

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
12.401 National Guard Military Operations and Maintenance (O&M) Projects
12.401 ARRA—National Guard Military Operations and Maintenance (O&M) Projects

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
14.255 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)
16.803 Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories
17.258 WIA Adult Program
17.258 ARRA—WIA Adult Program
17.259 WIA Youth Activities
17.259 ARRA—WIA Youth Activities
17.260 WIA Dislocated Workers
17.260 ARRA—WIA Dislocated Workers
17.225 Unemployment Insurance
17.225 ARRA—Unemployment Insurance
20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program
66.468 Capitalization Grants for Drinking Water State Revolving Funds
66.468 ARRA—Capitalization Grants for Drinking Water State Revolving Funds
81.042 Weatherization Assistance for Low-Income Persons
81.042 ARRA—Weatherization Assistance for Low-Income Persons
84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
84.394 State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act
84.397 State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act
84.367 Improving Teacher Quality State Grants
93.268 Immunization Grants
93.712 ARRA—Immunization
93.558 Temporary Assistance for Needy Families
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778 Medical Assistance Program
93.778 ARRA—Medical Assistance Program
93.069 Public Health Emergency Preparedness
93.658 Foster Care—Title IV-E

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

93.658 ARRA—Foster Care—Title IV-E
93.767 Children’s Health Insurance Program
97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

We have an established process in place for monitoring legislation. In fact, a concern was raised for over two years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

10-102

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
12.401 National Guard Military Operations and Maintenance (O&M) Projects
12.401 ARRA—National Guard Military Operations and Maintenance (O&M) Projects
14.228 Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
14.255 Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)
16.803 Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories
17.258 WIA Adult Program
17.258 ARRA—WIA Adult Program
17.259 WIA Youth Activities
17.259 ARRA—WIA Youth Activities
17.260 WIA Dislocated Workers

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

17.260 ARRA—WIA Dislocated Workers
17.225 Unemployment Insurance
17.225 ARRA—Unemployment Insurance
20.205 Highway Planning and Construction
20.205 ARRA—Highway Planning and Construction
20.219 Recreational Trails Program
66.468 Capitalization Grants for Drinking Water State Revolving Funds
66.468 ARRA—Capitalization Grants for Drinking Water State Revolving Funds
81.042 Weatherization Assistance for Low-Income Persons
81.042 ARRA—Weatherization Assistance for Low-Income Persons
84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
84.394 State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act
84.397 State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act
84.367 Improving Teacher Quality State Grants
93.268 Immunization Grants
93.712 ARRA—Immunization
93.558 Temporary Assistance for Needy Families
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare
93.778 Medical Assistance Program
93.778 ARRA—Medical Assistance Program
93.069 Public Health Emergency Preparedness
93.658 Foster Care—Title IV-E
93.658 ARRA—Foster Care—Title IV-E
93.767 Children’s Health Insurance Program
97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

Contact person: Clark Partridge, State Comptroller, (602) 542-5405

We have an established process in place for monitoring legislation. On multiple occasions we have advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs which will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

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

10-103

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
17.258 WIA Adult Program
17.258 ARRA—WIA Adult Program
17.259 WIA Youth Activities
17.259 ARRA—WIA Youth Activities
17.260 WIA Dislocated Workers
17.260 ARRA—WIA Dislocated Workers
17.225 Unemployment Insurance
17.225 ARRA—Unemployment Insurance
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act
93.558 Temporary Assistance for Needy Families
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
93.569 Community Services Block Grant
93.710 ARRA—Community Services Block Grant
93.563 Child Support Enforcement
93.563 ARRA—Child Support Enforcement
93.658 Foster Care—Title IV-E
93.658 ARRA—Foster Care—Title IV-E
96.001 Social Security—Disability Insurance

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Tim Newton, DBF Accounting Administrator, (602) 364-2364

10-104

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

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Annmarie Mena, Operations Administrator, (602) 542-5065

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-105

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Agency: Department of Economic Security

Status: Not corrected

Contact person: Andrew Baldwin, Unemployment Insurance Administrator, (520) 770-3769 and Mary Schumacher, UI Administrative Services Officer, (602) 542-6319

The DES Unemployment Insurance Administration (UI) continues to review the automated system programming related to the generation of the various reports identified in the finding. For the ETA-227 report, Systems and Programming have used a “trace” mechanism to walk through different transactions to locate and identify issues. UI continues to work towards resolution of these issues and will contact DOL for guidance if necessary. In analyzing the ETA-581 issue, UI believes it has identified the issue and will make programming changes to correct it so that manual adjustments in these two categories will no longer be necessary. It is expected that this will be completed by the next annual Data Validation submittal due to DOL by June 10, 2012. The UI Benefit Processing Control Unit keeps paper and electronic copies of all reports submitted to the DOL and the supporting documentation. This includes explanations of the manual adjustments necessary to send accurate reports.

10-106

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Agency: Department of Economic Security

Status: Not corrected

Contact person: Andrew Baldwin, Unemployment Insurance Administrator, (520) 770-3769

The DES Unemployment Insurance Administration (UI) and Division of Technology Services (DTS) completed all the programming and initial testing required for the GUIDE system to correctly identify and process FAC overpayments. These programming changes were migrated into GUIDE on May 8, 2011. Additional programming adjustments are needed. UI Business & Technology Solutions continues testing the changes made by UI Systems and Programming. The expected completion date is April 30, 2012. Following implementation, the UI Benefit Processing Control Unit will establish the FAC overpayments as the program changes add them to the GUIDE system.

10-107

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Andrew Baldwin, Unemployment Insurance Administrator, (520) 770-3769

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-108

CFDA No.: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act
Agency: Department of Economic Security
Status: Not corrected
Contact person: Katherine Levandowsky, Rehabilitation Services Administrator, (602) 542-6295

In May 2009, the DES Rehabilitation Services Administration implemented a Client Alert List. The list displays at the on-set of the Libera System and tells the Vocational Rehabilitation Counselor the number of days a case has left to the 60-day eligibility determination date or the number of days the case is past the 60-day eligibility determination. The use of the Action Alert List was also incorporated into the Libera training, which is provided to all staff.

In addition, during the months of April and May 2011, RSA hired new staff in the positions of Supervisors, Vocational Rehabilitation Counselors, Rehabilitation Technicians and Purchasing and Payment Technicians. This is an ongoing venture dependent on staff turnovers.

10-109

CFDA No.: 93.558 Temporary Assistance for Needy Families
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
Agency: Department of Economic Security
Status: Partially corrected
Contact person: Annmarie Mena, Operations Administrator, (602) 542-5065

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

The Process Management team will visit local offices to observe how staff implemented the Process Management Model. The team will provide feedback and suggestions to office employees.

A review of the document management system began in December 2011. The document management system vendor and the local provider have staff working onsite with DES to recommend technical upgrades and review equipment issues. The vendor has already implemented several short-term solutions. Completion of this review is anticipated in March 2012.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-110

CFDA No.: 93.558 Temporary Assistance for Needy Families
93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants
Agency: Department of Economic Security
Status: Not corrected
Contact person: Kathy Waite, Policy and Planning Administration Administrator, (602) 542-3882

The Department initiated a process whereby each program retains the required data sets and backup to support the numbers of clients reported. The process was in place for the FFY 2011 report submitted in December 2011.

10-111

CFDA No.: 93.563 Child Support Enforcement
93.563 ARRA—Child Support Enforcement
Agency: Department of Economic Security
Status: Fully corrected
Contact person: Michael Wisehart, Acting Chief Financial Officer, (602) 542-3786

10-112

CFDA No.: 93.658 Foster Care—Title IV-E
93.658 ARRA—Foster Care—Title IV-E
Agency: Department of Economic Security
Status: Fully corrected
Contact person: David Longo, DCYF Finance & Business Operations Administrator, (602) 542-5099

10-113

CFDA No.: 93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
Medicare
93.778 Medical Assistance Program
96.001 Social Security—Disability Insurance
Agency: Department of Economic Security
Status: Partially corrected
Contact person: Nancy West, Program Administrator Disability Determination Services Administration,
(602) 771-7110

To ensure that costs incurred are necessary and reasonable for proper and efficient performance and administration of federal programs, the DES Disability Determination Services Administration (DDSA) will review billings whenever a change occurs to ensure the appropriate changes are made on the billing document. The DDSA Budget/Facilities Manager also conducts quarterly reviews of telecommunication charges on the DES Telecommunications Billing System to ensure vendors are charging the appropriate amount.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-114

CFDA No.: 96.001 Social Security—Disability Insurance

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Nancy West, Program Administrator Disability Determination Services Administration,
(602) 771-7110

10-115

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.558 Child and Adult Care Food Program

84.010 Title I Grants to Local Educational Agencies

84.389 Title I Grants to Local Educational Agencies, Recovery Act

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.391 Special Education—Grants to States, Recovery Act

84.392 Special Education—Preschool Grants, Recovery Act

84.318 Educational Technology State Grants

84.386 Education Technology State Grants, Recovery Act

84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) will perform the following in order to improve access, change, and recovery controls over the Grants Management Enterprise System (GMS) and the Child Nutrition Program (CNP Web) system:

- *Access Controls*
 - The following ADE policies and procedures updates are planned to be implemented by June 30, 2012:
 - Units responsible for their own software, such as Grants Management (GM) and Health and Nutrition Services (HNS), will now manage the permissions and documentation specific to their software.
 - Agency-level End User Network Agreement (EUNA) and the permissions granted by ADE Information Technology Unit (IT) will be restricted to Agency-level permissions, such as email and initial computer setups for new employees. HNS and GM will develop their own EUNA forms to grant their employees permissions for their specific systems.
 - Units responsible for their own software, such as GM and HNS, will be added to the Agency Termination Form allowing them to remove permissions, update documentation, and sign off on the formal removal of the terminated employees.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

- Units responsible for their own software, such as GM and HNS, will now include human resources in their quarterly review process to verify that terminated employees do not have any active permissions.
- *Change Controls*
 - The ADE IT now has an organized Change Management group that meets weekly to review and approve all changes that will be migrated to any production environment. Migrations are scheduled for Thursdays of each week and all exceptions to the scheduled migration day must meet the requirements to be considered an emergency and must be approved by the Change Management team. All migrations are fully documented.
- *Recovery Controls*
 - The ADE is working on the Business Continuity/Disaster Plan based on the new organization. The first phase for critical and essential functions is scheduled to be completed in June 2012 and tested in September 2012.

10-116

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.558 Child and Adult Care Food Program
84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education—Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Fully corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-117

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education—Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education (ADE) Grants Management Unit is in the process of developing an improved cash management reporting process which will allow program areas to monitor subrecipients' expenditures throughout the year.

The improvements will accomplish the following:

1. It will reduce the time necessary for staff to manually review completion reports at the end of the project, as the data being submitted throughout the project period will be grouped by comp. object and function code.
2. It will allow subrecipients to request payment more frequently and only for expenditures that have been or are soon to be liquidated (e.g., forthcoming payroll).

The Grants Management Unit is already drafting and circulating these proposed changes to its practices. Furthermore, these changes also include requirements for LEAs to return interest in excess of \$100 *per LEA* at least quarterly to ensure compliance with Federal rule. All updated internal policies and procedures surrounding grant disbursement will be completed prior to the start of FY 2013.

10-118

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education—Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act

Agency: Department of Education

Status: Fully corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-119

CFDA No. 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education—Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education will develop and implement procedures for routing ARRA 1512 reporting data through its IT Department, with the Grants Management Division being ultimately responsible for submitting data to the Governor's Office/Arizona Department of Administration. The IT Department will consolidate information from the Grants Management Enterprise, including expenditures of grants as well as the number of subrecipients and other programmatic information required (such as the numbers of jobs created through grant funds at the subrecipient level). The Grants Management Division will then take this information and compare the expenditures pulled from Grants Management against total expenditures under the grant pulled from AFIS (via the Department's existing AFIS reporting capabilities). Any discrepancies will be researched and resolved prior to the Grants Management Division submitting the data. One employee in the Program Operations unit currently ensures that the data is transmitted and other narrative is entered into the system for statewide reporting.

In addition, the Division will submit to the centralized reporting system the revenue figures for each grant as recorded in AFIS during the reporting period. The Grants Management Division will ensure at least one other person besides the individual responsible for submitting the data will assist with reconciliation of all expenditure as well as revenue data against AFIS figures. After submittal, the Division will be responsible for storage of the reconciled data, and will keep each quarter's submittal on a dedicated SharePoint intranet site as well as hard copies of each submission in central files. The archived data will include the submittal and dated AFIS reports that the submitted report was reconciled to, as well as any documentation of errors that were found and resolved.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-120

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

Annually, upon completion of the grants application cycle for Titles I and II, the Assistant Deputy Associate Superintendent will review the Arizona Local Education Agency Tracker (ALEAT) to ensure that all LEAs were correctly identified as being required to submit the Statement of Assurance and LEA Continuous Improvement plans in ALEAT and to ensure that all approved grants from those LEAs have been accompanied by the Assurances. The FY12 grant cycle ended on February 15, 2012 and final review will be completed by April 1, 2012.

Additionally, the Director of Plans and Systems will review monthly activity reports, which are currently being developed, for all Title I and Title II staff. This will ensure that the supervisor is aware of staff that are not meeting review deadlines and can take appropriate action. Activity reports will be available beginning February 15, 2012.

10-121

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education is meeting with their School Finance unit to determine the best way to maintain the records used to determine whether LEAs have maintained fiscal effort. At a minimum, the Operations unit will maintain the file prepared by the School Finance unit as an Excel worksheet, with the creation date and other meta data.

10-122

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act

Agency: Department of Education

Status: Fully corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-123

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education—Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act

Agency: Department of Education

Status: Partially corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Arizona Department of Education's Exceptional Student Services (ESS) division will develop policies and procedures to ensure it obtains consistent information to identify all state monies made available to provide special education and related services for children with disabilities to demonstrate that the State did not reduce the amount of financial support provided from the preceding year.

A list of contacts for other state agencies will be maintained in the ESS funding unit. Each of those contacts will be notified that they need to provide backup, such as appropriation numbers or other AFIS detail reports, to certify amounts reported as "made available" to provide special education and related services for children with disabilities. The ESS division director will contact each of these agencies to obtain backup for amounts previously provided for FY11. In addition, we will obtain information for FY12 prior to June 30, 2012.

10-124

CFDA No.: 84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act

Agency: Department of Education

Status: Not corrected

Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

The Educational Technology State Grants (EETT) program was eliminated in the Arizona Department of Education (ADE) budget for FY2012 and FY2013. ARRA EETT carryover funds will not be reallocated back to LEAs; instead, two competitive ARRA EETT projects will be funded and at least 35% of the funding will be used to provide professional development stipends. Thus, the 25% requirement will be met and funds will be expended by June 30, 2012.

For EETT regular funds, upon filing of the completion report, if it is determined that an LEA spent less than 25% of the total funds expended on professional development, ADE will require the LEA to return the amount of funds required to ensure their expended budget meets the 25% of total budgeted funds dedicated for professional development and the LEA will need to revise and resubmit the completion report accordingly. The agency will alert all subrecipients prior to the end of the project that the 25% professional development requirement must be met for the amount of funds spent during that fiscal year or the ADE would be requesting a return of funds in order to bring them into compliance. The cut-off for EETT regular funds is June 30, 2012 and then close-out will begin.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-125

CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Status: Fully corrected
Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

10-126

CFDA No.: 10.553 School Breakfast Program
 10.555 National School Lunch Program
 10.556 Special Milk Program for Children
 10.559 Summer Food Service Program for Children
Agency: Department of Education
Status: Fully corrected
Contact person: Lisa Eddy, Audit Manager, (602) 364-4061

10-127

CFDA No.: 84.394 State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act
 84.397 State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act
Agency: Governor's Office
Status: Fully corrected
Contact person: Matthew D. Hanson, Director, (602) 542-7567

10-128

CFDA No.: 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in
 Hawaii
 14.255 Community Development Block Grants/State's Program and Non-Entitlement Grants in
 Hawaii—(Recovery Act Funded)
Agency: Department of Housing
Status: Fully corrected
Contact person: Kathy Blodgett, CD&R Administrator, (602) 771-1021

10-129

CFDA No.: 93.069 Public Health Emergency Preparedness
Agency: Department of Health Services
Status: Partially corrected
Contact person: Alexandra Percival, Chief Audit Officer, (602) 542-1775

The Agency's Division for Operations, Financial Section partnered with the Division of Public Health Services, Bureau of Emergency Preparedness to develop and maintain listings of nonfederal expenditures on public health security for the prior two state fiscal years. The Agency's Division of Public Health Services, Bureau of Public Health Emergency Preparedness now includes a section documenting Match/Level of Effort support in the subrecipient's Contractor Expenditure Reports. The Bureau is incorporating a process to ensure this support is made with nonfederal expenditures.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-130

CFDA No.: 93.069 Public Health Emergency Preparedness

Agency: Department of Health Services

Status: Not corrected

Contact person(s): Alexandra Percival, Chief Audit Officer, (602) 542-1775

The Agency's Division of Public Health Services, Bureau of Public Health Preparedness is planning to conduct 3-4 subrecipient site visits per year which will include verification of support for matching expenditures and an evaluation of the related internal controls.

10-131

CFDA No.: 16.803 Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG)
Program/Grants to State and Territories

Agency: Arizona Criminal Justice Commission and Office of the Attorney General

Status: Fully corrected

Contact persons: Karen Ziegler, Deputy Director, (602) 364-1160 and Vicki Salazar, Division Director of Business & Finance, (602) 542-8046

10-132

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

12.401 ARRA—National Guard Military Operations and Maintenance (O&M) Projects

Agency: Department of Emergency and Military Affairs

Status: Not corrected

Contact person: Renee Dudden, Resource Manager, (602) 267-2730

To ensure proper fiscal management, to include cash management, the Department has instituted a process by which cash flow will be projected and managed for each grant throughout the fiscal year. The process is designed to ensure sufficient funds are available to meet disbursement requirements yet not exceed the 45 days between the transfer of monies from the U.S. Treasury and their disbursement.

Monthly cash flow projections will be developed at the beginning of the federal fiscal year for each grant. The projections will be based upon staffing, reoccurring and known operational costs and any estimated costs such as repair, maintenance and operational supplies. These cash flow projections will be updated monthly reflecting actual expenditures and revenues from the prior month. During the monthly reconciliations with program managers, any necessary adjustments to the remaining monthly projections will be made. After adjustments are made, the Department will request advance funds for the next 60 days. The request will be based upon cumulative expenditures up to the next 60 days, minus advance funds already requested. Because it takes approximately 15 days from the close of a month to receive the request for advance funds, the agency will always maintain no more than 45 days cash on hand.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

10-133

CFDA No.: 12.401 National Guard Military Operations and Maintenance (O&M) Projects
12.401 ARRA—National Guard Military Operations and Maintenance (O&M) Projects
Agency: Department of Emergency and Military Affairs
Status: Fully corrected
Contact person: Renee Dudden, Resource Manager, (602) 267-2730

10-134

Research and Development Cluster
All Arizona State University Research and Development grants and contracts
Agency: Arizona State University
Status: Fully corrected
Contact person: Michele Wrapp, Associate Director of Research Operations, (480) 965-4771

10-135

Research and Development Cluster
All Arizona State University Research and Development awards and contracts
Agency: Arizona State University
Status: Fully corrected
Contact person: Michele Wrapp, Associate Director of Research Operations, (480) 965-4771

10-136

Research and Development Cluster
All Arizona State University Research and Development awards and contracts
Agency: Arizona State University
Status: Fully corrected
Contact person: Marilyn Mulhollan, Executive Director Financial Services, (480) 965-7236

10-137

Research and Development Cluster
All Arizona State University Research and Development awards and contracts
Agency: Arizona State University
Status: Fully corrected
Contact person: Michele Wrapp, Associate Director of Research Operations, (480) 965-4771