

State of Arizona

Single Audit Report

Year Ended June 30, 2023



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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Annual Comprehensive Financial Report



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
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 Katie Hobbs, Governor
State of Arizona

The Honorable Warren Peterson, President
Arizona State Senate

The Honorable Ben Toma, Speaker
Arizona House of Representatives

The Honorable Ann Timmer, Chief Justice
Arizona Supreme Court

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General, 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, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated November 7, 2024. We qualified our opinion for the Arizona Health Care Cost Containment System (AHCCCS) and Arizona Department of Economic Security (DES) activities listed in the table below:

Opinion unit	Financial Statement Line items
Governmental activities	AHCCCS' activity in other receivables, due to U.S. government, and operating grants and contributions
Business-type activities	DES' Unemployment Compensation Fund's activity in cash, due to U.S. government, and net position
Major fund—General Fund	AHCCCS' activity in other receivables, due to U.S. government, and intergovernmental revenue
Aggregate remaining fund information	DES' Unemployment Compensation Fund's activity in cash, due to U.S. government, and net position

Specifically, AHCCCS and law enforcement agencies are investigating findings of credible and willful fraud by sober-living providers across the State and have yet to determine the amount of fraud or improper payments, potential recoveries from the providers, or amount that may be due back to the federal

government. Also, DES did not maintain accurate records, such as bank listings and reconciliations, to support why its reported cash balance was \$231.1 million less than bank records and determine whether it would be required to return additional monies to the federal government. Consequently, we and the other auditors were unable to determine whether any financial statement adjustments or additional disclosures were necessary and, therefore, were unable to obtain sufficient appropriate audit evidence for the opinion units and related financial statement line items in the table on the previous page.

Our report includes a reference to other auditors who audited the financial statements of the Arizona Department of Transportation, Arizona Health Care Cost Containment System, Arizona Early Childhood Development and Health Board, Arizona Correctional Industries, Arizona State Lottery, Arizona State Retirement System, AZ 529, Corrections Officer Retirement Plan, Elected Officials' Retirement Plan, Public Safety Personnel Retirement System, and certain aggregate discretely presented component units, as described in our report on the State's financial statements. The other auditors did not audit, in accordance with *Government Auditing Standards*, the financial statements of the Arizona Power Authority, AZ529, and the Universities—Affiliated Component Units, except for those of the Arizona State University Preparatory Academy, Inc., and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance. For those State agencies and discretely presented component units the other auditors audited 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.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we and the other auditors identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the State's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-01, 2023-05, 2023-08, 2023-09, 2023-10, 2023-11, 2023-12, 2023-13, and 2023-14 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-02, 2023-04 and 2023-07 to be significant deficiencies.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the State's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying schedule of findings and questioned costs as items 2023-03, 2023-04, 2023-06, 2023-09, 2023-10, and 2023-13.

State of Arizona response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the State's responses to the findings identified in our audit that are presented in its corrective action plan at the end of this report. The State is responsible for preparing a corrective action plan to address each finding. The State's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this report

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

November 7, 2024



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent auditors’ report on compliance for each major federal program;
report on internal control over compliance; and report on schedule of
expenditures of federal awards required by the Uniform Guidance**

The Honorable Katie Hobbs, Governor
State of Arizona

The Honorable Warren Petersen, President
Arizona State Senate

The Honorable Ben Toma, Speaker
Arizona House of Representatives

The Honorable Ann Timmer, Chief Justice
Arizona Supreme Court

Report on compliance for each major federal program

Adverse, qualified, and unmodified opinions

We have audited the State of Arizona’s compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023, except for a portion of the major federal programs that were audited by other auditors listed in the table below.

State agency	Program (or cluster) name	Assistance Listings number
Arizona Department of Transportation	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Arizona Early Childhood and Development	COVID-19 - Child Care and Development Block Grant part of the CCDF Cluster	93.575
	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Arizona Health Care Cost Containment System	Medical Assistance Program part of the Medicaid Cluster	93.778
	Block Grants for Prevention and Treatment of Substance Abuse	93.959

Those major federal programs were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to those major federal programs' compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the reports of 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.

Adverse opinions on Continuum of Care Program, Emergency Rental Assistance Program, Title I Grants to Local Educational Agencies, and Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)

In our opinion, because of the significance of the matter described in the basis for adverse, qualified, and unmodified opinions section of our report, the State did not comply in all material respects with the compliance requirements referred to above that could have a direct and material effect on the Continuum of Care Program, Emergency Rental Assistance Program, Title I Grants to Local Educational Agencies, and Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) programs for the year ended June 30, 2023.

Qualified opinions on Coronavirus State and Local Fiscal Recovery Funds, Education Stabilization Fund, Immunization Cooperative Agreements, Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), and Medicaid Cluster

In our opinion, based on our audit and the report of the other auditors, except for the noncompliance described in the basis for adverse, qualified, and unmodified opinions section of our report, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds, Education Stabilization Fund, Immunization Cooperative Agreements, Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), and Medicaid Cluster for the year ended June 30, 2023.

Unmodified opinion on each of the other major federal programs

In our opinion, based on our audit and the reports of the other auditors, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for adverse, qualified, and unmodified opinions

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 U.S. Comptroller General, and the audit requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State's compliance with the compliance requirements referred to above.

Matters giving rise to adverse opinion on Continuum of Care Program, Emergency Rental Assistance Program, Title I Grants to Local Educational Agencies, and Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding the major federal programs as described in the table below. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to each of those programs.

State administrating agency Program (or cluster) name	Assistance Listings number	Compliance requirement	Finding number
Arizona Department of Housing Continuum of Care Program	14.267	Subrecipient monitoring Procurement	2023-116 and 2023-117 2023-118
Arizona Department of Economic Security Emergency Rental Assistance Program	21.023 COVID-19	Activities allowed or unallowed, allowable costs/cost principles Eligibility Reporting	2023-105 2023-107
Arizona Department of Education Title I Grants to Local Educational Agencies	84.010	Activities allowed or unallowed, allowable costs/cost principles Eligibility Earmarking Special tests and provisions Level of effort Reporting Special tests and provisions	2023-122 2023-123 2023-126 2023-125
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Activities allowed or unallowed, allowable costs/cost principles Eligibility Earmarking Special tests and provisions Level of effort Reporting Special tests and provisions	2023-122 2023-123 2023-126 2023-125

Matters giving rise to qualified opinion on Coronavirus State and Local Fiscal Recovery Funds, Education Stabilization Fund, Immunization Cooperative Agreements, Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), and Medicaid Cluster

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding the major federal programs as described in the table below. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to each of those programs.

State administrating agency Program (or cluster) name	Assistance Listings number	Compliance requirement	Finding number
Office of the Arizona Governor Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19	Subrecipient monitoring	2023-102
		Reporting	2023-103
Arizona Department of Economic Security Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19	Activities allowed or unallowed, allowable costs/cost principles	2023-105
		Subrecipient monitoring	2023-106
Arizona Department of Education Education Stabilization Fund	84.425 COVID-19	Reporting	2023-126 and 2023-127
Arizona Department of Health Services Immunization Cooperative Agreements	93.268/93.268 COVID-19	Reporting	2023-121
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323/93.323 COVID-19	Reporting	2023-121
Arizona Healthcare Cost Containment System Medicaid Cluster	93.775 93.777/93.777 COVID-19 93.778/93.778 COVID-19	Special tests and provisions	2023-130

Other matter—Federal expenditures not included in the compliance audit

The State's basic financial statements include the operations of ASU Preparatory Academy, Inc., which was reported as a discretely presented component unit, and Bermuda Institute of Ocean Sciences (BIOS), Inc. and California College of ASU, which were reported as blended component units of Arizona State University. These component units expended \$10,180,303, \$10,441,542, and \$5,040,213, respectively, in federal awards that are not included in the State's schedule of expenditures of federal awards during the year ended June 30, 2023. Our compliance audit, described below, does not include the operations of

ASU Preparatory Academy, Inc., Bermuda Institute of Ocean Sciences (BIOS), Inc., and California College of ASU because Arizona State University engaged other auditors to perform an audit in accordance with the audit requirements of the Uniform Guidance.

Management's responsibilities for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the State's federal programs.

Auditors' responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other matters

The results of our auditing procedures and those of the other auditors disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2023-101, 2023-102 (only for the Education Stabilization Fund program), 2023-104, 2023-108, 2023-109, 2023-110, 2023-111, 2023-112, 2023-113, 2023-114, 2023-115, 2023-119, 2023-120, 2023-128, 2023-129, 2023-131, 2023-132, and 2023-133. Our opinion on each major federal program is not modified with respect to these matters.

Report on internal control over compliance

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we and the report of the other auditor identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-101, 2023-102, 2023-103, 2023-105, 2023-106, 2023-107, 2023-112, 2023-116, 2023-117, 2023-118, 2023-121, 2023-122, 2023-123, 2023-124, 2023-125, 2023-126, 2023-127, 2023-130, 2023-131, and 2023-132 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 2023-104, 2023-108, 2023-109, 2023-110, 2023-111, 2023-113, 2023-114, 2023-115, 2023-119, 2023-120, 2023-129, and 2023-133 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

State of Arizona's response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the State's responses to the noncompliance and internal control over compliance findings that are presented in its corrective action plan at the end of this report. The State is responsible for preparing a corrective action plan to address each finding. The State's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the State's governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated

November 7, 2024. We qualified our opinion for the Arizona Health Care Cost Containment System (AHCCCS) and Arizona Department of Economic Security (DES) activities listed in the table below:

Opinion unit	Financial Statement Line items
Governmental activities	AHCCCS' activity in other receivables, due to U.S. government, and operating grants and contributions
Business-type activities	DES' Unemployment Compensation Fund's activity in cash, due to U.S. government, and net position
Major fund—General Fund	AHCCCS' activity in other receivables, due to U.S. government, and intergovernmental revenue
Aggregate remaining fund information	DES' Unemployment Compensation Fund's activity in cash, due to U.S. government, and net position

Specifically, AHCCCS and law enforcement agencies are investigating findings of credible and willful fraud by sober-living providers across the State and have yet to determine the amount of fraud or improper payments, potential recoveries from the providers, or amount that may be due back to the federal government. Also, DES did not maintain accurate records, such as bank listings and reconciliations, to support why its reported cash balance was \$231.1 million less than bank records and determine whether it would be required to return additional monies to the federal government. Consequently, we and the other auditors were unable to determine whether any financial statement adjustments or additional disclosures were necessary and, therefore, were unable to obtain sufficient appropriate audit evidence for the opinion units and related financial statement line items in the table above.

Our report also included a reference to our reliance on other auditors. 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the State's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of the other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 17, 2024



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

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

Unmodified for all opinion units except for the following, which were qualified:

Opinion unit	Financial Statement line items
Governmental activities	AHCCCS' activity in other receivables, due to U.S. government, and operating grants and contributions
Business-type activities	DES' Unemployment Compensation Fund's activity in cash, due to U.S. government, and net position
Major fund—General Fund	AHCCCS' activity in other receivables, due to U.S. government, and intergovernmental revenue
Aggregate remaining fund information	DES' Unemployment Compensation Fund's activity in cash, due to U.S. government, and net position

Is a going concern emphasis-of-matter paragraph included in the auditors' report? **No**

Internal control over financial reporting

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **Yes**

Federal awards

Internal control over major programs

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Identification of major programs and types of auditors' reports issued on compliance

Name of federal program or cluster	Assistance Listings number	Unmodified	Qualified	Adverse
SNAP Cluster	10.551/10.561/10.561 COVID-19	✓		
Child Nutrition Cluster	10.553/10.555/10.556/ 10.559/10.582	✓		
National Guard Military Operations and Maintenance (O&M) Projects	12.401	✓		
Continuum of Care Program	14.267			X
Crime Victim Assistance	16.575	✓		
Unemployment Insurance	17.225/17.225 COVID-19	✓		
WIOA Cluster	17.258/17.259/17.278	✓		
Coronavirus Relief Fund	21.019 COVID-19	✓		
Emergency Rental Assistance Program	21.023 COVID-19			X
Homeowner Assistance Fund	21.026 COVID-19	✓		
Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19		X	
Student Financial Assistance Cluster	84.007/84.033/84.038/84.063/ 84.268/84.379/84.408/93.264/ 93.342/93.364/93.925	✓		
Title I Grants to Local Educational Agencies	84.010			X
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367			X
Education Stabilization Fund	84.425 COVID-19		X	
Immunization Cooperative Agreements	93.268/93.268 COVID-19		X	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323/93.323 COVID-19		X	
CCDF Cluster	93.575/93.575 COVID-19/ 93.596/93.596 COVID-19	✓		
Temporary Assistance for Needy Families	93.558	✓		
Foster Care Title IV-E	93.658/93.658 COVID-19	✓		
Medicaid Cluster	93.775/93.777/93.777 COVID-19/ 93.778/93.778 COVID-19		X	
Block Grants for Prevention and Treatment of Substance Abuse	93.959/93.959 COVID-19	✓		
Disability Insurance/SSI Cluster	96.001	✓		

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	Yes
Dollar threshold used to distinguish between Type A and Type B programs	\$47,210,784
Auditee qualified as low-risk auditee?	No

Financial statement findings

2023-01

The State issued its Annual Comprehensive Financial Report late, resulting in untimely financial information for State legislators, federal grantors, creditors, and other stakeholders

Condition—The Arizona Department of Administration (ADOA), the State agency responsible for preparing and issuing the State’s Annual Comprehensive Financial Report (ACFR) using information provided by other State entities, did not timely receive necessary information and therefore could not prepare and issue the State’s ACFR in time to meet the State’s federally mandated audit requirement deadline of March 31, 2024. Specifically, despite being required to provide ADOA timely, accurate, and complete financial information so that it can issue the State’s ACFR in time to meet the State’s federally mandated audit requirement deadline, as shown in the table below, 5 of 22 State agencies and 1 of 2 retirement systems that were required to submit their final financial information to ADOA by November 9, 2023¹—the deadline ADOA established and communicated to them in its annual letter—did not do so. All 3 State universities met the original ADOA deadlines.

State agency or retirement system	Date final financial information submitted	Days past due ²
Arizona Health Care Cost Containment System (AHCCCS)	September 10, 2024	306
Department of Economic Security (DES)	April 26, 2024	189
Arizona Correctional Industries	February 2, 2024	85
Arizona Department of Transportation	January 31, 2024	83
Arizona Commerce Authority	January 8, 2024	60
Public Safety Personnel Retirement System	December 5, 2023	26

Effect—State legislators, federal grantors, creditors, and other stakeholders lacked timely financial information to make important decisions about the State’s operations and financial position. The State’s delay in meeting its financial reporting and audit requirements may affect those decision-makers’ ability to rely on financial information that is not provided timely or may result in the credit-rating agencies lowering the State’s credit ratings for its bonds and certificates of participation. Further, the State’s delay in issuing its single audit reporting package, which includes the State’s ACFR, could result in actions taken by federal grantors on the State’s various federal awards, as described in finding 2023-101.

Cause—AHCCCS and DES were the primary cause of the delay and reported they did not begin compiling information for the fiscal year 2023 audit until after ADOA’s November 9, 2023, deadline had passed because they prioritized completing the State’s delayed fiscal year 2022 financial statement and

federal compliance audits. Specifically, AHCCCS and DES reported prior-year delays that began in fiscal year 2020 were caused by their continual limited resources, such as reduced staffing from retirements and other employee turnover, combined with increased workloads due to carrying out additional responsibilities and administering new federal funding in response to the COVID-19 pandemic.³ In December 2023, ADOA met with AHCCCS and DES to discuss staffing availability and revised timelines for them to submit information.² To assist the agencies with completing the required financial information for fiscal year 2023 and future years, the Office of the Governor reported that they dedicated additional resources by allocating 9 new positions to ADOA, AHCCCS, and DES.

Criteria—State law requires State agencies and other organizations included in the State’s financial reports to submit all necessary financial information to the ADOA to be used to prepare the State’s ACFR (Arizona Revised Statutes §35-131 [I]). The ADOA’s policies and procedures also direct these State agencies and other organizations to submit their financial information to the ADOA by a specified date to meet the State’s financial reporting and audit requirement deadlines. Further, State and federal laws and regulations and the State’s debt covenants and various federal award terms require the State to issue its ACFR and single audit reporting package in a timely manner. Specifically, the State was required to submit its single audit reporting package, which includes the State’s ACFR, to the Federal Audit Clearinghouse by March 31, 2024 (2 CFR §200.512).

Further, developing and implementing policies and procedures for preparing financial information for the State’s financial statements and other reports, including providing key information for audit, is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring the State’s financial reporting and related compliance objectives are achieved.⁴

Recommendations

1. ADOA should continue to work with the State agencies, including AHCCCS and DES, to provide guidance and assist them with their financial reporting process, as needed, so that it can prepare and issue the State’s ACFR in time to meet financial reporting and audit requirements.
2. Those individuals in management who are responsible for AHCCCS’, DES’, various other State agencies’, and retirement systems’ financial reporting process should:
 - a. Continue to prioritize the preparation of financial information to ADOA and allocate the appropriate resources to the financial reporting process to submit financial information to ADOA by required deadlines.
 - b. Continue to coordinate and communicate directly with ADOA regarding any difficulties they are having and to seek guidance and assistance when needed.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-01 and was initially reported in fiscal year 2021.

¹ The deadline established for retirement plans, universities, and agencies that have their agency financial statements audited by an outside CPA firm is November 9, 2023. For several agencies such as DES that do not issue standalone agency financial statements, their financial information is due earlier—by October 20, 2023.

² Days late were measured from the original established ADOA deadline of October 20, 2023, for DES and November 9, 2023, for AHCCCS. Due to DES’ and AHCCCS’ continued delays in submitting information, ADOA revised the deadline to April 26, 2024, for financial information. DES met the revised date for financial information; however, AHCCCS experienced additional delays finalizing its financial information as noted in findings 2023-10 and 2023-11.

³ The State issued its fiscal years 2020, 2021, and 2022 ACFRs late on August 4, 2021, October 31, 2022, and October 18, 2023, respectively.

⁴ U.S. Government Accountability Office (GAO). (2014). *Standards for internal control in the federal government*. Retrieved 8/2/2024 from <https://www.gao.gov/assets/670/665712.pdf>

2023-02

The Department of Revenue did not ensure it collected all income taxes that are due to the State, increasing the risk that the State may not receive all its income tax revenues

Condition—Contrary to State law and policy, the Department of Revenue (Department) did not perform all necessary reconciliations to ensure it collected all income taxes due to the State.

Effect—The Department may not collect all income taxes that are due, increasing the risk that the State may not receive all its income tax revenues. Also, the State risks reporting inaccurate income tax revenue in its financial statements.

Cause—Since at least fiscal year 2006, the Department's tax administration system lacked the functionality to perform certain automatic reconciliations. In December 2020, while a general withholding electronic filing waiver was in place for 2020 and 2021 tax years, the Department reported that it implemented an alternative manual process to reconcile calendar years 2020 and 2021 income tax withholdings from employers to individual income; however, that alternative process did not include all income tax accounts. Further, in August 2023, the Department reported that it had implemented a new electronic filing method in place of the manual process starting with the calendar year 2022 income taxes, which allows software vendors and payroll service providers to transmit withholdings and the associated W-2 and 1099 forms directly to the Department to help eliminate its risk of not collecting income tax withholdings. However, the Department reported that it does not expect to fully correct this deficiency until it implements its new tax system during fiscal years 2025 through 2028.

Criteria—State law requires that the Department administer and enforce Arizona income tax laws, which includes collecting all income taxes due from taxpayers. The *State of Arizona Accounting Manual* requires that State agencies reconcile relevant activity, such as income tax revenues, to ensure they were collected and recorded.

Recommendations—The Department should perform all necessary reconciliations to ensure it collects all income taxes due from taxpayers by addressing its system's limitations or improving its alternative processes to include all relevant accounts.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-02 and was initially reported in fiscal year 2006.

2023-03

The Department of Revenue did not publish \$18.4 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

Condition—Contrary to State law, the Department of Revenue (Department) did not include \$18.4 million of individual income tax overpayments in its unclaimed property system that is used to publish abandoned property on its website for taxpayers to search and claim. These overpayments from 43,568 taxpayer accounts ranged from \$50 to \$173,550 and dated back as far as fiscal year 2007. Taxpayers have approximately 35 years to file a claim for abandoned property (A.R.S. §44-317[E]).

Effect—Abandoned individual income tax overpayments totaling \$18.4 million were not published on the Department's website and therefore were not readily available for individual taxpayers to search and claim, resulting in the risk that most taxpayers may not be aware of an overpayment. Information regarding these overpayments is accessible by taxpayers who call the Department, but only for those who knew they had an overpayment and called the Department to request a refund or called the Department for another reason, and by chance, a Department employee identified there was an overpayment during an account review.

Cause—The Department's tax administration system lacked the functionality to automatically transfer individual income tax overpayments from that system to its unclaimed property system, and the Department did not implement an alternative process to publish abandoned individual income tax overpayments.

Criteria—State laws require the Department to publish information about all abandoned property of at least \$50 on its website, including information about unclaimed individual income tax overpayments (A.R.S. §§44-309 & 44-317[E]).

Recommendations—The Department should:

1. Post all individual income tax overpayments of at least \$50 on its website for taxpayers to search and claim.
2. Address its system's limitations or develop an alternative process to ensure overpayments of income tax are transferred to its unclaimed property system.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-03 and was initially reported in fiscal year 2019.

2023-04

The Department of Education failed to develop and implement internal controls to address the risk of fraud and abuse related to its Empowerment Scholarship Account (ESA) program, which may have allowed a reported \$600,000 of ESA program monies to be allegedly misused by 3 former ESA employees

Condition—Contrary to internal control standards and the *State of Arizona Accounting Manual (SAAM)*, as of June 2023, the Department of Education failed to develop an internal control structure that addressed the risk of fraud and abuse related to its Empowerment Scholarship Account program (ESA program). We reviewed parts of the ESA program internal control structure in response to becoming aware of alleged financial misconduct of former ESA program staff, as discussed in the effect section below.

We found the Department did not have policies and procedures that required proper separation of duties, including requirements for review and approvals of eligibility and reimbursement-supporting documentation. Additionally, the Department lacked proper oversight of the ESA program by not monitoring its application and disbursement processes. The Department reported the systems used to administer the ESA program did not log and/or generate reports for management to review user activity. Further, in violation of State law, the Department did not require its ESA staff to report any conflicts of interests that may have existed and therefore did not consider conflicts to properly address the risk of fraud or abuse.

Specifically, the Department reported that during fiscal year 2023, its ESA staff were able to perform the following tasks that went undetected by Department management:

- ESA enrollment specialists had the ability in the Department's internal system to assign applications to oneself without supervisory knowledge.
- ESA enrollment specialist had the ability to change the disability status on the ESA applications without additional approval or supervisory knowledge.
- ESA purchase review specialists had the ability to assign reimbursement requests to oneself without supervisor knowledge.

Effect—The Department's internal control weaknesses, including the lack of documented oversight, review, and approval of its ESA applications and disbursements, may have allowed a reported nearly \$600,000 of ESA monies to be misused, and the potential risk for future financial misconduct will exist until these weaknesses are remediated.

In February 2024, the Arizona State Grand Jury indicted 3 former Department of Education employees responsible for administering the ESA program and 2 relatives of 1 of the employees. The indictments included 40 felony counts related to conspiracy, fraudulent schemes and artifices, illegally conducting an enterprise, computer tampering, money laundering, and forgery.¹ Specifically, during the period of time beginning on or about October 14, 2021, and ending on or about November 24, 2023, the indictment alleges that the 3 Department employees colluded with one another to approve ESA applications and process disbursements that were fictitious, false, and/or forged to obtain over \$600,000 from the ESA program for their own benefit. As of the date of this report, a trial date of February 4, 2025, has been set.

Cause—While the Department had a set of policies and procedures, Department management reported when the change to a new ESA program administration took place in July 2023, there were several versions of the policies and procedures, employees were unclear which ones to follow, and the policies and procedures were not sufficient to address the risk of fraud or abuse. Department management also reported they were unaware of the lack of controls within the systems used.

In June 2016, our Office also previously reported a finding about the Department's ESA program eligibility determination process.² Specifically, we reported the Department did not consistently ensure that documentation submitted to demonstrate the nature of disabilities was accurate. We recommended the Department include within its policies and procedures guidance for when and how Department staff should verify children's disability qualification. The Department reported this recommendation was fully implemented in June 2018; however, it is unknown when the Department failed to sustain the changes or when it changed its policies and procedures regarding this as there has been turnover and the current administration is unsure what policies and procedures were in place at the time.

Criteria—As described within SAAM, an important component of safeguarding public monies is instituting and maintaining appropriate internal controls over the disbursement of State monies.³ An important internal control structure related to disbursements is the segregation of duties whereas the creator or initiator of a document may not be the approver of a document.⁴ In addition, agency management should (1) define objectives to enable the identification of risks and define risk tolerances; (2) identify, analyze, and respond to risks related to achieving the defined objectives; (3) consider the potential for fraud when identifying, analyzing, and responding to risks; and (4) identify, analyze, and respond to significant changes that could impact the internal control system.⁵

In addition, pursuant to SAAM, management at each agency is responsible for monitoring in the normal course of business, but at least annually, any transactions that occur between the agency, agency management, and/or agency staff with individuals or organizations in or with which agency management or agency employees have a substantial or remote interest. Management is also responsible for retaining documentation relating to any conflict-of-interest situations and how they were resolved.⁶

Further, designing, implementing, and maintaining effective policies and procedures is necessary to achieve the State's financial reporting objectives and an essential part of internal control standards, such as *the Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States.⁷

Recommendations—In the time since this report, Department management reported to us that they improved internal controls over review and approval of ESA applications and reimbursements/disbursements of ESA monies as follows:

- ESA program staff have attended trainings instructed by the Arizona Vital Records to help staff identify the authenticity of birth certificates.
- ESA applicants are now required to enter birth certificate numbers and parent guardian driver's license numbers into the Department's internal system, which is able to detect duplicate numbers.
- All ESA staff, including information technology staff, are required to complete a conflict-of-interest form, annually.
- The reported conflicts are maintained within an electronic log with the student information. In addition, the reported conflicts are uploaded to the ClassWallet system, which is the system that processes the reimbursements.

To develop an internal control structure that helps to prevent and timely detect potentially fraudulent activity, the Department should:

1. Continue implementing its newly developed procedures outlined above and include these in its written policies and procedures.

2. Fully develop and implement written policies and procedures for processing ESA program applications and ESA program reimbursements/disbursements and provide training to appropriate ESA staff on these policies and procedures, including:
 - a. Requirements for proper separation of duties, including the assignment, review, and approval of ESA program applications and ESA program reimbursements/disbursements within its internal and ClassWallet systems, respectively.
 - b. Guidance to help determine the authenticity of eligibility documentation, including birth certificates and disability documentation.
 - c. Requirements for secondary review and approval if a change is made to the disability status.
 - d. Performing a risk assessment to develop a risk-based approach for reimbursements/disbursements that require a secondary review such as establishing a dollar threshold and/or types of high-risk activity.
 - e. Requiring ESA staff to report any conflicts of interest that may exist and ensuring these conflicts are reviewed and addressed by management to mitigate the risk of fraud or abuse.
3. Enhance its oversight of the ESA program by developing system logging and reporting to monitor the activity recorded in the systems to ensure recommendation #2 is operating effectively and as designed.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The Attorney General’s Office announced the State Grand Jury indictment on February 26, 2024, where 5 defendants face a total of 40 felony fraud-related counts. Indictment, State of Arizona v. Delores Lashay Sweet, Dorrian Lamar Jones, Jennifer Lopez, Jadakah Celeste Johnson, and Raymond Lamont Johnson Jr., CN 93 SGJ 75 (D. Ariz. February 26, 2024). Maricopa County Superior Court case number CR2024-006462.

² Arizona Auditor General. (2016). *Arizona Department of Education-Empowerment Scholarship Accounts Program Report No. 16-107*. Retrieved 8/29/24 from https://www.azauditor.gov/sites/default/files/2023-11/16-107_Report.pdf

³ See SAAM 0506, *Internal Control Principles and Practices*. Retrieved 8/29/24 from <https://gao.az.gov/sites/default/files/2022-08/0506%20Internal%20Control%20Pinciples%20and%20Practices%20220523.pdf>

⁴ See SAAM 0510, *Internal Controls by Process*, 1.5. Retrieved 8/29/24 from <https://gao.az.gov/sites/default/files/2022-04/0510%2520Internal%2520Controls%2520by%2520Process%2520-%2520220404.pdf>

⁵ See SAAM 0506, *Internal Control Principles and Practices*, 3. Retrieved 8/29/24 from <https://gao.az.gov/sites/default/files/2022-08/0506%20Internal%20Control%20Pinciples%20and%20Practices%20220523.pdf>

⁶ See SAAM 0535, *Related Party Transactions*, 2. Retrieved 8/29/24 from <https://gao.az.gov/sites/default/files/2022-05/0535%2520Related%2520Party%2520Transactions%2520201109.pdf> and A.R.S. §38.503.

⁷ U.S. Government Accountability Office (GAO). (2014). *Standards for internal control in the federal government*. Washington, DC. Retrieved 8/29/2024 from <https://www.gao.gov/assets/670/665712.pdf>

2023-05

Department of Economic Security did not maintain accurate records to support unemployment insurance cash balances reported in the State’s financial statements, resulting in a qualified financial statement opinion and a risk that the State may be required to return approximately \$231.1 million to the federal government

Condition—Contrary to U.S. generally accepted accounting principles (GAAP) and State law, the Department of Economic Security (DES) did not maintain accurate records to support unemployment insurance cash balances submitted to the ADOA and included in the financial statements, which are presented in the State of Arizona’s Annual Comprehensive Financial Report (ACFR) as of June 30, 2023. Specifically, DES did not prepare complete and accurate bank listings or reconciliations to support why

the Unemployment Compensation Fund's (UC Fund) reported cash balance was \$231.1 million less than bank records, as follows:¹

- **DES did not report a bank account totaling \$71.8 million**—We found that DES did not prepare complete and accurate bank listings and omitted 1 bank account totaling \$71.8 million in the cash balance it reported to the ADOA.
- **DES did not reconcile \$159.3 million of cash in other bank accounts**—We found that DES did not prepare complete and accurate bank reconciliations for other bank accounts to explain a \$159.3 million difference between the bank records of \$212.8 million and the cash balance of \$53.5 million it reported to the ADOA.

These bank accounts were not reported on the State's financial system, and DES management reported the cash held in these bank accounts consisted of recovered overpayments and/or fraudulent payments of federal unemployment insurance monies.² However, DES did not provide any documentation to support these claims. Further, DES did not make any related financial statement adjustments for the unsupported differences between the bank records and cash balances recorded on the State's financial statements.

Effect—DES' not maintaining accurate records to support unemployment insurance cash balances resulted in increased risks of fraudulent activity, and the State's financial statements contain significant errors and misinform those who are relying on the information. Consequently, we issued a qualified financial statement opinion as we were unable to determine whether the UC Fund activity included in the State's business-type activities and aggregate remaining fund information for cash, due to U.S. government, and net position line items was reported in accordance with GAAP. Also, DES may be required to return approximately \$231.1 million to the federal government, if the unreconciled cash consisted of recovered overpayments and/or fraudulent payments of federal unemployment insurance monies as reported by DES management. Further, there is an increased risk that DES did not report additional bank accounts to the ADOA for inclusion in the State's financial statements.

Cause—DES lacked comprehensive compilation procedures to ensure the UC Fund's cash balances were accurately presented in the State's financial statements, including detailed procedures to:

- **Request and review source records to verify cash balances**—DES' Division of Financial Operations (DFO) management reported that they compiled the UC Fund's cash balances based on data in federal reports prepared by DES' Division of Employment and Rehabilitation Services (DERS) without requesting and reviewing source records, such as bank listings and reconciliations, to ensure the UC Fund's cash balances included all bank accounts and were accurately presented at fair value, as required by GAAP.
- **Monitor its bank accounts**—DERS management reported it failed to provide the DFO with information for a bank account totaling \$71.8 million because DERS failed to detect that recovered federal unemployment insurance monies were inadvertently deposited into an account intended to be used to hold cash for another federal program.
- **Perform and review bank reconciliations**—DERS staff responsible for preparing the bank reconciliations included several large unsupported reconciling items between the bank records and benefits systems' cash balances, and the staff reviewing the reconciliations did not question unsupported reconciling items. Further, DERS management reported that the unsupported reconciling items were related to the sudden and unusually large increase in funding for COVID-19 pandemic federal programs during 2020 and 2021, and they lacked staffing resources to investigate and correct the errors in their source records, which include the benefits systems and supporting cash records.³

Further, the ADOA—the State agency responsible for obtaining accurate and complete information from the State agencies and compiling the State's financial statements—did not have a risk-based process or otherwise conduct an in-depth review of the agency prepared financial statements when risks were identified. Despite being aware of the risk that DES held bank accounts not recorded on the State's accounting system, ADOA reported that they relied on DES to prepare the UC Fund financial statements and did not review or request supporting documentation to verify the amounts reported by DES were accurate before submitting them to auditors.

Criteria—The Governmental Accounting Standards Board sets the accounting and financial reporting standards that require the State to prepare its financial statements in accordance with GAAP, which requires that assets and liabilities be reported within the financial statements at fair value. State law requires the Department to submit all necessary financial information to the ADOA to be used to prepare the State's ACFR consistent with GAAP and in accordance with ADOA's policies and procedures (Arizona Revised Statutes §35-131 [I]). Accurate financial statements provide valuable information to those charged with the State's governance and management, and others who are relying on the reported financial information to make important decisions about the State's financial operations. The State agencies have a responsibility to implement internal controls to provide reasonable assurance over the reliability of the State's reported financial information. Complete and accurate information is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring financial information is accurately reported.⁴

Recommendations

DES should:

1. Maintain accurate and complete records to support the UC Fund's cash balances submitted to ADOA to ensure the State's financial statements are accurate and prepared in accordance with GAAP.
2. Improve its compilation policies and procedures to include comprehensive, detailed procedures to:
 - a. Request and review source records, such as bank listings and reconciliations, to verify the accuracy of cash balances reported in the financial statements.
 - b. Monitor its bank accounts, ensuring all bank accounts that hold unemployment insurance cash are considered for financial statement reporting.
 - c. Perform and review bank reconciliations to reconcile the bank records to benefits systems' cash balances and document and explain reconciling items.
3. Allocate sufficient resources, such as staffing, to correct the errors in unemployment insurance cash source records, including bank account listings and reconciliations, and ensure adequate training is provided to perform and review the bank reconciliations.
4. Investigate the \$231.1 million of unreconciled cash to confirm if it consisted of recovered overpayments and/or fraudulent payments of federal unemployment insurance monies to the federal government and return any required monies to the federal government, as directed by the federal agency.

The ADOA should:

5. Work with DES to ensure the UC Fund activity included in the State's business-type activities and aggregate remaining fund information for cash, due to U.S. government, and net position line items are properly reflected in accordance with GAAP in the State's fiscal year 2024 financial statements.
6. Develop and implement a risk-based process to increase its review of agency prepared financial statements, including requesting and reviewing supporting documentation as part of the State's financial statement compilation process, and submit accurate and complete information to auditors.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The Unemployment Compensation Fund pays claims for unemployment to eligible recipients from employer contributions and reimbursements and is reported as a nonmajor enterprise fund in the State's financial statements and reported in the statement of net position proprietary funds and statement of revenues, expenses and changes in fund net position proprietary funds (Arizona Department of Administration. (2023). Comprehensive Annual Financial Report, June 30, 2023. Retrieved 11/13/24 from https://www.azauditor.gov/sites/default/files/2024-11/StateOfArizonaJune30_2023FinancialReport.pdf)

² The federal-state Unemployment Insurance program partnership provides unemployment compensation (UC) benefits to unemployed workers for periods of involuntary unemployment and is provided for by Titles III, IX, and XII of the Social Security Act of 1935, the Federal Unemployment Tax Act (26 USC 3301 et seq.), Unemployment Compensation Federal Employees (5 USC 8501 et seq.), and Unemployment Compensation for Ex-service Members (5 USC 8521 et seq.).

³ In 2020, in response to the Coronavirus Disease 2019 (COVID-19) pandemic, new UC programs were created by federal legislation. The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 created the Pandemic Unemployment Assistance, Federal Pandemic Unemployment Compensation, and Pandemic Emergency Unemployment Compensation programs (Title II, Subtitle A of Pub. L. 116-136). The Continued Assistance for Unemployed Workers Act of 2020 created the Mixed Earners Unemployment Compensation program and provided for additional changes to the CARES Act programs (Division N, Title II, Subtitle A of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260). Additionally, the American Rescue Plan Act of 2021 (Pub. L. 117-2) further extended and modified the programs provided under the CARES Act and Continued Assistance Act.

⁴ U.S. Government Accountability Office (GAO). (2014). *Standards for internal control in the federal government*. Retrieved 10/9/24 from <https://www.gao.gov/assets/gao-14-704g.pdf>

2023-06

The Department of Housing reimbursed \$19,554 of State Housing Trust Fund monies to 1 nonprofit organization for costs that were unsupported, unallowable, and/or were paid to the nonprofit organization's principal officers or their immediate family members in violation of conflict-of-interest disclosure requirements

Condition—Contrary to its policies and procedures for administering the State Housing Trust Fund (State Fund), the Department of Housing (Department) reimbursed 1 nonprofit organization subrecipient for costs totaling \$19,554 during fiscal year 2023 with State Fund monies that were unsupported, unallowable, and/or paid to the nonprofit organization's principal officers or their immediate family members in violation of conflict-of-interest disclosure requirements.¹ Specifically, we reviewed 65 reimbursements, which included State Fund costs totaling \$354,115 for the year, and found that the Department reimbursed the subrecipient:

- \$6,782 for financial and accounting services and supplies that were paid to 1 of the nonprofit organization's principal officers, who served as the Treasurer, and their company, which was not disclosed as a conflict of interest to the Department as required by the Department's contract with the subrecipient and federal regulations. Also, the subrecipient allocated these costs to other federal programs and nonfederal activities; however, the Department did not verify that the allocation method the subrecipient used was reasonable or that the costs, as allocated, were allowed by the program's requirements.
- \$8,352 for bookkeeping services and related supplies that were not adequately supported by sufficiently detailed invoices and a signed, written contract having a specified price rate for the services and terms; therefore, we were unable to verify if the amounts paid were appropriate. Further, the Department reimbursed the subrecipient for payments made to the Treasurer's family member, whose bookkeeping services company was not disclosed as a conflict of interest to the Department as required by the Department's contract with the subrecipient and federal regulations. Also, the subrecipient allocated these costs to other federal programs and nonfederal activities; however, the

Department did not verify that the allocation method the subrecipient used was reasonable or that the costs, as allocated, were allowed by the program's requirements.

- \$4,402 for repairs and maintenance, travel, supplies, and other contracted services that were paid to another principal officer (\$3,998) and the Executive Director's immediate family member (\$404) who performed various handyman services, including plumbing, painting, and building repairs, that were not adequately supported by a signed, written contract having a specified price rate for the services and terms; therefore, we were unable to verify if the amounts paid were appropriate. Further, the Department reimbursed the subrecipient for payments made to the principal officer and Executive Director's immediate family member, whose services were not disclosed as a conflict of interest to the Department as required by the Department's contract with the subrecipient and federal regulations.
- \$18 for an incentive payment to an individual who served as the president of the board of directors without documentation demonstrating that it was authorized by an agreement, reasonable for the services performed as provided in the subrecipient's policies, and consistent with compensation paid for similar work in other activities; therefore, we were unable to verify if the amount reimbursed was allowable.

Additionally, contrary to its policies and procedures for administering the State Fund, the Department had not ensured that the subrecipient implemented competitive purchasing procedures when procuring the professional services and handyman services described above, and the subrecipient was unable to provide documentation that it had competitively procured the services.¹

The Department's policies and procedures for administering the State Fund require it to comply with applicable federal regulations when making subawards to nonprofit organizations and disbursing monies to carry out the State Fund's and various federal programs' objectives since subawards often involve both State Fund monies and federal program monies.¹ During the audit, we became aware of the potentially noncompliant 65 reimbursements involving 1 of the Department's nonprofit subrecipients with which it partners to carry out the State Fund's objectives, together with various federal programs, to provide housing assistance to individuals, including those with special needs, and/or experiencing homelessness in rural Arizona. Our review of select reimbursements resulted in similar findings for the federal Emergency Solutions Grants Program (Assistance Listings number 14.231), Continuum of Care Program (Assistance Listings number 14.267), and Temporary Assistance for Needy Families (Assistance Listings number 93.558) involving this subrecipient as described in findings 2023-115 and 2023-116, respectively.

Effect—The Department's reimbursing a nonprofit organization subrecipient for \$19,554 of unallowable or unsupported costs and/or costs paid to the nonprofit organization's principal officers or their immediate family members in violation of conflict-of-interest disclosure requirements resulted in those monies being unavailable for their intended purpose to provide housing assistance to individuals in need, and the personal loan reimbursement possibly violated the Arizona Constitution's ban on gifts or loans of public monies.

Cause—The Department had not yet resumed all its monitoring procedures, such as conducting on-site reviews and providing training and technical assistance, since suspending them starting in fiscal year 2020 due to the COVID-19 pandemic. Also, the Department had not properly assessed the subrecipient's risk of noncompliance with its award contract and program requirements to determine the level of monitoring procedures or training the subrecipient needed. For example, the Department was unaware that the subrecipient had not informed it of principal officers' conflicts of interest so that the Department could ensure that those principal officers or their immediate family members were not involved in decision-making related to those conflicts and selectively reviewed the related costs and activities for compliance purposes. Further, the Department personnel responsible for reviewing and approving the subrecipient's reimbursement requests reported to us that dating back to at least 2021, staff were trained to not follow

the Department's policies and procedures because they were not sufficiently detailed to provide direction on how to ensure costs are adequately supported and allowable in accordance with program requirements but, instead, to approve any costs that had been previously reimbursed.

Criteria—The Department's policies and procedures for administering the State Fund and/or federal regulations require the Department to monitor nonprofit organization subrecipients, including required procedures for assessing the risk of each subrecipient's noncompliance and implementing appropriate monitoring procedures to address those risk assessments; verifying single audits were conducted timely, if required; reviewing financial and performance reports; following up on and ensuring corrective action is taken on deficiencies that could potentially affect the program; and issuing management decisions on the results of audit findings or monitoring (2 CFR §§200.332, .339, and .521).¹ Federal regulations provide that monitoring procedures the Department may implement to address a subrecipient's risk assessment include providing training or technical assistance on program-related matters and performing on-site reviews and selective audits of reimbursed costs (2 CFR §200.332[e]). Further, federal regulations require the Department's subrecipients to allocate allowable costs using a reasonable basis, to use competitive purchasing standards when procuring goods and services, and to disclose in writing to the Department any potential conflicts of interest.² Moreover, State law bans gifts or loans of public monies by counties to individuals (Arizona Constitution, Art. IX, Sec. 7). Finally, the Department's policies and procedures for administering State Fund and federal program monies are an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, to achieving the Department's compliance objectives as they relate to the Department's ensuring its subrecipients are reimbursed for only those costs that are adequately supported and allowable and comply with applicable laws and regulations.³

Recommendations—The Department should:

1. Immediately stop reimbursing the nonprofit subrecipient for costs that are unsupported, unallowable, and/or paid to the nonprofit subrecipient's principal officers or their immediate family members in violation of the program's requirements and the Arizona Constitution and take appropriate enforcement actions with the subrecipient in accordance with its contract.
2. Update its written policies and procedures for reviewing and approving subrecipient reimbursement requests to include a process to ensure costs are adequately supported, allowable in accordance with program requirements and the Arizona Constitution, and approved by the appropriate level of management.
3. Train personnel responsible for reviewing and approving subrecipient reimbursement requests on how to identify costs that are unallowable under federal regulations and the Arizona Constitution.
4. Assess the risk of each subrecipient's noncompliance and perform the appropriate monitoring procedures based on the assessed risk, such as providing training or technical assistance on program-related matters and performing on-site reviews and selective audits of reimbursed costs for allowability.
5. Ensure subrecipients allocate allowable costs using a reasonable basis, use competitive purchasing standards when procuring goods and services, and disclose in writing to the Department any potential conflicts of interest. The Department may need to provide training and technical assistance to subrecipients that address these compliance areas, including the Department's obtaining conflict-of-interest disclosures from subrecipients as part of the subaward contract, as an example, or otherwise establishing a communication mechanism for subrecipients to use as such conflicts arise.
6. Continue to work with the subrecipient to resolve the \$19,554 in unallowable costs, including recovering these monies from the subrecipient and assessing the continued need to use this subrecipient for services.

7. Reimburse the State Fund for the \$19,554 of unallowable costs that it reimbursed the subrecipient from monies it recovers from the subrecipient and/or other monies from an allowable source.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-05 and was initially reported in fiscal year 2022.

¹ State laws require the Department to use State Fund monies to develop or connect with programs to provide housing opportunities and housing affordability programs to individuals in need, including those who are seriously mentally ill and chronically resistant to treatment. A portion of the State Fund is to be used for such housing in rural areas of the State (Arizona Revised Statutes [A.R.S.] §§41-3955[C & D] and 44-313). In its administration of the State Fund, the Department uses federal regulations, such as those as provided by the federal Uniform Guidance, contained in Title 2 of the Code of Federal Regulations (CFR) and 24 CFR 578, et seq, established by the U.S. Office of Budget and Management and U.S. Department of Housing and Urban Development, respectively, as applicable, when awarding subrecipients projects using State Fund and federal program monies (Arizona Department of Housing. [2021] *Special Needs Standard Operating Procedures Revised October 2021*).

² The applicable federal requirements related to allowable costs, competitive purchasing, and conflicts of interest can be found in the Code of Federal Regulations at 2 CFR §§200.112, .318-.327, and Subpart E.

³ U.S. Government Accountability Office (GAO). (2014). *Standards for internal control in the federal government*. Retrieved 7/29/2024 from <https://www.gao.gov/assets/670/665712.pdf>

2023-07

Six State agencies had deficiencies in their processes for managing and documenting IT risks, which may put operations and IT systems and data at unintended and unnecessary risk of potential harm

Condition—We reviewed the risk-assessment process for 7 State agencies including the Departments of Administration (ADOA), Child Safety (DCS), Economic Security (DES), Homeland Security (HLA), and Revenue (DOR); the Land Department (LDA); and Office of the State Treasurer (TRA) and identified deficiencies in 6 agencies' processes for managing and documenting IT risks.¹ Specifically,

- Contrary to State law, the Statewide Information Security and Privacy Office within the HLA, which is responsible for overseeing the State's risk assessment, did not identify information security and privacy risks in each agency and direct agencies to adopt risk-mitigation strategies, methods, and procedures to minimize the risks. (HLA)
- DCS', DES', LDA's, and TRA's processes for managing and documenting their risks did not include an overall risk-assessment process that included identifying, analyzing, and responding to the agency-wide or State-wide information technology (IT) risks, such as potential harm from unauthorized access, use, disclosure, disruption, modification, or destruction of IT systems and data.
- ADOA's, DCS', DES', LDA's, and TRA's processes did not include identifying, classifying, and inventorying sensitive information that might need stronger access and security controls.

Effect—The State agencies' administration and IT management may put the agencies' operations, IT systems, and data at unintended and unnecessary risk of potential harm.

Cause—The Statewide Information Security and Privacy Office within the HLA reported that they contracted with a third party to help identify information security and privacy risks but did not complete all the assessments by June 30, 2023. Further, because the State's risk-assessment process is further managed at each agency, the agencies are in various stages of developing or implementing policies and

procedures for assessing and managing risk and have not fully implemented agency-wide risk-assessment processes that address IT security.

Criteria—State law, effective September 24, 2022, and HLA State-wide information security program policies require the Statewide Information Security and Privacy Office within the HLA by July 1 of each year to identify information security and privacy risks in each budget unit and direct agencies to adopt risk mitigation strategies, methods, and procedures to minimize the risks (A.R.S. §41-4282 [C.3]). Further, the State agencies are required to follow the State IT policies the Arizona Strategic Enterprise Technology Office established to help effectively manage risk at State agencies. Effectively managing risk includes an entity-wide risk-assessment process that involves members of the agencies' administration and IT management. An effective risk-assessment process helps the agencies determine the risks the agencies face as they seek to achieve their objectives to not only report accurate financial information and protect their IT systems and data but to also carry out their overall mission and service objectives. Additionally, an effective risk-management process provides the agencies the basis for developing appropriate responses based on identified risk tolerances and specific potential risks to which the agencies might be subjected. To help ensure the agencies' objectives can be met, an effective annual risk assessment considers and identifies IT risk in the agencies' operating environment, analyzes and prioritizes each identified risk, and develops a plan to respond to each risk within the context of the agencies' defined objectives and risk tolerances. Finally, effectively managing risk includes the agencies' process for identifying, classifying, and inventorying sensitive information that might need stronger access and security controls to address the risk of unauthorized access and use, modification, or loss of that sensitive information.

Recommendations—The State agencies' administration and IT management should:

1. Identify, analyze, and reduce risks to help prevent undesirable incidents and outcomes that could impact business functions and IT systems and data. (DES, LDA, TRA)
2. Plan for where to allocate resources and where to implement critical controls. (ADOA, DCS, DES)
3. Ask responsible administrative officials and management over finance, IT, and other entity functions for input in the agencies' process for managing risk. (DES, LDA)
4. Identify information security and privacy risks in each agency, and direct agencies to adopt risk-mitigation strategies, methods, and procedures to minimize the risks. (HLA)
5. Perform an annual entity-wide IT risk-assessment process that includes evaluating and documenting risks and safeguards. Such risks may include inappropriate access that would affect financial data, system changes that could adversely impact or disrupt system operations, and inadequate or outdated system security. (DCS, DES, LDA, TRA)
6. Evaluate and manage the risks of holding sensitive information by identifying, classifying, and inventorying the information the agencies hold to assess where stronger access and security controls may be needed to protect data in accordance with State statutes and federal regulations. (ADOA, DCS, DES, LDA, TRA)

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-06 and was initially reported in fiscal year 2015.

¹ We did not identify any reportable deficiencies related to DOR's risk-assessment process.

2023-08

Six State agencies' control procedures over IT systems and data were not sufficient, which increases the risk that the agencies may not adequately protect those systems and data

Condition—We reviewed the access, configuration management, information technology (IT) security, and contingency-planning controls at the Departments of Administration (ADOA), Child Safety (DCS), Economic Security (DES), and Revenue (DOR); the Land Department (LDA); and the Office of the State Treasurer (TRA) and found that these agencies' control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with their IT systems and data. The agencies lacked sufficient procedures over the following:

- **Restricting access**—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data. (ADOA, DCS, DES, DOR, LDA, TRA)
- **Managing system configurations and changes**—Procedures did not ensure configuration settings were securely maintained and all IT system changes were adequately managed. (DES, LDA, TRA)
- **Securing systems and data**—IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss. (ADOA, DES, DOR, LDA, TRA)
- **Ensuring operations continue**—Contingency plans either were not developed or lacked key elements related to restoring operations in the event of a disaster or other system interruption. (DES, DOR, LDA, TRA)

Effect—There is an increased risk that the State agencies may not adequately protect their IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data. It also increases the agencies' risk of not being able to effectively continue daily operations and completely and accurately recover vital IT systems and data in the event of a disaster or system interruption.

Cause—Because the State is decentralized and IT systems and data are managed at each agency, the State agencies are in various stages of developing and implementing policies and procedures for access, configuration management, security, and contingency planning and have not fully implemented them.

Criteria—The State agencies are required to follow the State's IT policies the Arizona Strategic Enterprise Technology Office (ASET) established to implement effective internal controls that protect their IT systems and ensure the integrity and accuracy of the data they maintain, as follows:

- **Restrict access through logical controls**—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed. (ADOA, DCS, DES, DOR, LDA, TRA)
- **Manage system configurations and changes through well-defined, documented configuration-management process**—Ensures the agencies' IT system configurations are documented and that changes to the systems are identified, documented, evaluated for security implications, tested, and approved prior to implementation. This helps limit the possibility of an adverse impact on the system's security or operation. (DES, LDA, TRA) Separating responsibilities is an important control for system changes; the same person who has authority to make system changes should not put the change into production. If those responsibilities cannot be separated, a post-implementation review should be performed to ensure the change was implemented as designed and approved. (LDA, TRA)

- **Secure systems and data through IT security internal control policies and procedures**—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to their IT systems and data. (ADOA, DES, DOR, LDA, TRA)
- **Ensure operations continue through a comprehensive, documented, and tested contingency plan**—Provides the preparation necessary to place the plan in operation and helps to ensure business operations continue and systems and data can be recovered in the event of a disaster, system or equipment failure, or other interruption. (DES, DOR, LDA, TRA)

Recommendations—The State agencies should:

1. Plan for where to allocate resources and where to implement critical controls. (DCS)
2. Make it a priority to develop and document comprehensive or remaining IT policies and procedures following guidance from ASET and develop a process to ensure the procedures are being consistently followed. (ADOA, DES, DOR, LDA, TRA)
3. Monitor agency employees' adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed and inform employees of updates to the policies and procedures throughout the year. (ADOA, DES)
4. Work with ASET on the ways to implement audit recommendations. (ADOA, DCS, DES, DOR, LDA, TRA)

Restrict access—To restrict access to its IT systems and data, the agencies should develop, document, and implement processes to:

5. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities. (ADOA, DCS, DES, DOR, LDA, TRA)
6. Remove terminated employees' access to IT systems and data. (DES, DOR, LDA)
7. Review all other account access to ensure it remains appropriate and necessary. (ADOA, DES, DOR, LDA)
8. Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts. (DCS, DES, DOR, LDA)
9. Enhance authentication requirements for IT systems. (ADOA, DCS, DES, DOR, LDA)

Manage system configurations and changes—To configure IT systems securely and manage system changes, the agencies should develop, document, and implement processes to:

10. Establish and follow a documented change-management process. (TRA)
11. Document the change-management process. (LDA)
12. Document review of proposed changes for appropriateness, justification, and security impact. (TRA)
13. Document testing procedures and results and change approvals. (TRA)
14. Develop and document a plan to roll back changes in the event of a negative impact to IT systems. (TRA)
15. Document testing of changes prior to implementation. (TRA)
16. Separate responsibilities for the change-management process or, if impractical, perform a post-implementation review to ensure the change was implemented as approved. (TRA)
17. Maintain configurations for all system services, assets, and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes. (DES)

Secure systems and data—To secure IT systems and data, the agencies should develop, document, and implement processes to:

18. Perform proactive key user and system activity logging and log monitoring, particularly for users with administrative access privileges. (ADOA, DES, DOR, LDA)
19. Update and implement a security incident response plan clearly stating how to report and handle such incidents. (TRA)
20. Provide all employees ongoing training on IT security risks and their responsibilities to ensure systems and data are protected. (ADOA, DOR)
21. Ensure awarding and subsequent monitoring of IT vendor contracts is adequately conducted to ensure vendor qualifications and adherence to the vendor contract. (ADOA, TRA)
22. Document formal review of third-party management over the IT system. (ADOA, LDA)

Ensure operations continue—To ensure operations continue, the agencies should develop, document, and implement processes to:

23. Develop and implement a contingency plan, and ensure it includes all critical elements to restore critical operations, including being prepared to move critical operations to a separate alternative site if necessary. (DOR)
24. Update the contingency plan, and ensure it includes all critical elements to restore critical operations. (TRA)
25. Test the contingency plan. (DES, DOR, LDA, TRA)
26. Train staff responsible for implementing the contingency plan. (DOR, TRA)
27. Securely maintain and test backups of systems and data. (DOR, TRA)

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-07 and was initially reported in fiscal year 2015.

Other auditors' financial statement findings

The other auditors who audited the Arizona Health Care Cost Containment System (AHCCCS) reported the following findings.

2023-09

AHCCCS suspended more than 300 Medical Assistance Program sober-living providers for potential fraudulent billing practices but has not yet determined the amount of fraud or improper payments, potential recovery from the providers, or amount that may be due back to the federal government, resulting in a qualified financial statement opinion

Condition—The AHCCCS Office of Inspector General and the Arizona Attorney General's Office became aware of potential fraudulent billing practices including significant increases in billing for outpatient behavioral health services in its Medical Assistance Program (noncompliance in a federal program as described in finding 2023-130, that had a direct and material effect on the determination of financial statements amounts). These circumstances triggered a multi-agency review and investigation of potential fraud, waste and abuse. Ultimately, this led AHCCCS to connect the irregular billing of these services with

alleged criminal activity targeting Indigenous peoples and other vulnerable Arizonans. In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the State. Since then, AHCCCS has suspended more than 300 providers. These provider suspensions are known as Credible Allegations of Fraud (CAF) suspensions.

The CAF payment suspensions noted above are associated with wide-ranging investigations into fraudulent Medicaid billing by the named providers. The investigations are ongoing. However, AHCCCS believes that credible evidence has been established that individuals were targeted and aggressively recruited with false promises of food, treatment, and housing, only to be taken to locations where providers billed for services that were not provided or were not appropriate or necessary. See also federal compliance finding at 2023-130.

A determination of the amount of fraud or improper payments, potential recovery from the providers, or amount that may be due back to the federal government cannot be made at this time as AHCCCS is still in the process of investigating and working with the Attorney General's Office for prosecution of substantiated claims, which is a highly complex and manual process and can take many years to finalize. Therefore, AHCCCS could not determine whether any financial statement adjustments or additional disclosure were necessary as a result of the federal noncompliance.

Effect—As a result of this matter, we were unable to obtain sufficient appropriate audit evidence for AHCCCS' receivables and other, federal revenue, and due to the federal government line items and have issued a qualified opinion on the basic financial statements as of and for the year ended June 30, 2023. Material unrecorded receivables, federal revenue and due to the federal government may exist.

Cause—AHCCCS did not make any financial statement adjustments for potential repayment or recoveries because it lacked evidence to complete the determinations necessary to support the amount of monies it would be required to return to the U.S. government. Further, AHCCCS did not have sufficient controls in place to safeguard against unnecessary utilization of care and services and to prevent fraud. Additionally, AHCCCS did not have sufficient procedures for the ongoing pre- and post-payment review of behavioral health claims, as noted in the compliance finding at 2023-130.

Criteria—Accounting principles generally accepted in the United States of America ("GAAP") require that AHCCCS' government-wide financial statements be reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. AHCCCS' governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized only to the extent that they are susceptible to accrual, meaning that they are both measurable and available to finance expenditures of the fiscal period.

Recommendation—We recommend that AHCCCS continue its investigations and refer Credible Allegations of Fraud (CAF) cases to law enforcement officials. Additionally, we recommend AHCCCS continue to work with CMS to determine what, if any, amounts may be required to be remitted to CMS. We also recommend that once amounts are known, AHCCCS should record the balances within the financial statements in accordance with GAAP.

Management of AHCCCS concurs with the finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2023-10

AHCCCS failed to provide timely key financial information for audit, resulting in delays to the State's incorporating this needed information into its financial statements and issuing them more timely as planned

Condition—For the year ended June 30, 2023, AHCCCS encountered significant delays in the close and financial reporting process. Additionally, AHCCCS experienced delays in certain required quarterly reporting of up to 45 days in some instances and required extensions from various funding agencies, most notably the Centers for Medicare & Medicaid Services (CMS). For fiscal year 2023, AHCCCS' financial reporting and federal award information was due to ADOA by November 9, 2023, and was not submitted until September 10, 2024.

Effect—The State was not able to meet its financial reporting and audit requirements and deadlines. This also impacted decision-makers' ability to rely on financial information that is not provided in a timely manner. Additionally, the delay in the federal award reporting resulted in the State's delay in issuing its single audit reporting package, which was due March 31, 2024, and could result in actions being taken by federal grantors on various federal awards. This is deemed to be a material weakness in internal control over financial reporting.

Cause—The significant delays in AHCCCS' close and financial reporting process were caused by employee turnover within AHCCCS' Division of Budget and Finance, as well as a lack of resources as a result of reduced staffing from retirements. Additionally, poor or nonexistent process documentation, an extensive learning curve of the newly assembled AHCCCS audit team responsible for the coordination and administration of the audit, and financial/accounting system issues contributed to the delay. These matters were exacerbated as a result of the COVID-19 pandemic and the myriad of federal and state responses that continue to impact the Medicaid program. This has increased the volume and complexity of accounting activity within AHCCCS.

Criteria—AHCCCS' close and financial reporting processes involve a significant volume of complex accounting transactions and estimates that require sufficient personnel with the requisite skills, knowledge and expertise to ensure the accuracy and timeliness of the year-end close and financial reporting process as well as the accuracy and timeliness of other quarterly financial reporting. Additionally, State law requires State agencies to submit their financial and federal award information to the Arizona Department of Administration ("ADOA") by a specified date to meet the State's financial reporting and single audit deadlines. For fiscal year 2023, AHCCCS' financial reporting and federal award information was due to ADOA by November 9, 2023.

Recommendation—AHCCCS should submit financial reporting and federal award information to ADOA within the required timelines. We recommend that AHCCCS continue to review the overall size of the finance and accounting department within the Division of Budget and Finance and consider adding additional resources such that the complement of finance and accounting professionals is sufficient to timely close the books and complete year-end and quarterly reporting timely. We also recommend that given the growth of the program and as a result of turnover, management assess the skills, knowledge, and experience of the accounting department to ensure that resources are sufficient to facilitate timely financial reporting.

Management of AHCCCS concurs with the finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-09 and was initially reported in fiscal year 2022.

2023-11

AHCCCS' initial financial statements contained errors, which increased the risk that those relying on the reported financial information could be misinformed

Condition—In connection with our audit, we encountered several audit adjustments to present the financial statements and schedule of expenditures of federal awards of AHCCCS in accordance with GAAP. For the year ended June 30, 2023, several audit adjustments were made to properly adjust accruals, reconcile balances, correct errors, and properly present financial information in the financial statements and schedule of expenditures of federal awards. We noted 21 adjusting entries, which resulted in increases of approximately \$208.8 million to assets, \$33.7 million to liabilities, \$175.2 million to net position, and \$94.5 million to net income. Additionally, we noted the adjusting entries, resulted in a net decrease in the total expenditures of federal awards of approximately \$593.9 million as presented on the schedule of expenditures of federal awards.

Effect—While the necessary adjustments were posted to correct the financial statements and the schedule of expenditures of federal awards, AHCCCS' unadjusted financial statements and schedule of expenditures could be materially misstated and not presented in accordance with accounting principles generally accepted in the United States of America. This could result in conflicting information for management and outside users. This is deemed to be a material weakness in internal control over financial reporting.

Cause—The audit adjustments were caused largely by turnover within AHCCCS' Division of Budget and Finance, poor or nonexistent process documentation, an extensive learning curve of the newly assembled AHCCCS audit team responsible for the coordination and administration of the audit, and financial/accounting system issues.

Criteria—Accounting principles generally accepted in the United States of America ("GAAP") require that AHCCCS' government-wide financial statements be reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. AHCCCS' governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized only to the extent that they are susceptible to accrual, meaning that they are both measurable and available to finance expenditures of the fiscal period.

Recommendation—We recommend that AHCCCS' Division of Budget and Finance enhance their existing documentation of accounting policies and procures and processes to ensure that any future impact on the year-end close and financial reporting processes are minimal. We also recommend the establishment of a year-end close manual and checklist to ensure accruals, financial statements, and the schedule of expenditures of federal awards are complete and accurate.

Management of AHCCCS concurs with the finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2023-12

AHCCCS did not adequately protect data in its eligibility system, resulting in a breach of sensitive information for 2,632 Medicaid members in May 2023

Condition—On May 11, 2023, AHCCCS became aware of a breach of personal information affecting 2,632 out of over 2.4 million individuals in Arizona who are enrolled Medicaid members.

Effect—As a result of the breach, 2,632 individuals in Arizona who are enrolled Medicaid members were impacted as some household accounts in the HEAPlus system were viewable to individuals not included in their household. The viewable details included first and last name, address, and the last 4 digits of social security numbers. At the point of discovery, AHCCCS disabled the HEAPlus system toolbar that allowed members to view this information. On July 3, 2023, AHCCCS began to notify, in writing, those members whose personal information was compromised and offered free credit reports and credit report monitoring. AHCCCS also notified the U.S. Department of Health and Human Services (HHS)/Office of Civil Rights (OCR) of the breach. This is deemed to be a material weakness in internal control over financial reporting.

Cause—Due to a programming error with the Health-e-Arizona Plus (HEAPlus, the AHCCCS eligibility system), the system toolbar allowed some household accounts in the HEAPlus system to be viewable to individuals not included in their household.

Criteria—AHCCCS is required to implement policies and procedures and security measures over IT systems to adequately protect data and to prevent the breach of sensitive data.

Recommendation—We recommend that AHCCCS review their existing IT policies and procedures and develop a process to ensure procedures are being consistently followed. We also recommend AHCCCS monitor employees' adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed and inform employees of updates to the policies and procedures throughout the year. Lastly, we recommend that all programming changes be run through a configuration management testing phase prior to implementation/go-live.

Management of AHCCCS concurs with the finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-10 and was initially reported in fiscal year 2022.

The other auditors who audited the Arizona Commerce Authority (Authority) reported the following finding.

2023-13

The Authority did not have internal controls to reconcile balances during their financial statement compilation process, and adjusting journal entries were required. The Authority's activity is reported in the State's aggregate discretely presented component units' financial statements. The Authority's and the State's financial statements were adjusted for the misstatements noted.

Condition—The Authority lacked internal control procedures to reconcile fund balances, to ensure a proper financial close.

Effect—Significant audit adjustments were proposed and subsequently approved by management to properly state year-end fund balances in the fund financial statements.

Cause—The Authority has not established controls to ensure accounts are adjusted to appropriate year-end balances in accordance with Generally Accepted Accounting Principles. The Authority has reviewed and approved the proposed adjustments and the draft financial statements.

Criteria—Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with applicable accounting and reporting standards.

Recommendation—We recommend the Authority evaluate its internal control processes over financial statement preparation and establish effective review policies and procedures over fund balance reconciliation and annual financial close.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

The other auditors who audited the Arizona Property and Casualty Insurance Guaranty Fund (APCIGF) reported the following finding.

2023-14

The APCIGF did not retain required approval documentation for \$816,451 of vendor payments for hospital or medical services, increasing the risk that material errors may not be prevented or detected. The APCIGF's activity is combined into the Department of Insurance and Financial Institutions' Guaranty Funds column reported in the State's aggregate discretely presented component units' financial statements.

Condition—For 12 of 12 vendor payments totaling \$816,451 for hospital or medical services in excess of \$20,000 and that were initiated by the third-party administrator and required approval by the APCIGF, documentation of approval was not retained.

Effect—Material errors in financial reporting may not be prevented or detected on a timely basis.

Cause—The APCIGF changed third-party administrators at the beginning of 2022, and there were difficulties in implementing various approval processes. Additionally, although the internal controls were adequately designed, there were deficiencies in the execution of the controls.

Criteria—In accordance with the Broadspire Final APCIGF Claims protocol document, which is called Medical Management, vendor payments that are initiated by the third-party administrator for hospital bills and medical services in excess of \$20,000 in a single bill or charged to single claimant over \$20,000 require approval by the APCIGF's Claims Manager or Executive Director.

Recommendation—A procedure should be developed and implemented to ensure approval documentation for vendor payments initiated by the third-party administrator for hospital bills and medical services in excess of \$20,000 in a single bill or charged to single claimant over \$20,000 is retained. These reviews should be documented. This will help ensure that vendor payments, initiated by the third-party administrator for hospital bills and medical services, are properly approved.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

Federal award findings and questioned costs

2023-101

Assistance Listings numbers and names: Not applicable

Questioned costs: Not applicable

Condition—Contrary to federal regulations and guidance, the Arizona Department of Administration (ADOA) submitted the State's June 30, 2023, Single Audit Report to the federal audit clearinghouse on December 17, 2024, which was nearly 9 months later than allowed by federal regulation.

Effect—The State's late Single Audit Report submission may have prevented the U.S. Department of Health and Human Services, which is the State's federal cognizant agency, as well as the U.S. Department of Education, which oversees the State's 3 universities' student financial aid programs, and other federal agencies that oversee the State's federal programs from having timely information to effectively monitor federal programs and impose corrective actions for any findings we report. Further, because of the noncompliance, State agencies, including the 3 universities, could potentially face further actions by federal or pass-through agencies that affect the State's future federal award funding. Such actions include imposed suspensions, delays, or restrictions in federal award funding due to enhanced cash and compliance monitoring and/or denials of new federal award proposals, including the following examples reported to us as of the date of this report:

- University of Georgia suspended reimbursing Northern Arizona University (NAU) for a \$1.3 million subaward agreement through U.S. Department of Energy until the State's Single Audit Report is issued.
- U.S. Department of Education has put NAU on enhanced cash and compliance monitoring for each reimbursement request for a \$2.7 million grant award until the State's Single Audit Report is issued.

- U.S. Department of Housing and Urban Development was unable to provide the Arizona Department of Housing a \$62,649 federal grant incentive payment for on-time report filing. This is the Department of Housing's second year not receiving the incentive payment, and it is now subject to additional administrative actions.

Cause—The State issued its fiscal years 2020, 2021, and 2022 Annual Comprehensive Financial Report and Single Audit reports late, issuing the fiscal year 2022 Single Audit on December 20, 2023, which was over 9 months late. This was primarily due to 2 significant agencies—the Arizona Health Care Cost Containment System (AHCCCS) and Department of Economic Security (DES)—failing to timely submit financial and federal information to ADOA (see financial statement findings 2023-01 and 2023-10) for the fiscal year 2023 ACFR and Single Audit reports. Specifically, AHCCCS and DES did not submit draft or final federal program expenditures to ADOA by established deadlines of November 30, 2023 (draft) and March 29, 2024 (final), as follows:

- AHCCCS submitted draft federal program expenditures to ADOA on December 19, 2023; however, AHCCCS' auditors identified material errors that required audit adjustments as noted in financial statement finding 2023-11. AHCCCS provided 8 subsequent draft revisions to ADOA between May and June 2024, significantly decreasing total State federal expenditures, which required us to audit an additional federal program starting in June 2024.
- DES submitted draft federal program expenditures to ADOA on April 26, 2024, nearly 5 months late.
- AHCCCS and DES submitted final federal program expenditures to ADOA on September 10, 2024, and September 11, 2024, respectively, or nearly 6 months late.

Consequently, ADOA was unable to provide a final State SEFA to us until September 25, 2024, which is needed to finalize major federal determinations and ensure required audit procedures were performed for the State's single audit.

Criteria—Federal regulation requires the State to submit its Single Audit Report to the federal audit clearinghouse no later than 9 months after fiscal year-end (2 CFR §200.512). Also, federal regulation requires establishing and maintaining effective internal controls that provide reasonable assurance that the State complies with federal regulations, including federal reporting requirements (2 CFR §200.303).

Recommendations

- ADOA should submit all future Single Audit Reports on or before the federally required submission deadline, which is no later than 9 months after the fiscal year-end or by March 31 of the subsequent year.
- Those individuals in management who are responsible for DES' and AHCCCS' federal program administration should:
 - a. Ensure they allocate the appropriate resources to timely submit the necessary accurate and final program expenditures for the SEFA to ADOA and for the audit to meet the State's single audit submission requirements.
 - b. Continue to coordinate and communicate directly with ADOA any difficulties they are having and to seek guidance and assistance when needed.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-101 and was initially reported in fiscal year 2020.

2023-102

Assistance Listings number and name: 21.027 **COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)**
Award number and year: None
Federal agency: **U.S. Department of the Treasury**
Questioned costs: \$1,903,858

Assistance Listing number and name: 84.425C **COVID-19 Education Stabilization Fund – Governor’s Emergency Education Relief (GEER) Fund**
Award numbers and years: S425C200052, June 2, 2020 through September 30, 2022; S425C210052, January 8, 2021 through September 30, 2023
Federal agency: **U.S. Department of Education**
Questioned costs: Unknown

Compliance requirement: Subrecipient monitoring

Condition—The Governor’s Office of Strategic Planning and Budgeting (Office) awarded \$135.1 million to 334 SLFRF program subrecipients and \$10.2 million to 10 GEER program subrecipients during fiscal year 2023, or 88 percent and 98 percent, respectively, of each of the Office’s federal program expenditures, but did not perform all required risk assessments to assess whether its monitoring procedures were sufficient to evaluate whether subrecipients used program monies in accordance with the award terms and program requirements. Specifically, risk assessments were not performed for 37 of 42 SLFRF program subrecipients and 5 of 5 GEER program subrecipients tested.

Effect—The Office’s delay in performing required risk assessments did not allow the Office to properly design and prioritize its monitoring efforts, resulting in the Office not timely identifying questioned costs of approximately \$1,903,858 for 3 SLFRF program subrecipients that may not have been spent in accordance with program requirements.¹ The Office identified several of these questioned costs as potentially inappropriate and has forwarded this information to the Attorney General’s Office for further review. As a result, the Office may be required to return these monies to the federal agency in accordance with Uniform Guidance requirements.² Further, if monies were spent inconsistent with program requirements, those who were intended to benefit from the program may not have received all the services or other benefits they otherwise would have received. Subrecipient program expenditures are not related to the revenue loss expenditure category.

Cause—Office management reported that it hired additional staff in fiscal year 2023 to begin addressing issues noted in prior year findings 2022-104 and 2022-10 but had not done so in time to complete required risk assessments for the more than 300 SLFRF program and 10 GEER program subrecipients.³

Criteria—Federal regulation requires the Office to monitor subrecipients, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments. This federal regulation also provides that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §200.332[b] and [e]). Further, Office policy requires an annual risk assessment of open, active subawards to determine which subawards will be selected for review and monitoring priority (Grants Management Manual – Grantor, Chapter 8 – Award Monitoring). Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Office should:

1. Ensure it performs required monitoring of its subrecipients and their compliance with the award terms and program requirements by following its established policies and procedures to assess the risk of each subrecipient’s noncompliance annually and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on site reviews, selective audits, and/or other monitoring procedures.
2. Continue to assess its resources, such as staffing, to perform required risk assessments and monitoring procedures to comply with the award terms and program requirements.
3. Work with the federal agency and the subrecipients to resolve the \$1,903,858 of program monies that may have been spent in violation of its federal award terms and that may need to be returned to the federal agency.²

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year findings 2022-104 (GEER) and 2022-106 (SLFRF) and were initially reported in fiscal years 2021 (GEER) and 2022 (SLFRF).

¹ The Office reported during fiscal year 2024 it began performing missing risk assessments for subrecipients awarded monies during fiscal years 2022 and 2023 that were not completed by June 30, 2023, and is currently conducting additional onsite monitoring or desk reviews based on those results. As of the report date, December 17, 2024, the Office identified and reported to us approximately \$1,903,858 of expenditures for 3 SLFRF program subrecipients that may not have been spent in accordance with program requirements. Since the Office is still performing monitoring procedures for subaward monies spent during fiscal year 2023, there may be additional questioned costs that the Office has not identified.

² Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the Office, takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies’ management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

³ Arizona Auditor General. (2023). State of Arizona June 30, 2022, *Single Audit Report*. Phoenix, AZ. Retrieved 08/13/2024 from https://www.azauditor.gov/sites/default/files/2024-01/StateOfArizonaJune30_2022SingleAudit.pdf

2023-103

Assistance Listings number and name:	21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Award number and year:	None
Federal agency:	U.S. Department of the Treasury
Questioned costs:	Not applicable
Compliance requirement:	Reporting

Condition—The Governor’s Office of Strategic Planning and Budgeting Office’s (Office) administration reported \$257.0 million of inaccurate program expenditures to the federal agency in its quarterly reports when compared to the State’s records. Specifically, for 2 of 12 projects initially tested, we found a cumulative overstatement of \$3.8 million, or 3.2 percent of the \$120.6 million in expenditures for the identified projects during fiscal year 2023. Upon further analysis of all projects within the 4 quarterly reports, we found a total cumulative overstatement of program expenditures of \$257.0 million reported as of June 30, 2023, as follows:

Quarterly report date	Total program expenditures as of report date	Cumulative overstatement of program expenditures when compared to the State's records	Cumulative overstatement of program expenditures as a percentage of total program expenditures as of report date
September 30, 2022	\$1.9 billion	\$28,209,828	1.5 percent
December 31, 2022	\$2.1 billion	\$63,408,917	3.1 percent
March 30, 2023	\$2.2 billion	\$145,604,993	7.0 percent
June 30, 2023	\$2.4 billion	\$256,990,948	12.2 percent

Effect—The Office’s reporting inaccurate program information results in the federal agency being unable to rely on the reports to monitor the Office’s program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program’s success. Further, there is a risk that the Office may be required to return excess monies reported as spent to the federal agency if the expenditures have not been fully reconciled at the end of the program, which occurs during fiscal year 2027.

Cause—The Office staff responsible for preparing the reports did not reconcile them to the State’s accounting records, which are the official record of expenditures made for the program, and instead reconciled them to the Office’s internal grants-management system. Additionally, the Office’s policies and procedures lacked detailed reconciliation procedures.

Criteria—Federal law, regulation, and guidance requires the Office to quarterly accurately report its cumulative obligations and expenditures by type, such as contracts, grants, loans, direct payments, and transfers to other governmental entities, beginning December 2020.¹ Accordingly, the Office’s policies and procedures, including federal reporting templates, provide instructions for employees to follow to meet these reporting requirements. Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms and conditions (2 CFR §200.303).

Recommendations—The Office should:

1. Report accurate and complete program information to the federal agency.
2. Improve its reporting policies and procedures to require employees to reconcile expenditure amounts to the State’s accounting records and investigate and resolve any differences prior to submitting the report to the federal agency.
3. Perform a reconciliation for reports the Office has already submitted to the federal agency to identify those that contain errors, and revise and resubmit those reports if practicable or notify the federal agency of these reporting errors.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-107 and was initially reported in fiscal year 2022.

¹ The American Rescue Plan Act established the State and Local Fiscal Recovery Fund (SLFRF) and was enacted March 11, 2021. Federal interim guidance for implementing the SLFRF was established by the U.S. Treasury in May 2021 and finalized in January 2022 in effect until April 1, 2022. All the U.S. Treasury's SLFRF guidance was finalized in the Federal Register (FR) on January 27, 2022 (FR Vol. 87, No. 18, Doc. 2022-00292) and became effective on April 1, 2022. Retrieved 10/1/2024 from <https://www.govinfo.gov/content/pkg/FR-2022-01-27/pdf/2022-00292.pdf>

2023-104

Assistance Listings number and name:

84.425C **COVID-19 - Education Stabilization Fund – Governor's Emergency Education Relief (GEER) Fund**

Award number and year:

S425C200052, June 2, 2020 through September 30, 2022;
S425C210052, January 8, 2021 through September 30, 2023

Federal agency:

U.S. Department of Education

Compliance requirement:

Reporting

Questioned costs:

Not applicable

Condition—Contrary to federal laws, regulations, and guidance, the Governor's Office of Strategic Planning and Budgeting (Office), as the prime recipient responsible for the programs' federal reporting, failed to report correct key elements, such as the subrecipient organization's name and related awards or expenditures, on the federal government's reporting system and Annual Performance Report (APR) during fiscal year 2023. Specifically, the Office incorrectly reported the subrecipient organization's name as the Arizona Department of Education (ADE), to which it delegated authority to administer the program, rather than ADE's subrecipient organizations' names as required by federal guidance, for:¹

- \$20.7 million of federal awards reported on the federal government's reporting system, or 20.7 percent of the total \$100.1 million awarded to the Office for this federal program as of fiscal year 2023.
- \$10.3 million of cumulative expenditures reported on the fiscal year 2022 APR, or 23.4 percent of the total \$44.1 million expended for this federal program as of fiscal year 2022.

Effect—The State's stakeholders and the public did not have access to accurate, transparent, and timely information about the Office's federal award spending decisions on USAspending.gov as required by federal laws and regulations. Also, the Office's reporting inaccurate subrecipient information resulted in the federal agency being unable to rely on the reports to effectively monitor the ADE's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success. Finally, the Office is at risk that this finding applies to other federal programs it administers.

Cause—Despite federal guidance specifying reporting requirement responsibilities when delegating authority, Office management reported to us that they were not aware of the requirement to report ADE's subrecipient organizations' names on the federal government's reporting system and APR.

Criteria—Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require the Office, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward

Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.² Specifically, the federal Uniform Guidance requires the Office to report the subrecipient organization's name, award amount, award term, and other information about the subaward, if applicable, for each subaward action exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Federal guidance clarifies that the Office is required to treat awards made by the State agency as subawards and report them in the FFATA Subaward Reporting System when an agreement is established between the Office and a State agency that delegates authority to the State agency for the program's administration.¹

Further, federal agency guidance requires the Office to prepare and submit an annual performance report, which includes information specified by federal agency guidance such as a subrecipient organization's name.³ Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Office should:

1. Immediately report on the FFATA Subaward Reporting System the required information for ADE's subrecipients for this program, including reviewing, correcting, and/or resubmitting any inaccurately reported information.
2. Immediately amend and resubmit the fiscal year 2022 APR to include required information for ADE's subrecipients for this program.
3. Develop a process to regularly review federal guidance and review and update its written policies and procedures and interagency service agreements to ensure they are current and relevant to include U.S. Department of Education guidance updates.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-105 and was initially reported in fiscal year 2021.

¹ On March 3, 2022, the U.S. Department of Education published guidance to clarify the reporting requirement responsibilities for federal awards and expenditures when a Governor grants funds to State Educational Agencies (SEAs), and those SEAs then awarded monies to Local Educational Agencies and Institutes of Higher Education. Specifically, because the Office established an interagency service agreement with ADE that delegated authority to ADE for the program's administration, federal guidance states that the Office should treat the awards made by ADE as subawards and report them in the FFATA Subaward Reporting System. Alternatively, if the Office had subawarded funds to a State agency without an agreement delegating authority to the State agency, the Office would treat the State agency as a subrecipient and would not be required to report any further subawards made by the State agency. (U.S. Department of Education. [2022, March]. GEER Year 2 Form Review Webinar Questions and Answers. Retrieved 10/16/2024 from <https://covid-relief-data.ed.gov/grantee-help/geer>).

² The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at <https://www.fsr.gov/>

³ U.S. Department of Education. (2023). Education Stabilization Fund, Governor's Emergency Education Relief Fund (GEER Fund) Recipient Reporting Data Collection Form. Retrieved 10/18/2024 from https://api.covid-relief-data.ed.gov/collection/api/v1/public/docs/1810-0748_GEER%20Form%20-%20Clean.pdf

2023-105

Assistance Listings number and name: 21.023 **COVID-19 - Emergency Rental Assistance Program**

Award numbers and years: ERA-2101070596, January 8, 2021 through September 30, 2022; ERA2-0165, May 10, 2021 through September 30, 2025

Federal agency: **U.S. Department of the Treasury**

Compliance requirements: Activities allowed or unallowed, allowable costs/cost principles, and eligibility

Questioned costs: \$36,945

Assistance Listings number and name: 21.027 **COVID-19 - Coronavirus State and Local Fiscal Recovery Funds**

Award number and year: None

Federal agency: **U.S. Department of the Treasury**

Compliance requirements: Activities allowed or unallowed and allowable costs/cost principles

Questioned costs: \$38,169

Total questioned costs: \$75,114

Condition—Contrary to federal regulations and its policies and procedures, the Department of Economic Security—Division of Community Assistance and Development (Division) made unallowable benefits payments totaling \$75,114 during fiscal year 2023 to rental assistance program applicants for the Emergency Rental Assistance Program (ERAP) and Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) federal programs.¹ Specifically, for 10 of 50 CSLFRF and 10 of 65 ERAP benefit payments tested, we found that the Division made unallowable benefits payments of \$38,169 for CSLFRF and \$36,945 for ERAP, to or on behalf of ineligible program applicants or those that lacked required eligibility documentation and for other inappropriate costs, as follows:

- **The Division inappropriately paid \$43,642 of benefit payments to or on behalf of 8 ineligible program applicants, including:**
 - \$42,993 paid to or on behalf of 7 program applicants who did not reside in an eligible Maricopa County service area at the time of application (\$30,618 for 5 ERAP program applicants and \$12,375 for 2 CSLFRF applicants).
 - \$649 paid to or on behalf of 1 ERAP program applicant whose income exceeded allowable program limits.
- **The Division inappropriately paid \$17,655 of benefit payments to or on behalf of 8 program applicants without obtaining required documentation to support they were eligible to receive them, including:**
 - \$12,567 paid to or on behalf of 6 CSLFRF program applicants without required proof of income, a signed lease agreement, and other documentation supporting household size and the reimbursement of late penalties and fees related to rent and/or utility account bills.
 - \$5,088 paid to or on behalf of 2 ERAP program applicants without a required lease agreement listing the applicants.
- **The Division inappropriately paid \$13,817 of benefit payments to or on behalf of 4 program applicants, including:**
 - \$13,731 paid to or on behalf of 3 participants for rental arrears—rent not paid by the date specified in the lease agreement—payments exceeding the allowable one-time, lump sum payments (\$13,227 for 2 CSLFRF participants and \$504 for 1 ERAP participant).
 - \$86 paid to or on behalf of 1 ERAP applicant for utility services the Division previously paid.

Effect—The Division’s making unallowable benefits payments to ineligible program applicants or without required documentation increases the risk that the program applicants received utility and rental payments for which they were not entitled. Also, the Division’s paying for inappropriate costs spent inconsistent with program requirements increases the risk that those who were intended to benefit from the program may not have received all the benefits they otherwise would have received. Consequently, the Division may be required to return these monies to the federal agency in accordance with federal requirements.²

During fiscal year 2023, the Division paid \$193.7 million in benefit payments to or on behalf of program applicants requesting emergency rental and utility assistance for these 2 federal programs, as illustrated in the figure below, and is at risk that more of its benefit payment expenditures are inappropriate than those identified in our sample.

	Benefit payments expenditures (in millions)	Total program expenditures (in millions)	Percent of benefit payments expenditures to total program expenditures
ERAP	\$162.8	\$194.7	83.6%
CSLFRF	\$30.9	\$379.5	8.1%
Totals for ERAP and CSLFRF	\$193.7	\$574.2	33.7%

Cause—Division management reported that personnel responsible for evaluating program applications and determining program applicant’s eligibility and allowability of related costs did not have time to perform thorough evaluations, including making appropriate eligibility determinations, obtaining required documentation, or ensuring costs were allowable, because of the large quantity of program applications. Further, the Division failed to identify the program evaluation errors during post-reviews of eligibility determinations because the checklist Division personnel used lacked detailed guidance for verifying that the determinations aligned with the Division’s written policies and procedures and were supported by required documentation.

Criteria—Federal regulations require costs to be reasonable and adequately documented to be allowable under federal awards, and the Division’s written policies and procedures require certain documentation to support eligibility requirements related to where the applicant lives and their income.^{3,4,5} Specifically, Division policy requires a program application evaluation to ensure complete and reasonable documentation is obtained including lease agreements; any bills related to utility accounts; and proof of income, household size, eligible service area residency, and risk of homelessness or housing instability. Also, the Division’s policies prohibit incomplete applications to be acted upon until applicants provide the required information and documentation to complete their applications. Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Division should:

1. Ensure benefit payments are for allowable costs paid to or on behalf of eligible program applicants.
2. Follow existing policies and procedures to obtain required documentation to support requirements related to where the applicant lives and their income to ensure program applicants are eligible to receive benefit payments.
3. Allocate sufficient staffing resources to perform a thorough evaluation of program benefits applications and provide training on eligibility requirements and allowable benefit payments.
4. Update the checklist Division personnel use to perform a post-review of eligibility determinations to include detailed guidance for verifying the determinations aligned with the Division's written policies and procedures and supported by adequate documentation.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The Arizona Department of Economic Security's Emergency Rental Assistance Program (ERAP) was established by Section 501 of Title V, Division N, of the Consolidated Appropriations Act of 2021 (Public Law No. 116-260) in response to the coronavirus pandemic and to provide financial relief to help keep individuals who rent housing in their homes and provide financial assistance to landlords who rely on rental income. The initial program is referred to as ERAP 1. ERAP 2 was established by Sec. 3201 of Title III, Subtitle B, of the American Rescue Plan Act of 2021 (Public Law No. 117-2). Further, the Arizona Department of Economic Security's ERAP was extended through the federal Coronavirus State and Local Fiscal Recovery Funds, an American Rescue Plan Act of 2021 program (Public Law 117-2), as administered by the Office of the Governor. The Department of Economic Security began operating the program on July 1, 2022 (State of Arizona, Office of the Governor and Department of Economic Security, Interagency Service Agreement No. ISA-DES-ARPA-021623-01).

² Federal Uniform Guidance audit requirements require its federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the Department, takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

³ Federal Uniform Guidance cost principles require costs to be adequately documented (2 CFR 200.403[g]) and reasonable (2 CFR 200.404). In determining the reasonableness of a given cost, consideration must be given to several factors, including requirements imposed by federal laws and regulations and the terms and conditions of the federal award (2 CFR 200.404[b]).

⁴ U.S. Department of the Treasury published guidance to assist grantees in ERAP administration, including a requirement for ERAP grantees to establish policies and procedures to govern the implementation of their ERAP programs consistent with the ERAP statutes and U.S. Department of the Treasury FAQs (U.S. Department of the Treasury Emergency Rental Assistance Frequently Asked Questions, Revised March 5, 2024. Retrieved 10/16/2024 from <https://home.treasury.gov/system/files?file=136/ERA-FAQs03052024.pdf>).

⁵ To be eligible for program benefits, individuals had to have filed, received, and been deemed eligible in accordance with the Division's written policies and procedures. The benefit payments consisted of rent and/or utility payments for past-due amounts (a one-time lump sum payment) and for 3 months of payments on each reapplication up to a total of 18 months. Applicants must provide proof of income or self-attestation of no income and cannot earn an income that is above the area median income as determined by the HUD income limits (Section 8) set at 80 percent AMI (Area Median Income). These limits are updated annually and can be viewed at <https://www.huduser.gov/portal/datasets/il.html#year2024>. Further, applicants who live in Maricopa County must reside in the City of Phoenix. This policy was updated in April 2023 to include the City of Mesa. Rental applications must include a housing agreement with the applicant's name and current rental address. Utility assistance applications must include bills or invoices or outstanding payments. Applications are reviewed by adjudicators, who ensure the documentation for proof of residence, proof of income, housing agreement, any bills related to utility accounts and proof of risk of homelessness or housing instability are complete and reasonable. Any decisions made contrary to policy must include a rationale for the decision in the supporting documentation for the application (Department of Economic Security Emergency Rental Assistance Program Policy, Rev 8 [7/1/2022] and Rev 9 [4/1/2023]).

2023-106

Assistance Listings number and name:	21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Award number and year:	None
Federal agency:	U.S. Department of the Treasury
Compliance requirement:	Subrecipient monitoring
Questioned costs:	Unknown

Condition—The Department of Economic Security (Department) awarded \$3.3 million to 11 subrecipients during fiscal year 2023, or 8.3 percent of the Department’s \$40.2 million of total federal expenditures for this federal program, but did not perform the required monitoring of the subrecipients’ activities or compliance with the award terms and program requirements. Further, the Department improperly classified \$2.4 million of contractor expenditures, or 6 percent of the program’s total federal expenditures, as subrecipient expenditures on the State’s initial schedule of expenditures of federal awards (SEFA).

Effect—The Department’s failure to perform required monitoring increased the risk that the \$3.3 million of program monies the Department awarded to subrecipients may not have been spent in accordance with the award terms and program or contract requirements. Further, the Department’s not properly reporting contractor versus subrecipient expenditures on the SEFA increased the risk that subrecipients are not properly identified and monitored by the Department. If monies are spent inconsistent with program and contract requirements, those who were intended to benefit from the program may not receive all the services or other benefits they otherwise would have received. Further, although the Department corrected the subrecipient misclassification error before the State issued its Single Audit Report, there is an increased risk that the State’s SEFA could contain significant errors and misinform those who are relying on the information.

Cause—The Department lacked entity-wide subrecipient-monitoring policies and procedures for its divisions to follow and instead relied on each division administering the program to design and implement its own subrecipient-monitoring procedures. However, of the 2 Department divisions administering the program, 1 was not aware of the subrecipient-monitoring requirements, and the other did not follow its subrecipient-monitoring policies and procedures, as follows:

- The Child and Community Services Division (CCSD) personnel responsible for monitoring 5 subrecipients reported that they were not aware of the program’s subrecipient-monitoring requirements because of the program manager being on extended leave, turnover in staff knowledgeable of these requirements, and lack of established policies and procedures over monitoring the program’s subrecipients’ activities. Further, neither the Department nor the CCSD personnel responsible for identifying subrecipients provided guidance to CCSD personnel responsible for subrecipient monitoring.
- The CCSD personnel responsible for monitoring 6 subrecipients reported that they did not follow CCSD’s procedures for monitoring the program’s subrecipients’ activities because they were short-staffed and prioritized monitoring other federal and State grants’ subrecipients’ activities.

Further, the incorrect determination and reporting of a subrecipient relationship on the initial SEFA resulted from the Department’s entity-wide form used to determine whether other parties receiving program monies had the role of a subrecipient or contractor lacking detailed guidance for determining the characteristics that support a subrecipient versus a contractor relationship.

Criteria—Federal regulation requires the Department to monitor subrecipients, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments; reviewing financial and performance reports, verifying single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award. Those federal regulations also provide that monitoring procedures may include providing training or technical assistance on program-related matters and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §200.332[b] and [d–e]). Further, federal regulation requires the Department to evaluate the substance of its federal award agreements with other parties to determine whether each of the other parties receiving the monies have the role of a subrecipient or contractor and whether they are required to comply with any of the federal program’s requirements that the Division should monitor (2 CFR §200.331). Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Perform required monitoring of its subrecipients and their compliance with the award terms and program requirements.
2. Properly classify and report subrecipient expenditures on the State’s SEFA.
3. Develop, implement, and train all divisions on entity-wide written subrecipient-monitoring policies and procedures requiring all divisions to:
 - a. Assess the risk of each subrecipient’s noncompliance and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
 - b. Verify subrecipients receive timely single audits, if required; follow up on and ensure that corrective action is taken on any audit findings that could potentially affect the program; and issue management decisions for any audit findings pertaining to the federal award.
 - c. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures’ results and any Department actions taken, if appropriate.
4. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate individuals within each division to perform necessary subrecipient-monitoring procedures.
5. Update the form it uses to determine whether other parties receiving program monies have the role of a subrecipient or contractor to include guidance for how to determine each characteristic of a subrecipient and contractor relationship and require a conclusion to be documented. In addition, train staff to properly complete the form and perform supervisory reviews of it.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2023-107

Assistance Listings number and name:	21.023 COVID-19 - Emergency Rental Assistance Program
Award numbers and years:	ERA-2101070596, January 8, 2021 through September 30, 2022; ERA2-0165, May 10, 2021 through September 30, 2025
Federal agency:	U.S. Department of the Treasury
Compliance requirement:	Reporting
Questioned costs:	Not applicable

Condition—Contrary to federal law and guidance, for information it reported to the federal agency for its Emergency Rental Assistance Program (ERAP) 1 and 2 awards, the Department of Economic Security—Division of Community Assistance and Development (Division) did not retain documentation to support and/or accurately report information and failed to report required elements.¹ Specifically, for 3 reports we selected for test work, we found that the Division:

- **Did not retain documentation**—The Division did not retain documentation, like the system reports, queries, or screenshots, to support the performance and financial reporting information it reported in its 3 reports as required. Specifically, we found that the Division did not retain full copies of 1 closeout report and 2 quarterly reports: the ERA 1 Closeout compliance report and the ERA 1 Q3 (September 2022) and ERA 2 Q1 (March 2023) compliance reports submitted to the grantor. The Division provided auditors incomplete copies of these reports they obtained from the grantor.
- **Did not accurately report information**—The Division incorrectly reported comingled ERAP 1, ERAP 2, and/or Coronavirus State and Local Fiscal Recovery Funds (Assistance Listings number 21.027) program applicant expenditures in its 3 reports specified in the previous bullet instead of separately reporting the expenditures by award. See related Coronavirus State and Local Fiscal Recovery Funds reporting finding at 2023-103.²
- **Failed to report required elements**—The Division did not report several key performance and financial reporting data points required by the federal agency in its 3 reports, thereby limiting the amount of data we could audit. Specifically, the Division:
 - Failed to report ERAP 1 expenditures in the ERAP 1 September 2022 quarterly report and ERAP 1 closeout report, including those made over the period of performance, during the closeout period, and cumulatively, even though we identified ERAP 1 expenditures recorded in the system as of the report dates.
 - Failed to report ERAP 2 project data and participants demographics, performance narrative, narrative on effective practices, and selective current quarter and cumulative obligations and expenditures in its ERAP 2 March 2023 quarterly report, even though we identified ERAP 2 expenditures recorded in the system as of the report date.

Effect—The Division’s failure to report required elements and accurate program information in its reports, and to retain associated documentation for audit purposes resulted in us being unable to determine whether the expenditures were appropriate, and the reports were complete and accurate. Also, it results in the federal agency being unable to rely on the reports to monitor the Division’s program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program’s success. Further, the Division is unable to resubmit reports because the federal agency does not allow grantees to revise reports after the reporting period has closed.^{3,4}

Cause—The Division relied on a new benefits system’s federal reporting dashboard that produced inaccurate reports, and its personnel responsible for reviewing and approving ERAP reports did not verify the reported information to the underlying benefits and financial systems data or ensure all required report

element sections were completed or accurate. Specifically, the Division reported that it contracted to use a new benefits system for ERAP in March 2021 and relied on the system's federal reporting dashboard screen for the summarized program information to compile its reports, which incorrectly included commingled records for ERAP 1, ERAP 2, and Coronavirus State and Local Fiscal Recovery Funds. The Division reported that in 2022 it notified the contractor of programming issues related to separately reporting each award's expenditures, and that the contractor reported that it had corrected the error. However, when implementing the new system and after the contractor reportedly corrected the system programming error, the Division did not verify that the federal reporting dashboard reported complete program information and accurately summarized the underlying system data. Despite this knowledge, the Division continued to use the inaccurate and incomplete dashboard as the data source for its reports. Finally, the Division continued to not follow its policies and procedures to retain documentation to support the information it included in its 3 reports.

Criteria—Federal law and guidance require the Division to separately report and certify accurate and complete program information for each ERAP award to the federal agency and prohibits commingling of funds, data, or records across awards (15 USC 9058a [g]).¹ For quarterly financial and compliance reports, federal guidance requires the Division to report information, such as cash it disbursed, the federal share of expenditures, unliquidated obligations, and the cumulative amounts it obligated and expended so that the federal agency can monitor performance and compliance, including funding needs and the spending of any reallocated monies. For closeout reports, federal guidance requires the Division to confirm that all reports previously submitted accurately reflect the aggregate financial and programmatic data throughout the award.³ Further, the Division's policies and procedures require the Division to retain all records relating to a federal award for a period of at least 5 years after all funds allocated to the State have been expended, which generally exceeds the federal regulation requirement to retain all records relating to a federal award for a period of 3 years from the date of its submission of the final expenditure report (2 CFR §200.334).⁴ Lastly, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Division should:

1. Prepare and retain detailed documentation, such as system reports, queries, or screenshots, to support the program information it reports to the federal agency for each ERAP award.
2. Follow its policies and procedures to retain all records relating to a federal award for a period of 5 years after all funds are expended.
3. Develop and implement written policies and procedures to:
 - a. Ensure the benefits system used to process ERAP claims and report program information produces summarized data on its federal reporting dashboard that is complete and accurate and complies with the federal agency's reporting guidelines.
 - b. Separately identify and segregate each ERAP award and other federal awards in the benefits and financial systems and ensure awards are separately reported and not commingled.
4. Require Division personnel responsible for reviewing and approving ERAP reports to verify the reported program information to the underlying benefits and financial systems data and to ensure all required report element sections are accurate and complete.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-109 and was initially reported in fiscal year 2022.

¹ The ERAP was established by Section 501 of Title V, Division N, of the Consolidated Appropriations Act of 2021 (Public Law No. 116-260) in response to the coronavirus pandemic and to provide financial relief to help keep individuals who rent housing in their homes and provide financial assistance to landlords who rely on rental income. The initial program is referred to as ERAP 1. ERAP 2 was established by Sec. 3201 of Title III, Subtitle B, of the American Rescue Plan Act of 2021 (Public Law No. 117-2).

² The federal Coronavirus State and Local Fiscal Recovery Funds, an American Rescue Plan Act of 2021 program (Public Law 117-2), was administered by the Office of the Governor. The Department of Economic Security began operating the program on July 1, 2022 (State of Arizona, Office of the Governor and Department of Economic Security Interagency Service Agreement No. ISA-DES-ARPA-021623-01).

³ The U.S. Department of the Treasury published reporting guidance for the required monthly, quarterly, final reporting, and closeout reports (U.S. Department of the Treasury. [2022, December]. *Reporting Guidance—Emergency Rental Assistance Program, Version 3.4*. Monthly, Quarterly, and Final Reporting. Retrieved 9/5/2024 from <https://home.treasury.gov/system/files/136/ERA-Reporting-Guidance-v2.pdf> and U.S. Department of the Treasury. [2023, January]. *Emergency Rental Assistance [ERA1]: Closeout Resource*. Retrieved 10/9/2024 from https://home.treasury.gov/system/files/136/ERA-CloseoutResource_1-5-23.pdf). Further, both program guides indicate that the grantee cannot resubmit a report once it's submitted unless the U.S. Department of Treasury initiates resubmission of a revised report.

⁴ On October 6, 2023, the U.S. Department of the Treasury published ERAP 2 Treasury Portal User Guide, which included a recommendation for ERAP recipients to take screenshots of portal screens as the downloadable PDF documents display only key components of the overall report. Further, the guide indicate that the grantee cannot resubmit a report once it's submitted unless the U.S. Department of Treasury initiates resubmission of a revised report. (U.S. Department of the Treasury. [2023, October]. *Emergency Rental Assistance Program [ERA2] Treasury Portal User Guide, Version 3.0*. Retrieved 9/5/2024 from <https://home.treasury.gov/system/files/136/ERA2-Portal-Users-Guide.pdf>).

2023-108

Assistance Listings number and name: 21.023 **COVID-19 - Emergency Rental Assistance Program**

Award numbers and years: ERA-2101070596; January 8, 2021 through September 30, 2022; ERA2-0165, May 10, 2021 through September 30, 2025

Federal agency: **U.S. Department of the Treasury**

Compliance requirement: Period of performance

Questioned costs: None

Condition—Contrary to federal law and regulations, the Department of Economic Security (Department) inappropriately recorded \$278,245 in its financial system as Emergency Rental Assistance Program (ERAP) 1 costs, meaning costs for its first ERAP grant, up to 311 days past the allowable award period, despite reporting to the federal agency that it spent all available advanced award ERAP 1 monies during the allowable award period.¹ Specifically, we scanned the financial system for transactions recorded after ERAP 1's allowable period of performance ended on September 30, 2022, and identified 872 direct administrative costs that were unobligated and inappropriately recorded as ERAP 1 costs, including:

- \$144,721 for 740 employee compensation and related expenses between 14 and 224 days past the allowable period.
- \$133,524 for 132 professional, communication, and community services expenses between 136 and 311 days past the allowable period.

Although these transactions were recorded as ERAP 1 costs in the Department's financial system, the Department paid for these costs with ERAP 2 monies. We compared the transactions to documentation supporting the amounts the Department reported to the U.S. Department of the Treasury in its ERAP 1 closeout report submitted in January 2023 and verified that the Department did not include these transactions in the amount it reported as ERAP 1 costs. After bringing this to management's attention in May 2024, the Department recorded a correcting journal entry in its financial system to record these transactions as ERAP 2 costs.

Effect—The Department's inappropriately recording \$278,245 as ERAP 1 program costs in its financial system past the allowable period without having ERAP 1 grant funding available to spend when instead it

paid for these costs with ERAP 2 monies increased the risk that the Department could have inappropriately spent future advanced ERAP 2 program monies and would have to repay the federal agency. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—Department grant-management closeout procedures were not followed, and the Department also lacked procedures for expenditures made during the liquidation period, which is 120 days after the period of performance ends. Specifically, Department management reported it did not follow grant-management closeout procedures to deactivate the grant in the financial system to prevent further activity after the liquidation period due to a lack of staffing and influx of COVID-19 pandemic monies. Further, the Department's grant-management closeout procedures lacked a review-and-approval requirement for expenditures during the liquidation period to ensure the monies were appropriately obligated and allowable.

Criteria—Federal law allows program costs to be incurred during the period of performance to provide financial assistance and housing stability services to include rental assistance, utility assistance, and rental and utility arrears through September 30, 2022, for ERAP 1 (15 U.S.C. 9058a[e][1]).¹ In addition, federal regulation and U.S. Department of Treasury guidance requires funds to be obligated prior to the end of the award period for administrative costs to support program closeout activities. These funds may be expended during the liquidation period, which is up to 120 calendar days after the end of the period of performance.² Also, the Department's grant-management closeout procedures require grants to be deactivated in the financial system by the liquidation period deadline. Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Ensure program costs are properly recorded in the financial system during the period of performance and only obligated costs are spent during the liquidation period. Specifically, closeout activities, such as direct administrative costs, must be obligated prior to the end of the award period and must be spent within the liquidation period, or 120 calendar days after the period of performance ends.
2. Allocate sufficient resources, such as staffing, to perform essential grant closeout functions such as deactivating a grant in the financial system when the liquidation period has ended to help prevent inappropriate charges.
3. Update existing grant closeout procedures to require a review and approval of grant expenditures during the liquidation period to ensure they are allowable and properly obligated prior to the period of performance end date.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ ERAP was established by Section 501 of Title V, Division N, of the Consolidated Appropriations Act of 2021 (Public Law No. 116-260) in response to the coronavirus pandemic and to provide financial relief to help keep individuals who rent housing in their homes and provide financial assistance to landlords who rely on rental income. This finding and related questioned costs are related to the initial program referred to as ERAP 1 (ERA-2101070596). ERAP 2 was established by Sec. 3201 of Title III, Subtitle B, of the American Rescue Plan Act of 2021 (Public Law No. 117-2) and has a period of performance beginning on May 5, 2021, and ending on September 30, 2025.

² The applicable federal requirements related to period of performance can be found in the Code of Federal Regulations at 2 CFR §200.344(b) and U.S. Department of Treasury Emergency Rental Assistance (ERAP1): Closeout Resource Updated January 3, 2023. Retrieved 7/8/2024 from https://home.treasury.gov/system/files/136/ERACloseoutResource_1-5-23.pdf

2023-109

Assistance Listings number and name:	17.225 Unemployment Insurance
Award number and year:	None
Federal agency:	U.S. Department of Labor
Compliance requirement:	Special tests and provisions—Benefits payments
Questioned costs:	Not applicable

Condition—Contrary to federal regulation, the Department of Economic Security (DES) did not meet all the minimum percentage completion rates for its Benefit Accuracy Measurement (BAM) program to investigate cases of its regular unemployment insurance (UI) program's paid and denied claims for the fiscal year ended June 30, 2023. Specifically, for batches 202227 through 202326 of paid and denied claims we tested, DES' percentage completion rates for its paid and denied claims case investigations were as follows:

Percentage of paid claims case investigations completed within:	Required minimum percentage completed	DES percentage completed
60 days of the batches' week ending date	70.00%	58.63%
90 days of the batches' week ending date	95.00%	77.76%
120 days of calendar year-end	98.00%	85.24%

Percentage of denied claims case investigations completed within:	Required minimum percentage completed	DES percentage completed
60 days of the batches' week ending date	60.00%	75.05%
90 days of the batches' week ending date	85.00%	88.08%
120 days of calendar year-end	98.00%	93.38%

Effect—By not completing all the required minimum percentage of paid and denied claims case investigations, DES' BAM unit, which performs the investigations, is at an elevated risk of not detecting and reporting accurate error rates and the types and causes of benefit payment errors to DES' management and the federal agency. Consequently, lacking complete and accurate information, DES management may not develop and implement plans for corrective actions to improve its benefit accuracy rates, as required by the federal agency.

Cause—DES reported that it failed to meet the required minimum percentage completion rates for its paid and denied claims case investigations because they have been consistently understaffed since August 2019 and had a staffing level of 90 percent as of June 30, 2023.

Criteria—The BAM program is the federal agency’s quality control system designed to assess the accuracy of UI program paid and denied claims, and states are required to investigate paid and denied claims as part of this program unless exempted from these requirements by the federal agency. Federal regulation requires DES to complete prompt and in-depth case investigations of paid and denied claims to determine if its administration of the UI benefit program is consistent with State and federal law (20 CFR §602.21 [d]). Accordingly, federal guidance requires DES to complete its paid and denied claims case investigations as described in the tables presented above.¹ Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendation—DES should meet the required minimum percentage rates for completing UI program paid and denied claims case investigations by DES management allocating sufficient staffing and providing training to new staff of its BAM unit.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-111 and was initially reported in fiscal year 2020.

¹ U.S. Department of Labor. (2009). *Benefit Accuracy Measurement State Operations Handbook*, No. 395, 5th Edition, Chapter VI, Completion of Cases and Timely Data Entry, page VI-11, Chapter VIII, Completion of CDA Cases and Timely Data Entry, pages VIII-2 and VIII-3. Retrieved 7/15/24 from https://www.dol.gov/sites/dolgov/files/ETA/handbooks/2009/ETHandbook_395_Ch5_acc.pdf

2023-110

Assistance Listings number and name:	17.225 Unemployment Insurance
Award number and year:	None
Federal agency:	U.S. Department of Labor
Compliance requirement:	Reporting
Questioned costs:	Not applicable

Condition—Contrary to federal regulation, the Department of Economic Security (DES) did not retain documentation to support information it reported to the federal agency for its Unemployment Insurance (UI) federal program during fiscal year 2023. Specifically, for all 12 monthly 9050 – *Time Lapse of All First Payments except Workshare* reports, DES did not retain supporting documentation, like system reports, queries, or screenshots, for the key line item we tested, which consisted of the following data elements:

- First payment time lapse 14/21 days.
- Interstate and intrastate UI.
- Unemployment compensation for federal employees (UCFE).
- Unemployment compensation for ex-service members (UCX).
- Full and partial weeks.

Effect—DES’ failure to retain supporting documentation results in the federal agency being unable to rely on the reports to effectively monitor DES’s program administration, including its compliance with program requirements and the timeliness of benefits paid, and evaluate the program’s success.

Cause—DES had not developed written policies and procedures to require employees to prepare and retain supporting documentation to support the program information it reports to the federal agency for the UI program. Further, the DES staff member responsible for compiling the reports reported to us that not retaining the documentation was an oversight, and she thought the supporting documentation was being retained.

Criteria—Federal regulation and the UI Handbook require DES to retain financial records, supporting documents, statistical records, and all other nonfederal entity records pertinent to a federal award for a period of 3 years from the date of submission of the final report (2 CFR §200.334).¹ Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendation—DES should develop and implement written policies and procedures to ensure it prepares and retains detailed documentation, such as system reports, queries, or screenshots, to support the program information it reports to the federal agency for the UI program.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The UI Handbook outlines the criteria for compiling the 9050 – *Time Lapse of All First Payments except Workshare* report, including requirements to retain source data supporting reported information for at least 3 years (U.S. Department of the Labor. [2017]. “Section V: Benefits Time Lapse and Quality.” and “Section L: Record Retention.” *Unemployment Insurance 401 Handbook*, 5th ed., retrieved 7/22/24 from https://www.dol.gov/sites/dolgov/files/ETA/handbooks/2017/ETHand401_5th.pdf)

2023-111

Cluster Name:

Assistance Listings numbers and names:

Award numbers and years:

Federal agency:

Compliance requirements:

Questioned costs:

CCDF Cluster

93.575 **Child Care and Development Block Grant**
93.575 **COVID-19 - Child Care and Development Block Grant**
93.596 **Child Care Mandatory and Matching Funds of the Child Care and Development Fund**
93.596 **COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund**

2001AZCCC3 (2020); 2101AZCCC5 (2021); 2101AZCCDD (2021); 2101AZCDC6 (2021); 2101AZCSC6 (2021); 2201AZCCDD (2022); 2201AZCCDF (2022); 2301AZCCDD (2023); 2301AZCCDF (2023)

U.S. Department of Health and Human Services

Activities allowed or unallowed and allowable costs/cost principles
\$41,005

Condition—The Department of Economic Security (Department) provided \$699 million to childcare providers during fiscal year 2023, or 94 percent of the Department’s nearly \$744 million total federal expenditures for this federal program, and contrary to federal regulations, the Department did not always

retain documentation to support its provider's expenditures. Specifically, the Department could not provide supporting documentation, such as a signed childcare provider payment form certifying that the charges for services provided to individuals were full and complete, for 1 of 40 provider payments selected for test work totaling \$41,005.

Effect—The Department's failure to retain supporting documentation increased the risk that the \$41,005 paid to the provider may not have been spent in accordance with the award terms and conditions. Consequently, the Department may be required to return these monies to the federal agency in accordance with federal requirements.¹ Further, the federal agency may not be able to rely on the records to effectively monitor the Department's program administration, including its compliance with program requirements, and ability to prevent and detect fraud and evaluate the program's success.

Cause—Department personnel reported that the childcare provider was authorized to enter payment information directly in the Department's financial system, and the Department lacked a process to ensure that a signed childcare provider payment form was received prior to paying the provider. Although the Department's procedures require the provider to print the form, sign a statement certifying that the charges for services provided to individuals were full and complete, and send it to the Department as supporting documentation for the information entered into the financial system, the Department lacked policies and procedures to ensure signed childcare provider payment forms were received prior to payment.

Criteria—Federal regulation requires that a cost be adequately documented and supported to be allowable under federal awards (45 CFR §75.403[g]). Federal regulation and the Department's records management policies and procedures also require the Department to retain all records related to a federal program for a period of 3 years from the date the program's final report was submitted to the federal awarding agency or pass-through grantor (45 CFR §75.361). Finally, the Department also must establish and maintain effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

Recommendations—The Department should:

1. Follow federal regulations and the Department's records-management policies and procedures to retain all records relating to a federal award, including signed childcare provider payment forms, for a period of 3 years from the date of its submission of the final expenditure report.
2. Develop and implement policies and procedures to require signed childcare provider payment forms certifying that, prior to payment, the charges for services provided to individuals were full and complete.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ U.S. Department of Health and Human Services audit requirements require its federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the Department, takes appropriate and timely corrective action (45 CFR §75.513[c]). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (45 CFR §75.521).

2023-112

Cluster name:

Assistance Listings numbers and names:

CCDF Cluster

93.575 **Child Care and Development Block Grant**
93.575 **COVID-19 - Child Care and Development Block Grant**
93.596 **Child Care Mandatory and Matching Funds of the Child Care and Development Fund**

93.596 **COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund**

Award numbers and years:

2001AZCCC3 (2020); 2101AZCCC5 (2021); 2101AZCCDD (2021); 2101AZCDC6 (2021); 2101AZCSC6 (2021); 2201AZCCDD (2022); 2201AZCCDF (2022); 2301AZCCDD (2023); 2301AZCCDF (2023)

Federal agency:

U.S. Department of Health and Human Services

Compliance requirement:

Reporting

Questioned costs:

Not applicable

Condition—Contrary to federal laws and regulations and the State’s accounting manual, the Department of Economic Security (Department) failed to report certain information on the federal government’s reporting system for \$60.8 million in subawards that were made to 3 State agencies, 3 universities, and 13 subrecipients under assistance listing number 93.575. Specifically, the Department did not report subaward amount changes for 7 subawards totaling \$4.2 million it previously reported and did not report any required information about 12 subawards totaling \$56.6 million, including subaward organization names and subaward amounts and terms, during fiscal year 2023.

Effect—The State’s stakeholders and the public did not have access to transparent and timely information about the Department’s federal award spending decisions on USAspending.gov as required by federal laws and regulations. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

During fiscal year 2023, the State spent \$48.1 million of federal monies related to these subawards, or 5.6 percent of the State’s total \$861.5 million expended, for this cluster.

Cause—Although the cluster’s reporting requirements were provided as additional award terms and conditions on the federal agency’s website, and the State’s accounting manual instructed State departments to follow them, the Department reported that the division that manages the cluster was newly formed in fiscal year 2023 and was short-staffed. Further, the division reported it did not have experienced staff knowledgeable about the requirements for Federal Funding Accountability and Transparency Act (FFATA) reporting.

Criteria—The FFATA and federal Uniform Guidance regulations require the Department, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.¹ Specifically, the federal Uniform Guidance requires the Department to report the subrecipient organization’s name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the State’s accounting manual requires the Department to perform this reporting for federal awards (*State of Arizona Accounting Manual*, Topic 70: Grants, Section 45). Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

Recommendations—The Department should:

1. Immediately report on the FFATA Subaward Reporting System the required missing information for its subawards for this cluster.
2. Follow the State’s accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to Department staff responsible for reporting the Department’s subaward actions to the federal government’s reporting system.
3. Allocate sufficient resources, such as staffing, to compile, review, and submit FFATA reports.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at <https://www.fsr.gov>

2023-113

Cluster name:
Assistance Listings numbers and names:

WIOA Cluster
17.258 **WIOA Adult Program**
17.259 **WIOA Youth Activities**
17.278 **WIOA Dislocated Worker Formula Grants**

Award numbers and years:

AA-33216-19-55-A-4, October 1, 2019 through June 30, 2022;
AA-34755-20-55-A-4, April 1, 2020 through June 30, 2023;
AA-36307-21-55-A-4, April 1, 2021 through June 30, 2024;
AA-38516-22-55-A-4, April 1, 2022 through June 30, 2025

Federal agency:
Compliance requirement:
Questioned costs:

U.S. Department of Labor
Subrecipient monitoring
Unknown

Condition—The Department of Economic Security (Department) awarded \$58.2 million to 24 subrecipients during fiscal year 2023, or 85.6 percent of the Department’s \$68.0 million total federal expenditures for this federal program, but contrary to federal laws and regulations and Department policy, it did not perform on-site monitoring reviews for 2 of its 24 subrecipients.

Effect—The Department’s lack of required monitoring increases the risk that the \$137,368 of program monies the Department awarded to the 2 subrecipients may not have been spent in accordance with the award terms and program requirements. If monies are spent inconsistent with program requirements, those who were intended to benefit from the program may not receive all the services or other benefits they otherwise would have received.

Cause—The Department’s Finance and Business Operations Administration Division (Division) management responsible for administering the program reported that they postponed the planned June 2023 on-site reviews of these 2 subrecipients to relieve staffing shortages due to turnover in key positions. Specifically, between April and July 2023 the Division underwent leadership transitions for several key

positions including the compliance manager, the finance operations manager who oversees the compliance and accounting team, the deputy administrator, and the administrator.

Criteria—Federal laws and regulations and Department policies and procedures require the Department to monitor subrecipients and perform annual on-site monitoring reviews.¹ Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Ensure it performs required monitoring of its subrecipients and their compliance with the award terms and program requirements by following its established policies and procedures to perform and document an annual on-site monitoring review.
2. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate an individual to perform on-site monitoring reviews.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The Workforce Innovation and Opportunity Act (WIOA) of 1998 and Code of Federal Regulation (CFR) require states to conduct annual on-site monitoring of each local area within the state to ensure compliance with the uniform administrative requirements ([WIOA §184{a}{4}] and [20 CFR §683.410{b}{3}]). Further, the Department's Policy and Procedure manual includes subrecipient monitoring tools that require performing annual on-site monitoring reviews (Arizona Department of Economic Security. *Title I-B Policy and Procedure Manual*. Retrieved 8/6/2024 from <https://des.az.gov/services/employment/workforce-innovation-and-opportunity-act-wioa/title-i-b-policy-and-procedure>)

2023-114

Cluster name:

Assistance Listings numbers and names:

Award numbers and years:

Federal agency:

Compliance requirement:

Questioned costs:

WIOA Cluster

17.258 **WIOA Adult Program**

17.259 **WIOA Youth Activities**

17.278 **WIOA Dislocated Worker Formula Grants**

AA-33216-19-55-A-4, October 1, 2019 through June 30, 2022;

AA-34755-20-55-A-4, April 1, 2020 through June 30, 2023;

AA-36307-21-55-A-4, April 1, 2021 through June 30, 2024;

AA-38516-22-55-A-4, April 1, 2022 through June 30, 2025

U.S. Department of Labor

Reporting

Not applicable

Condition—Contrary to federal laws and regulations and the State's accounting manual, the Department of Economic Security (Department), as the prime recipient responsible for the clusters' federal reporting, failed to report complete and accurate information on the federal government's reporting system related to \$6.4 million in subawards made to subrecipients during fiscal year 2023 for this cluster. As shown in the bullets and table below, we tested a total sample of 13 subawards for these federal programs at the Department and found that for 4 subawards, the Department failed to report the following:

- Any required information about the subawards, including the subaward organization names and subaward amounts and terms for 3 subawards, totaling \$6.0 million of the total \$28.6 million in our sample.
- Correct subaward amount for 1 subaward tested, totaling \$406,630.

Number of subawards					
Total subawards tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements	Subaward with incorrect key elements
13	3	0	1	0	0

Dollar amount of subawards					
Total subawards tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements	Subaward with incorrect key elements
\$28,616,009	\$5,973,604	\$0	\$406,630	\$0	\$0
Total errors					\$6,380,234

Effect—The State’s stakeholders and the public did not have access to transparent and timely information about the Department’s federal award subaward spending decisions on USAspending.gov as required by federal laws and regulations. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

During fiscal year 2023, the State spent \$68.0 million in federal monies related to the cluster subawards, or 84 percent of the State’s total \$81.2 million expended for this cluster.

Cause—The Department reported that it failed to catch the errors during its review and approval process prior to reporting the subaward information to the federal government’s reporting system. In addition, the Department did not require a post review to verify that the subaward data it uploaded to the federal government’s reporting system was complete and correctly displayed. Therefore, the Department was unaware of the errors. Further, the Department did not have written policies and procedures over the review process for subaward information reported to the federal government’s reporting system.

Criteria—The Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require the Department, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.¹ Specifically, the federal Uniform Guidance requires the Department to report the subrecipient organization’s name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the State’s accounting manual requires DES to perform this reporting for federal awards (State of Arizona Accounting Manual, Topic 70: Grants, Section 45). Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for this cluster, including reviewing, correcting, and/or resubmitting any inaccurately reported information.
2. Follow the State’s accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to Department staff responsible for reporting the Department’s subaward actions to the federal government’s reporting system.
3. Implement procedures requiring independent reviews to:
 - a. Ensure the subaward data is complete and accurate prior to uploading it to the federal government’s reporting system.
 - b. Verify that the subaward data it uploaded to the federal government’s reporting system was complete and correctly displayed.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at <https://www.fsr.gov>

2023-115

Assistance Listings numbers and names:

14.231 **Emergency Solutions Grant Program**
14.231 **COVID-19 - Emergency Solutions Grant Program**

Award numbers and years:

E-20-DW-04-001, July 1, 2020 through September 30, 2022;
E-21-DC-04-001, July 1, 2021 through September 30, 2023

Federal agency:

U.S. Department of Housing and Urban Development

Questioned costs:

\$1,820

Assistance Listings numbers and names:

93.558 **Temporary Assistance for Needy Families**
93.558 **COVID-19 - Temporary Assistance for Needy Families**

Award numbers and years:

2201AZTANF, October 1, 2021 through September 30, 2022;
2301AZTANF, October 1, 2022 through September 30, 2023

Federal agency:

U.S. Department of Health and Human Services

Questioned costs:

\$10,330

Compliance requirement:

Subrecipient monitoring

Total questioned costs:

\$12,150

Condition—Contrary to federal regulations and its federal award terms, the Department of Economic Security (DES) reimbursed 1 nonprofit organization subrecipient for federal program costs totaling \$12,150 during fiscal year 2023 that were unsupported, unallowable, and/or paid to the nonprofit organization’s principal officers or their immediate family member in violation of conflict-of-interest disclosure requirements. Specifically, we reviewed 14 reimbursements that included Emergency Solutions Grant

Program (ESG) and Temporary Assistance for Needy Family (TANF) program costs totaling \$26,120 and \$65,730 for the year, respectively, and found that DES reimbursed the subrecipient:

- \$4,733 for financial and accounting services that were paid to 1 of the nonprofit organization's principal officers, who served as the Treasurer, and their company, which was not disclosed as a conflict of interest to DES as required by DES' contract with the subrecipient and federal regulations. Also, the subrecipient allocated these costs to other federal programs and nonfederal activities; however, DES did not verify that the allocation method the subrecipient used was reasonable or that the costs, as allocated, were allowed by the program's requirements (\$112 for ESG and \$4,621 for TANF).
- \$7,417 for bookkeeping services that were not adequately supported by sufficiently detailed invoices and a signed, written contract having a specified price rate for the services and terms; therefore, we were unable to verify if the amounts paid were appropriate. Further, DES reimbursed the subrecipient for payments made to the Treasurer's family member, whose bookkeeping services company was not disclosed as a conflict of interest to DES as required by federal regulations. Also, the subrecipient allocated these costs to other federal programs and nonfederal activities; however, DES did not verify that the allocation method the subrecipient used was reasonable or that the costs, as allocated, were allowed by the program's requirements (\$1,708 for ESG and \$5,709 for TANF).

Additionally, contrary to federal regulations, DES had not ensured that the subrecipient implemented competitive purchasing procedures when procuring the professional services described above, and the subrecipient was unable to provide documentation that it had competitively procured the services.

ESG was not audited as a major federal program for the State's fiscal year 2023 single audit; therefore, the scope of our review was not sufficient to determine whether DES or its subrecipients complied with all applicable federal requirements for this program. We audited the TANF program as a major federal program for the State's fiscal year 2023 single audit, and we performed follow-up procedures to the review that we conducted during fiscal year 2022. During the audit, we became aware of the potentially noncompliant 14 reimbursements involving 1 of DES' nonprofit subrecipients with which it partnered to carry out federal and State programs, including the Continuum of Care Program (Assistance Listings number 14.267), ESG, and TANF, which was audited as a major federal program for fiscal year 2023, as well as the State Housing Trust Fund. Our review of select reimbursements to this subrecipient resulted in similar findings for the federal Continuum of Care Program and the State Housing Trust Fund that are described in findings 2023-116 and 2023-06, respectively.

Effect—DES' reimbursing a nonprofit organization subrecipient for \$12,150 of unallowable or unsupported costs and/or costs paid to the nonprofit organization's principal officer or their immediate family member in violation of conflict-of-interest disclosure requirements resulted in those monies being unavailable to be spent for their intended purpose of providing housing assistance to those in need. Consequently, DES may be required to return these monies to the federal agencies in accordance with federal requirements.¹

Cause—Although DES' subrecipient monitoring policies and procedures did not require it to obtain from subrecipients documentation supporting charges for personal and contracted professional services to verify allowability when subrecipients requested reimbursement, the policies and procedures required an on-site monitoring visit once every 3 years for each subrecipient in which it reviews a sample of the subrecipient's personal and professional services charges. However, DES had not performed an on-site monitoring visit of the nonprofit subrecipient since 2018 because it had not yet resumed all its subrecipient-monitoring activities, such as conducting on-site reviews and providing training and technical assistance, since suspending these activities during the COVID-19 pandemic during fiscal year 2020. In

addition, DES had not properly assessed the subrecipient's risk of noncompliance with its award contract and program requirements to determine the level of monitoring procedures it should put in place or training the subrecipient needed. For example, DES was unaware that the subrecipient had not informed it of a principal officer's conflicts of interest so that it could ensure that the principal officer and their immediate family member were not involved in decision-making related to those conflicts and selectively reviewed the related costs and activities for compliance purposes.

Criteria—Federal regulations require DES to monitor subrecipients and include required procedures for assessing the risk of each subrecipient's noncompliance and implementing appropriate monitoring procedures to address those risk assessments; verifying single audits were conducted timely, if required; reviewing financial and performance reports; following up on and ensuring corrective action is taken on deficiencies that could potentially affect the program; and issuing management decisions on the results of audit findings or monitoring.² Federal regulations provide that monitoring procedures DES may implement to address a subrecipient's risk assessment include providing training or technical assistance on program-related matters and performing on-site reviews and selective audits of reimbursed costs.² In addition, federal regulations require DES' subrecipients to allocate allowable costs using a reasonable basis, to use competitive purchasing standards when procuring goods and services, and to disclose in writing to DES any potential conflicts of interest.³ Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303 and 45 CFR §75.303).

Recommendations—DES should:

1. Immediately stop reimbursing the nonprofit subrecipient for costs that are unsupported, unallowable, and/or paid to the nonprofit subrecipient's principal officer or their immediate family member in violation of federal regulations and take appropriate enforcement actions in accordance with its subaward contract.
2. Update its written policies and procedures for reviewing and approving subrecipient reimbursement requests to include a process to ensure costs are adequately supported, allowable in accordance with program requirements, and approved by the appropriate level of management.
3. Train personnel responsible for reviewing and approving subrecipient reimbursement requests on how to identify costs that are unallowable under federal regulations.
4. Assess the risk of each subrecipient's noncompliance and perform the appropriate monitoring procedures based on the assessed risk, such as providing training or technical assistance on program-related matters and performing on-site reviews and selective audits of reimbursed costs for allowability.
5. Ensure subrecipients allocate allowable costs using a reasonable basis, use competitive purchasing standards when procuring goods and services, and disclose in writing to DES any potential conflicts of interest. DES may need to provide training and technical assistance to subrecipients that address these compliance areas, including DES obtaining conflict-of-interest disclosures from subrecipients as part of the subaward contract, as an example, or otherwise establishing a communication mechanism for subrecipients to use as such conflicts arise.
6. Continue to work with the nonprofit subrecipient to resolve the \$12,150 of unallowable costs, including recovering these monies from the subrecipient and assessing the continued need to use this subrecipient for services.
7. Work with the federal agencies to resolve the \$12,150 of unallowable costs that it reimbursed, which may involve returning monies to the agencies.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year findings 2022-114 (TANF) and 2022-115 (ESG) and was initially reported in fiscal year 2022.

¹ Federal Uniform Guidance and U.S. Health and Human Services audit requirements require federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient takes appropriate and timely corrective action (2 CFR §200.513[c] and 45 CFR §75.513[c]). Further, they require that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521 and 45 CFR §75.521).

² The applicable federal requirements related to subrecipient monitoring can be found in the Code of Federal Regulations at 2 CFR §§200.332, .339, and .521 and 45 CFR §§75.352, .371, and .521.

³ The applicable federal requirements related to allowable costs, competitive purchasing, and conflicts of interest can be found in the Code of Federal Regulations at 2 CFR §§200.112, .318-.327, and Subpart E; 24 CFR §578.95; and 45 CFR §§75.112, .326-.335, and Subpart E.

2023-116

Assistance Listings number and name: 14.267 **Continuum of Care Program**

Award number and year: AZ9999U9T002101, February 1, 2022 through June 30, 2023

Federal agency: **U.S. Department of Housing and Urban Development**

Compliance requirement: Subrecipient monitoring

Questioned costs: \$40,455

Condition—Contrary to federal regulations and its federal award terms, the Department of Housing (Department) reimbursed 1 nonprofit organization subrecipient for federal program costs totaling \$40,455 during fiscal year 2023 that were unsupported, unallowable, and/or paid to the nonprofit organization's principal officers or their immediate family members in violation of conflict-of-interest disclosure requirements. Specifically, we reviewed 40 reimbursements that included Continuum of Care costs totaling \$346,747 for the year and found that the Department reimbursed the subrecipient for:

- \$18,385 for financial and accounting services and supplies that were paid to 1 of the nonprofit organization's principal officers, who served as the Treasurer, and their company, which was not disclosed as a conflict of interest to the Department as required by its contract with the subrecipient and federal regulations. Also, the subrecipient allocated these costs to other federal programs and nonfederal activities; however, the Department did not verify that the allocation method the subrecipient used was reasonable or that the costs, as allocated, were allowed by the program's requirements.
- \$20,664 for bookkeeping services that were not adequately supported by sufficiently detailed invoices and a signed, written contract having a specified price rate for the services and terms; therefore, we were unable to verify if the amounts paid were appropriate. Further, the Department reimbursed the subrecipient for payments made to the Treasurer's family member, whose bookkeeping services company was not disclosed as a conflict of interest to the Department as required by federal regulations. Also, the subrecipient allocated these costs to other federal programs and nonfederal activities; however, the Department did not verify that the allocation method the subrecipient used was reasonable or that the costs, as allocated, were allowed by the program's requirements.
- \$831 for repairs and maintenance, travel, supplies, and other contracted services that were paid to another principal officer (\$705) and the Executive Director's immediate family member (\$126) who

performed various handyman services, including plumbing, painting, and building repairs, that were not adequately supported by a signed contract having specified price rates for the services and terms; therefore, we were unable to verify if the amounts reimbursed by the Department were appropriate. Further, the Department reimbursed the subrecipient for payments made to the principal officer and the Executive Director's immediate family member, whose services were not disclosed as a conflict of interest to the Department as required by its contract with the subrecipient and federal regulations.

- \$476 for unallowable loan payments to the subrecipient's Executive Director, which was for personal use.
- \$99 for incentive payments to 1 contractor and 1 principal officer without documentation demonstrating that they were authorized by an agreement, reasonable for the services performed as provided in the subrecipient's policies, and consistent with compensation paid for similar work in other activities; therefore, we were unable to verify if the amounts reimbursed were allowable.

Additionally, contrary to federal regulations, the Department had not ensured that the subrecipient implemented competitive purchasing procedures when procuring the professional services and handyman services described above, and the subrecipient was unable to provide documentation that it had competitively procured the services.

We audited the Continuum of Care Program as a major federal program for the State's fiscal year 2023 single audit, and we performed follow-up procedures to the review that we conducted during fiscal year 2022. During the audit, we became aware of the potentially noncompliant 40 reimbursements involving 1 of the Department's nonprofit subrecipients with which it partnered with to carry out federal and State programs, including the Continuum of Care Program, the Emergency Solutions Grants Program (Assistance Listings number 14.231), and Temporary Assistance to Needy Families (Assistance Listings number 93.558), which was audited as a major federal program for fiscal year 2023, as well as the State Housing Trust Fund. Our review of select reimbursements to this subrecipient resulted in similar findings for the federal Temporary Assistance to Needy Families and Emergency Solutions Grants Program and the State Housing Trust Fund that are described in findings 2023-115 and 2023-06, respectively.

Effect—The Department's reimbursing a nonprofit organization subrecipient for \$40,455 of unallowable or unsupported costs and/or costs paid to the nonprofit organization's principal officers or their immediate family members in violation of conflict-of-interest disclosure requirements resulted in those monies being unavailable to be spent for their intended purpose of providing housing assistance to those in need. Consequently, the Department may be required to return those monies to the federal agency in accordance with federal requirements.¹

Cause—The Department had not yet resumed all its subrecipient monitoring activities, such as conducting on-site reviews and providing training and technical assistance, since suspending them starting in fiscal year 2020 due to the COVID-19 pandemic. Also, the Department had not properly assessed the subrecipient's risk of noncompliance with its award contract and program requirements to determine the level of monitoring procedures it should put in place or training the subrecipient needed. For example, the Department was unaware that the subrecipient had not informed it of principal officers' conflicts of interest so that it could ensure that those principal officers or their immediate family members were not involved in decision-making related to those conflicts and selectively reviewed the related costs and activities for compliance purposes. Further, Department personnel responsible for reviewing and approving the subrecipient's reimbursement requests reported to us that dating back to at least 2021, staff were trained to not follow the Department's policies and procedures because they were not sufficiently detailed to provide direction on how to ensure costs are adequately supported and allowable in accordance with program requirements but, instead, to approve any costs that had been previously reimbursed.

Criteria—Federal regulations require the Department to monitor subrecipients and include required procedures for assessing the risk of each subrecipient's noncompliance and implementing appropriate monitoring procedures to address those risk assessments; verifying single audits were conducted timely, if required; reviewing financial and performance reports; following up on and ensuring corrective action is taken on deficiencies that could potentially affect the program; and issuing management decisions on the results of audit findings or monitoring (2 CFR §§ 200.332, .339, and .521). Federal regulations provide that monitoring procedures the Department may implement to address a subrecipient's risk assessment include providing training or technical assistance on program-related matters and performing on-site reviews and selective audits of reimbursed costs (2 CFR §200.332[e]). In addition, federal regulations require the Department's subrecipients to allocate allowable costs using a reasonable basis, to use competitive purchasing standards when procuring goods and services, and to disclose in writing to the Department any potential conflicts of interest.² Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Immediately stop reimbursing the nonprofit subrecipient for costs that are unsupported, unallowable, and/or paid to the nonprofit subrecipient's principal officers or their immediate family members in violation of federal regulations and take appropriate enforcement actions in accordance with its subaward contract.
2. Update its written policies and procedures for reviewing and approving subrecipient reimbursement requests to include a process to ensure costs are adequately supported, allowable in accordance with program requirements, and approved by the appropriate level of management.
3. Train personnel responsible for reviewing and approving subrecipient reimbursement requests on how to identify costs that are unallowable under federal regulations.
4. Assess the risk of each subrecipient's noncompliance and perform the appropriate monitoring procedures based on the assessed risk, such as providing training or technical assistance on program-related matters and performing on-site reviews and selective audits of reimbursed costs for allowability.
5. Ensure subrecipients allocate allowable costs using a reasonable basis, use competitive purchasing standards when procuring goods and services, and disclose in writing to the Department any potential conflicts of interest. The Department may need to provide training and technical assistance to subrecipients that address these compliance areas, including the Department's obtaining conflict-of-interest disclosures from subrecipients as part of the subaward contract, as an example, or otherwise establishing a communication mechanism for subrecipients to use as such conflicts arise.
6. Continue to work with the nonprofit subrecipient to resolve the \$40,455 in unallowable costs, including recovering these monies from the subrecipient and assessing the continued need to use this subrecipient for services.
7. Work with the federal agency to resolve the \$40,455 of unallowable costs that it reimbursed, which may involve returning monies to the federal agency.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-115 and was initially reported in fiscal year 2022.

¹ Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient takes appropriate and timely corrective action (2 CFR §200.513(c)). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

² The applicable federal requirements related to allowable costs, competitive purchasing, and conflicts of interest can be found in the Code of Federal Regulations at 2 CFR §§200.112, .318-.327, and Subpart E, and 24 CFR §578.95.

2023-117

Assistance Listings number and name:	14.267 Continuum of Care Program
Award number and year:	AZ9999U9T002101, February 1, 2022 through June 30, 2023
Federal agency:	U.S. Department of Housing and Urban Development
Compliance requirement:	Subrecipient monitoring
Questioned costs:	Unknown

Condition—The Arizona Department of Housing (Department) awarded \$4.5 million to 15 subrecipients during fiscal year 2023, or 90 percent of the Department's \$5.0 million total federal expenditures for this federal program, but did not perform all the required monitoring of the subrecipients' activities or compliance with the award terms and program requirements. Specifically, the Department's only monitoring procedure during the year consisted of reviewing and approving the subrecipients' invoices of program expenditures for reimbursement, which we also found to be deficient during a review of 1 nonprofit subrecipient's reimbursement requests. See financial statement finding 2023-06 and federal award finding 2023-116 for specific issues noted and related recommendations. Further, that procedure alone was insufficient to evaluate whether the subrecipients used program monies in accordance with the award terms and program requirements.

Effect—The Department's failure to perform all required monitoring increased the risk that the \$4.5 million of program monies the Department awarded to subrecipients may not have been spent in accordance with the award terms and program requirements. If monies are spent inconsistent with program requirements, those who were intended to benefit from the program may not receive all the services or other benefits they otherwise would have received. Consequently, the Department may be required to return any misspent monies to the federal agency in accordance with federal requirements.¹

Cause—The Department did not perform all required monitoring procedures and did not have sufficient policies and procedures. Specifically, the Department did not develop and implement procedures to evaluate the substance of its federal award agreements with other parties to determine whether each of the other parties receiving the monies have the role of a subrecipient or contractor and whether they are required to comply with any of the federal program's requirements that the Department should monitor until near the end of the grant period in May 2023. Prior to that, the Department had an informal process to identify subrecipients. Also, the Department did not develop and implement procedures to perform subrecipient risk assessments until March 2023 and had not yet resumed other subrecipient monitoring activities during fiscal year 2023, such as conducting on-site reviews and providing training and technical assistance, since suspending these activities starting in fiscal year 2020 due to the COVID-19 pandemic. Additionally, the Department's written policies and procedures lacked procedures for performing risk assessments; designing monitoring procedures, training, or technical assistance based upon the assessed risk; and verifying that a subrecipient received a single audit if it was expected to meet or exceed the federal expenditure threshold of \$750,000 for requiring a single audit.

Criteria—Federal regulation requires the Department to evaluate the substance of its federal award agreements with other parties to determine whether each of the other parties receiving the monies have the role of a subrecipient or contractor and whether they are required to comply with any of the federal program’s requirements that the County should monitor (2 Code of Federal Regulation [CFR] §200.331). Additionally, federal regulation requires the Department to monitor subrecipients, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments; verifying single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award. This federal regulation also provides that monitoring procedures may include providing training or technical assistance on program-related matters and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §§200.332[b] and [d–f]). Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Perform required monitoring of its subrecipients and their compliance with the award terms and program requirements.
2. Update and follow written policies and procedures to:
 - a. Evaluate the substance of its federal award agreements with other parties to determine whether each of the other parties receiving the monies have the role of a subrecipient or contractor and whether they are required to comply with any of the federal program’s requirements that the Department should monitor.
 - b. Assess the risk of each subrecipient’s noncompliance and carry out monitoring activities based on those risk assessments such as providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
 - c. Verify subrecipients receive timely single audits, if required; follow up on and ensure that corrective action is taken on any audit findings that could potentially affect the program; and issue management decisions for any audit findings pertaining to the federal award.
 - d. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures’ results and any Department actions taken, if appropriate.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies’ management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

2023-118

Assistance Listings number and name:	14.267 Continuum of Care Program
Award number and year:	AZ9999U9T002101, February 1, 2022 through June 30, 2023
Federal agency:	U.S. Department of Housing and Urban Development
Compliance requirement:	Procurement
Questioned costs:	Unknown

Condition—Contrary to federal regulations, the Department’s policies and procedures did not include provisions required by the federal regulations, and the Department did not retain documentation to support procurement actions for 2 vendors we tested. Specifically, the Department’s policies and procedures did not require procurement transactions to be documented or conducted in a manner providing full and open competition. Further, the Department did not include items required by federal regulations such as contracting with small and minority businesses, women’s business enterprises, veteran-owned businesses, and labor surplus area firms; domestic preferences for procurements; procurement of recovered materials; and required federal contract provisions. Further, the Department paid the 2 vendors we tested \$257,165 for administrative support services during fiscal year 2023 without retaining procurement action documentation such as requests for proposals, contracts, or other documents demonstrating the Department’s compliance with federal procurement requirements.

Effect—The Department’s policies and procedures not complying with federal regulations and not maintaining documentation of its procurement actions increased the Department’s risk of not:

- Receiving the most advantageous prices for the goods and services purchased with federal monies.
- Considering eligible small and minority businesses, women’s business enterprises, veteran-owned businesses, and labor surplus area firms as potential vendors.
- Giving preference to procure goods, products, and materials produced in the United States.
- Considering purchasing products or services that can be reused, refurbished, or recycled.

Finally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—The Department did not establish and maintain effective internal control over the program’s procurement requirements that provided reasonable assurance that it was managing the program’s awards in compliance with federal regulations. Department management reported that because the Department does not have to comply with State procurement requirements, they did not think about and consider federal regulations when developing written procurement policies and procedures and procuring program services for federal awards.¹ Further, Department management reported they have no record of when the Department awarded the administrative service contracts because the contracts are at least 15 years old, and the records are either not accessible in storage or were destroyed.

Criteria—Federal regulations require the Department to follow the same policies and procedures it uses for nonfederal procurements and to retain all records related to a federal program, including procurement action documentation, for a period of 3 years from the date the program’s final report was submitted to the federal awarding agency or pass-through grantor (2 CFR §§ 200.317 and 200.334). Federal regulations also require the Department to comply with procurement standards for contracting with small and minority businesses, women’s business enterprises, veteran-owned businesses, and labor surplus area firms; domestic preferences for procurements; and procurement of recovered materials; and ensure that every purchase order or contract includes required federal contract provisions (2 CFR §§200.321, 200.322, 200.323, and 200.327). Further, federal regulation requires establishing and maintaining effective internal

control over federal awards that provides reasonable assurance that federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Establish and maintain effective internal control over the program’s procurement requirements by updating its written policies and procedures to:
 - a. Retain procurement action documentation for a period of 3 years from the date the program’s final report was submitted to the federal awarding agency.
 - b. Require full and open competition using requests for competitively bid proposals. Alternatively, document each sole source procurement only after conducting a good-faith search for available sources and concluding there is only a single source and include it in the contract file.
 - c. Document compliance with procurement standards for contracting with small and minority businesses, women’s business enterprises, veteran-owned businesses, and labor surplus area firms; domestic preferences for procurements; and procurement of recovered materials.
 - d. Ensure that every purchase order or contract includes required federal contract provisions.
2. Retain procurement action documentation when procuring property and services using federal funds in accordance with federal records retention requirements, ensuring compliance with federal procurement requirements.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The Department is exempt from following the State’s procurement code (Arizona Revised Statutes §41-3953[D]).

2023-119

Assistance Listings number and name:	14.267 Continuum of Care Program
Award number and year:	AZ9999U9T002101, February 1, 2022 through June 30, 2023
Federal agency:	U.S. Department of Housing and Urban Development
Compliance requirements:	Matching, level of effort, and earmarking
Questioned costs:	Not applicable

Condition—Contrary to federal regulation, the Department of Housing (Department) did not develop, document, or implement internal control procedures to monitor compliance with the program’s matching, level of effort, and earmarking requirements. Specifically, the Department did not have a process in place to identify required matching amounts, level of effort requirements, and earmarking limits or to monitor and review these requirements to ensure compliance with federal regulations.¹ Despite lacking internal control procedures, we performed tests and determined the Department materially complied with the program’s matching, level of effort, and earmarking requirements during fiscal year 2023.

Effect—Without effective internal control procedures in place, there is an increased risk that the Department will not comply with the program’s matching, level of effort, and earmarking requirements in future periods, which may result in having to return program monies to the federal awarding agency.²

Cause—The Department did not develop, document, or implement internal control procedures to monitor compliance with matching, level of effort, and earmarking requirements because according to management, it did not have a process to regularly review and update its policies and procedures to make sure they were current and relevant.

Criteria—Federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms. (2 CFR §200.303)

Recommendations—The Department should:

1. Update and implement written policies and procedures to address matching, level of effort, and earmarking requirements, including processes to:
 - a. Identify grant award requirements over matching amounts, level of effort requirements, and earmarking limits and communicate applicable requirements to the subrecipient.
 - b. Monitor and review these requirements to ensure the source and use of the monies used for matching are allowable and the required matching amounts are met, earmarking calculations are accurate and within the limit, and State or local funding levels increase at least proportionally to any increases in federal funding.
 - c. Maintain documentation of accounting methods and amounts used to calculate the amounts claimed for matching, level of effort, and earmarking requirements.
2. Develop a process to regularly review and update its written policies and procedures to ensure they are current and relevant.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ Federal regulation requires that the recipient or subrecipient must match all Continuum of Care (CoC) grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions, and the recipient must ensure that any funds used to satisfy the matching requirements are eligible under the laws governing the funds in order to be used as matching funds for a grant awarded under this program. (24 CFR §578.73[a-b]) Also, federal regulation requires the Department to ensure that no more than 10 percent of the grant be used to pay for costs of administering assistance, including general management, oversight, and coordination; training on the CoC program requirements; and environmental review. (24 CFR §578.59) Further, federal regulation also requires that no assistance provided under the CoC program may be used to replace State or local funds previously used, or designated for use, to assist homeless persons (24 CFR §578.87[a]).

² Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

2023-120

Assistance Listings numbers and names:	93.658 Foster Care—Title IV-E 93.658 COVID-19 - Foster Care—Title IV-E
Award numbers and years:	2201AZFOST, October 1, 2021 through September 30, 2022; 2301AZFOST, October 1, 2022 through September 30, 2023
Federal agency:	U.S. Department of Health and Human Services
Compliance requirements:	Reporting
Questioned costs:	Not applicable

Condition—Contrary to federal laws and regulations, the Arizona Department of Child Safety’s (Department) policies and procedures, and the State’s accounting manual, the Department failed to report certain information on the federal government’s reporting system related to \$5.6 million in subawards it made to 15 Arizona counties under this program during fiscal year 2023. Specifically, the Department awarded federal monies to the counties to supplement, but not supplant, costs of legal representation in child welfare court cases. However, the Department had not reported any required information about the subawards, including subaward organization names and subaward amounts and terms for its awards ending on September 30, 2023. During fiscal year 2023, the Department spent \$5.6 million of federal monies related to these subawards, or 4.1 percent of the Department’s \$136.1 million total federal expenditures for this federal program. Further, the Department had not yet reported any required information for \$14.4 million in subawards noted in prior year findings related to awards ending on September 30, 2020 and September 30, 2022.

Effect—The State’s stakeholders and the public did not have access to transparent and timely information about the Department’s federal award spending decisions on [USAspending.gov](https://www.usaspending.gov) as required by federal laws and regulations. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—Although the Department established new reporting policies and procedures in August 2022, Department personnel administering the program reported that due to oversight, they delayed attempting to submit outstanding subaward information to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System until June 2023. When they tried to report information, they were only able to submit subaward information for the award ending on September 30, 2021. Specifically, they were unable to submit information for awards ending on September 30, 2020, 2022, and 2023, in the FFATA Subaward Reporting System as another State agency was listed as the prime awardee. Subsequently, the Department reported it initially contacted the federal grantor in October 2023, which then implemented a remedy in the FFATA Subaward Reporting System on January 1, 2024. However, the remedy is prospective and only allows the Department to submit reports for its award ending on September 30, 2024, for periods beginning on or after January 1, 2024, although that award began on October 1, 2023, and for new awards where the Department is listed as the prime awardee.

Criteria—The FFATA and federal Uniform Guidance regulations require the Department, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on [USAspending.gov](https://www.usaspending.gov).¹ Specifically, the federal Uniform Guidance requires the Department to report the subrecipient organization’s name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the Department’s policies and procedures require it to perform this reporting for federal awards (DCS 07-18-4.1 *Grantor Procedures Manual*, Other Reports, page 16), and the

State's accounting manual requires the Department to perform this reporting for federal awards (*State of Arizona Accounting Manual*, Topic 70: Grants, Section 45). Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

Recommendations—The Department should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for this program. For periods prior to January 1, 2024, the Department should work with the federal agency to resolve the reporting of outstanding subaward information.
2. Follow its policies and procedures and the State's accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to Department staff responsible for reporting the Department's subaward actions to the federal government's reporting system.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-119 and was initially reported in fiscal year 2021.

¹ The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at <https://www.fsr.gov/>

2023-121

Assistance Listings numbers and names:

Award numbers and years:

Assistance Listings numbers and names:

Award numbers and years:

Federal agency:

Compliance requirements:

Questioned costs:

93.268 **Immunization Cooperative Agreements**

93.268 **COVID-19 - Immunization Cooperative Agreements**

6 NH23IP922599-02-08, 5 NH23IP922599-03-00,
6 NH23IP922599-03-01, 6 NH23IP922599-03-02,
July 1, 2019 through June 30, 2024

93.323 **Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**

93.323 **COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**

6 NU50CK000511-02-14, 5 NU50CK000511-03-00,
6 NU50CK000511-03-01, 6 NU50CK000511-03-02,
6 NU50CK000511-03-03, 6 NU50CK000511-03-04,
6 NU50CK000511-03-05, 6 NU50CK000511-03-06,
August 1, 2019 through July 31, 2024

U.S. Department of Health and Human Services

Reporting

Not applicable

Condition—Contrary to federal laws and regulations and the State’s accounting manual, the Arizona Department of Health Services (Department) failed to report complete and accurate information on the federal government’s reporting system related to \$165,372,612 in subawards it made to subrecipients during fiscal year 2023 for 2 federal programs as shown below:

	Immunization (93.268)	ELC (93.323)	Total
Dollar amount of incomplete or inaccurate reports	\$35,172,550	\$130,200,062	\$165,372,612

As shown in the bullets below and tables on the next page, we tested a total sample of 19 subawards for these federal programs at the Department and found that for 19 subawards, the Department failed to report the following:

- Any required information about the subawards, including the subaward organization names and subaward amounts and terms, for all 6 Immunization subawards tested, totaling over \$35 million.
- Required information within the time frame for all 13 ELC subawards tested, totaling \$130.2 million, resulting in the reports being submitted between 3 to 32 months late.
- Correct subaward amounts for 1 ELC subaward tested, totaling \$944,471.
- Accurate key elements for all 13 ELC subawards tested, totaling \$130.2 million, that included incorrect subaward obligation dates, and 8 of those subawards tested, totaling \$98.3 million, included incorrect subaward numbers.

The table below describes results for the subawards we tested.

	Immunization (93.268)	ELC (93.323)
Total subawards tested	6	13
Total subaward amount tested	\$35,172,550	\$130,200,062
Subawards not reported	6	0
Total subaward award not reported	\$35,172,550	\$0
Report not timely	0	13
Total subaward amount not timely	\$0	\$130,200,065
Subaward amount incorrect	0	1
Total subaward amount incorrect	\$0	\$944,471
Subaward with other incorrect key elements	0	13
Total subaward amount with other incorrect key elements	\$0	\$130,200,062

Effect—The State’s stakeholders and the public did not have access to transparent and timely information about the Department’s federal award spending decisions on USAspending.gov as required by federal laws and regulations. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

During fiscal year 2023, the Department made expenditures to subrecipients for these 2 federal programs, as follows:

	Immunization (93.268)	ELC (93.323)
Subrecipient expenditures	\$13.6 million	\$40.6 million
Total program expenditures	\$144.5 million	\$137.3 million
Percent of subrecipient expenditures to total expenditures	9%	30%

Cause—Although the programs’ reporting requirements were provided as additional award terms and conditions on the federal agency’s website, and the State’s accounting manual instructed State departments to follow them, the Department lacked procedures to communicate new subawards and modifications and did not require independent reviews. Specifically, the Department’s program administrators did not always communicate new and modified subawards to the employee responsible for reporting to the federal government’s reporting system. In addition, the Department did not require independent reviews of the reports for accuracy and completeness prior to uploading subaward data to the federal government’s reporting system and did not require a post-upload review to verify that the subaward data it uploaded was complete and correctly displayed. Therefore, the Department was unaware of the errors. Further, the Department reported that it did not have an opportunity during the fiscal year to develop and implement the recommendations in the State’s *Single Audit Report* for the year ended June 30, 2022, since the report was not issued until December 20, 2023, nearly 6 months after fiscal year-end.¹

Criteria—The Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require the Department, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.² Specifically, the federal Uniform Guidance requires the Department to report the subrecipient organization’s name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the State’s accounting manual requires the Department to perform this reporting for federal awards (State of Arizona Accounting Manual, Topic 70: Grants, Section 45). Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

Recommendations—The Department should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for these 2 programs, including reviewing, correcting, and/or resubmitting any inaccurate reported information.

2. Follow the State’s accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to Department staff responsible for reporting the Department’s subaward actions to the federal government’s reporting system.
3. Implement a procedure for Department program administrators to communicate subaward activities, such as new subawards or modifications to existing subawards, to those employees responsible for reporting the Department’s subaward actions to the federal government’s reporting system.
4. Implement procedures requiring independent reviews to:
 - a. Ensure the subaward data is complete and accurate prior to uploading it to the federal government’s reporting system.
 - b. Verify that the subaward data it uploaded to the federal government’s reporting system was complete and correctly displayed.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-122 and was initially reported in fiscal year 2022.

¹ Arizona Auditor General. (2023). State of Arizona June 30, 2022, Single Audit Report. Phoenix, AZ. Retrieved 8/21/24 from https://www.azauditor.gov/sites/default/files/2024-01/StateOfArizonaJune30_2022SingleAudit.pdf

² The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at <https://www.fhrs.gov/>

2023-122

Assistance Listings numbers and names:

84.010 **Title I Grants to Local Educational Agencies**
 84.367 **Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)***
***referred to as Title II**

Award numbers and years:

S010A190003, July 1, 2019 through September 30, 2020;
 S010A200003, July 1, 2020 through September 30, 2021;
 S010A210003, July 1, 2021 through September 30, 2022;
 S010A220003, July 1, 2022 through September 30, 2023;
 S367A190049, July 1, 2019 through September 30, 2020;
 S367A200049, July 1, 2020 through September 30, 2021;
 S367A210049, July 1, 2021 through September 30, 2022;
 S367A220049, July 1, 2022 through September 30, 2023

Federal agency:

U.S. Department of Education

Compliance requirement:

Activities allowed or unallowed, allowable costs/cost principles, eligibility, earmarking, and special tests and provisions

Questioned costs:

\$8,696

Condition—During fiscal year 2023, the Arizona Department of Education’s Title I Department (Department) allocated and disbursed over \$354.6 million and over \$43.6 million in Title I and Title II funds, respectively, to local educational agencies (LEAs). However, contrary to federal requirements, the Department did not consider 110 Special LEAs (charter schools) for eligibility for federal Title I funding and 109 charter schools for federal Title II funding that may have been eligible and thus should have been

included in its funding allocation calculations. Further, the Department included 6 ineligible LEAs in its Title II funding allocation calculation.

The U.S. Department of Education (USDE) awarded these Title I and Title II funds to the Department in October 2021, and they were allocated (specific grant amounts determined by the Department using statutory formulas) in April 2022, with the official grant period beginning July 1, 2022, and ending June 30, 2023. The Title I and Title II funds the Department allocated to the LEAs were then considered obligated (reserved) and could be disbursed (paid) by the Department each month after it received and processed a reimbursement request from an LEA.

Effect—The Department’s Title I and Title II awards to LEAs may be inaccurate. Specifically:

- 519 Title I and 550 Title II LEAs likely received more funds than they were entitled to. We were unable to determine the actual questioned cost as we could not determine the individual amount of over- or underpayment for each LEA without the Department recalculating the allocation, including gathering census data and poverty data for the 110 Title I charter schools and 109 Title II charter schools that were not considered for eligibility and not part of the original allocation. The Department stated that the recalculation process would require the use of historical census, and enrollment and would be an overly arduous process. For these reasons, the Department chose to focus on correcting and overhauling the allocation process for fiscal year 2024 and forward.
- 110 Title I and 109 Title II charter school LEAs not part of the original allocation and referenced above may have been able to provide additional services to eligible students in fiscal year 2023 if the Department had appropriately evaluated and determined them to be eligible for Title I and Title II disbursements.
- \$8,696 of Title II funds awarded to 6 ineligible LEAs may require repayment to the USDE.¹

Further, future Title I and Title II funding could be affected if the USDE requires the Department to recalculate the fiscal year 2023 allocations and provide subsequent funding to those entities that were eligible but did not receive funding. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—Despite federal laws requiring the Department to allocate fiscal year 2023 Title I and Title II funds to LEAs beginning in July 2023, including charter schools, and detailed federal guidance on how to adjust the USDE allocations for new or significantly expanded charter schools, the Department lacked detailed procedures and reported that it only evaluated charter schools for inclusion in its allocation calculations upon direct requests from the schools, rather than evaluating charter schools annually. Specifically, the Department reported that it did not add charter schools to the list of eligible LEAs during their first year of operation or when the LEAs’ enrollment significantly expanded because Department staff used the prior fiscal year listing of eligible LEAs. The Department also did not perform a supervisory review and approval of this listing to ensure all eligible LEAs were properly included and evaluated.

Further, Department staff responsible for the administration and execution of Title I and Title II grants during fiscal year 2023 were no longer employed by the Department at the time of the audit, and current leadership reported they were unaware of what policies and procedures were followed during the grant-allocation process due to out-of-date and incomplete policies and procedures and because the grant allocation process for fiscal year 2023 was performed prior to their hire. Specifically, the program administrator responsible for the allocation of grant funds was no longer employed by the Department as of April 20, 2023, 2 months before the end of the LEA grant period. As of this date, preliminary allocations for fiscal year 2024 had been calculated and were able to be adjusted by current Department staff. Due to the timing of the adjustments the Department implemented, the results of the changes in procedures for

the fiscal year 2024 allocation will be reviewed for accuracy and compliance in the 2024 Single Audit Report.

Lastly, the 6 ineligible LEAs that received Title II funds were Educational Service Agencies, such as a Juvenile Detention Center, that were ineligible for the funds due to the classification of their educational programs or organizational structure. When determining eligibility for these entities, the Department incorrectly classified the entities as public schools and therefore incorrectly deemed them eligible, resulting in \$8,696 in improper payments.

Criteria—Federal laws require the Department to use a statutory formula to annually allocate Title I and Title II funds to LEAs, including charter schools, based on the number of children from low-income families attending them who meet the eligibility requirements established by the USDE (20 USC §§6303, 6303b, 6304, 6333-6337). Public schools are defined as eligible LEAs in accordance with 34 USC 303.23(a) and A.R.S. §§15-101 and 15-913. In addition, federal laws and guidance require the Department to provide Title I and Title II funding to eligible charter schools within 5 months of opening for the first time or significantly expanding enrollment (20 USC §7221e).^{2,3} Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Ensure the allocation of Title I and Title II funds is based on statutory formula and eligibility requirements and that awards are made to eligible charter schools within 5 months of opening for the first time or significantly expanding enrollment by developing and implementing detailed allocation policies and procedures.
2. Ensure that staff responsible for the allocation and performance of grant objectives are adequately supervised and managed by knowledgeable supervisors who have the understanding and training to review and approve allocation calculations prior to Title I and Title II disbursements being made to LEAs.
3. Work with the USDE to determine if it will require the Department to recalculate the allocation of funds for fiscal year 2023 and what steps may be necessary to correct the amounts paid to LEAs.
4. Work with the 6 ineligible LEAs that received funding to determine if the amounts disbursed should be repaid and how the LEAs can reimburse the Department for these unallowable costs.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the Department, takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

² Significant expansion of enrollment means a substantial increase in the number of students attending a charter school due to a significant event that is unlikely to occur on a regular basis, such as the addition of one or more grades or educational programs in major curriculum areas. The term also includes any other expansion of enrollment that the state educational agency (SEA) determines to be significant (34 CFR §78.787).

³ U.S. Department of Education. (November 21, 2016). Non-regulatory Guidance: Fiscal Changes and Equitable Services Requirements under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). Retrieved 08/26/2024 from <https://oese.ed.gov/files/2020/07/essguidance160477.pdf>

2023-123

Assistance Listings numbers and names:

84.010 **Title I Grants to Local Educational Agencies**
84.367 **Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)***
***referred to as Title II**

Award numbers and years:

S010A190003, July 1, 2019 through September 30, 2020;
S010A200003, July 1, 2020 through September 30, 2021;
S010A210003, July 1, 2021 through September 30, 2022;
S010A220003, July 1, 2022 through September 30, 2023;
S367A190049, July 1, 2019 through September 30, 2020;
S367A200049, July 1, 2020 through September 30, 2021;
S367A210049, July 1, 2021 through September 30, 2022;
S367A220049, July 1, 2022 through September 30, 2023

Federal agency:

U.S. Department of Education

Compliance requirement:

Level of effort

Questioned costs:

Unknown

Condition—The Department of Education’s Grants Management Department (Department) disbursed over \$55.3 million and over \$6.1 million in Title I and Title II funds, respectively, to 295 Title I and 307 Title II charter school local educational agencies (LEAs) during fiscal year 2023 without completing required maintenance-of-effort calculations and reducing grant funding when necessary as required by federal law. Specifically, the Department did not evaluate and reduce grant monies awarded to any charter school that failed to meet required spending levels (maintain fiscal effort) for more than once in a 5-year period.

Effect—The Department’s not completing required maintenance-of-effort calculations for charter schools increased the risk that charter schools may have received current or future grant funding through fiscal year 2028 they are not entitled to and may require repayment to the U.S. Department of Education.¹ Further, other LEAs may have been entitled to additional grant monies and may have been able to provide additional services to eligible students. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—The Department relied on its grant-management system to automatically calculate maintenance-of-effort without ensuring all necessary data was included in the calculations. The Department performs these maintenance-of-effort calculations on April 1 of each year using the prior-year data from the LEAs’ Financial Audit Report. Specifically, the Department reported that it changed where it stored the charter schools’ financial information in fiscal year 2023 but did not adjust grant-management system criteria to include the data in the maintenance-of-effort calculations run on April 1, 2023. Further, Department staff did not review the maintenance-of-effort calculation results to ensure all LEAs were included.

Criteria—Federal law requires the Department to disburse Title I and Title II grant monies to LEAs, including charter schools, only if maintenance-of-effort requirements are met. Specifically, the Department must calculate and verify that the combined fiscal effort per student or the LEA’s aggregate expenditures from State and local funds for free public education for the preceding year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding year. If the LEA fails to maintain fiscal effort, federal law requires the Department to reduce the LEA’s allocation under a covered program if the LEA also failed to maintain effort in 1 or more of the 5 immediately preceding fiscal years in exact proportion by which the LEA failed to maintain effort (20 USC 7901). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Evaluate and reduce Title I and Title II funds annually for any LEA, including charter schools, that failed to maintain fiscal effort more than once in a 5-year period.
2. Develop and implement maintenance-of-effort policies and procedures that include verifying that its grants management system’s maintenance-of-effort calculations include necessary data for all applicable LEAs, including charter schools, and to review the calculation results to ensure all LEAs were included.
3. Determine if any LEAs, including charter schools, received funding they were not entitled to by completing the missing fiscal year 2023 charter school maintenance-of-effort calculations and identifying any LEAs that did not maintain fiscal effort more than once in a 5-year period. If improper payments were made, work with the U.S. Department of Education to determine if they will require the Department to reperform the allocation of Title I and Title II benefits for fiscal year 2023 and what steps may be necessary to correct any errors, if applicable, for the amounts paid to LEAs.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the Department, takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies’ management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

2023-124

Assistance Listings number and name: 84.010 **Title I Grants to Local Educational Agencies**

Award numbers and years: S010A200003, July 1, 2020 through September 30, 2021;
S010A210003, July 1, 2021 through September 30, 2022

Federal agency: **U.S. Department of Education**

Compliance requirement: Period of Performance

Questioned costs: Not applicable

Condition—The Department of Education’s School Improvement Department (Department) did not effectively oversee the disbursement of nearly \$4.5 million of fiscal year 2021 Title I funds and over \$24.4 million of fiscal year 2022 Title I funds to local educational agencies (LEAs) during fiscal year 2023. These funds were set aside and statutorily required to be used as School Improvement funds to LEAs. The Department did not establish the necessary controls to monitor the balance of School Improvement Title I funds not yet granted (unobligated) and ensure all the funds were allotted to LEAs, and to monitor the balance of LEA School Improvement Title I funds not yet spent (unexpended) in order to timely reallocate those funds to LEAs.

Effect—The Department’s lack of proper management and controls over monitoring the balance of unobligated and unexpended School Improvement Title I funds resulted in the following:

- \$4,476,454¹ of School Improvement Title I funds were either unallocated or unexpended during fiscal year 2021 and were scheduled to revert to the United States Department of Treasury as of September 30, 2024.

- \$24,433,649² of School Improvement Title I funds were either unallocated or unexpended during fiscal year 2022 and were scheduled to revert to the United States Department of Treasury as of September 30, 2024.

Due to the ability of the Department to use the “first-in, first out” (FIFO) method of disbursing School Improvement Title I funds, the rolling effect of the Department’s failure to effectively oversee and disburse the funds during prior expired grant periods culminated in \$4,476,454 and \$24,433,649 of Title I funds in SFYs 2021 and 2022, respectively, that remained unexpended as of the end of the period of performance for both grants on September 30, 2024. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—The Department operates the School Improvement Title I funds with a FIFO method, rolling forward the unused funds from each prior year to allocate in future grant awards. Based on a 3-year look back of the School Improvement Title I obligations and expenditures, the amount the Department has granted to LEAs has been historically underobligated and underexpended. School Improvement funds, as an earmark of Title I funding, has a 27-month period of performance, starting on July 1 of the fiscal year and ending September 30 of the second subsequent fiscal year (July 1, 2021 through September 30, 2023, for example). During that 27-month period, the funds may be obligated and expended, based on eligibility requirements. If the funds are not expended, or not expected to be expended by an LEA, the funds may be re-obligated during that period. Funds may not be obligated or expended once the period of performance ends (after September 30), without a waiver from the U.S. Department of Education (USDE). The Department obligates School Improvement funds by granting project-specific grants to LEAs during the period of performance. These project-specific grants are given their own grant periods, allowing the Department to re-grant funds as needed if an LEA does not expend all its obligated funds in a timely manner.

For SFY 2021 grant funds, the Department did not obligate \$869,624 of available School Improvement Title I funds to LEAs and failed to re-obligate the unexpended balance of \$6,302,741 during the period of performance. The Department requested and received an initial waiver in September 2022 to extend the period of performance by 1 year, giving it 39 months from the initial grant date of July 1, 2020, to expend the funds. For SFY 2022 grant funds, the Department did not obligate \$5,642,535 of available School Improvement Title I funds to LEAs, and failed to re-obligate the unexpended balance of \$4,492,279 during the period of performance. With the roll-forward of funds due to the FIFO method, the resulting cumulative amount of unexpended funds was \$28,910,103 that were set to expire on September 30, 2023.

As of April 20, 2023, the Program Administrator responsible for granting funds to the respective LEAs and managing the balance of unexpended and unobligated funds was no longer employed by the Department. At this time, the Department was operating within the period of performance for SFY 2021 grant funds due to the September 30, 2022, extension, and the period of performance for federal fiscal year (FFY) 2021. According to current Department leadership, the Office of School Improvement (Office) was left without an understanding of the policies, procedures, and contextual information of the prior Office staff. A new deputy superintendent, hired in January 2023, took over leadership of the Office in April 2023. Further, according to current Department leadership, due to the lack of documented policies and prior knowledge of the meaning of various spreadsheets and documentation, the Office was unaware of the substantial unexpended balances that remained from the SFYs 2021 and 2022 School Improvement Title I funds and did not re-obligate the funds prior to September 30, 2023. Department staff further explained that a part of the reason LEAs’ unexpended balances were high was because LEAs did not utilize monies obligated to them.

The USDE first alerted the Department to the substantial balance of unexpended SFY 2021 Title I funds on June 7, 2024, with an email stating that the unexpended funds would be reverted to the U.S. Department

of Treasury unless the Department had expended funds that required late liquidation. The USDE followed up with an additional email on June 10, 2024, alerting the Department to the additional SFY 2022 funds that were also set to expire and revert to the U.S. Department of Treasury. The USDE sent an additional email, dated August 8, 2024, stating that the Department could request a Tydings Waiver for both years that would allow the Department additional time to re-obligate and expend the funds. After the June 2024 emails, Department staff researched the School Improvement Title I funds obligations and expenditures and concluded the balance given by the USDE for the amounts set to revert was correct. The Department submitted a Tydings Waiver request to USDE on August 12, 2024, and it was approved by the USDE on September 27, 2024, extending the period of performance end date to September 30, 2025, for the SFYs 2021 and 2022 Title I funds. The Department also requested a Tydings Waiver on August 12, 2024, for SFY 2023 Title I funds to extend the period of performance an additional year, as the initial period of performance would end on September 30, 2024, and all the SFY 2023 funds would not have been expended. USDE also approved this waiver on September 27, 2024, extending the period of performance end date to September 30, 2025, as well.

Criteria—Federal laws require the Department to establish, document, and maintain effective internal control over the federal award such that it provides reasonable assurance that the Department is in compliance with federal statutes, regulations, and terms. Additionally, the internal controls designed and put in use by the Department must conform with standards put in place by the Comptroller General of the United States. Those standards require a robust system of written policies and procedures that are provided to Departmental staff and that are used to effectively monitor compliance with federal regulations. (2 CFR §200.303).

Recommendations—The Department should:

1. Prioritize re-obligating SFYs 2021, 2022, and 2023 School Improvement Title I funds to LEAs while also timely monitoring the amount of unexpended funds to ensure funds are best utilized by eligible LEAs to improve school performance.
2. Ensure current and newly awarded School Improvement Title I funds are properly obligated to LEAs at the beginning and during the period of performance for Title I funds and that unexpended balances are timely monitored to ensure funds are utilized during the period of performance.
3. Ensure documentation of carryforward of previous year School Improvement Title I funds is maintained and can be understood and followed by personnel.
4. Work with LEAs to better train and educate LEA staff on the types of allowable expenses for School Improvement Title I grants to help LEAs better utilize the grant funds.
5. Develop and implement a system to track expiring School Improvement Title I funds so that the unexpended funds can be re-granted or re-obligated during the period of performance to ensure effective grants management.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ \$869,624 of State fiscal year (SFY) 2021 School Improvement Title I funds remained unobligated as of September 30, 2023, and \$6,302,741 of allocated SFY 2021 School Improvement Title I funds remaining unexpended from the obligated awards to LEAs. Due to the FIFO method of funding the Department utilizes, these unobligated and unexpended grant funds resulted in the \$4,476,454 of funds scheduled to revert.

² \$5,642,535 of SFY 2022 School Improvement Title I funds remained unobligated as of September 30, 2023, and \$4,492,279 of allocated SFY 2022 School Improvement Title I funds remaining unexpended from the obligated awards to LEAs. Due to the FIFO method of funding the Department utilizes, these unobligated and unexpended grant funds resulted in the \$24,433,649 of funds scheduled to revert.

2023-125

Assistance Listings numbers and names:

84.010 **Title I Grants to Local Educational Agencies**
84.367 **Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)***
***referred to as Title II**

Award numbers and years:

S010A190003, July 1, 2019 through September 30, 2020;
S010A200003, July 1, 2020 through September 30, 2021;
S010A210003, July 1, 2021 through September 30, 2022;
S010A220003, July 1, 2022 through September 30, 2023;
S367A190049, July 1, 2019 through September 30, 2020;
S367A200049, July 1, 2020 through September 30, 2021;
S367A210049, July 1, 2021 through September 30, 2022;
S367A220049, July 1, 2022 through September 30, 2023

Federal agency:

U.S. Department of Education

Compliance requirement:

Special tests and provisions

Questioned costs:

Unknown

Condition—The Department of Education’s Grants Management Department (Department) disbursed over \$55.3 million and over \$6.1 million in Title I and Title II funds, respectively, to 295 Title I and 307 Title II charter school local educational agencies (LEAs) during fiscal year 2023 but did not perform certain monitoring procedures required by the U.S. Department of Education. Specifically, the Department did not identify which of the 295 Title I and 307 Title II charter school LEAs receiving federal grant monies had relationships with charter management organizations (CMOs) in order to perform additional required monitoring to assess the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties at these charter schools.¹

Effect—The Department’s not identifying or performing additional monitoring of charter schools with relationships with CMOs increases the risk that funds allocated to these charter school LEAs may not have been spent in accordance with the award terms and program requirements and could result in the U.S. Department of Education to reduce future awards.² Further, if monies were spent inconsistently with program requirements, those who were intended to benefit from the program may not have received all the services or other benefits they otherwise would have received. Additionally, the Department is at risk that this finding applies to other federal programs it administers.

Cause—Despite the U.S. Department of Education providing related guidance in September 2015, the Department staff reported they were unaware of the requirement to perform additional monitoring steps over charter schools with relationships with CMOs. Further, the Department’s policies and procedures for monitoring LEAs did not differentiate between regular LEAs, charter schools without CMOs, or charter schools with relationships with CMOs. As such, the Department lacked specific procedures to assess the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties.

Criteria—Federal regulations require the Department to monitor subrecipients, including charter schools, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments. Those federal regulations also provide that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §200.332[b and d]). As part of these monitoring responsibilities, the U.S. Department of Education requires the Department to monitor charter schools with

relationships with CMOs and assess the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties.³ Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Perform annual monitoring over charter schools with relationships with CMOs, including performing risk-assessment procedures over the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties, and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
2. Update existing LEA-monitoring policies and procedures and train employees to identify charter schools that have relationships with CMOs and to then assess and design monitoring procedures over conflicts of interest, related-party transactions, or insufficient segregation of duties.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The term "charter management organization" means a nonprofit organization that operates or manages a network of charter schools linked by centralized support, operations, and oversight (20 USC 7221i[3]). Retrieved 9/13/2024 from <https://www.law.cornell.edu/uscode/text/20/7221i#2>

² Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the Department, takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

³ On September 28, 2015, the U.S. Department of Education issued a letter to State Educational Agencies (SEAs) reminding them of their role in helping to ensure that federal funds accessed by public charter schools are used for intended, appropriate purposes, and provided additional resources for states, and specifically SEAs, to consult as they consider improvements to their monitoring and oversight procedures for charter schools (U.S. Department of Education. [2015, September]. Letter to SEAs. Retrieved 8/29/2024 from <https://oese.ed.gov/files/2020/07/finalsignedcsp.pdf>). Further, in September 2016, the U.S. Department of Education's Office of Inspector General issued an audit report on charter schools with CMOs and identified risks such as conflicts of interest, related-party transactions, or insufficient segregation of duties (U.S. Department of Education. [2016, September]. Nationwide Assessment of Charter and Education Management Organizations. Retrieved 8/29/2024 from <https://oig.ed.gov/sites/default/files/reports/2023-11/a02m0012.pdf>).

2023-126

Assistance Listings number and name:

84.010 **Title I Grants to Local Educational Agencies**

Award numbers and years:

S010A210003, July 1, 2021 through September 30, 2022;
S010A220003, July 1, 2022 through September 30, 2023

Assistance Listings number and name:

84.367 **Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)***
***referred to as Title II**

Award numbers and years:

S367A210049, July 1, 2021 through September 30, 2022;
S367A220049, July 1, 2022 through September 30, 2023

Assistance Listings numbers and names:

84.425D **COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund**
84.425U **COVID-19 - Education Stabilization Fund - American Rescue Plan - Elementary and Secondary Schools Emergency Relief (ARP ESSER) Fund**

Award numbers and years:

S425D210038, March 13, 2020 through September 30, 2023;
S425U210038, March 13, 2020 through September 30, 2024

Federal agency:

U.S. Department of Education

Compliance requirements:

Reporting

Questioned costs:

Not applicable

Condition—Contrary to federal laws and regulations and the State’s accounting manual, the Department of Education (Department) failed to report complete and accurate information on the federal government’s reporting system related to \$161,857,168 in subawards it made to local education agencies (LEAs) during fiscal year 2023 for 4 federal programs, as shown below:

	Title 1 (84.010)	Title II (84.367)	ESSER II (84.425D)	ARP ESSER (84.425U)	Total
Dollar amount of incomplete or inaccurate reports	\$5,538,177	\$680,068	\$223,110	\$155,415,813	\$161,857,168

As shown in the bullets below and the table on the next page, we tested a total sample of 29 subawards for these federal programs at the Department and found that for 28 subawards, the Department failed to report the following:

- Any required information about the subawards, including the subaward organization names and subaward amounts and terms for:
 - 4 Title I subawards, totaling \$335,688 of the total \$5.5 million of Title I subawards we tested in our sample.
 - 3 Title II subawards, totaling \$273,149 of the total \$680,068 of Title II subawards we tested in our sample.
- Required information within the required time frame for:
 - 5 Title I subawards tested, totaling \$5.0 million, resulting in reports being submitted between 5 and 11 months late.
 - 3 Title II subawards tested, totaling \$406,919, resulting in reports being submitted between 4 and 7 months late.
 - 3 ESSER II subawards tested, totaling \$223,110, resulting in reports being submitted between 21 and 23 months late.

- 1 ARP ESSER subaward tested, totaling over \$4.3 million, resulting in the report being submitted over 9 months late.
- Correct subaward amounts for 3 ESSER II subawards tested, totaling \$223,110.
- Accurate key elements for:
 - 6 Title I subawards tested, totaling over \$5.2 million, that included incorrect assistance listing numbers, and 5 of those subawards included inaccurate subaward obligation dates.
 - 3 Title II subawards tested, totaling \$406,919, that included incorrect subaward obligation dates.
 - 9 ARP ESSER subawards tested, totaling nearly \$155.4 million, that included incorrect subaward numbers and subaward project descriptions, and 1 of those subawards included an inaccurate subawardee name.

Finally, the Department did not meet its quarterly reporting requirements for ESSER II and ARP ESSER monies it spent during fiscal year 2023, since the ESSER reporting requirements were fulfilled through this same reporting on the federal government’s reporting system.

The table below describes results for the subawards we tested.

	Title 1 (84.010)	Title II (84.367)	ESSER II (84.425D)	ARP ESSER (84.425U)
Total subawards tested	10	6	4	9
Total subaward amount tested	\$5,538,177	\$680,068	\$432,230	\$155,415,813
Subawards not reported	4	3	0	0
Total subaward amount not reported	\$335,688	\$273,149	\$0	\$0
Report not timely	5	3	3	1
Total report amount not timely	\$5,037,057	\$406,919	\$223,110	\$4,300,968
Subaward amount incorrect	0	0	3	0
Total subaward amount incorrect	\$0	\$0	\$223,110	\$0
Subaward with other incorrect key elements	6	3	0	9
Total subaward amount with other incorrect key elements	\$5,202,489	\$406,919	\$0	\$155,464,402

Effect—The State’s stakeholders and the public did not have access to transparent and timely information about the Department’s federal subaward spending decisions on USAspending.gov as required by federal laws and regulations. Further, the federal grantor, which relies on the Department’s data on the federal government’s reporting system for ESSER quarterly reports, lacked all needed information to effectively monitor the Department’s program administration. Therefore, the Department put the grantor at risk of not being able to carry out its oversight responsibilities and effectively evaluate the program’s success and prevent and detect fraud. Finally, the Department is at risk that this finding applies to other federal programs it administers.

During fiscal year 2023, the Department made expenditures to subrecipients for these 4 federal programs, as follows:

	Title 1 (84.010)	Title II (84.367)	ESSER II (84.425D)	ARP ESSER (84.425U)
Subrecipient expenditures	\$354.6 million	\$43.6 million	\$295.0 million	\$666.3 million
Total program expenditures	\$359.8 million	\$46.0 million	\$301.9 million	\$716.1 million
Percent of subrecipient expenditures to total expenditures	99%	95%	98%	93%

Cause—Although the programs’ reporting requirements were provided as additional award terms and conditions on the federal agency’s website, and the State’s accounting manual instructed State departments to follow them, the Department did not require independent reviews of the reports for accuracy and completeness prior to uploading subaward data to the federal government’s reporting system. In addition, the Department did not require a post review to verify that the subaward data it uploaded to the federal government’s reporting system was complete and correctly displayed. Therefore, the Department was unaware of the errors.

Criteria—The Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require the Department, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.¹ Specifically, the federal Uniform Guidance requires the Department to report the subrecipient organization’s name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the State’s accounting manual requires the Department to perform this reporting for federal awards (State of Arizona Accounting Manual, Topic 70: Grants, Section 45). Also, federal laws require the Department to submit ESSER quarterly reports to the federal grantor unless the Department fulfills that requirement with more frequent reporting.² Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for these 4 programs, including reviewing, correcting, and/or resubmitting any inaccurately reported information.
2. Follow the State’s accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to Department staff responsible for reporting the Department’s subaward actions to the federal government’s reporting system.
3. Implement procedures requiring independent reviews to:
 - a. Ensure the subaward data is complete and accurate prior to uploading it to the federal government’s reporting system.
 - b. Verify that the subaward data it uploaded to the federal government’s reporting system was complete and correctly displayed.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-121 and was initially reported in fiscal year 2021.

¹ The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at FSRS—Federal Funding Accountability and Transparency Act Subaward Reporting System at <https://www.fsr.gov/>

² For ESSER I, the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (Public Law 116-136), Section 15011, requires the Department to submit quarterly reports to the U.S. Department of Education if it received more than \$150,000 in federal awards under the CARES Act, although the quarterly reporting requirements are met if more frequent monthly reporting is performed, such as under the FFATA. These same reporting requirements applied to ESSER II in accordance with Sec. 303(f) of the Consolidated Appropriations Act of 2021 (Public Law 116-260) and the Department’s award terms and conditions; however, this did not apply to ARP ESSER, as only annual reporting was required.

2023-127

Assistance Listings numbers and names:

84.425D **COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund**

84.425R **COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021- Emergency Assistance to Non-Public Schools (CRRSA EANS)**

Award numbers and years:

S425D210038, March 13, 2020 through September 30, 2023;
S425R210003, January 15, 2021 through September 30, 2024

Federal agency:

U.S. Department of Education

Compliance requirements:

Reporting

Questioned costs:

Not applicable

Condition—Contrary to federal regulations, the Department of Education (Department) reported inaccurate data for 4 local educational agencies (LEA) and 9 nonpublic schools on Annual Performance Reports (APR) submitted in fiscal year 2023. Specifically, the Department reported key line item information that did not agree to records and supporting documentation, as follows:

- For 4 of 48 LEAs tested on the 2021 ESSER APR, certain key line items, including unique entity ID, total amount expended by activity, and allocation of ESSER resources within the LEA, did not agree to the LEAs' files.¹
- For 9 of 9 nonpublic schools tested on the 2022 CRRSA EANS APR, certain key line items, including reporting on State Education Agency obligations (including reimbursements) by allowable activity for CRRSA EANS and reporting on nonpublic schools receiving services or assistance under CRRSA EANS, did not agree to the schools' files. The Department reported that this would likely be applicable to all 83 nonpublic schools the Department was required to report on.

Effect—The Department's reporting inaccurate program information results in the federal agency being unable to rely on the reports to effectively monitor the Department's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the programs' successes. The Department is also at risk that this finding applies to other federal programs it administers.

Cause—The Department did not have written policies and procedures requiring a detailed, independent review of the APRs for accuracy prior to submission to the federal agency. Department staff reported to us that they were unaware these reports needed to be independently reviewed for accuracy prior to submitting them to the federal agency.

Criteria—Federal regulations and the Department's federal award terms require it to submit annual performance reports to the U.S. Department of Education containing accurate, current, and complete information (2 CFR §§200.301 and 200.302). Further, federal regulation also requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Department should:

1. Report accurate data in the APRs that agree to records and supporting documentation contained in the LEAs' or schools' files, including reviewing, correcting, and/or resubmitting any inaccurately reported information.
2. Develop and implement written policies and procedures to require a detailed, independent review of the APRs for accuracy prior to their submission to the federal agency.

The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The 2021 ESSER APR was due June 17, 2022; however, the Department received an extension for a submission deadline of September 9, 2022. Per the 2023 Compliance Supplement as of August 12, 2024, it is not necessary for auditors to test whether APRs were submitted in a timely manner because the federal agency is able to verify timeliness.

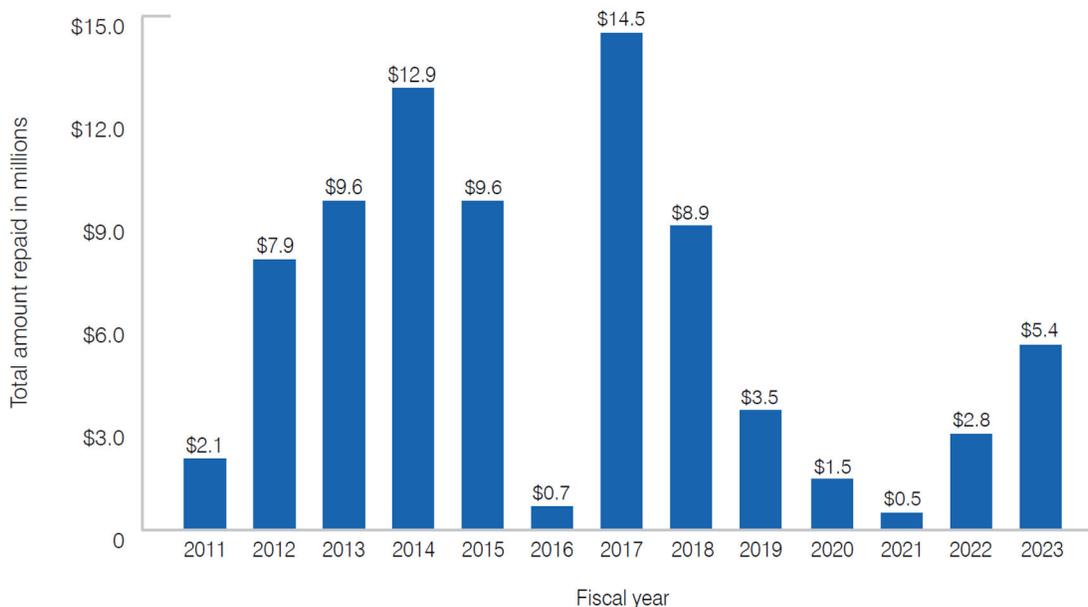
2023-128

Assistance Listings number and name:	Various
Award number and year:	Various
Federal agency:	Various
Compliance requirement:	Activities allowed or unallowed and allowable costs/cost principles
Questioned costs:	\$5,428,101

Condition—The Arizona Department of Administration (ADOA) reported to us that during fiscal year 2023, the State used an estimated \$5.4 million of restricted federal program monies, including interest, for unallowable purposes, contrary to federal regulations. For example, some of these monies were used for State agency general operations despite federal regulations prohibiting the monies being used for this purpose.

Effect—In July 2024, ADOA repaid the U.S. Department of Health and Human Services (HHS) the \$5.4 million of restricted federal program monies the State had spent in fiscal year 2023 for unallowable purposes.¹ Further, because in previous years the State has spent unrestricted federal monies for unallowable purposes contrary to law, it has previously owed HHS monies. In fact, as shown in the table below, ADOA repaid HHS approximately \$74.5 million of restricted federal program monies the State spent for unallowable purposes during fiscal years 2011 through 2022, which we reported on in similar prior-year findings.

ADOA repaid HHS \$79.9 million the State spent for unallowable purposes during fiscal years 2011 through 2023



Source: Auditor General staff analysis of the fiscal years 2011-2023 HHS demand letters issued to ADOA related to the unallowable fund transfers and associated interest amounts repaid to HHS.

Additionally, this finding could potentially affect any federal programs that the State administers through its various agencies that paid agencies administering funds that had State legislatively mandated transfers that included restricted federal program monies.

Cause—During the 2022 legislative session, laws were enacted that mandated or directed transfers of monies from specific State agency account balances in fiscal year 2023 that included restricted federal program monies. These laws directed the transferred monies to be used for general operating expenses or other specific purposes, such as child safety litigation services and establishing a cyber risk insurance program for State agencies. For example, Laws 2022, Ch. 313, §123, transferred unused monies from the State’s Risk Management Revolving Fund, which included a proportional share of monies from restricted federal program sources to the Arizona Department of Administration’s Cyber Risk Fund for insurance premiums, deductibles, and operating costs for cyber risk insurance. When the State transferred the monies, which included the restricted federal program monies to pay for the legislatively mandated uses, it did not have a basis to show the relative benefits for each specific federal program’s objectives.

Criteria—Federal regulation requires the State to use federal program monies for only those costs allowed by federal regulations and that provide a benefit directly or indirectly to the program’s purposes (2 CFR §200.405[a]). In addition, federal regulation prohibits the State from using federal monies to cover the general costs of government, such as litigation services, having no direct benefit to a federal program (2 CFR §§200.444[a][4-5]). Further, whenever monies are transferred from a self-insurance reserve fund (i.e., the State’s Risk Management Revolving Fund) to another fund, refunds must be made to the federal government for its share of funds transferred (2 §CFR 200.447[d][5]).

Recommendations—ADOA should continue to:

1. Inform the Legislature, the Governor’s Office of Strategic Planning and Budgeting, and other State agencies of the State agency funds that include restricted federal program monies in their fund balance.
2. Monitor legislative bills being considered during legislative sessions and recommend bill revisions to help prevent the transferring of restricted federal program monies.

The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-124 and was initially reported in fiscal year 2011.

¹ HHS Reserves the right to assess whether additional unallowed costs exist based on the completion of its review of the Statewide Cost Allocation Plan for fiscal year 2023 and impose additional penalties and demand repayment.

2023-129

Cluster name:

Assistance Listings numbers and names:

Student Financial Assistance Cluster

84.007 **Federal Supplemental Educational Opportunity Grants**

84.033 **Federal Work-Study**

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

84.063 **Federal Pell Grant Programs**

84.268 **Federal Direct Student Loans**

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

Various, 2023

Award numbers and year:

Federal agency:

U.S. Department of Education

Assistance Listings numbers and names:

93.364 **Nursing Student Loans**

93.925 **Scholarships for Health Professions Students from Disadvantaged Backgrounds—Scholarships for Disadvantaged Students (SDS)**

Award numbers and year:

Various, 2023

Federal agency:

U.S. Department of Health and Human Services

Compliance requirement:

Eligibility

Questioned costs:

\$138,135

Condition—Contrary to federal regulation and the U.S. Department of Education’s (ED) guidance, Northern Arizona University’s Office of Scholarships and Financial Aid (Office) failed to use new internet protocol (IP) techniques to verify 8 distance education students’ identities and awarded federal financial assistance to fraudulently enrolled students in a distance education program during the period of July 1, 2022 through June 30, 2023. Specifically, the Office determined that fraudsters stole 8 identities and manipulated the University’s student enrollment application process to receive federal student financial assistance awards. The fraudsters used and falsified stolen information to apply for and enroll in a distance education program. Upon acceptance, the fraudsters applied for federal student financial assistance awards through ED’s Free Application for Federal Student Aid process. The fraudsters then participated in the amount of online interaction necessary to establish participation in the distance education program and secured disbursements of SFA funds under the Office’s procedures. The Office was not alerted of the fraud until one of the victims questioned the outstanding loans on their student account with the University.¹ As of November 14, 2023, the University updated each victim’s student records to eliminate the loans within the ED’s Common Origination and Disbursement System and repaid the loan balances to ED.

Effect—The Office awarded and reimbursed to ED \$138,135 and of this amount, disbursed \$91,030 in Direct Loans to fraudsters for the period July 1, 2022 through June 30, 2023, for 8 distance education students’ identities it did not initially verify. However, there is a risk that additional fraudulent identity-theft payments the Office has not identified were awarded to fraudulently enrolled students.

Cause—Despite ED’s guidance to identify and prevent distance education program fraud, the University stated that the Office did not implement more advanced anti-fraud measures in its distance education procedures because they felt existing controls focusing on email addresses were sufficient to detect fraud and adding the anti-fraud measures were not cost beneficial. As a result, the Office’s procedures lacked automated student information system protocols to identify instances where several students used the same Internet Protocol (IP) address to apply and participate in distance education programs. Also, the Office did not modify its disbursement rules for students participating exclusively in distance education

programs to reduce the amount of monies that fraudsters can receive, which could include delaying disbursement of funds until the student has participated in the program for a longer period or disbursing funds to students more frequently rather than 1 lump sum payment at the beginning of the period.

Criteria—Federal regulation requires institutions to have processes in place to establish that a student who registers for distance education programs is the same student who academically engages in the program (34 CFR 602.17[g]). In addition, ED provided guidance on actions that institutions can take to identify and prevent distance education program fraud, including implementing automated student information system protocols and modifying disbursement rules for students participating exclusively in distance programs.² Although preventing and detecting all fraud may not be practical, developing, implementing, and maintaining measures to address fraud risks identified in administering federal student financial assistance programs is an essential part of internal control standards. For example, the *Standards for Internal Control in Federal Government*, issued by the Comptroller General of the United States, can be integral to helping prevent or detect payments to fraudsters who commit identity theft.³ Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The Office should:

1. Develop and implement anti-fraud measures, such as automated student Internet Protocols (IP) verifications and delayed disbursement rules, to help verify distance education students' identities prior to disbursing federal student financial assistance.
2. Conduct a review of prior fiscal years to determine if additional fraudulently enrolled students received student financial assistance, and if fraudulent loans and grants were awarded, notify both ED and the victims.
3. Continue to work with law enforcement and ED, as necessary, to report and prosecute fraud the Office becomes aware of occurring within its federal programs.

The University's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-126 and was initially reported in fiscal year 2022.

¹ The University filed a police report with the University's Police Department on October 13, 2022, after being notified by the original victim. Subsequently, the University discovered additional fraudulent identities and reported that it notified each victim within 3-5 days. In addition, the University notified the U.S. Department of Education's Office of the Inspector General (OIG) on June 16, 2023, and provided the OIG evidence and documentation about the fraudulent federal student financial assistance awards, as required by federal guidance (U.S. Department of Education—Federal Student Aid Partners. (2023.) Federal Student Aid Handbook, Chapter 5—Referral of Fraud Cases. Retrieved 6/20/2024 from <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2022-2023/application-and-verification-guide/ch5-special-cases>

² U.S. Department of Education. (GEN-11-17) Subject: Fraud in Postsecondary Distance Education Programs - URGENT CALL TO ACTION (Updated 8/21/2020). Retrieved 7/19/2024 from [\(GEN-11-17\) Subject: Fraud in Postsecondary Distance Education Programs - URGENT CALL TO ACTION \(Updated 8/21/2020\) | Knowledge Center](#)

³ U.S. Government Accountability Office (GAO). (2014). *Standards for Internal Control in the Federal Government*. Retrieved 7/19/2024 from <https://www.gao.gov/assets/670/665712.pdf>

Other auditors' federal award findings and questioned costs

The other auditors who audited the Arizona Health Care Cost Containment System (AHCCCS) reported the following findings.

2023-130

Assistance Listings numbers and names:	93.778 Medical Assistance Program (part of the Medicaid Cluster) 93.778 COVID-19 - Medical Assistance Program
Award number and year:	11-W-00275/09, July 1, 2022 through June 30, 2023
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Special Tests and Provisions – Utilization Control and Program Integrity
Questioned costs:	Unknown

Condition—In our testing of fee-for-service payments, out of a nonstatistical sample of 40, we identified 3 of 40 providers had been subsequently listed on the Suspension List related to the provider fraud matter. The AHCCCS Office of Inspector General and the Arizona Attorney General's Office became aware of potential fraudulent billing practices, including significant increases in billing for outpatient behavioral health services. These circumstances triggered a multiagency review and investigation of potential fraud, waste, and abuse. Ultimately, this led AHCCCS to connect the irregular billing of these services with alleged criminal activity targeting Indigenous peoples and other vulnerable Arizonans. In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the state. Since then, AHCCCS has suspended more than 300 providers. These provider suspensions are known as Credible Allegations of Fraud (CAF) suspensions.

The CAF payment suspensions noted above are associated with wide-ranging investigations into fraudulent Medicaid billing by the named providers. The investigations are ongoing. However, AHCCCS believes that credible evidence has been established that individuals were targeted and aggressively recruited with false promises of food, treatment, and housing, only to be taken to locations where providers billed for services that were not provided or were not appropriate or necessary. For example, providers billed for:

- Excessive hours of services in a 24-hour period for a single member.
- Multiple services for the same member at the same time.
- AHCCCS members who were not physically present (“ghost billing”).
- Services after a member's date of death.
- Services that were not medically necessary.

Under 42 CFR §455.23 and the terms of the Provider Participation Agreement, AHCCCS may suspend payments to a provider if a CAF has been identified. Providers are informed of the reason for their suspension in a Notice of CAF Suspension. CAF suspensions are based on preliminary findings of reliable indicia of fraud and may be lifted if AHCCCS determines there is no fraud occurring and/or good cause has been established under 42 CFR §455.23. Upon the conclusion of an investigation, AHCCCS may terminate a provider and/or lift their suspension at that time. At the point a referral is made and payment is suspended, only a preliminary investigation has been conducted, and no total overpayment or amount of improper payments made to the provider has been identified. At the conclusion of the investigation, AHCCCS will terminate a provider's enrollment and require repayment of the identified overpayment. The investigation is ongoing, and AHCCCS is not currently able to estimate a total overpayment or amount of

improper payments made to the providers. Therefore, we are unable to estimate any questioned costs related to the fraud allegations.

Effect—In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the State. Since then, AHCCCS has suspended more than 300 providers.

Once a credible allegation of fraud determination is made, AHCCCS is required to suspend all payments to a provider unless there is good cause not to while investigations are conducted. The credible allegation of fraud determination results from the agency's preliminary investigation, and the agency must then make a fraud referral to the Arizona Attorney General's Healthcare Fraud and Abuse Section or a federal law enforcement agency for a full investigation. During this time, providers may continue to bill AHCCCS for services provided, but any reimbursement to these providers is withheld pending the outcome of further investigation. Under State statute, providers are entitled to appeal a suspension placed by AHCCCS. AHCCCS is working closely with the Arizona Attorney General's Healthcare Fraud and Abuse Section, the Federal Bureau of Investigation (FBI), the U.S. Department of Health and Human Services (HHS), the U.S. Attorney's Office, the Internal Revenue Service (IRS), and local and tribal law enforcement to disrupt organized bad actors, apprehend them, and prosecute them to full extent allowed by law. At present, the investigation is ongoing, and a determination of the amount of fraud or improper payments, potential recovery from the providers, or amount that may be due back to the federal government cannot be made at this time as AHCCCS is still in the process of investigating and working with the Attorney General's Office for prosecution of substantiated claims, which is a highly complex and manual process and can take many years to finalize. As a result, we have issued a qualified opinion on the basic financial statements as of and for the year ended June 30, 2023.

As a result of this matter, we have concluded that AHCCCS did not comply with the compliance requirements and have issued a qualified opinion on compliance. This is deemed to be a material weakness in internal control over compliance.

Cause—AHCCCS did not have sufficient controls in place to safeguard against unnecessary utilization of care and services and to prevent fraud. Additionally, AHCCCS did not have sufficient procedures for the ongoing pre- and postpayment review of behavioral health claims. While AHCCCS' claims processing system uses the CMS required claim edit protocols to look for improperly billed claims as noted in the National Correct Coding Initiative and such edit protocols are updated regularly per CMS requirements, AHCCCS did not have sufficient additional claim edits that were necessary for behavioral health claims. For example, AHCCCS did not have sufficient edits to restrict the inappropriate use of per diem codes or restrict some behavioral health codes from being billed for the same member on the same date of service. Further, AHCCCS did not have sufficient controls in which claims were reviewed by a medical professional pre- and postpayment to assess if the claim was medically necessary and to assess if the codes being used were excessive and age appropriate.

Criteria—AHCCCS is required to provide methods and procedures to safeguard against unnecessary utilization of care and services. In addition, AHCCCS must have (1) methods of determining criteria for identifying suspected fraud cases; (2) methods for investigating these cases; and (3) procedures, developed in cooperation with legal authorities, for referring Credible Allegations of Fraud (CAF) cases to law enforcement officials (42 CFR parts 455, 456, and 1002). Credible allegations of provider fraud must be referred to the state Medicaid Fraud Control Unit (MFCU) or an appropriate law enforcement agency in states with no certified MFCU (42 CFR Part 455.21).

AHCCCS must establish and use written criteria for evaluating the appropriateness and quality of Medicaid services. AHCCCS must have procedures for the ongoing postpayment review, on a sample

basis, of the need for, and the quality and timeliness of, Medicaid services. AHCCCS may conduct this review directly or may contract with an independent entity (42 CFR 456.5, 456.22 and 456.23).

Recommendation—We recommend that AHCCCS continue its investigations and refer CAF cases to law enforcement officials. Additionally, we recommend AHCCCS continue to work with CMS to determine what, if any, amounts may be required to be remitted to CMS.

We also recommend that AHCCCS review and enhance existing policies and procedures and related controls to ensure sufficient processes and controls are in place to safeguard against unnecessary utilization of care and services and to prevent fraud. We also recommend that AHCCCS institute an ongoing and appropriate pre- and postpayment review of behavioral health claims. Likewise, AHCCCS should increase their level of scrutiny over certain behavioral health provider types.

We further recommend that AHCCCS examine the existing Medicaid payment system and implement system-wide improvements. The improvements should include the establishment of additional reporting to flag concerning claims for prepayment review, setting of billing thresholds and establishing prepayment review for various behavioral health claim types. We also recommend that AHCCCS establish sufficient controls in which claims are reviewed by a medical professional pre- and postpayment to assess if the claim was medically necessary and to assess if the codes being used were excessive and age appropriate.

Management of AHCCCS concurs in part with the finding. The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2022-127 and was initially reported in fiscal year 2022.

2023-131

Assistance Listings numbers and names:

93.778 **Medical Assistance Program (part of the Medicaid Cluster)**

Award number and year:

93.778 **COVID-19 - Medical Assistance Program**

11-W-00275/09, July 1, 2022 – June 30, 2023

Federal agency:

U.S. Department of Health and Human Services

Compliance requirement:

Special Tests and Provisions – Utilization Control and Program Integrity

Questioned costs:

Unknown

Condition—AHCCCS did not follow up in a timely manner for certain deferred member investigations. In a population of 5,141 member and provider cases with identified credible allegations of provider and member fraud assigned during fiscal year 2023, we conducted a nonstatistical sample of 40 member and 40 provider investigations to ascertain if AHCCCS performed a preliminary investigation of potential incidents of fraud or abuse committed by members and providers on a timely basis. We also reviewed to ensure AHCCCS was following up on any deferred member and provider cases in a timely manner. In our sample of 40 member and 40 provider investigations, we noted that for 3 of 40 member investigations in which the investigation had been deferred, AHCCCS did not follow up in a timely manner and in accordance with their internal policy on those deferred investigations.

Effect—Untimely followup on fraud or abuse incident investigations could result in AHCCCS making unnecessary payments and compromise its ability to investigate cases. This is deemed to be a material weakness in internal control over compliance.

Cause—Management has reported to us that insufficient investigative staff and increased volumes of provider and member investigations impacted AHCCCS' ability to investigate and follow up on potential fraud or abuse incidents in a timely manner.

Criteria—AHCCCS is required to provide methods and procedures to safeguard against unnecessary utilization of care and services. In addition, AHCCCS must have (1) methods of determining criteria for identifying suspected fraud cases; (2) methods for investigating these cases; and (3) procedures, developed in cooperation with legal authorities, for referring Creditable Allegations of Fraud (CAF) cases to law enforcement officials (42 CFR parts 455, 456, and 1002). Credible allegations of provider fraud must be referred to the state MFCU or an appropriate law enforcement agency in states with no certified MFCU (42 CFR Part 455.21). Additionally, in accordance with AHCCCS policy, the AHCCCS Office of Inspector General is required to regularly follow up on deferred investigations and provide updates at least every 90 days to the state MFCU.

Recommendations—We recommend that AHCCCS conduct a workload/cost analysis to evaluate whether its funding and staffing levels are sufficient to timely investigate member and provider fraud or abuse incidents. We also recommend that AHCCCS follow its existing policy, which includes clear time frames in which followup on deferred investigations occurs.

Management of AHCCCS concurs with the finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2023-132

Assistance Listings numbers and names:

93.778 **Medical Assistance Program (part of the Medicaid Cluster)**

Award number and year:

93.778 **COVID-19 - Medical Assistance Program**
11-W-00275/09, July 1, 2022 through June 30, 2023

Federal agency:

U.S. Department of Health and Human Services

Compliance requirement:

Special Tests and Provisions – Refunding of Federal Share of Medicaid Overpayments to Providers

Questioned costs:

\$9,813,624

Condition—AHCCCS did not return the federal share of fraud and abuse recoupments back to CMS in a timely manner. In a population of 5,141 member and provider cases during fiscal year 2023, we conducted a nonstatistical sample of 40 member and 40 provider investigations to ascertain if AHCCCS had properly remitted to CMS any recoupments as a result of the investigations. For 1 of 40 provider fraud cases, we noted AHCCCS did not timely return the federal share of fraud and abuse recoupments back to CMS. We then obtained from AHCCCS OIG a detail of all recoupments received during the period July 1, 2022 through June 30, 2023, noting a total of 392 unique OIG cases for which recoupments were received. Of this total of 392 cases, 150 cases were identified for which the federal share of the total recoupment amount was not properly reported on the CMS-64, and therefore, the funds were not properly remitted to CMS for a total of \$9,813,624.

Effect—Recoupments were not reported and repaid timely to CMS. This is deemed to be a material weakness in internal control over compliance.

Cause—Management has reported to us that this was a result of staffing turnover as well as a breakdown of inter and intra-departmental communication and collaboration between AHCCCS OIG and the Division of Budget and Finance.

Criteria—42 CFR 433 Subpart F outlines the requirements State Medicaid Agencies (SMAs) are to follow related to refunding the federal share of Medicaid overpayments made to providers. Pursuant to 1903(d)(2)(C) of the Act (the Act) (42 USC 1396b), states have up to 1 year from the date of discovery of the overpayment to recover or attempt to recover the overpayment before the federal share must be refunded to CMS regardless of whether recovery is made from the provider.

Recommendations—We recommend that AHCCCS timely report and remit recoupments to CMS. We also recommend that AHCCCS review and update their policies and procedures to ensure the federal share of any recoveries are reported and remitted to CMS timely. We also recommend that AHCCCS enhance their communications between divisions to facilitate and ensure the timely and accurate communication on recoveries.

Management of AHCCCS concurs with the finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2023-133

Assistance Listings numbers and names:

93.778 **Medical Assistance Program (part of the Medicaid Cluster)**

Award number and year:

93.778 **COVID-19 - Medical Assistance Program**

11-W-00275/09, July 1, 2022 through June 30, 2023

Federal agency:

U.S. Department of Health and Human Services

Compliance requirement:

Eligibility – Disenrollment

Questioned costs:

Not applicable

Condition—AHCCCS did not timely inform members of discontinuance of eligibility. In a population of 426,615 member disenrollments occurring during fiscal year 2023, we conducted a nonstatistical sample of 40 disenrollments to ascertain if AHCCCS performed timely and accurate disenrollments. In our sample of disenrollments, 1 of 40 disenrollments lacked sufficient documentation to show the disenrolled member had been informed of the discontinuance of eligibility.

Effect—AHCCCS is not in compliance with the requirement to inform members of any adverse action, including discontinuance of eligibility in accordance with 42 CFR 435.917(b)(2). This is deemed to be a significant deficiency in internal control over compliance.

Cause—Management has reported to us that this was an oversight.

Criteria—AHCCCS is required to inform members of any adverse action, including discontinuance of eligibility (42 CFR 435.917(b)(2)).

Recommendations—AHCCCS should implement additional oversight controls to ensure members are properly and timely informed of any adverse action related to discontinuance of eligibility.

Management of AHCCCS concurs with the finding. The State’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

STATE SECTION

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2023

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
DEPARTMENT OF AGRICULTURE						
SNAP Cluster						
10.551	Supplemental Nutrition Assistance Program (SNAP)			DEA	\$ 1,847,738,696	
10.561	COVID -19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	7,541,829	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	68,915,002	\$ 6,962,734
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	7,111,092	3,438,756
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	5,378,164	63,441
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Coconino County, Arizona	LTR DTD 121820	UAA	536	
	10.561 Subtotal				88,946,623	10,464,931
	SNAP Cluster Subtotal				1,936,685,319	10,464,931
Child Nutrition Cluster						
10.553	School Breakfast Program (SBP)			DJA	141,299	
10.553	School Breakfast Program (SBP)			EDA	93,538,120	93,538,120
10.553	School Breakfast Program (SBP)			SDA	85,520	
	10.553 Subtotal				93,764,939	93,538,120
10.555	National School Lunch Program (NSLP)			DCA	5,307	
10.555	National School Lunch Program (NSLP)			DJA	228,825	
10.555	National School Lunch Program (NSLP)			EDA	382,501,815	338,645,019
10.555	National School Lunch Program (NSLP)			SDA	202,972	
	10.555 Subtotal				382,938,919	338,645,019
10.556	Special Milk Program for Children			EDA	19,615	19,615
10.559	Summer Food Service Program for Children (SFSPC)			DCA	31,189	
10.559	Summer Food Service Program for Children (SFSPC)			EDA	2,582,926	2,397,088
10.559	Summer Food Service Program for Children (SFSPC)			SDA	81,123	
	10.559 Subtotal				2,695,238	2,397,088
10.582	Fresh Fruit and Vegetable Program			EDA	2,906,209	2,906,209
	Child Nutrition Cluster Subtotal				482,324,920	437,506,051
Food Distribution Cluster						
10.565	Commodity Supplemental Food Program			DEA	2,050,425	1,784,558
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)			DEA	2,272,537	647,763
10.568	Emergency Food Assistance Program (Administrative Costs)			DEA	4,170,035	4,170,035
	10.568 Subtotal				6,442,572	4,817,798
10.569	COVID-19 - Emergency Food Assistance Program (Food Commodities)			DEA	5,647,249	
10.569	Emergency Food Assistance Program (Food Commodities)			DEA	32,529,588	
	10.569 Subtotal				38,176,837	
	Food Distribution Cluster Subtotal				46,669,834	6,602,356
Other Department of Agriculture Programs						
10.001	Agricultural Research Basic and Applied Research			UAA	4,290	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	1,188,704	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	483,097	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			UAA	236,781	
	10.025 Subtotal				1,908,582	
10.028	Wildlife Services			GFA	19,921	
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	602,040	
10.147	Outreach Education and Technical Assistance			UAA	10,862	
10.163	Market Protection and Promotion			AHA	16,158	
10.170	Specialty Crop Block Grant Program—Farm Bill			AHA	2,285,558	2,017,336
10.170	Specialty Crop Block Grant Program—Farm Bill			UAA	22,848	
	10.170 Subtotal				2,308,406	2,017,336
10.171	Organic Certification Cost Share Programs			AHA	34,460	31,418
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds			DEA	207,099	
10.215	Sustainable Agriculture Research and Education	Montana State University	G161-19-W7506	UAA	16,810	
10.220	Higher Education Multicultural Scholars Program			UAA	39,608	
10.223	Hispanic Serving Institutions Education Grants			NAA	26,310	
10.223	Hispanic Serving Institutions Education Grants			UAA	140,931	
10.223	Hispanic Serving Institutions Education Grants	University of California, Santa Barbara	KK2323/2022-77040-37626	UAA	12,481	
	10.223 Subtotal				179,722	
10.229	Extension Collaborative on Immunization Teaching & Engagement	Extension Foundation	EXC1-2021-2065	UAA	7,659	
10.234	American Rescue Plan Technical Assistance Investment Program	Southwest Indian Agriculture Association, Inc.	A-ORC-80169	UAA	36,226	
10.310	Agriculture and Food Research Initiative (AFRI)			ASA	91,225	
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	245,825	

State of Arizona
Schedule of expenditures of federal awards
Year ended June 30, 2023

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.310	Agriculture and Food Research Initiative (AFRI)	Desert Research Institute	GR11726	UAA	14,097	
	10.310 Subtotal				<u>351,147</u>	
10.311	Beginning Farmer and Rancher Development Program			UAA	88,795	9,374
10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program			UAA	56,773	
10.329	Crop Protection and Pest Management Competitive Grants Program	University of California Division of Agriculture and Natural Resources	SA18-4060-36	UAA	270,077	
10.329	Crop Protection and Pest Management Competitive Grants Program			UAA	84,280	
	10.329 Subtotal				<u>354,357</u>	
10.334	Enhancing Agricultural Opportunities for Military Veterans Competitive Grants Program	Painted Desert Demonstration Projects Inc.	NLID-56197	UAA	43,505	
10.443	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers			UAA	81,729	25,000
10.460	Risk Management Education Partnership			UAA	42,838	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	105,788	
10.500	Cooperative Extension Service			UAA	819,653	
10.500	Cooperative Extension Service	Kansas State University	A22-0394-S002/2022-48696-36	UAA	4,425	
10.500	Cooperative Extension Service	Purdue University	F9001573902010	UAA	120,798	
10.500	Cooperative Extension Service	Washington State University	134194 G004221/14470, 134194 SPC002861	UAA	75,586	14,952
	10.500 Subtotal				<u>1,020,462</u>	<u>14,952</u>
10.511	Smith-Lever Extension Funding			UAA	3,244,278	
10.514	Expanded Food and Nutrition Education Program			UAA	686,251	
10.515	Renewable Resources Extension Act			UAA	78,064	
10.527	New Beginnings for Tribal Students			UAA	160,316	
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants			DEA	7,278	
10.542	COVID-19- Pandemic EBT Food Benefits			DEA	302,380,065	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children			ASA	54,780	
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	119,478	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	119,357,627	104,456,082
	10.557 Subtotal				<u>119,531,885</u>	<u>104,456,082</u>
10.558	Child and Adult Care Food Program			EDA	58,711,560	58,154,277
10.560	State Administrative Expenses for Child Nutrition			EDA	7,161,087	
10.572	WIC Farmers' Market Nutrition Program (FMNP)			DEA	154,199	154,199
10.574	Team Nutrition Grants			EDA	27,571	
10.575	Farm to School Grant Program			EDA	29,128	
10.575	Farm to School Grant Program	Apex Applied Technology, Incorporated	CN-F2S-21-TKEY-AZ-3	UAA	7,115	
	10.575 Subtotal				<u>36,243</u>	
10.576	COVID-19 - Senior Farmers Market Nutrition Program			DEA	281,724	281,724
10.576	Senior Farmers Market Nutrition Program			DEA	238,916	238,916
	10.576 Subtotal				<u>520,640</u>	<u>520,640</u>
10.577	SNAP Partnership Grant			DEA	127,672	
10.578	WIC Grants to States			HSA	31,855	
10.579	Child Nutrition Discretionary Grants Limited Availability			EDA	698,055	698,055
10.589	Child Nutrition Direct Certification Performance Awards			EDA	51,771	
10.649	COVID-19-Pandemic EBT Administrative Costs			DEA	5,072,022	
10.649	COVID-19-Pandemic EBT Administrative Costs			EDA	124,792	
	10.649 Subtotal				<u>5,196,814</u>	
10.664	Cooperative Forestry Assistance			FOA	4,157,367	556,564
10.674	Wood Utilization Assistance			FOA	567	
10.676	Forest Legacy Program			FOA	1,289,510	
10.683	National Fish and Wildlife Foundation			GFA	69,997	
10.691	Good Neighbor Authority			FOA	1,151,911	
10.691	Good Neighbor Authority			GFA	114,320	
	10.691 Subtotal				<u>1,266,231</u>	
10.697	State & Private Forestry Hazardous Fuel Reduction Program			FOA	771,809	
10.698	State & Private Forestry Cooperative Fire Assistance			FOA	50,887	
10.699	Partnership Agreements			GFA	112,392	
10.699	Partnership Agreements			NAA	70,340	
10.699	Partnership Agreements			UAA	122,991	
	10.699 Subtotal				<u>305,723</u>	
10.720	Infrastructure Investment and Jobs Act Community Wildfire Defense Grants			FOA	48,282	
10.762	Solid Waste Management Grants			EVA	3,622	
10.902	Soil and Water Conservation			UAA	377,247	
10.912	Environmental Quality Incentives Program			FOA	46,661	

State of Arizona
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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.912	Environmental Quality Incentives Program			UAA	21,698	
	10.912 Subtotal				<u>68,359</u>	
10.127EAU22P0054	Tonto NF AZ U Phase I NAGPRA			UAA	40,712	
10.18-CR-11031600-066	Arizona Rangeland Education, Outreach, and Monitoring			UAA	14,979	
10.18-CS-11031200-009	Salt River Horse Management Agreement			AHA	2,169	
10.18-CS-11030500-019	Coronado Range Monitoring			UAA	65,003	
10.19JV11221633103	Dendroentomology Database Management			UAA	12,276	
10.20-CS-11031600-151	Rangeland Extension, Education, Outreach, Monitoring, and Vegetation GIS Data Systems (VGS) Enhancement			UAA	55,725	
10.22-CR-11250513-430	Vegetation GIS Data System (VGS) Enhancement, Support and Use			UAA	277,777	
10.22-CS-11031200-236	Heritage Artifact Inventory and Training	Cooperative Ecosystem Studies Units (CESU)	22-CS-11031200-236	ASA	13,949	
10.Unknown	ADHS SNAP-Ed Needs Assessment			UAA	29,939	
	Total Department of Agriculture				<u>2,980,945,044</u>	<u>621,211,235</u>
DEPARTMENT OF COMMERCE						
Economic Development Cluster						
11.307	Economic Adjustment Assistance			CAA	122,500	
11.307	Economic Adjustment Assistance			NAA	79,632	
11.307	Economic Adjustment Assistance			TOA	2,732,674	
	11.307 Subtotal				<u>2,934,806</u>	
	Economic Development Cluster Subtotal				<u>2,934,806</u>	
Other Department of Commerce Programs						
11.024	Build to Scale			CAA	147,970	
11.028	Connecting Minority Communities Pilot Program			UAA	8,879	
11.032	State Digital Equity Planning and Capacity Grant			CAA	649,920	
11.035	Broadband Equity, Access, and Deployment Program			CAA	517,470	
11.303	Economic Development Technical Assistance			UAA	59,111	
11.611	Manufacturing Extension Partnership			CAA	1,492,510	
11.999	Marine Debris Program			ASA	35,742	
	Total Department of Commerce				<u>5,846,408</u>	
DEPARTMENT OF DEFENSE						
12.005	Conservation and Rehabilitation of Natural Resources on Military Installations			GFA	1,120,415	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	918,309	
12.300	Basic and Applied Scientific Research			ASA	470,277	
12.300	Basic and Applied Scientific Research			GFA	337,110	
	12.300 Subtotal				<u>807,387</u>	
12.330	Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program			ASA	33,265	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	PGO1801-ASU-01, PGO-051-PO3, PGO1801-ASU-01, PGO1801-ASU-01	ASA	517,527	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	PGO1801UAZ15, PGO1801UAZ15LTC052PO5, PGO1801UAZ15PGO051PO	UAA	1,135,542	
	12.357 Subtotal				<u>1,653,069</u>	
12.400	Military Construction, National Guard			MAA	5,629,340	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			GFA	127,677	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	47,525,917	
	12.401 Subtotal				<u>47,653,594</u>	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-ASU-1, 0054-ASU-CHN-280-PO7	ASA	453,720	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054UAZ9, 0054UAZ90054UAZ9SSA, 0054UAZ9ARA280PO7, 0054UAZ9SSA280PO6, BOR21UAZ8ARAOSPO2, BOR21UAZ8ARAPO1	UAA	1,260,185	
	12.550 Subtotal				<u>1,713,905</u>	
12.620	Troops to Teachers Grant			EDA	17,621	
12.901	Mathematical Sciences Grants			ASA	7,406	
12.901	Mathematical Sciences Grants			UAA	25,232	
	12.901 Subtotal				<u>32,638</u>	
12.902	Information Security Grant Program			UAA	726,259	
12.2020-20061700005	60 Month Grant to the University of Arizona and Consortium Members is for the Intelligence Community Centers of Academic Excellence Critical Languages Studies Program (IC CAE CLSP)			UAA	291,001	27,351
12.EV23-0004	Environmental Services Agreement			EVA	595,847	
12.HQ0761-21-2-0002	Comparative Digital Archaeological Studies			ASA	94,299	
12.W911NF1920007	Compugirls Cybersecurity: A Culturally Responsive Collective Impact Model for Underarticulated Girls	RTI International	16-312-0216908-65829L, 16-312-0216908-65829L	ASA	304,407	
	Total Department of Defense				<u>61,591,356</u>	<u>27,351</u>

State of Arizona
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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Section 8 Project-Based Cluster						
14.195	Section 8 Housing Assistance Payments Program			HDA	70,285,475	
	Section 8 Project—Based Cluster Subtotal				70,285,475	
CDBG - Entitlement Grants Cluster						
14.218	Community Development Block Grants/Entitlement Grants			DEA	173,796	173,796
	CDBG - Entitlement Grants Cluster Subtotal				173,796	173,796
Housing Voucher Cluster						
14.871	Section 8 Housing Choice Vouchers			HDA	1,373,149	
	Housing Voucher Cluster Subtotal				1,373,149	
Other Department of Housing and Urban Development Programs						
14.171	Manufactured Home Dispute Resolution			HDA	80,607	
14.228	COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	9,283,989	7,774,350
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	11,892,681	11,667,479
	14.228 Subtotal				21,176,670	19,441,829
14.231	COVID-19 - Emergency Solutions Grant Program			DEA	3,708,617	3,491,722
14.231	Emergency Solutions Grant Program			DEA	2,096,229	1,929,827
	14.231 Subtotal				5,804,846	5,421,549
14.239	COVID-19 - Home Investment Partnerships Program			HDA	2,565	
14.239	Home Investment Partnerships Program			HDA	5,166,620	4,513,434
	14.239 Subtotal				5,169,185	4,513,434
14.241	COVID-19 - Housing Opportunities for Persons with AIDS			HDA	7,935	4,496
14.241	Housing Opportunities for Persons with AIDS			HDA	470,197	459,636
	14.241 Subtotal				478,132	464,132
14.256	Neighborhood Stabilization Program			HDA	66,561	66,561
14.267	Continuum of Care Program			HDA	5,011,584	4,490,425
14.267	Continuum of Care Program	Our Family Services, Inc.	AZ2020Y9T011800	UAA	78,725	
	14.267 Subtotal				5,090,309	4,490,425
14.275	Housing Trust Fund			HDA	5,283,971	5,088,027
14.326	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities			HDA	440,139	
14.401	Fair Housing Assistance Program State and Local			AGA	875,424	
14.EHV	EHV Program			HDA	151,303	
	Total Department of Housing and Urban Development				116,449,567	39,659,753
DEPARTMENT OF THE INTERIOR						
Fish and Wildlife Cluster						
15.605	Sport Fish Restoration Program			GFA	7,715,133	
15.611	Wildlife Restoration and Basic Hunter Education			DTA	124,611	
15.611	Wildlife Restoration and Basic Hunter Education			GFA	22,058,923	325,694
	15.611 Subtotal				22,183,534	325,694
15.626	Enhanced Hunter Education and Safety Program			GFA	240,460	88,060
	Fish and Wildlife Cluster Subtotal				30,139,127	413,754
Other Department of the Interior Programs						
15.032	Indian Economic Development	Salt River Pima-Maricopa Indian Community	EMAIL 6/23/2022	ASA	9,806	
15.130	Indian Education Assistance to Schools			EDA	687,021	599,156
15.156	Tribal Climate Resilience			NAA	743,473	
15.156	Tribal Climate Resilience	Navajo Technical University	NTU-32361	NAA	4,913	
	15.156 Subtotal				748,386	
15.159	Cultural Resources Management			ASA	20,643	
15.224	Cultural and Paleontological Resources Management			PRA	3,000	
15.224	Cultural and Paleontological Resources Management			UAA	12,385	
	15.224 Subtotal				15,385	
15.228	BLM Fuels Management and Community Fire Assistance Program Activities			FOA	724,047	
15.231	Fish, Wildlife and Plant Conservation Resource Management			GFA	258	
15.232	Joint Fire Science Program			UAA	201,535	
15.244	Aquatics Resources Management			GFA	19,533	
15.246	Threatened and Endangered Species			GFA	89,074	
15.247	Wildlife Resource Management			GFA	510,691	
15.517	Fish and Wildlife Coordination Act			GFA	924,693	
15.538	Lower Colorado River Multi-Species Conservation			GFA	59,444	
15.608	Fish and Wildlife Management Assistance			GFA	40,391	
15.615	Cooperative Endangered Species Conservation Fund			AHA	142,160	

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
15.615	Cooperative Endangered Species Conservation Fund			GFA	256,715	
	15.615 Subtotal				<u>398,875</u>	
15.616	Clean Vessel Act			GFA	547,835	96,259
15.622	Sportfishing and Boating Safety Act			GFA	490,498	489,350
15.631	Partners for Fish and Wildlife			GFA	118,513	
15.634	State Wildlife Grants			GFA	1,849,666	
15.654	National Wildlife Refuge System Enhancements			GFA	38,703	
15.657	Endangered Species Recovery Implementation			GFA	42,066	
15.664	Fish and Wildlife Coordination and Assistance			GFA	82,150	
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention			GFA	196,507	
15.674	National Fire Plan-Wildland Urban Interface Community Fire Assistance			FOA	69,931	
15.678	Cooperative Ecosystem Studies Units			GFA	22,211	
15.680	Mexican Wolf Recovery			GFA	174,547	
15.684	White-nose Syndrome National Response Implementation			GFA	25,610	
15.808	U.S. Geological Survey Research and Data Collection			GFA	338,407	
15.904	Historic Preservation Fund Grants-In-Aid			PRA	1,197,090	131,295
15.904	Historic Preservation Fund Grants-In-Aid			UAA	455,601	
	15.904 Subtotal				<u>1,652,691</u>	<u>131,295</u>
15.916	Outdoor Recreation Acquisition, Development and Planning			PRA	7,057,966	7,046,077
15.922	Native American Graves Protection and Repatriation Act			UAA	15,000	
15.944	Natural Resource Stewardship			GFA	3,240	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			NAA	80,250	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	92,759	
	15.945 Subtotal				<u>173,009</u>	
15.980	National Ground-Water Monitoring Network			WCA	74,936	
15.50730W0330	Bureau of Reclamation Restricted Endowment			ASA	6,672,715	
	Total Department of the Interior				<u>54,235,110</u>	<u>8,775,891</u>
DEPARTMENT OF JUSTICE						
16.017	Sexual Assault Services Formula Program			GVA	636,421	618,949
16.034	Coronavirus Emergency Supplemental Funding Program			DCA	250,000	
16.034	Coronavirus Emergency Supplemental Funding Program			JCA	1,494,707	1,101,290
	16.034 Subtotal				<u>1,744,707</u>	<u>1,101,290</u>
16.320	Services for Trafficking Victims	International Rescue Committee	IRC-PH-003	ASA	26,475	
16.320	Services for Trafficking Victims	Our Family Services	AGR 3/2/22	ASA	3,025	
	16.320 Subtotal				<u>29,500</u>	
16.321	Antiterrorism Emergency Reserve			PSA	8,002	8,002
16.526	OWW Technical Assistance Initiative			ASA	438,680	
16.528	Enhanced Training and Services to End Violence and Abuse of Women Later in Life			DEA	152,854	85,535
16.540	Juvenile Justice and Delinquency Prevention			GVA	1,154,745	1,032,105
16.540	Juvenile Justice and Delinquency Prevention			JCA	108,045	92,752
	16.540 Subtotal				<u>1,262,790</u>	<u>1,124,857</u>
16.543	Missing Children's Assistance			PSA	30,000	
16.543	Missing Children's Assistance	City of Phoenix	2012MCFXK008	AGA	69,717	
	16.543 Subtotal				<u>99,717</u>	
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	2,696	
16.554	National Criminal History Improvement Program (NCHIP)			AGA	25,735	
16.554	National Criminal History Improvement Program (NCHIP)			JCA	1,096,914	1,047,937
16.554	National Criminal History Improvement Program (NCHIP)			PSA	655,703	
	16.554 Subtotal				<u>1,778,352</u>	<u>1,047,937</u>
16.575	Crime Victim Assistance			AGA	1,089,033	
16.575	Crime Victim Assistance			ASA	615,215	
16.575	Crime Victim Assistance			CHA	579,656	
16.575	Crime Victim Assistance			DCA	488,559	
16.575	Crime Victim Assistance			DEA	10,171,739	
16.575	Crime Victim Assistance			DJA	56,952	
16.575	Crime Victim Assistance			PSA	34,432,752	33,382,574
16.575	Crime Victim Assistance			SPA	85,793	
16.575	Crime Victim Assistance			STA	213,344	
	16.575 Subtotal				<u>47,733,043</u>	<u>33,382,574</u>
16.576	Crime Victim Compensation			JCA	1,333,423	1,234,616
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona	18657	UAA	226,333	
16.582	Crime Victim Assistance/Discretionary Grants			JCA	31,732	
16.582	Crime Victim Assistance/Discretionary Grants			UAA	116,691	
	16.582 Subtotal				<u>148,423</u>	
16.585	Drug Court Discretionary Grant Program			SPA	50,198	

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
16.588	Violence Against Women Formula Grants			ASA	227,815	
16.588	Violence Against Women Formula Grants			CHA	102,795	
16.588	Violence Against Women Formula Grants			GVA	3,309,391	2,138,364
16.588	Violence Against Women Formula Grants			PSA	135,000	
	16.588 Subtotal				3,775,001	2,138,364
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	68,186	
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	68,308	
16.593	Residential Substance Abuse Treatment for State Prisoners			JCA	157,509	127,070
	16.593 Subtotal				294,003	127,070
16.606	State Criminal Alien Assistance Program			DCA	12,749,930	
16.607	Bulletproof Vest Partnership Program			JCA	58,661	
16.607	Bulletproof Vest Partnership Program			PSA	58,661	
	16.607 Subtotal				117,322	
16.609	Project Safe Neighborhoods			ADA	242,002	242,002
16.609	Project Safe Neighborhoods			JCA	66,632	22,099
	16.609 Subtotal				308,634	264,101
16.710	Public Safety Partnership and Community Policing Grants			SDA	88,869	
16.726	Juvenile Mentoring Program			JCA	253,356	198,000
16.726	Juvenile Mentoring Program	National 4-H Council	2019-MU-FX-0002, 2020-JU-FX-0031, 15PJDP-21-GG-02766-MENT	UAA	32,434	
	16.726 Subtotal				285,790	198,000
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	489,367	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	2,534,160	2,353,550
16.738	Edward Byrne Memorial Justice Assistance Grant Program			PSA	435,231	
	16.738 Subtotal				3,458,758	2,353,550
16.741	DNA Backlog Reduction Program			PSA	1,016,256	
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	192,603	167,618
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	130,011	
	16.742 Subtotal				322,614	167,618
16.746	Capital Case Litigation Initiative			ASA	79,930	
16.746	Capital Case Litigation Initiative			UAA	22,557	
	16.746 Subtotal				102,487	
16.812	Second Chance Act Reentry Initiative			ASA	7,148	
16.812	Second Chance Act Reentry Initiative			DCA	511,322	
	16.812 Subtotal				518,470	
16.813	NICS Act Record Improvement Program			JCA	133,879	
16.813	NICS Act Record Improvement Program			PSA	103,628	
16.813	NICS Act Record Improvement Program			SPA	1,522,943	
	16.813 Subtotal				1,760,450	
16.816	John R. Justice Prosecutors and Defenders Incentive Act			JCA	25,988	18,459
16.818	Children Exposed to Violence			ASA	179,200	
16.827	Justice Reinvestment Initiative			JCA	6,018	
16.835	Body Worn Camera Policy and Implementation	CNA: Institute for Public Research	20-ASU-1-1616	ASA	106,859	
16.835	Body Worn Camera Policy and Implementation	Justice and Security Strategies	AGR 05/31/2022	ASA	180,367	53,634
	16.835 Subtotal				287,226	53,634
16.838	Comprehensive Opioid Abuse Site-Based Program			JCA	22,440	
16.839	STOP School Violence			GVA	46,501	45,739
16.922	Equitable Sharing Program			AGA	40,369	
16.922	Equitable Sharing Program			PSA	107,280	
	16.922 Subtotal				147,649	
16.2018-088	DEA/DOJ agreements			PSA	199,093	
16.2020-AD-R-5117	FY 2020 Arizona Board of Regents/University of Arizona and its Native Nations Institute Commission of Native Children			UAA	7,353	
16.GOJPOAAG22000009	Supporting the Report of the Commission on Native Children - Continuation Funds			UAA	228,246	
16.LTR DTD 060616	Joint Terrorism Task Force - Officer Overtime			UAA	7,353	
	Total Department of Justice				81,600,790	43,970,295
DEPARTMENT OF LABOR						
Employment Service Cluster						
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	16,925,585	
17.207	Employment Service/Wagner-Peyser Funded Activities			EOA	473,337	
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	1,300,339	
	17.207 Subtotal				18,699,261	
17.801	Jobs for Veterans State Grant			DEA	4,168,356	
	Employment Service Cluster Subtotal				22,867,617	

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WIOA Cluster						
17.258	WIOA Adult Program			CAA	1,359,422	
17.258	WIOA Adult Program			DCA	456,390	
17.258	WIOA Adult Program			DEA	25,413,434	24,074,095
17.258	WIOA Adult Program			EDA	1,013,846	13,846
17.258	WIOA Adult Program			EOA	41,405	
17.258	WIOA Adult Program			GVA	1,211,619	1,189,274
	17.258 Subtotal				<u>29,496,116</u>	<u>25,277,215</u>
17.259	WIOA Youth Activities			ASA	246,976	
17.259	WIOA Youth Activities			DEA	18,713,313	17,199,304
17.259	WIOA Youth Activities			EDA	200,000	
17.259	WIOA Youth Activities			EOA	1,325,169	
17.259	WIOA Youth Activities			GVA	1,478,076	1,428,481
	17.259 Subtotal				<u>21,963,534</u>	<u>18,627,785</u>
17.278	WIOA Dislocated Worker Formula Grants			DEA	23,840,409	16,971,326
17.278	WIOA Dislocated Worker Formula Grants			EOA	1,872,041	
17.278	WIOA Dislocated Worker Formula Grants			GVA	3,762,549	2,922,623
17.278	WIOA Dislocated Worker Formula Grants			VSA	300,000	
	17.278 Subtotal				<u>29,774,999</u>	<u>19,893,949</u>
	WIOA Cluster Subtotal				<u>81,234,649</u>	<u>63,798,949</u>
Other Department of Labor Programs						
17.002	Labor Force Statistics			EOA	1,040,675	
17.005	Compensation and Working Conditions			ICA	130,755	
17.225	COVID-19 - Unemployment Insurance			DEA	130,410,285	
17.225	Unemployment Insurance			DEA	302,917,035	35,948
17.225	Unemployment Insurance			EOA	211,380	
	17.225 Subtotal				<u>433,538,700</u>	<u>35,948</u>
17.235	Senior Community Service Employment Program			DEA	1,025,055	928,685
17.245	Trade Adjustment Assistance			DEA	514,505	
17.268	H-1B Job Training Grants			ASA	1,960,861	102,800
17.270	Reentry Employment Opportunities			DEA	67,720	
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	186,594	
17.273	Temporary Labor Certification for Foreign Workers			DEA	332,435	
17.277	WIOA National Dislocated Worker Grants/WIA National Emergency Grants			DEA	387,873	30,452
17.285	Registered Apprenticeship			DEA	314,704	
17.503	Occupational Safety and Health State Program			ICA	2,621,864	
17.504	Consultation Agreements			ICA	870,368	
17.600	Mine Health and Safety Grants			MIA	441,402	
	Total Department of Labor				<u>547,535,777</u>	<u>64,896,834</u>
DEPARTMENT OF STATE						
19.009	Academic Exchange Programs - Undergraduate Programs	International Research and Exchanges Board (IREX)	FY22-YALI-PM-ASU-06, FY23-YALI-PM-ASU-07, FY22-YALI-PM-ASU-06, FY23-YALI-PM-ASU-07	ASA	133,971	
19.009	Academic Exchange Programs - Undergraduate Programs	Meridian International Center	A196-3	ASA	169,330	
19.009	Academic Exchange Programs—Undergraduate Programs	University of Nebraska: Omaha	45-2402-1030-401, 45-2402-1030-401	ASA	199,891	
19.009	Academic Exchange Programs—Undergraduate Programs	World Learning Inc.	CBPSA19-NAU01, IDEAS21-NAU01	NAA	42,210	
	19.009 Subtotal				<u>545,402</u>	
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education	3000259159, 3000194864, 3000222105	ASA	202,760	
19.011	Academic Exchange Programs—Special Academic Exchange Programs	American Institute of Maghrib Studies	LTR DTD 110101	UAA	64,889	
19.021	Investing in People in The Middle East and North Africa			UAA	96,273	
19.021	Investing in People in The Middle East and North Africa	Institute of International Education	300025702, 300025702	ASA	49,728	
	19.021 Subtotal				<u>146,001</u>	
19.022	Educational and Cultural Exchange Programs Appropriation Overseas Grants			ASA	50,152	
19.040	Public Diplomacy Programs			ASA	88,152	
19.124	East Asia and Pacific Grants Program			ASA	511,723	
19.124	East Asia and Pacific Grants Program	University of Nebraska: Omaha	45-0517-1002-301	ASA	299,149	
	19.124 Subtotal				<u>810,872</u>	
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			ASA	286,318	
19.401	Academic Exchange Programs—Scholars	University of Montana	PG19-26935-01, PG19-26935-01, PG22-26974-01	ASA	389,877	
19.408	Academic Exchange Programs - Teachers	International Research and Exchanges Board (IREX)	FY21-FDAI- ASU-01, FY21-FDAI- ASU-01, FY22-FDAI-ASU-01	ASA	239,718	
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	International Research and Exchanges Board (IREX)	YLAI FY19 – 5005 - 01, AGR 9/23/2021, YLAI FY20 – 5009 - 01, YLAI FY19 – 5005 - 01, YLAI FY20 – 5009 - 01	ASA	113,832	
19.421	Academic Exchange Programs— English Language Programs	FHI 360	PO20002988, PO19002278, PO21001522, S-ECAGD-18-CA-0052, PO19003109, PO21001646, PO21002222	ASA	131,934	
19.900	AEECA/ESF PD Programs	International Center for Journalists	2023-P00450-001	ASA	7,657	
19.900	AEECA/ESF PD Programs	Yerevan State University	SPA00002753	ASA	50,033	
	19.900 Subtotal				<u>57,690</u>	
19.990	International Justice and Accountability Programming			ASA	954,799	231,443

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
19.SECAGD18CA1045MB	Study of the US Institute for Student Leaders on History and Government	Institute for Training and Development	LTR DTD 021021	UAA	490,462	
	Total Department of State				<u>4,572,858</u>	<u>231,443</u>
DEPARTMENT OF TRANSPORTATION						
FMCSA Cluster						
20.218	Motor Carrier Safety Assistance Program			DTA	733,754	
20.218	Motor Carrier Safety Assistance Program			PSA	12,415,361	
	20.218 Subtotal				<u>13,149,115</u>	
20.237	High Priority Grant Program			PSA	1,664,974	
	FMCSA Cluster Subtotal				<u>14,814,089</u>	
Federal Transit Cluster						
20.526	Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)			DTA	52,480	52,480
	Federal Transit Cluster Subtotal				<u>52,480</u>	<u>52,480</u>
Transit Services Programs Cluster						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			DTA	4,495,859	4,136,467
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			NAA	63,424	
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	City of Phoenix	151692-0, AZ-2020-040-00	NAA	60,366	
	20.513 Subtotal				<u>4,619,649</u>	<u>4,136,467</u>
	Transit Services Program Cluster Subtotal				<u>4,619,649</u>	<u>4,136,467</u>
Highway Safety Cluster						
20.600	State and Community Highway Safety			ASA	36,644	
20.600	State and Community Highway Safety			GHA	9,040,691	6,681,022
20.600	State and Community Highway Safety			LLA	33,092	
20.600	State and Community Highway Safety			NAA	12,436	
20.600	State and Community Highway Safety			PSA	815,246	
20.600	State and Community Highway Safety			SPA	22,461	22,461
20.600	State and Community Highway Safety			UAA	411	
	20.600 Subtotal				<u>9,960,981</u>	<u>6,703,483</u>
20.616	National Priority Safety Programs			ASA	2,455	
20.616	National Priority Safety Programs			GHA	5,051,474	3,552,830
20.616	National Priority Safety Programs			LLA	71,060	
20.616	National Priority Safety Programs			PSA	601,991	
20.616	National Priority Safety Programs			SPA	60,777	46,207
20.616	National Priority Safety Programs			UAA	12,114	
	20.616 Subtotal				<u>5,799,871</u>	<u>3,599,037</u>
	Highway Safety Cluster Subtotal				<u>15,760,852</u>	<u>10,302,520</u>
Other Department of Transportation Programs						
20.106	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs			DTA	1,573,560	
20.200	Highway Research and Development Program			DTA	1,469,078	561,547
20.205	COVID-19 - Highway Planning and Construction			DTA	64,868,187	
20.205	Highway Planning and Construction			DTA	773,217,237	71,869,576
20.205	Highway Planning and Construction			EOA	67,286	
20.205	Highway Planning and Construction			GFA	315,921	
20.205	Highway Planning and Construction			PSA	1,765,420	
20.205	Highway Planning and Construction	Maricopa Association of Governments	1026, 000120	ADA	142,383	
	20.205 Subtotal				<u>840,376,434</u>	<u>71,869,576</u>
20.215	Highway Training and Education			DTA	265,583	
20.219	Recreational Trails Program			DTA	1,302,357	
20.219	Recreational Trails Program			PRA	1,333,837	1,159,966
	20.219 Subtotal				<u>2,636,194</u>	<u>1,159,966</u>
20.232	Commercial Driver's License Program Improvement Grant			DTA	739,962	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort			DTA	111,167	
20.301	Railroad Safety			CCA	33,559	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	3,677,300	3,648,165
20.509	Formula Grants for Rural Areas and Tribal Transit Program			DTA	12,775,373	11,830,572
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program			DTA	516,265	
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements			DTA	102,623	
20.615	E-911 Grant Program			ADA	1,704,616	
20.700	Pipeline Safety Program State Base Grant			CCA	308,551	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			EVA	432,478	217,183
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	164,465	
	20.703 Subtotal				<u>596,943</u>	<u>217,183</u>
20.720	State Damage Prevention Program Grants			CCA	82,320	
20.933	National Infrastructure Investments			DTA	10,581,993	
20.934	Nationally Significant Freight and Highway Projects			DTA	26,549,430	

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
20.69A3752330000402AZ O	STEP Enforcement (Overtime) and Related Materials and Supplies (LIDARS)			UAA	7,599	
	Total Department of Transportation				939,355,620	103,778,476
DEPARTMENT OF THE TREASURY						
21.019	COVID-19 - Coronavirus Relief Fund			ASA	5,404,256	
21.019	COVID-19 - Coronavirus Relief Fund			HSA	12,202,086	
21.019	COVID-19 - Coronavirus Relief Fund			NAA	2,574,938	
21.019	COVID-19 - Coronavirus Relief Fund			UAA	620,350	
	21.019 Subtotal				20,801,630	
21.023	COVID-19 - Emergency Rental Assistance Program			DEA	168,179,330	15,408
21.023	COVID-19 - Emergency Rental Assistance Program			SPA	164,242	164,242
21.023	COVID-19 - Emergency Rental Assistance Program	Pinal County	DI-002310	DEA	24,874,945	
21.023	COVID-19 - Emergency Rental Assistance Program	Yavapai County	DI-002312	DEA	1,504,703	
	21.023 Subtotal				194,723,220	179,650
21.026	COVID-19 - Homeowner Assistance Fund			HDA	115,953,079	454,483
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			ADA	23,028,548	5,969,905
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			AHA	413,838	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			ASA	43,846,280	998,417
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			BNA	553,111	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			CAA	775,000	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			CHA	371,562	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			CLA	1,470,000	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			DCA	3,038,548	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			DEA	40,198,833	3,325,913
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			DJA	439,727	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			DTA	20,059,212	275,000
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			GMA	12,119,940	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			GVA	153,245,109	135,129,631
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			HDA	23,488,807	23,488,807
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			HSA	3,373,320	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			JCA	1,165,397	1,165,397
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			NAA	116,801	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			NAA	201,040	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			PRA	1,462,795	1,366,521
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			PSA	303,140	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			SPA	10,226,751	336,618
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			TOA	8,241,513	4,977,117
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			UAA	30,223	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			VSA	4,095,423	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			WCA	24,204,629	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Arizona Association for the Education of Young Children (AZAEYC)	AGR 04/01/2022	ASA	12,235	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	City of Phoenix	156302-0	ASA	258,667	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	City of Phoenix	156194-0	CDA	292,964	292,964
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Pima	CT-CR-22-385	CDA	2,338,092	2,338,092
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Pima County Health Department	CT-HD-20-347	UAA	90,415	
	21.027 Subtotal				379,461,920	179,664,382
21.029	COVID-19 - Coronavirus Capital Projects Fund			CAA	217,900	
	Total Department of the Treasury				711,157,749	180,298,515
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						
38.006	State Appraiser Agency Support Grants			IDA	123,731	
	Total Equal Employment Opportunity Commission				123,731	
LIBRARY OF CONGRESS						
42.GA21C0113	Fostering the Aha! Moments of Learning with Primary Sources through Librarian-Faculty Partnerships			UAA	87,824	
	Total Library of Congress				87,824	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
43.001	Science			ASA	342,048	
43.001	Science			NAA	859,736	352,622
43.001	Science	National Space Grant Foundation (NSGF)	NEBP-119	ASA	3,432	
43.001	Science	Central Washington University	22248100	NAA	18,137	
43.001	Science	WestEd	S-00019925	NAA	75,153	
	43.001 Subtotal				1,298,506	352,622
43.007	Space Operations	Center for the Advancement of Science in Space	GA-2021-8468	UAA	6,582	6,582
43.008	Office of Stem Engagement			NAA	180,256	
43.008	Office of Stem Engagement			UAA	923,342	464,427
43.008	Office of Stem Engagement	Carthage College	FLN22_8.0	NAA	19,000	
	43.008 Subtotal				1,122,598	464,427

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43.80NSSC20M0030	NASA Team II - Build a Mars Habitat Project	Science Museum of Minnesota	AGR 4/6/2021	ASA	16,349	
	Total National Aeronautics and Space Administration				2,444,035	823,631
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>						
45.024	Promotion of the Arts Grants to Organizations and Individuals			ASA	46,529	
45.024	Promotion of the Arts Grants to Organizations and Individuals			UAA	29,985	
45.024	Promotion of the Arts Grants to Organizations and Individuals	Arts Midwest	00031572/1866149-52-C-20	UAA	22,311	
	45.024 Subtotal				98,825	
45.025	Promotion of the Arts Partnership Agreements			HUA	1,008,332	70,000
45.025	Promotion of the Arts Partnership Agreements			UAA	88,694	
	45.025 Subtotal				1,097,026	70,000
45.Unknown	NEA Challenge Grant Endowment			UAA	69,273	
	Total National Endowment for the Arts				1,265,124	70,000
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>						
45.129	Promotion of the Humanities Federal/State Partnership			ASA	20,725	
45.129	COVID-19 - Promotion of the Humanities Federal State Partnership			HIA	15,000	
45.129	Promotion of the Humanities Federal State Partnership			HIA	14,181	
45.129	Promotion of the Humanities Federal/State Partnership			STA	111,445	
45.129	Promotion of the Humanities Federal/State Partnership			UAA	8,862	
	45.129 Subtotal				170,213	
45.130	Promotion of the Humanities Challenge Grants			UAA	159,047	
45.149	Promotion of the Humanities Division of Preservation and Access			NAA	69,781	
45.149	Promotion of the Humanities Division of Preservation and Access			UAA	595,916	
45.149	Promotion of the Humanities Division of Preservation and Access			UAA	35,082	
	45.149 Subtotal				700,779	
45.160	Promotion of the Humanities Fellowships and Stipends	Social Science Research Council	AGR 3/31/2022	ASA	81,627	
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development			ASA	29,049	
45.162	Promotion of the Humanities Teaching and Learning Resources and Curriculum Development			UAA	46,628	
	45.162 Subtotal				75,677	
45.163	Promotion of the Humanities—Professional Development			NAA	45,698	
45.163	Promotion of the Humanities—Professional Development			UAA	144,434	
	45.163 Subtotal				190,132	
45.164	Promotion of the Humanities Public Programs	Social Science Research Council	AGR 3/31/2022	ASA	35,688	
45.164	Promotion of the Humanities Public Programs	Arizona Council of Learned Societies	22.021	NAA	43,345	
45.164	Promotion of the Humanities Public Programs	National Writing Project	92AZ032022BMPU	UAA	60,355	
	45.164 Subtotal				139,388	
45.169	Promotion of the Humanities Office of Digital Humanities			UAA	91,303	
45.Unknown	NEH/ASM Educational Endowment			UAA	397,201	
	Total National Endowment for the Humanities				2,005,367	
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>						
45.301	Museums for America			UAA	138,068	
45.310	Grants to States			HIA	708	
45.310	COVID-19 - Grants to States			STA	821,505	154,626
45.310	Grants to States			STA	3,823,036	785,285
	45.310 Subtotal				4,645,249	939,911
45.312	National Leadership Grants			ASA	177,018	
45.312	COVID-19 - National Leadership Grants			HIA	30,200	
	45.312 Subtotal				207,218	
45.313	Laura Bush 21st Century Librarian Program			ASA	126,418	
45.313	Laura Bush 21st Century Librarian Program			UAA	342,792	
	45.313 Subtotal				469,210	
	Total Institute of Museum and Library Services				5,459,745	939,911
<u>NATIONAL SCIENCE FOUNDATION</u>						
47.041	Engineering			ASA	4,648	
47.050	Geoscience	University of Colorado Boulder	PO 1001268122	NAA	22,719	
47.074	Biological Sciences	Regents of the University of Michigan	SUBK0001485	NAA	15,167	
47.076	STEM Education (formerly Education and Human Resources)			NAA	1,132,140	32,776
47.076	STEM Education (formerly Education and Human Resources)			NAA	20,580	
47.076	STEM Education (formerly Education and Human Resources)			UAA	629,294	
47.076	STEM Education (formerly Education and Human Resources)	Auburn University	21-COSAM-200840-NAU	NAA	146,887	44,008
47.076	STEM Education (formerly Education and Human Resources)	San Francisco State University	S18-0002	NAA	21,448	
	47.076 Subtotal				1,950,349	76,784
47.082	ARRA—Trans-NSF Recovery Act Research Support			UAA	83,000	

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47.084	NSF Technology, Innovation and Partnership			NAA	13,998	
47.CRT	National Science Foundation			NAA	125,943	
	Total National Science Foundation				<u>2,215,824</u>	<u>76,784</u>
<u>SMALL BUSINESS ADMINISTRATION</u>						
59.058	Federal and State Technology Partnership Program			CAA	87,130	
59.061	State Trade Expansion			CAA	207,790	
59.075	Shuttered Venue Operators Grant Program			UAA	603,275	
	Total Small Business Administration				<u>898,195</u>	
<u>SMITHSONIAN INSTITUTION</u>						
60.22PO3320000456670	Hominin Sites and Paleolakes Drilling Project Annual Meeting to be held in Nairobi, Kenya in June-July, 2022			UAA	24,545	
60.22PO6800000481071	Historically Black Colleges and Universities (HBCU) History and Culture Access Consortium Training			UAA	18,005	
	Total Smithsonian Institution				<u>42,550</u>	
<u>DEPARTMENT OF VETERANS AFFAIRS</u>						
64.203	Veterans Cemetery Grants Program			VSA	788,270	
	Total Department of Veterans Affairs				<u>788,270</u>	
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
<u>Clean Water State Revolving Fund (CWSRF) Cluster</u>						
66.458	Capitalization Grants for Clean Water State Revolving Funds			FAA	7,024,606	6,428,504
	Clean Water State Revolving Fund (CWSRF) Cluster Subtotal				<u>7,024,606</u>	<u>6,428,504</u>
<u>Drinking Water State Revolving Fund (DWSRF) Cluster</u>						
66.468	Capitalization Grants for Drinking Water State Revolving Funds			EVA	4,410,177	
66.468	Capitalization Grants for Drinking Water State Revolving Funds			FAA	25,893,002	19,858,468
	66.468 Subtotal				<u>30,303,179</u>	<u>19,858,468</u>
	Drinking Water State Revolving Fund (DWSRF) Cluster Subtotal				<u>30,303,179</u>	<u>19,858,468</u>
<u>Other Environmental Protection Agency Programs</u>						
66.032	State Indoor Radon Grants			HSA	36,645	
66.034	COVID-19 - Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	73,773	29,500
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	374,624	126,680
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			NAA	393,402	
	66.034 Subtotal				<u>841,799</u>	<u>156,180</u>
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,880,897	
66.204	Multipurpose Grants to States and Tribes			HSA	370	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	219,161	
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			NAA	202,702	
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program			FAA	652,700	611,683
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))			HSA	222,847	
66.454	Water Quality Management Planning			EVA	71,823	71,823
66.460	Nonpoint Source Implementation Grants			EVA	1,909,034	106,744
66.460	Nonpoint Source Implementation Grants			UAA	37,600	
	66.460 Subtotal				<u>1,946,634</u>	<u>106,744</u>
66.605	Performance Partnership Grants			AHA	499,405	
66.605	Performance Partnership Grants			EVA	9,474,255	120,329
	66.605 Subtotal				<u>9,973,660</u>	<u>120,329</u>
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	209,956	
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			NAA	373,717	
	66.608 Subtotal				<u>583,673</u>	
66.708	Pollution Prevention Grants Program			EVA	69,761	
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies			NAA	246,694	
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Extension Foundation Demonstrations, and Studies	SA-2022-01		UAA	10,435	
	66.716 Subtotal				<u>257,129</u>	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	1,307,064	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			EVA	331,162	

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66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	1,059,226	
66.808	Solid Waste Management Assistance Grants			NAA	280,746	
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants			NAA	387,805	
66.817	State and Tribal Response Program Grants			EVA	1,697,458	
	Total Environmental Protection Agency				<u>59,351,047</u>	<u>27,353,731</u>
DEPARTMENT OF ENERGY						
81.041	State Energy Program			ADA	280,494	
81.042	Weatherization Assistance for Low-Income Persons			HDA	2,662,996	2,321,986
81.Unknown	Department of Energy	National Renewable Energy Laboratory	SUB-2021-10570	NAA	3,045	
	Total Department of Energy				<u>2,946,535</u>	<u>2,321,986</u>
DEPARTMENT OF EDUCATION						
Special Education Cluster (IDEA)						
84.027	COVID-19 - Special Education Grants to States			DCA	4,244	
84.027	Special Education Grants to States			DCA	153,223	
84.027	COVID-19 - Special Education Grants to States			DJA	8,922	
84.027	Special Education Grants to States			DJA	95,072	
84.027	COVID-19 - Special Education Grants to States			EDA	21,966,938	21,966,938
84.027	Special Education Grants to States			EDA	224,824,665	207,953,726
84.027	Special Education Grants to States			NAA	399,344	
84.027	COVID-19 - Special Education Grants to States			SDA	3,917	
84.027	Special Education Grants to States			SDA	494,125	
84.027	Special Education Grants to States	Missouri Department of Education	22.0449	NAA	279,087	
84.027	Special Education Grants to States	Navajo Nation	20.0647, CO15513	NAA	743,635	
84.027	Special Education Grants to States	Navajo Nation	LTR DTD 090722	UAA	28,550	
	84.027 Subtotal				<u>249,001,722</u>	<u>229,920,664</u>
84.173	COVID-19 - Special Education Preschool Grants			EDA	1,258,455	1,258,455
84.173	Special Education Preschool Grants			EDA	5,175,525	3,871,348
84.173	COVID-19 - Special Education Preschool Grants			SDA	945	
84.173	Special Education Preschool Grants			SDA	12,770	
	84.173 Subtotal				<u>6,447,695</u>	<u>5,129,803</u>
	Special Education Cluster (IDEA) Subtotal				<u>255,449,417</u>	<u>235,050,467</u>
TRIO Cluster						
84.042	TRIO—Student Support Services			ASA	471,290	
84.042	TRIO—Student Support Services			NAA	406,729	
84.042	TRIO—Student Support Services			UAA	865,153	
	84.042 Subtotal				<u>1,743,172</u>	
84.044	TRIO—Talent Search			NAA	403,630	
84.047	TRIO—Upward Bound			ASA	708,647	
84.047	TRIO—Upward Bound			NAA	966,227	
84.047	TRIO—Upward Bound			UAA	344,875	
	84.047 Subtotal				<u>2,019,749</u>	
84.066	TRIO—Educational Opportunity Centers			NAA	440,117	
	TRIO Cluster Subtotal				<u>4,606,668</u>	
Other Department of Education Programs						
84.002	Adult Education—Basic Grants to States			EDA	15,699,787	13,209,239
84.004	Civil Rights Training and Advisory Services (also known as Equity Assistance Centers)	Indiana University	S00D160011	UAA	21,455	
84.010	Title I Grants to Local Educational Agencies			EDA	359,821,105	354,608,033
84.010	Title I Grants to Local Educational Agencies			SDA	90,289	
	84.010 Subtotal				<u>359,911,394</u>	<u>354,608,033</u>
84.011	Migrant Education State Grant Program			EDA	12,074,530	11,264,664
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	488,252	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	419,722	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	7,062	
	84.013 Subtotal				<u>915,036</u>	
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program			ASA	209,020	
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	768,143	
	84.015 Subtotal				<u>977,163</u>	
84.016	Undergraduate International Studies and Foreign Language Programs			UAA	35,961	
84.021	Overseas Programs - Group Projects Abroad			ASA	66,353	
84.021	Overseas Programs - Group Projects Abroad			UAA	330,181	
	84.021 Subtotal				<u>396,534</u>	

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.031	Higher Education—Institutional Aid			UAA	1,553,007	6,644
84.031	Higher Education—Institutional Aid	Arizona Western College	PO31C160019	UAA	1,485	
	84.031 Subtotal				1,554,492	6,644
84.048	Career and Technical Education—Basic Grants to States			DJA	45,117	
84.048	Career and Technical Education—Basic Grants to States			EDA	31,318,072	27,795,197
84.048	Career and Technical Education—Basic Grants to States			SDA	29,946	
84.048	Career and Technical Education—Basic Grants to States			UAA	48,538	
	84.048 Subtotal				31,441,673	27,795,197
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States			DEA	84,557,297	
84.129	Rehabilitation Long-Term Training			UAA	132,196	
84.144	Migrant Education Coordination Program			EDA	68,134	
84.149	Migrant Education College Assistance Migrant Program			ASA	465,532	
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind			DEA	849,133	
84.181	COVID-19 - Special Education—Grants for Infants and Families			DEA	1,589,378	
84.181	Special Education—Grants for Infants and Families			DEA	12,427,197	
84.181	Special Education—Grants for Infants and Families			SDA	212,048	
	84.181 Subtotal				14,228,623	
84.196	Education for Homeless Children and Youth			EDA	2,433,433	1,859,009
84.206	Javits Gifted and Talented Students Education	University of Hawaii	MA1370/PO Z10198459	NAA	56,942	26,625
84.229	Language Resource Centers			UAA	132,789	
84.250	American Indian Vocational Rehabilitation Services			NAA	797,191	98,608
84.282	Charter Schools			EDA	7,764,737	7,048,383
84.287	Twenty-First Century Community Learning Centers			EDA	24,565,956	22,415,647
84.295	Ready-To-Learn Television			ASA	10,000	
84.299	Indian Education—Special Programs for Indian Children			UAA	539,454	
84.310	Statewide Family Engagement Centers			ASA	45,140	
84.310	Statewide Family Engagement Centers			EDA	15,640	
	84.310 Subtotal				60,780	
84.323	Special Education—State Personnel Development			EDA	10,639	1,194
84.323	Special Education—State Personnel Development			NAA	129,650	
84.323	Special Education—State Personnel Development	Missouri Department of Elementary	22.0391, 22.0392, 23.0179	NAA	1,054,909	17,491
	84.323 Subtotal				1,195,198	18,685
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	975,827	342,410
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			EDA	15,000	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	209,476	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	303,862	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	775,095	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	166,812	
	84.325 Subtotal				2,446,072	342,410
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	252,022	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	5,073,454	2,569,104
84.335	Child Care Access Means Parents in School			ASA	196,447	
84.335	Child Care Access Means Parents in School			NAA	193,579	
	84.335 Subtotal				390,026	
84.336	Teacher Quality Partnership Grants			ASA	406,970	
84.358	Rural Education			EDA	3,433,010	3,254,003
84.365	English Language Acquisition State Grants			ASA	536,063	36,403
84.365	English Language Acquisition State Grants			EDA	14,328,994	13,784,600
84.365	English Language Acquisition State Grants			NAA	763,623	
	84.365 Subtotal				15,628,680	13,821,003
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			DJA	5,650	
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			EDA	46,009,301	43,615,188
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			SDA	31,363	
	84.367 Subtotal				46,046,314	43,615,188
84.369	Grants for State Assessments and Related Activities			EDA	6,316,364	
84.371	Comprehensive Literacy Development			EDA	4,410,692	4,131,593
84.374	Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)			ASA	3,408,246	2,005,330
84.377	School Improvement Grants			EDA	157,337	41,549
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education			NAA	413,021	
84.411	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	National Writing Project	09-AZ04-2021i3WNTS	ASA	2,525	
84.422	American History and Civics Education			ASA	416,607	

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84.424	Student Support and Academic Enrichment Program			EDA	26,195,273	24,791,300
84.425C	COVID-19 - Education Stabilization Fund - Governor's Office Emergency Education Relief (GEER) Fund			ADA	2,857,092	
84.425C	COVID-19 - Education Stabilization Fund - Governor's Office Emergency Education Relief (GEER) Fund			ASA	367,651	
84.425C	COVID-19 - Education Stabilization Fund - Governor's Office Emergency Education Relief (GEER) Fund			EDA	13,468,612	5,571,329
84.425C	COVID-19 - Education Stabilization Fund - Governor's Office Emergency Education Relief (GEER) Fund			GVA	10,447,250	10,214,818
84.425C	COVID-19 - Education Stabilization Fund - Governor's Office Emergency Education Relief (GEER) Fund			UAA	190,610	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			DCA	421,483	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			EDA	311,852,848	300,966,187
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			SDA	125,532	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			UAA	386,305	
84.425E	COVID-19 - Education Stabilization Fund - Student Aid Portion			ASA	837	
84.425F	COVID-19 - Education Stabilization Fund - Institutional Portion			NAA	3,792,000	
84.425L	COVID-19 - HEERF Minority Serving Institutions (MSIs)			ASA	2,710,513	
84.425L	COVID-19 - HEERF Minority Serving Institutions (MSIs)			NAA	4,993,419	
84.425M	COVID-19 - HEERF Strengthening Institutions Program (SIP)			ASA	521,054	
84.425R	COVID-19 - Education Stabilization Fund - Emergency Assistance to Non-Public Schools (CRRSA EANS)			EDA	18,785,260	
84.425U	COVID-19 - Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			DCA	171,360	
84.425U	COVID-19 - Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			EDA	716,087,396	666,289,183
84.425U	COVID-19 - Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			SDA	120,153	
84.425V	COVID-19 - Education Stabilization Fund - American Rescue Plan—Emergency Assistance to Non-Public Schools (ARP EANS)			EDA	22,760,390	
84.425W	COVID-19 - Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief –Homeless Children and Youth			EDA	2,588,453	2,561,688
	84.425 Subtotal				<u>1,112,648,218</u>	<u>985,603,205</u>
84.BPM004875	Natives Who Code: Creating New Stories - Creating Career Pathways			UAA	6,910	
84.Unknown	Migratory Student Summer Academy at Arizona State University			ASA	450,129	
84.Unknown	SOAR (Student Outreach, Access, and Resiliency) - ESSER III (Elementary and Secondary School Emergency Relief)			UAA	297,827	
	Total Department of Education				<u>2,049,341,202</u>	<u>1,753,575,886</u>
<u>MORRIS K. UDALL FOUNDATION</u>						
85.ECR014589	Startup Funds for new Director - UF Workplan 2021			UAA	16,525	
85.ECR014791	ENP Supplement - UF Workplan 2021			UAA	33,723	
85.LTR DTD 010623	Udall Foundation Workplan 2023			UAA	205,837	
85.MKU07978	Udall Foundation Workplan 2020			UAA	10,502	
85.MKU08376	Native Nations Institute for Leadership, Management, and Policy			UAA	516,870	
85.MKU08403	Udall Foundation Workplan 2022			UAA	206,400	
85.MKU08792	2023 - Native Nations Institute for Leadership, Management, and Policy			UAA	476,445	
	Total Morris K. Udall Foundation				<u>1,466,302</u>	
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>						
89.003	National Historical Publications and Records Grants			CCA	73,907	
89.003	National Historical Publications and Records Grants			STA	37,906	27,089
	89.003 Subtotal				<u>111,813</u>	<u>27,089</u>
	Total National Archives and Records Administration				<u>111,813</u>	<u>27,089</u>
<u>ELECTION ASSISTANCE COMMISSION</u>						
90.404	2018 HAVA Election Security Grants			STA	1,102,066	279,211
	Total Election Assistance Commission				<u>1,102,066</u>	<u>279,211</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Aging Cluster</u>						
93.044	COVID-19 - Special Programs for the Aging--Title III, Part B—Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services Under Title III-B of the Older Americans Act, and American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act			DEA	5,293,129	5,291,144
93.044	Special Programs for the Aging--Title III, Part B—Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services Under Title III-B of the Older Americans Act, and American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act			DEA	11,904,395	11,650,885
	93.044 Subtotal				<u>17,197,524</u>	<u>16,942,029</u>

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93.045	COVID-19 - Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act			DEA	5,912,684	5,912,684
93.045	Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act			DEA	14,346,656	13,423,598
93.045	Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act			GVA	55,440	
	93.045 Subtotal				20,314,780	19,336,282
93.053	Nutrition Services Incentive Program			DEA	1,881,066	1,881,066
	Aging Cluster Subtotal				39,393,370	38,159,377
	CCDF Cluster					
93.575	COVID-19 - Child Care and Development Block Grant			CDA	65,017,685	34,932,432
93.575	Child Care and Development Block Grant			CHA	36,423,772	
93.575	COVID-19 - Child Care and Development Block Grant			DEA	610,507,949	1,198,976
93.575	Child Care and Development Block Grant			DEA	36,652,773	
93.575	Child Care and Development Block Grant			EDA	7,457,800	
93.575	Child Care and Development Block Grant			GVA	129,099	129,099
93.575	COVID-19 - Child Care and Development Block Grant			HSA	6,852,174	
93.575	Child Care and Development Block Grant			HSA	998,600	
93.575	Child Care and Development Block Grant			UAA	93,438	
	93.575 Subtotal				764,133,290	36,260,507
93.596	COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	5,162,112	
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	91,523,557	
	93.596 Subtotal				96,685,669	
	CCDF Cluster Subtotal				860,818,959	36,260,507
	Head Start Cluster					
93.600	Head Start			EDA	154,933	87,117
	Head Start Cluster Subtotal				154,933	87,117
	Medicaid Cluster					
93.775	State Medicaid Fraud Control Units			AGA	3,788,157	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	388,062	
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	5,169	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	4,065,149	
	93.777 Subtotal				4,458,380	
93.778	COVID-19 - Medical Assistance Program			HCA	1,068,342,000	
93.778	Medical Assistance Program			HCA	17,840,872,000	
93.778	Medical Assistance Program	Community Partnership of Southern Arizona	L0901	UAA	8,638	
	93.778 Subtotal				18,909,222,638	
	Medicaid Cluster Subtotal				18,917,469,175	
	Other Department of Health and Human Services Programs					
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	81,243	54,183
93.042	COVID-19 - Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			DEA	135,368	62,652
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			DEA	473,061	450,047
	93.042 Subtotal				608,429	512,699
93.043	COVID - 19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			DEA	218,833	218,833
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			DEA	544,112	544,112
	93.043 Subtotal				762,945	762,945
93.048	COVID-19 - Special Programs for the Aging - Title IV - and Title II - Discretionary Projects			DEA	425,697	368,357
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			DEA	326,043	204,747
	93.048 Subtotal				751,740	573,104
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E			DEA	1,840,392	1,840,392
93.052	National Family Caregiver Support, Title III, Part E			DEA	4,943,903	4,702,780
	93.052 Subtotal				6,784,295	6,543,172
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure			HSA	210,569	
93.069	Public Health Emergency Preparedness			HSA	11,410,652	6,117,303

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93.070	Environmental Public Health and Emergency Response			HSA	801,700	156,135
93.070	Environmental Public Health and Emergency Response			UAA	72,014	
	93.070 Subtotal				873,714	156,135
93.071	Medicare Enrollment Assistance Program			DEA	543,465	500,374
93.072	Lifespan Respite Care Program			DEA	59,180	59,180
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			HSA	290,652	
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			UAA	529,102	
	93.073 Subtotal				819,754	
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			HSA	129,549	
93.092	COVID-19 - Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	529,776	442,256
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	264,416	96,922
93.092	Personal Responsibility Education Program			UAA	163,038	
	93.092 Subtotal				957,230	539,178
93.103	Food and Drug Administration Research			AHA	624,717	
93.103	COVID-19 - Food and Drug Administration Research			HSA	45,038	45,038
93.103	Food and Drug Administration Research			HSA	1,050,468	32,022
93.103	Food and Drug Administration Research	University of Arkansas	UA2021-226	UAA	26,140	
	93.103 Subtotal				1,746,363	77,060
93.107	Area Health Education Centers			UAA	687,531	450,892
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	8,480	
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	2,235,924	849,708
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	22,506	
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	8,298	
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	1,020,844	14,353
93.110	Maternal and Child Health Federal Consolidated Programs	American College of Obstetricians and Gynecologists	AGR2020-031 (AIM)	HSA	9,948	
93.110	Maternal and Child Health Federal Consolidated Programs	Organization of Teratology Information Specialists	UG4MC27861	UAA	45,761	
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health and Science University	1010559 UAZ	UAA	5,152,643	
	93.110 Subtotal				8,504,404	864,061
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			ASA	38,510	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			HSA	3,005,521	589,214
	93.116 Subtotal				3,044,031	589,214
93.124	Nurse Anesthetist Traineeships			UAA	31,060	
93.127	Emergency Medical Services for Children			HSA	144,277	20,000
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	185,925	
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	324,617	
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	4,420,959	1,888,946
93.136	Injury Prevention and Control Research and State and Community Based Programs			PMA	18,174	
93.136	Injury Prevention and Control Research and State and Community Based Programs			PMA	289,324	
93.136	Injury Prevention and Control Research and State and Community Based Programs			UAA	248,723	
	93.136 Subtotal				5,301,797	1,888,946
93.137	Community Programs to Improve Minority Health Grant Program	Pima County Health Department	CTHD22084, CT-HD-22-089	UAA	147,158	
93.145	HIV-Related Training and Technical Assistance	University of California, San Francisco	11468sc	UAA	212,301	10,000
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HCA	1,251,000	1,197,000
93.155	COVID-19 - Rural Health Research Centers			UAA	1,418,243	1,346,697
93.165	COVID-19 - Grants to States for Loan Repayment Program			HSA	527,759	490,782
93.165	Grants to States for Loan Repayment Program			HSA	336,278	336,278
	93.165 Subtotal				864,037	827,060
93.178	Nursing Workforce Diversity			UAA	556,681	
93.185	COVID-19 - Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects			UAA	645,155	
93.185	Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	Association of University Centers on Disability	15-8818-23/6 NU51DD000001-0	UAA	20,685	
	93.185 Subtotal				665,840	
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			HSA	305,850	
93.211	Telehealth Programs			UAA	334,165	104,020
93.235	COVID-19 - Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			HSA	8,534	8,534
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			HSA	1,202,049	992,985
	93.235 Subtotal				1,210,583	1,001,519

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93.236	Grants to States to Support Oral Health Workforce Activities			HSA	244,623	1,191
93.237	Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects	Hualapai Tribe	18.009	NAA	7,851	
93.240	State Capacity Building			HSA	1,170	
93.241	State Rural Hospital Flexibility Program			UAA	959,061	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			ASA	249,583	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			EDA	3,494,410	2,603,892
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			GVA	1,832,498	1,645,817
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			HCA	1,752,000	1,559,000
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			HSA	175,244	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			JCA	63,127	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	1,098,468	240,231
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	146,990	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	10,378	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	210,780	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Community Bridges	AGR 06/20/2023	ASA	25,999	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Old Pueblo Community Foundation	1H79TI080589-02-ASU; 1H79TI080589-03-ASU; 1H79TI080589-02-ASU; 1H79TI080589-03-ASU; 1H79TI080589-02-ASU; 1H79TI080589-03-ASU; 1H79TI080589-02-ASU; 1H79TI080589-03-ASU	ASA	90,086	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Cocopah Tribe, Arizona	N/A	CDA	4,000	4,000
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Caring Health Center, Inc.	483781	UAA	13,130	
	93.243 Subtotal				<u>9,166,693</u>	<u>6,052,940</u>
93.247	Advanced Nursing Education Grant Program			UAA	511,745	80,085
93.247	Advanced Nursing Education Grant Program	El Rio Community Health Center	AGR 10/18/19	ASA	37,646	
	93.247 Subtotal				<u>549,391</u>	<u>80,085</u>
93.253	Poison Center Support and Enhancement Grant Program			UAA	87,316	
93.261	Scaling the National Diabetes Prevention Program to Priority Populations	Association of Diabetes Care and Education Specialists	17NU58DP06361-04-00	UAA	4,636	
93.262	Occupational Safety and Health Program			ASA	29,993	
93.262	Occupational Safety and Health Program			UAA	405,628	
	93.262 Subtotal				<u>435,621</u>	
93.268	COVID-19 - Immunization Cooperative Agreements			HSA	23,060,928	10,379,121
93.268	Immunization Cooperative Agreements			HSA	121,393,029	3,205,945
	93.268 Subtotal				<u>144,453,957</u>	<u>13,585,066</u>
93.270	Viral Hepatitis Prevention and Control			HSA	91,655	27,126
93.270	Viral Hepatitis Prevention and Control			UAA	552,017	
	93.270 Subtotal				<u>643,672</u>	<u>27,126</u>
93.279	Drug Abuse and Addiction Research Programs			NAA	319,543	
93.301	Small Rural Hospital Improvement Grant Program			UAA	1,382	
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)			HSA	35,187	
93.307	Minority Health and Health Disparities Research			NAA	38,048	
93.322	CSELS Partnership: Strengthening Public Health Laboratories	Association of Public Health Laboratories	APHL 56401-250-700-22-01 (APHLMIN)	HSA	15,497	
93.322	CSELS Partnership: Strengthening Public Health Laboratories	Association of Public Health Laboratories	APHL 56401-250-706-22-05 (APHLIER)	HSA	14,053	
	93.322 Subtotal				<u>29,550</u>	
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases			HSA	134,189,536	40,256,670
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	3,089,553	375,151
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			UAA	30,417	
	93.323 Subtotal				<u>137,309,506</u>	<u>40,631,821</u>
93.324	State Health Insurance Assistance Program			DEA	1,009,832	764,443
93.325	Paralysis Resource Center	Christopher and Dana Reeve Foundation	90PRRC0002	UAA	153	
93.332	Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	Arizona Alliance for Community Health Centers	NAVCA210401-01-00	UAA	241,867	
93.336	COVID-19 - Behavioral Risk Factor Surveillance System			HSA	8,801	
93.336	Behavioral Risk Factor Surveillance System			HSA	542,094	
	93.336 Subtotal				<u>550,895</u>	
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			HSA	10,048,811	3,301,736

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93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			EDA	2,444,970	1,348,542
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			UAA	1,342,305	845,000
	93.354 Subtotal				<u>13,836,086</u>	<u>5,495,278</u>
93.358	Advanced Education Nursing Traineeships			NAA	48,485	
93.359	Nurse Education, Practice Quality and Retention Grants			NAA	51,285	
93.367	Flexible Funding Model—Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs			HSA	302,371	
93.369	ACL Independent Living - State Grants			DEA	575,529	
93.387	National and State Tobacco Control Program			HSA	1,306,439	327,508
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			HSA	9,189,970	8,095,415
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			UAA	2,796,130	466,363
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health and Healthcare Crises	Coconino County	IGA21.0647	NAA	126,383	
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Pima County Health Department	CT-HD-22-059-00	UAA	63,918	
	93.391 Subtotal				<u>12,176,401</u>	<u>8,561,778</u>
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health			HSA	15,771	
93.421	COVID-19 - Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	Council of State and Territorial Epidemiologists (CSTE)	AGR2022-038 (COVIDPETS), 7754 (COVIDPETS2), PRAMSCVAX	HSA	133,011	
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	Council of State and Territorial Epidemiologists (CSTE)	7490 (CSTEDSST21), 7899 (CSTENAS)	HSA	64,741	
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	National Environmental Health Association	(NEARS)	HSA	2,971	
	93.421 Subtotal				<u>216,494</u>	
93.426	The National Cardiovascular Health Program			HSA	1,345,124	686,011
93.426	The National Cardiovascular Health Program			UAA	514,967	17,109
	93.426 Subtotal				<u>1,860,091</u>	<u>703,120</u>
93.434	Every Student Succeeds Act/Preschool Development Grants			EDA	20,081	
93.461	COVID-19 - Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund			NAA	491,708	
93.464	ACL Assistive Technology			NAA	730,992	
93.471	Title IV-E Kinship Navigator Program			CHA	128,988	
93.478	Preventing Maternal Deaths: Supporting Maternal Morality Review Committees			HSA	532,551	17,029
93.495	Community Health Workers For Public Health Response and Resilient			HCA	696,000	104,000
93.495	Community Health Workers for Public Health Response and Resilient			NAA	361,083	
93.495	Community Health Workers for Public Health Response and Resilient			UAA	39,916	
	93.495 Subtotal				<u>1,096,999</u>	<u>104,000</u>
93.498	COVID-19 - Provider Relief Fund			VSA	2,016,692	
93.499	Low Income Household Water Assistance Program			DEA	8,127,005	1,402,078
93.516	Public Health Training Centers Program			UAA	1,080,789	335,634
93.556	MaryLee Allen Promoting Safe and Stable Families Program			CHA	10,000,867	
93.558	Temporary Assistance for Needy Families			CHA	174,108,454	
93.558	Temporary Assistance for Needy Families			DEA	66,286,342	14,606,055
	93.558 Subtotal				<u>240,394,796</u>	<u>14,606,055</u>
93.563	Child Support Services			DEA	69,020,896	4,878,770
93.563	Child Support Services			SPA	150,412	
	93.563 Subtotal				<u>69,171,308</u>	<u>4,878,770</u>
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs			DEA	31,956,652	29,091,950
93.568	Low-Income Home Energy Assistance			DEA	34,596,645	15,312,837
93.568	Low-Income Home Energy Assistance			HDA	6,037,574	5,869,674
	93.568 Subtotal				<u>40,634,219</u>	<u>21,182,511</u>
93.569	COVID-19 - Community Services Block Grant			DEA	1,913,363	1,913,363
93.569	Community Services Block Grant			DEA	5,839,355	5,415,478
	93.569 Subtotal				<u>7,752,718</u>	<u>7,328,841</u>
93.579	U.S. Repatriation			DEA	125,817	
93.583	Refugee and Entrant Assistance Wilson/Fish Program			DEA	581,940	
93.586	State Court Improvement Program			SPA	627,549	156,180
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants			CHA	709,981	
93.590	Community-Based Child Abuse Prevention Grants			CHA	439,596	
	93.590 Subtotal				<u>1,149,577</u>	
93.597	Grants to States for Access and Visitation Programs			DEA	166,851	166,851
93.599	Chafee Education and Training Vouchers Program (ETV)			CHA	891,831	
93.603	Adoption and Legal Guardianship Incentive Payments			CHA	5,985,000	
93.630	Developmental Disabilities Basic Support and Advocacy Grants			ASA	14,434	
93.630	COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants			DEA	10,103	-
93.630	Developmental Disabilities Basic Support and Advocacy Grants			DEA	1,245,907	394,381

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93.630	Developmental Disabilities Basic Support and Advocacy Grants	Arizona Developmental Disabilities Planning Council	ADDPC-FFY22-CON/TRN-020-4	UAA	3,035	
	93.630 Subtotal				<u>1,273,479</u>	<u>394,381</u>
93.631	Developmental Disabilities Projects of National Significance			UAA	172,590	
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	841,963	49,254
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			UAA	74,337	
	93.632 Subtotal				<u>916,300</u>	<u>49,254</u>
93.643	Children's Justice Grants to States			GVA	418,534	278,408
93.645	Stephanie Tubbs Jones Child Welfare Services Program			CHA	7,418,831	
93.658	COVID-19 - Foster Care Title IV-E			CHA	2,900,251	
93.658	Foster Care Title IV-E			CHA	126,656,915	
93.658	Foster Care Title IV-E			SPA	6,526,220	6,183,017
	93.658 Subtotal				<u>136,083,386</u>	<u>6,183,017</u>
93.659	COVID-19 - Adoption Assistance			CHA	12,952,526	
93.659	Adoption Assistance			CHA	165,524,080	
	93.659 Subtotal				<u>178,476,606</u>	
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19			HCA	1,155,000	1,042,000
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19			VSA	169,096	
	93.665 Subtotal				<u>1,324,096</u>	<u>1,042,000</u>
93.667	Social Services Block Grant			CHA	17,726,887	
93.667	Social Services Block Grant			DEA	17,343,775	16,648,771
	93.667 Subtotal				<u>35,070,662</u>	<u>16,648,771</u>
93.669	Child Abuse and Neglect State Grants			CHA	1,751,213	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			DEA	1,349,590	1,349,590
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	1,733,678	1,698,132
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	1,074,726	1,032,992
	93.671 Subtotal				<u>4,157,994</u>	<u>4,080,714</u>
93.674	COVID-19- John H. Chafee Foster Care Program for Successful Transition to Adulthood			CHA	4,665,690	
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood			CHA	3,935,571	
	93.674 Subtotal				<u>8,601,261</u>	
93.732	Mental and Behavioral Health Education and Training Grants			ASA	619,964	
93.732	Mental and Behavioral Health Education and Training Grants			UAA	2,167,719	
	93.732 Subtotal				<u>2,787,683</u>	
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Pima County Health Department	CTHD19272	UAA	130,838	
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Pima County, Arizona	CT-HD19-273	UAA	130,308	
	93.738 Subtotal				<u>261,146</u>	
93.747	COVID-19 - Elder Abuse Prevention Interventions Program			DEA	2,286,603	50,246
93.747	Elder Abuse Prevention Interventions Program			DEA	763,761	
	93.747 Subtotal				<u>3,050,364</u>	<u>50,246</u>
93.762	A Comprehensive Approach to Good Health and Wellness in Indian County - financed solely by Prevention and Public Health	Hualapai Tribe	20-0247	NAA	2,282	
93.767	Children's Health Insurance Program			DEA	2,276,153	
93.767	COVID-19 - Children's Health Insurance Program			HCA	12,463,000	
93.767	Children's Health Insurance Program			HCA	287,049,000	
93.767	Children's Health Insurance Program			HSA	2,525,460	
	93.767 Subtotal				<u>304,313,613</u>	
93.788	Opioid STR			ASA	203,308	
93.788	Opioid STR			CDA	179,514	179,514
93.788	Opioid STR			CHA	1,688,906	
93.788	Opioid STR			DCA	437,837	
93.788	Opioid STR			HCA	10,330,000	9,995,000
93.788	Opioid STR			HSA	6,554,440	1,131,496
93.788	Opioid STR			UAA	366,111	
93.788	Opioid STR			VSA	700,712	
	93.788 Subtotal				<u>20,460,828</u>	<u>11,306,010</u>
93.796	State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid			HSA	1,353,921	
93.809	National Organizations for Chronic Disease Prevention and Health Promotion			HSA	3,500	
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	26,443	
93.822	Health Careers Opportunity Program			UAA	778,970	95,349
93.859	Biomedical Research and Training			NAA	184,514	36,828
93.859	Biomedical Research and Training	Northwest Portland Area Indian Health	22.0012	NAA	1,835	1,835
	93.859 Subtotal				<u>186,349</u>	<u>38,663</u>
93.865	Child Health and Human Development Extramural Research			NAA	45,870	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			CDA	25,695	25,695

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93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			CHA	2,181,221	
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant Program			HSA	50,345	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			HSA	6,175,375	3,221,503
	93.870 Subtotal				8,432,636	3,247,198
93.877	Autism Collaboration, Accountability, Research, Education, and Support	University of California, Los Angeles	UT239440/1557 G ZB676/441356-AK-3163	UAA	13,886	
93.889	National Bioterrorism Hospital Preparedness Program			EDA	398,166	
93.889	National Bioterrorism Hospital Preparedness Program			HSA	4,731,279	2,312,210
93.889	National Bioterrorism Hospital Preparedness Program			UAA	74,785	
	93.889 Subtotal				5,204,230	2,312,210
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			HSA	4,314,008	2,902,522
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			UAA	21,426	
	93.898 Subtotal				4,335,434	2,902,522
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Arizona Alliance for Community Health Centers	GA1RH33484	UAA	19,258	
93.913	Grants to States for Operation of Offices of Rural Health			UAA	225,214	
93.914	HIV Emergency Relief Project Grants	Maricopa County Department of Public Health	C-86-21 (PARTAADAP)	HSA	500,000	
93.917	HIV Care Formula Grants			DCA	28,573	
93.917	HIV Care Formula Grants			HSA	22,574,631	18,833,046
93.917	HIV Care Formula Grants			UAA	851,195	
	93.917 Subtotal				23,454,399	18,833,046
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	2,892,370	
93.928	Special Projects of National Significance	Yale University	CON-80003477 (GR115330) (YALEHEPC)	HSA	90,000	
93.940	HIV Prevention Activities Health Department Based			HSA	7,136,239	4,914,562
93.940	HIV Prevention Activities Health Department Based			UAA	296,653	
	93.940 Subtotal				7,432,892	4,914,562
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	190,076	9,000
93.958	COVID-19 - Block Grants for Community Mental Health Services			HCA	8,112,000	6,630,000
93.958	Block Grants for Community Mental Health Services	Pinal Hispanic Council	LTR DTD 020822	HCA	20,289,000	19,968,000
93.958	Block Grants for Community Mental Health Services			UAA	27,442	
	93.958 Subtotal				28,428,442	26,598,000
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse			ASA	667,001	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			GVA	3,999,514	3,500,102
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse			HCA	17,687,000	14,086,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HCA	38,665,000	36,197,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	53,179	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			LLA	254,059	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			NAA	165,779	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			UAA	279,290	
	93.959 Subtotal				61,770,822	53,783,102
93.967	CDC's Collaboration with Academia to Strengthen Public Health			HSA	289,862	
93.970	Health Professions Recruitment Program for Indians			UAA	463,496	
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants			HSA	6,200,365	3,443,658
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants			HSA	1,210,544	686,809
	93.977 Subtotal				7,410,909	4,130,467
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			EDA	457,372	
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			HSA	44,640	
	93.981 Subtotal				502,012	
93.991	Preventive Health and Health Services Block Grant			HSA	1,602,693	1,129,610
93.994	Maternal and Child Health Services Block Grant to the States			EDA	57,138	
93.994	Maternal and Child Health Services Block Grant to the States			HSA	7,533,468	3,966,942
	93.994 Subtotal				7,590,606	3,966,942
93.998	Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention			UAA	28,012	
93.CTR047360	State Unintentional Drug Overdose Reporting System (SUDORS)			ASA	311,644	
93.CTR058031	Building Resilience Against Climate Effects: Implementing and Evaluating Adaptation Strategies that Protect and Promote Human Health (BRACE) 3			ASA	107,573	
93.NH23IP922656	Improving Adult Immunization Rates for COVID-19, Influenza and Routine Adult Vaccination through Partnerships with Medical Subspecialty Professional Societies	American Thoracic Society and its Foundation	LTR DTD 120722	UAA	32,902	
93.NH25PS005157	HIV SURVEILLANCE DATA ENTRY SERVICES			ASA	123,304	
93.Unknown	Child Welfare Education Program: CWEP FY22			ASA	2,516,473	
93.Unknown	Center for Disease Control & Prevention			NAA	153,913	
93.Unknown	Indian Health Service			NAA	90,016	
93.Unknown	Arizona Division of Developmental Disabilities COVID-19 Supplemental Fund: ArtWorks			UAA	9,789	
93.Unknown	Arizona-Psychiatry Access Line (A-PAL for Women and Children): An Implementation Project to Deliver Real-Time Psychiatric Consultation for Women and Children Across the State of Arizona			UAA	113,785	
93.Unknown	SLHS American Rescue Plan Act (ARPA) Workforce Development Directed Fund			UAA	3,386	

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93.Unknown	RISE American Rescue Plan Act (ARPA) HCBS Directed Payment Fund	Banner University Health Plans	LTR DTD 051322	UAA	55,035	
	Total Department of Health and Human Services				<u>21,491,899,503</u>	<u>416,195,470</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<u>Foster Grandparent/Senior Companion Cluster</u>						
94.011	Foster Grandparent Program			NAA	609,773	
94.016	Senior Companion Program			NAA	<u>521,326</u>	
	Foster Grandparents/Senior Companion Cluster Subtotal				<u>1,131,099</u>	
<u>Other Corporation for National and Community Service Programs</u>						
94.002	AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP) 94.002			NAA	144,209	
94.003	COVID-19 - AmeriCorps State Commissions Support Grant			GVA	120,350	
94.003	AmeriCorps State Commissions Support Grant	Corporation for National and Community Service	13CAHAZ001	GVA	<u>442,816</u>	
	94.003 Subtotal				<u>563,166</u>	
94.006	AmeriCorps State and National 94.006			ASA	944,307	
94.006	COVID-19 - AmeriCorps State and National 94.006			GVA	208,035	208,035
94.006	AmeriCorps State and National 94.006			GVA	<u>4,729,942</u>	<u>4,729,942</u>
94.006	AmeriCorps State and National 94.006			NAA	1,179,174	
94.006	AmeriCorps State and National 94.006			SPA	97,033	86,557
94.006	AmeriCorps State and National 94.006			UAA	478,837	
94.006	AmeriCorps State and National 94.006	Public Allies	OP007-94.006-20-PAAZ, OP007-94.006-21-PAAZ	ASA	<u>493,879</u>	
	94.006 Subtotal				<u>8,131,207</u>	<u>5,024,534</u>
94.008	AmeriCorps Commission Investment Fund 94.008			GVA	167,194	
94.009	Training and Technical Assistance			UAA	<u>286,812</u>	
	Total Corporation for National and Community Service				<u>10,423,687</u>	<u>5,024,534</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
95.001	High Intensity Drug Trafficking Areas Program			AGA	802,024	
95.001	High Intensity Drug Trafficking Areas Program	City of Tucson, Arizona	HT-21	UAA	<u>1,798</u>	
	95.001 Subtotal				<u>803,822</u>	
	Total Executive Office of the President				<u>803,822</u>	
<u>SOCIAL SECURITY ADMINISTRATION</u>						
<u>Disability Insurance/SSI Cluster</u>						
96.001	Social Security—Disability Insurance			DEA	50,757,326	
	Disability Insurance/SSI Cluster Subtotal				<u>50,757,326</u>	
	Total Social Security Administration				<u>50,757,326</u>	
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
97.008	Non-Profit Security Program			HLA	1,881,032	1,851,855
97.012	Boating Safety Financial Assistance			GFA	1,808,096	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)			WCA	<u>216,537</u>	
97.029	Flood Mitigation Assistance			MAA	1,612,237	1,604,851
97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	6,254,461	4,416,081
97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Pima County, Arizona	CT-HD-21-512-00	UAA	152	
	97.036 Subtotal				<u>6,254,613</u>	<u>4,416,081</u>
97.039	Hazard Mitigation Grant			MAA	54,134	54,134
97.041	National Dam Safety Program			GFA	190,231	
97.041	National Dam Safety Program			WCA	<u>312,046</u>	
	97.041 Subtotal				<u>502,277</u>	
97.042	Emergency Management Performance Grants			AHA	196,087	
97.042	Emergency Management Performance Grants			MAA	<u>6,562,629</u>	<u>3,277,549</u>
	97.042 Subtotal				<u>6,758,716</u>	<u>3,277,549</u>
97.045	Cooperating Technical Partners			WCA	172,904	
97.047	BRIC: Building Resilient Infrastructure and Communities			MAA	1,283,496	1,168,476
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs			DEA	<u>2,567,992</u>	
97.067	Homeland Security Grant Program			ADA	1,945	
97.067	Homeland Security Grant Program			HLA	18,825,182	16,528,931
97.067	Homeland Security Grant Program			MAA	301,151	79,579
97.067	Homeland Security Grant Program			PSA	<u>3,712,060</u>	
	97.067 Subtotal				<u>22,840,338</u>	<u>16,608,510</u>
97.082	Earthquake State Assistance			UAA	26,685	
97.132	Financial Assistance for Targeted Violence and Terrorism Prevention			ASA	207,734	76,979
97.70RDAD21FR0000133	Policy Business Operations Support Services - IDIQ	Guidehouse	PO0100454	ASA	<u>30,930</u>	
	Total Department of Homeland Security				<u>46,219,721</u>	<u>29,058,435</u>
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>						
<u>Food For Peace Cluster</u>						
98.007	Food for Peace Development Assistance Program (DAP)	Save the Children Federation, Inc.	999003833	UAA	184,026	75,556
	Food For Peace Cluster Subtotal				<u>184,026</u>	<u>75,556</u>

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
Other Agency for International Development Programs						
98.001	USAID Foreign Assistance for Programs Overseas			ASA	7,368,269	937,592
98.001	USAID Foreign Assistance for Programs Overseas	Education Development Center (EDC)	Project # 12732 / Subaward # 2022-0183	ASA	181,584	
	98.001 Subtotal				<u>7,549,853</u>	<u>937,592</u>
98.012	USAID Development Partnerships for University Cooperation and Development	National Opinion Research Center (NORC)	8361	ASA	4,165	
98.72049722CA00003	Higher Education Partnership Initiative (HEPI)			ASA	1,133,471	125,141
98.72061720C00001	Integrated Child and Youth Development (ICYD) Activity	Education Development Center (EDC)	2020-0204	ASA	54,439	
98.SECAGD22CA0016	2022 Fulbright Virtual Pre-Departure Orientation – South & Central Asia	Institute of International Education	3000249514	ASA	36,513	
98.SECAGD23CA0013	2023 Fulbright Virtual PDO SCA	Institute of International Education	3000286040	ASA	19,806	
	Total Agency for International Development				<u>8,982,273</u>	<u>1,138,289</u>
Other Federal Assistance						
99.U19	COVID-19 Housing Stability Counseling Program	NeighborWorks America		HDA	282,953	251,090
	Total Unknown Federal Agency				<u>282,953</u>	<u>251,090</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER						
Department of Education						
84.007	Federal Supplemental Educational Opportunity Grants			ASA	10,082,814	
84.007	Federal Supplemental Educational Opportunity Grants			NAA	988,826	
84.007	Federal Supplemental Educational Opportunity Grants			UAA	2,137,794	
	84.007 Subtotal				<u>13,209,434</u>	
84.033	Federal Work-Study Program			ASA	5,784,522	
84.033	Federal Work-Study Program			NAA	1,275,316	
84.033	Federal Work-Study Program			UAA	3,147,673	
	84.033 Subtotal				<u>10,207,511</u>	
84.038	Federal Perkins Loan Program-Federal Capital Contributions			ASA	2,358,395	
84.038	Federal Perkins Loan Program-Federal Capital Contributions			NAA	856,905	
84.038	Federal Perkins Loan Program-Federal Capital Contributions			UAA	4,434,599	
	84.038 Subtotal				<u>7,649,899</u>	
84.063	Federal Pell Grant Program			ASA	198,715,765	
84.063	Federal Pell Grant Program			NAA	35,853,838	
84.063	Federal Pell Grant Program			UAA	55,660,471	
	84.063 Subtotal				<u>290,230,074</u>	
84.268	Federal Direct Student Loans			ASA	684,249,260	
84.268	Federal Direct Student Loans			NAA	128,145,435	
84.268	Federal Direct Student Loans			UAA	267,032,278	
	84.268 Subtotal				<u>1,079,426,973</u>	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	1,699,290	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	962,828	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	8,487	
	84.379 Subtotal				<u>2,670,605</u>	
84.408	Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grant (IASG))			ASA	39,817	
84.408	Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grant (IASG))			UAA	12,250	
	84.408 Subtotal				<u>52,067</u>	
	Department of Education Subtotal				<u>1,403,446,563</u>	
Department of Health and Human Services						
93.264	Nurse Faculty Loan Program (NFLP)			ASA	1,415,504	
93.264	Nurse Faculty Loan Program (NFLP)			UAA	6,190,423	
	93.264 Subtotal				<u>7,605,927</u>	
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students			UAA	11,298,910	
93.364	Nursing Student Loans			ASA	8,236	
93.364	Nursing Student Loans			NAA	45,456	
93.364	Nursing Student Loans			UAA	305,925	
	93.364 Subtotal				<u>359,617</u>	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			NAA	1,300,000	
	Department of Health and Human Services Subtotal				<u>20,564,454</u>	
	Total Student Financial Assistance Cluster				<u>1,424,011,017</u>	
RESEARCH AND DEVELOPMENT CLUSTER						
Peace Corps						
08.RD		National Institute of Aerospace	LTR 03/11/2022	ASA	36,211	
	Peace Corps Subtotal				<u>36,211</u>	
Department of Agriculture						
10.RD	Agricultural Marketing Service			ASA	18,785	
10.RD	Agricultural Research Service			ASA	58,993	
10.RD	Agricultural Research Service			UAA	1,591,623	20,000
10.RD	Animal and Plant Health Inspection Service			UAA	21,227	
10.RD	Department of Agriculture			ASA	170,869	5,375

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10.RD	Department of Agriculture			NAA	960,181	35,543
10.RD	Department of Agriculture			UAA	6,394,068	1,363,164
10.RD	Covid-19 - Economic Research Service			ASA	12,248	
10.RD	Economic Research Service			ASA	111,729	6,140
10.RD	Forest Service			ASA	353,448	
10.RD	Forest Service			NAA	3,110,876	77,350
10.RD	Forest Service			UAA	353,645	
10.RD	National Institute of Food and Agriculture			ASA	2,362,180	648,777
10.RD	National Institute of Food and Agriculture			NAA	627,612	164,220
10.RD	National Institute of Food and Agriculture			UAA	1,652,896	197,684
10.RD	Natural Resources Conservation Service			NAA	111,824	
10.RD	Natural Resources Conservation Service			UAA	2,274,704	972,094
10.RD	Rural Utilities Service			ASA	65,333	6,457
10.RD		Arizona Department of Agriculture	SCBGP-HR21-04, SCBGP20-37	ASA	34,587	
10.RD		Arizona Department of Agriculture	SCBGP19-10, SCBGP19-15, SCBGP19-16, SCBGP20-01, SCBGP20-03, SCBGP20-18, SCBGP20-19, SCBGP20-23, SCBGP20-24, SCBGP20-30, SCBGP20-39, SCBGP20-45, SCBGP20-47, SCBGP20-52, SCBGP20-53, SCBGP2202, SCBGP22-04, SCBGP2211, SCBGP2219, SCBGP2220, SCBGP22-27, SCBGP22-36, SCBGP2240, SCBGP22-41, SCBGP22-43, SCBGP-FB18-25, SCBGP-FB21-02, SCBGP-FB21-07, SCBGP-FB21-09, SCBGP-FB21-12, SCBGP-FB21-13, SCBGP-FB21-14, SCBGP-FB21-15, SCBGP-FB21-19, SCBGP-FB21-21, SCBGP-FB21-24, SCBGP-FB21-27, SCBGP-FB21-29, SCBGP-FB21-32, SCBGP-FB21-46, SCBGP-FB21-49, SCBGP-HR21-25, SCBGP-HR21-26, SCBGP-HR21-33, SCBGP-HR21-34, SCBGP-HR21-35, SCBGP-HR21-39, SCBGP-HR21-40, SCBGP-HR21-41, SCBGP-HR21-51, SCMP19-08	UAA	1,790,361	56,572
10.RD		Arizona Department of Forestry and Fire Management	IPG 22-702/22-DG-11030000-0, IPG 22-703, UHMPPE 19-101	UAA	23,366	
10.RD		Boyce Thompson Institute	21-01	UAA	10,709	
10.RD		Center for Produce Safety	2021CPS02/20-0001-053-SF, 2022CPS02, 2023CPS07	UAA	275,997	42,951
10.RD		City of Tempe	C2022-271	ASA	49,297	
10.RD		Colorado State University	G-03663-01	ASA	4,335	
10.RD		Community Alliance Consulting	AGR 9/1/2021	ASA	200,550	
10.RD		Dine College	SUB 2021-33-351	NAA	71,918	
10.RD		Dine College	1819-3-193	NAA	1,015	
10.RD		Dine College	LTR DTD 021121	UAA	39,243	
10.RD		Emory University	A724361	ASA	9,230	
10.RD		Fort Peck Community College	2021-38424-34955-2	UAA	12,641	
10.RD		Iowa State University	021296A, 022840C, 024408A, 026418E/2022-70412-38454, 2020-68013-30934	UAA	786,820	
10.RD		Johns Hopkins University (JHU)	2003761098	ASA	82,542	
10.RD		Kansas State University	A23-0075-S003	UAA	3,371	
10.RD		KBR Wyle Services, LLC	LX21000029	ASA	3,026	
10.RD		Michigan State University	RC110566UA	UAA	78,215	
10.RD		Monarch Joint Venture	LTR DTD 030122	UAA	14,651	
10.RD		Montana State University	G129-23-W9212, G147-20-7503, G244-19-W7500, G246-20-W7905, G269-22-W8618, G355-21-W8617, G390-22-W9214	UAA	200,804	13,049
10.RD		National Cattlemens Beef Association	LTR DTD 102021	UAA	32,660	
10.RD		Navajo Technical University	30924, 30932, 30931	NAA	137,376	
10.RD		Navajo Technical University	30601-00-1174	ASA	20,896	
10.RD		NuLode LLC	LTR DTD 051921	UAA	20,494	
10.RD		Ohio State University	SPC1000007054/GR129265	UAA	95,750	
10.RD		Oklahoma State University	2-569830.UAZ	UAA	40,179	
10.RD		Oregon State University	C0595B-D, C0602B-A	UAA	143,026	
10.RD		Pennsylvania State University	At-Risk, 5650-ASU-USDA-6584	ASA	1,102	
10.RD		Prime Solutions Group, Inc.	2023-FSGC0074	ASA	51,001	
10.RD		Princeton University	SUB0000464, F0015513302023/17000740	UAA	53,726	
10.RD		Research Corporation	28333, 28370	NAA	51,155	
10.RD		Research Corporation for Science Advancement	29022, 28374, 28381	ASA	108,914	
10.RD		Research Corporation for Science Advancement	28366-T1	UAA	14,352	
10.RD		State University of New York	3-92866	UAA	74,978	
10.RD		Texas A and M AgriLife Research	M2301673	ASA	10,467	
10.RD		Texas A and M AgriLife Research	M1900060	UAA	26,051	
10.RD		Texas A and M University	06-M1703387, M2002510	UAA	81,413	
10.RD		Troy University	2040005-002	ASA	40,341	
10.RD		University of California, Davis	A21-0144-S004, A21-1456-S001, A22-0776-S002, A221139S001, A22-1253-S004, A22-1782-S002, A23-0509-S002, A23-1051-S002	UAA	482,432	
10.RD		University of California Division of Agriculture and Natural Resources	SA18-4060-02, SA18-4060-28	UAA	29,151	
10.RD		University of California, Riverside	S-001296	UAA	65,457	
10.RD		University of Central Arkansas	P0152912 210S14	NAA	18,217	
10.RD		University of Colorado, Boulder	1556407	UAA	33,519	
10.RD		University of Connecticut	153545230	UAA	4,402	
10.RD		University of Florida	2020-51181-32157, SUB00001759, SUB00001911/2019-67021-29, UFDSP00011766, UFDSP00012276	UAA	150,850	
10.RD		University of Georgia	SUB00002977/20207002038645	UAA	19,407	
10.RD		University of Idaho	NS5519651816	NAA	2,833	
10.RD		University of Illinois	106174-18631	UAA	280,456	
10.RD		University of Maryland	91308-Z5208202	UAA	15,036	
10.RD		University of Nebraska-Lincoln	25-6238-0965-003	UAA	56,947	

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10.RD		University of Nevada, Reno	UNR-19-01	ASA	79,450	
10.RD		University of Nevada, Reno	UNR-19-04	NAA	140,400	
10.RD		University of Nevada, Reno	UNR-15-70, UNR-21-42, UNR-22-36	UAA	37,754	
10.RD		University of Wyoming	1005290-NAU	NAA	2,058	
10.RD		Washington State University	134194WSU001033/134194SPC00, 139259 SPC003092	UAA	121,953	
10.RD		Western Integrated Pest Management Center	SA18-4060-35	UAA	22,568	10,808
	Department of Agriculture Subtotal				26,511,690	3,620,184
	Department of Commerce					
11.RD	Department of Commerce			ASA	1,015,768	263,148
11.RD	Economic Development Administration			ASA	178,743	
11.RD	National Institute of Standards and Technology			ASA	156,555	
11.RD	National Institute of Standards and Technology			NAA	190,804	
11.RD	National Institute of Standards and Technology			UAA	42,114	
11.RD	National Oceanic and Atmospheric Administration			ASA	139,912	
11.RD	National Oceanic and Atmospheric Administration			NAA	221,616	
11.RD	National Oceanic and Atmospheric Administration			UAA	1,292,326	168,572
11.RD	ODNI: Intelligence Advanced Research Projects Activity (IARPA)			ASA	863,768	567,462
11.RD		Advent Diamond, LLC	AGR 10/13/2022	ASA	20,000	
11.RD		City of Tucson, Arizona	23455	UAA	30,569	
11.RD		Desert Research Institute	GR14071, GR16077	UAA	61,332	
11.RD		Greater Phoenix Economic Council (GPEC)	AGR 7/23/19	ASA	51,901	
11.RD		Museum of Science	4746-ASU-01	ASA	15,269	
11.RD		National Fish & Wildlife Foundation	0310.21.072424	ASA	286,712	
11.RD		Southeastern Arizona Governments	21.0065	NAA	84,635	
11.RD		University Corporation for Atmospheric Research	SUBAWD002659	UAA	55,794	
11.RD		University of Alabama	A22310S006	UAA	101,473	
11.RD		University of Arizona	PO 633689	ASA	21,379	
11.RD		University of Missouri, Columbia (Mizzou)	C00066632-1	ASA	1,600	
11.RD		Western Pacific Regional Fishery Management Council	20-CORAL-03	ASA	13,845	
	Department of Commerce Subtotal				4,846,115	999,182
	Department of Defense					
12.RD	Advanced Distributed Learning (ADL)			ASA	180,145	
12.RD	AFRL Kirtland AFB			ASA	223,827	
12.RD	Air Force Office of Scientific Research			ASA	1,705,745	332,192
12.RD	Air Force Office of Scientific Research			NAA	62,094	49,094
12.RD	Air Force Office of Scientific Research			UAA	3,557,320	48,809
12.RD	Air Force Research Laboratory			ASA	186,158	
12.RD	Air Force Research Laboratory			NAA	659,738	
12.RD	Air Force Research Laboratory			UAA	1,334,295	
12.RD	Army Contracting Command			ASA	37,759	
12.RD	Army Contracting Command			NAA	616,180	357,665
12.RD	Army Contracting Command			UAA	934,481	36,206
12.RD	Army Research Office			ASA	656,033	
12.RD	Army Research Office			UAA	2,214,385	499,895
12.RD	DARPA - Information Innovation Office			ASA	3,939,075	914,851
12.RD	DARPA - Microsystems Technology Office			ASA	4,219,607	2,205,030
12.RD	DARPA - Strategic Technology Office			ASA	2,418,475	1,096,715
12.RD	Defense Advanced Research Projects Agency			ASA	558,203	252,260
12.RD	Defense Advanced Research Projects Agency			ASA	450,390	
12.RD	Defense Advanced Research Projects Agency			UAA	1,821,323	205,275
12.RD	Defense Threat Reduction Agency			NAA	3,654,376	1,467,335
12.RD	Defense Threat Reduction Agency			UAA	392,702	117,446
12.RD	Department of Defense			ASA	1,596,149	257,702
12.RD	Department of Defense			NAA	347,013	
12.RD	Department of the Army			NAA	72,311	36,747
12.RD	Department of the Army -- Materiel Command			ASA	2,233,096	719,237
12.RD	Department of the Army -- Materiel Command			UAA	90,722	
12.RD	Department of the Army -- USAMRAA			ASA	1,882,634	266,315
12.RD	Department of the Navy			NAA	40,285	
12.RD	Department of the Navy			UAA	202,886	5,973
12.RD	DOD-NAVY: Naval Postgraduate School (NPS)			ASA	130,288	
12.RD	Engineer Research and Development Center			ASA	45,607	
12.RD	Engineer Research and Development Center			UAA	47,101	
12.RD	Intelligence Advance Research Projects			NAA	141,752	
12.RD	Maryland Procurement Office			UAA	42,420	
12.RD	Naval Supply Systems Command			ASA	26,975	
12.RD	Naval Supply Systems Command			UAA	80,019	
12.RD	Naval Surface Warfare Center			UAA	91,424	
12.RD	NSWC Indian Head			ASA	274,291	
12.RD	Office of Naval Research			ASA	6,439,618	161,133
12.RD	Office of Naval Research			UAA	5,437,895	39,407
12.RD	United States Air Force Academy			UAA	80,644	24,423
12.RD	United States Army Corporation of Engineers			ASA	1,372,286	275,349
12.RD	United States Army Corporation of Engineers			NAA	203,746	203,746
12.RD	United States Army Corporation of Engineers			UAA	715,990	127,510
12.RD	United States Army Medical Research Acquisition Activity			UAA	4,543,355	406,103
12.RD	Washington Headquarters Services			ASA	552,277	170,241
12.RD	Washington Headquarters Services Acquisition Directorate			ASA	27,209	
12.RD		Advanced Silicon Carbide Materials, LLC	5720	UAA	8,503	
12.RD		Advanced Technology International	2019-693/1	UAA	1,507,983	869,738
12.RD		Advent Diamond, LLC	AGR 11/10/2022	ASA	19,110	
12.RD		Alien Science and Technology Corporation	P000031945	ASA	60,760	

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12.RD		Alpha core, Inc.	7085, 7108, AGR 09/22/20, 7083 MDA STTR, 7099, 7115, 7076-FPGA based Radiation-Hardened Camera System-Contract, 7095, 7118, 7059, 7106, 7110, 7111, 7107	ASA	675,647	
12.RD		Aptima, Inc.	1675-2323, At-Risk, 1369-2130, 1429-2177	ASA	597,203	
12.RD		Arcadis	D22-332R1	ASA	91,639	
12.RD		ARCTOS Technology Solutions, LLC	162643.01.00.0001.00.37-C1	ASA	116,259	
12.RD		Arizona State University	ASUB00000088, ASUB00000744, ASUB00001009, ASUB00001153/FA86501827860, ASUB00001266	UAA	590,606	
12.RD		Astrobotic	FA8810-21-R-0001-SUB-0001	ASA	144,118	
12.RD		ASU: ASU Research Enterprise (ASURE)	AGR 8/24/2022, 1163947	ASA	282,778	
12.RD		ATA Engineering, Inc.	69049-020	ASA	76,435	
12.RD		Avirtek, Incorporated	LTR DTD 112219	UAA	35,008	
12.RD		BEM Systems, Inc.	FA8903-16-D-0041	UAA	11,694	
12.RD		Booz-Allen Hamilton	A17602, A8172	ASA	770,767	
12.RD		Boston Fusion Corp	BF-5051-SK001	ASA	129,946	
12.RD		Boston VA Research Institute, Inc. (BVAR)	0137FEDbMicrocoilbasedProsthesis	ASA	16,035	
12.RD		California Institute of Technology	S589790 / S479450	ASA	144,650	
12.RD		CFD Research Corporation	20190626	ASA	1,877	
12.RD		Charles River Analytics	SC1600101, SC2212301	ASA	73,353	
12.RD		Clemson University	2455-200-2015033	ASA	158,829	
12.RD		Clemson University	2201-202-2013886	UAA	35,665	
12.RD		Colorado School of Mines	401466-5801	ASA	2,108	
12.RD		Colorado School of Mines	W912HZ-23-2-0009	UAA	2,172	
12.RD		Dartmouth College	R1388	ASA	331,540	
12.RD		Dignity Health-St. Joseph's Hospital: Barrow Neurological Institute (BNI)	1033804ASU	ASA	13,677	
12.RD		DOE: National Renewable Energy Laboratory (NREL)	SUB-2022-10024	ASA	75,277	
12.RD		Duke University	313-000073, 313-1045	ASA	105,607	
12.RD		Eccalon, LLC	AGR 10/16/20, AGR 01/21/21	ASA	19,880	
12.RD		Embry Riddle Aeronautical University	61654-01	ASA	88,270	
12.RD		Florida State University	R000002862, R02152	UAA	54,839	
12.RD		Freedom Photonics	S7150-02-ASU	ASA	21,637	
12.RD		George Mason University	E2060283	ASA	97,331	
12.RD		George Mason University	E2043345	UAA	138,057	
12.RD		Georgia Institute of Technology (Georgia Tech)	AWD-000084-G1, AWD-001799-G1	ASA	254,311	
12.RD		German Cancer Research Center (DKFZ)	C020-ID4316-Sub.4	ASA	4,271	
12.RD		IBM: Thomas J Watson Research Center	CW3033964	ASA	112,376	
12.RD		Indiana University	BL-4324210-ASU	ASA	205,077	
12.RD		Intelligent Automation, Inc.	2547-002-1, 2503-4, 2628-1	ASA	160,033	
12.RD		Iowa State University	4212070B	ASA	31,124	
12.RD		Johns Hopkins University	2004142901, 2004674493, 180690	ASA	806,740	
12.RD		Johns Hopkins University	183318	NAA	1,104,401	
12.RD		Johns Hopkins University	2004730872	UAA	253,914	
12.RD		Kitware Inc.	K003088-00-S02	ASA	217,684	
12.RD		L3 Technologies, Inc.	4500253050, 4500255024	ASA	210,632	
12.RD		LIFT	C1004/22002	UAA	180,186	
12.RD		Lincoln Laboratory	7000564506	UAA	56,699	
12.RD		Lockheed Martin Corporation	4104584381	ASA	154,801	
12.RD		Lockheed Martin: Advanced Technology Laboratories	PO 4105810294	ASA	48,964	
12.RD		Macaulay-Brown Inc	DSC3128-02	ASA	20,953	
12.RD		Massachusetts Institute of Technology	PO 7000555165	ASA	98,722	
12.RD		Massachusetts Institute of Technology	S4917 PO# 339424	UAA	50,851	
12.RD		Mayachitra, Inc.	UA-NAVAIR-0090	UAA	176,259	
12.RD		Mayo Clinic, Arizona	ARI-259318	ASA	41,722	
12.RD		Mayo Clinic, Rochester	ARI-273330	ASA	143,221	
12.RD		Mayo Foundation for Medical Education and Research	UAZ-292636, UNI-259318	UAA	203,014	
12.RD		Michigan State University	RC113209-ASU, RC110724-ASU	ASA	212,007	
12.RD		MSI STEM, Research & Development Consortium	W911SR1420001	UAA	1,450,267	
12.RD		Northeastern University	555097-78051	NAA	751,223	
12.RD		Northeastern University	22.0027	NAA	43,710	
12.RD		Northern Arizona University (NAU)	1005122-01	ASA	25,675	
12.RD		Northrop Grumman	5300034515, 5300034515	ASA	2,581	
12.RD		Northwestern University	60051287 ARIZ	UAA	8,644	
12.RD		NP Photonics, Incorporated	LTR DTD 092721	UAA	201,486	
12.RD		Ohio State University	SPC1000006876/GR128879, SPC-1000007026/GR129266	ASA	51,434	
12.RD		Oregon State University	N0353A-A	NAA	25,604	
12.RD		Paxauris	PaxC002, PAXC010	ASA	119,641	
12.RD		Pennsylvania State University	UAWH2210253	UAA	105,216	
12.RD		Philips	W81XWH1810332-3	UAA	1,989	
12.RD		Phoenix Children's Hospital	APPVU-19-01	ASA	10,369	
12.RD		Princeton University	SUB0000443, SUB0000433 (SUB0000443), SUB0000666, SUB0000636	ASA	230,174	
12.RD		Purdue University	13000844-042; AGR 10/21/22, 13000844-023, 40001859-024 (Formerly 4301-83284), 13000844-023	ASA	614,679	
12.RD		Radiance Technologies	22T-1332	UAA	75,000	
12.RD		Raytheon Company	4202453690	ASA	368,827	118,167
12.RD		RedShred, LLC	F213730	UAA	2,377	
12.RD		Rhode Island Hospital	7137601	ASA	14,651	
12.RD		Rutgers, The State University of New Jersey	SUB00002346/25228376/HR0011	UAA	114,418	
12.RD		San Diego State University Foundation	D7589-03SA005A175A7802/E002	UAA	15,394	

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12.RD		Sandia National Laboratories	2434302	UAA	96,887	
12.RD		Southwest Autism Research & Resource Center	AGR 6/3/2020	ASA	91,469	
12.RD		Space Micro, Inc.	AGR 8/11/2022, AGR 6/8/2022	ASA	153,709	
12.RD		Steel Founders' Society of America	2017-105	UAA	101,913	
12.RD		Stevens Institute of Technology	2103221-18, 2103257-09, 2103417-01	UAA	209,892	
12.RD		Studio Ma, Inc.	19AQM19D00072	ASA	26,841	
12.RD		Systems & Technology Research	2022-0029/HR001123C0021	UAA	16,959	
12.RD		Technical Data Analysis, Inc.	2120-001-01	ASA	47,651	22,499
12.RD		Texas A&M Engineering Experiment Station	AB0696716	ASA	167,774	
12.RD		Texas A&M University	M2203552	ASA	764,186	
12.RD		Texas A&M University	M2001950	NAA	2,350	
12.RD		The Donald Danforth Plant Science Center	23107-AZ	UAA	69,107	
12.RD		The University of Memphis	A22-0063-S002	UAA	160,844	
12.RD		TUFTS University	AR0007	ASA	655,915	
12.RD		UES, Inc.	S-119-005-002	UAA	58,330	
12.RD		United States Biotest Incorporated	USB002-2020-001/W81XWH21100	UAA	319,476	
12.RD		University at Buffalo	R1318332	UAA	100,649	
12.RD		University of Alabama, Birmingham	000529527-SC001/W81XWH-15-9	UAA	17,658	
12.RD		University of Arizona	618197, 572613	ASA	105,758	
12.RD		University of Arizona Applied Research Corporation	1001, B2261990/2261990	UAA	147,823	
12.RD		University of Arkansas	UA2020-119	ASA	315,803	
12.RD		University of California, Berkeley	00011084	UAA	12,577	
12.RD		University of California, Los Angeles	0160GVA520, 0190GUB220	UAA	94,508	
12.RD		University of California, San Diego	KR 704774	UAA	14,173	
12.RD		University of California, Santa Barbara (UCSB)	KK1847	ASA	89,138	
12.RD		University of Central Florida	65016A49-02	UAA	309,727	
12.RD		University of Florida	SUB00003069	NAA	745	
12.RD		University of Kentucky	3200004997-23-037	ASA	52,280	
12.RD		University of Maryland	1802254, 38404-Z8424102	UAA	24,640	
12.RD		University of Maryland, Baltimore	20887	ASA	889,249	
12.RD		University of Maryland, Baltimore County	ONR00010-01	UAA	1,074	
12.RD		University of Maryland, College Park	100625-Z9707201, 35503-Z8165001, 104772-Z8418201	ASA	278,123	
12.RD		University of Massachusetts, Lowell	S5800041772S229	ASA	748	
12.RD		University of Michigan	SUBK00008690, SUBK00009960	ASA	211,236	
12.RD		University of Michigan	SUBK00016417	UAA	110,013	
12.RD		University of Minnesota	A0006845601	UAA	105,394	
12.RD		University of New Hampshire	L0103, L0069	ASA	43,334	
12.RD		University of New Mexico	282109-8705	ASA	53,771	
12.RD		University of Notre Dame	208198ASU, 204368AZ	ASA	251,798	
12.RD		University of Notre Dame	204419UA/M2201562	UAA	132,110	
12.RD		University of Pennsylvania	576708	UAA	71,069	
12.RD		University of Pittsburgh	AWD000037634176012	UAA	320,512	
12.RD		University of Southern California	107235268, 92675527	ASA	218,727	
12.RD		University of Texas, Austin	UTA21-000010	ASA	57,666	
12.RD		University of Texas, Dallas	2008496	ASA	42,445	
12.RD		University of Texas Health Science Center at San Antonio	170195169837	UAA	18,834	
12.RD		University of Virginia	GO13209.170187/M2201560/HQ0	UAA	100,778	
12.RD		Utah State University	203111708	UAA	61,232	
12.RD		VentureWell	AGR 09/29/2022	ASA	2,398	
12.RD		Virginia Polytechnic Institute and State University	450874-19007	ASA	146,360	
12.RD		Virginia Polytechnic Institute and State University	450844-19101	UAA	68,180	
12.RD		Wright State University	P0060546/670956-1	UAA	7,846	
12.RD		Zona Technology, Inc.	ZTSASU-BAY-II	ASA	15,188	
	Department of Defense Subtotal				<u>79,457,752</u>	<u>11,287,063</u>
	United States Department of Housing and Urban Development					
14.RD		City of Tucson, Arizona	19096	UAA	43,961	
14.RD		Cornell University	141524-21589/86614122C00001	UAA	12,531	
14.RD		Sonora Environmental Research Institute, Incorporated	HHT001	UAA	100,965	
14.RD		University of Iowa	S01193-01	ASA	12,595	
	United States Department of Housing and Urban Development Subtotal				<u>170,052</u>	
	Department of the Interior					
15.RD		Bureau of Indian Affairs		UAA	66,694	
15.RD		Bureau of Land Management		NAA	130,391	
15.RD		Bureau of Land Management		UAA	254,099	369
15.RD		Bureau of Reclamation		ASA	23,125	4,842
15.RD		Bureau of Reclamation		UAA	207,786	9,649
15.RD		Department of the Interior		NAA	434,401	40,329
15.RD		Fish and Wildlife Service		ASA	79,112	
15.RD		Fish and Wildlife Service		NAA	166,563	
15.RD		Geological Survey		ASA	397,736	2,100
15.RD		Geological Survey		NAA	1,103,144	
15.RD		International Boundary and Water Commission		UAA	92,219	62,045
15.RD		National Park Service		ASA	53,203	
15.RD		National Park Service		NAA	493,927	
15.RD		National Park Service		UAA	1,034,576	1,812
15.RD		United States Bureau of Reclamation - Yuma, AZ		ASA	42,367	
15.RD		United States Fish and Wildlife Service		UAA	394,394	
15.RD		United States Geological Survey		UAA	4,194,325	925,155
15.RD		American Fisheries Society	F20AP00178	UAA	26,292	
15.RD		Arizona Alliance of Boys & Girls Clubs	AGR 6/1/2022	ASA	41,049	
15.RD		Arizona Department of Agriculture	25-2019-2021-01	NAA	7,917	
15.RD		Arizona Department of Environmental Quality	EV230012	UAA	59,952	

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15.RD		Arizona Game and Fish Department	1434-13HQUR1580, 22-2/1434-20HQUR1580/, CTR048459	UAA	5,093	
15.RD		CESU: Colorado Plateau Cooperative Ecosystem Study Unit	P21AC10112-00, R19AC00052, P22AC00442	ASA	20,260	
15.RD		Cooperative Ecosystem Studies Units (CESU)	G21AC10639-01	ASA	19,567	
15.RD		Kansas State University	A20-0354-S001	NAA	14,053	
15.RD		National Fish & Wildlife Foundation	0310.20.066751	ASA	27,418	
15.RD		National Opinion Research Center (NORC)	9335.ASU.01	ASA	75,797	
15.RD		North Carolina State University	2022-0426-01	ASA	29,834	
15.RD		Northern Arizona University	100534802	UAA	317	
15.RD		Rice University	X03038140	ASA	35,258	
15.RD		Texas A&M University (TAMU)	M2203552	ASA	25,333	
15.RD		University of Alaska, Fairbanks	UA 22-0045, PO554676	ASA	3,483	
15.RD		University of Alaska, Fairbanks	UAF 20-0090	NAA	1,756	
15.RD		University of Arizona	681841, 562862	NAA	18,399	
15.RD		University of California, Los Angeles	0830 G YB103/443828-DJ-2504	UAA	1,169	
15.RD		University of Minnesota	A005539403	ASA	16,894	
15.RD		University of Oklahoma	2022-37	UAA	95,408	
15.RD		University of Southern California	SCON-00004924	NAA	1,725	
15.RD		University of Washington	UWSC10219/BPO 28333	UAA	11,672	
	Department of the Interior Subtotal				9,706,708	1,046,301
	Department of Justice					
16.RD	Community Oriented Policing Services			ASA	38,178	
16.RD	Department of Justice			ASA	26,299	
16.RD	National Institute of Justice			ASA	671,876	23,054
16.RD	Office of Justice Programs			ASA	116,056	
16.RD		American Institutes for Research (AIR)	0425400004	ASA	126,391	
16.RD		Arizona, City of Phoenix	At-Risk	ASA	47,760	
16.RD		Arizona Criminal Justice Commission	JCA21001	ASA	100,856	
16.RD		Arizona Department of Administration	GFR-PSN-20-001	ASA	99,993	
16.RD		Arizona Department of Corrections	22-129-24 ISA, 17-030-19; PO0000169148	ASA	143,128	
16.RD		Arizona-Maricopa-Phoenix, Police Department	152720-0, 153347--0	ASA	107,078	
16.RD		Arizona Office of the Governor, Office of Youth, Faith and Family (GOYFF)	ST-WSG-20-010121-06	ASA	91,893	
16.RD		Arizona, Pinal County	AGR 1/7/2021	ASA	56,524	
16.RD		California State University, Long Beach	S233420100ASU	ASA	21,108	
16.RD		Fox Valley Technical College	D2021001114/D2022010109 AMBER	ASA	35,336	
16.RD		Las Vegas Metropolitan Police Department	AGR 3/10/2020	ASA	4,698	
16.RD		Michigan State University	RC111104 ASU	ASA	3,442	
16.RD		Rape Crisis Center Las Vegas (RCCLV)	AGR 5/26/2020	ASA	17,994	
	Department of Justice Subtotal				1,708,610	23,054
	Department of Labor					
17.RD	Employment and Training Administration			ASA	223,787	
17.RD	United States Department of Labor			UAA	134,461	
17.RD		Arizona Office of the Governor		ASA	453,783	
	Department of Labor Subtotal				812,031	
	Department of State					
19.RD	Bureau of East Asian and Pacific Affairs			ASA	100,519	
19.RD	Bureau of International Narcotics-Law Enforcement			ASA	127,947	53,988
19.RD	Department of State			ASA	254,324	14,746
19.RD	United States Embassy-Beijing			ASA	24,591	
19.RD	United States Embassy-London			ASA	125,676	118,643
19.RD	United States Embassy-Paris			ASA	73,452	56,800
19.RD		American Council on Education	SRS50021GR3010	UAA	1,578	
19.RD		International Research and Exchanges Board (IREX)	FY22/YLAI/ASU	ASA	15,214	
19.RD		Meridian International Center	A196-2	ASA	517	
19.RD		World Learning	CBPSA20-UAZ01/SECAGD20CA004	UAA	5,896	
	Department of State Subtotal				729,714	244,177
	Department of Transportation					
20.RD	Department of Transportation			ASA	1,632,620	1,051,155
20.RD	Federal Aviation Administration			ASA	347,346	
20.RD	Federal Aviation Administration			NAA	83,397	
20.RD	Federal Highway Administration			ASA	15,013	
20.RD	Federal Highway Administration			UAA	10,000	
20.RD	Pipeline and Hazardous Materials Safety Admin			ASA	357,200	125,277
20.RD	United States Department of Transportation			UAA	3,499	
20.RD		Arizona Department of Transportation (ADOT)	IGA-21-0008191-D / M717701X / PO0000419649	ASA	26,471	
20.RD		City of Tucson, Arizona	20-21-12/RPR2-21-0859	UAA	14,366	
20.RD		Iowa State University	022355A	UAA	19,957	
20.RD		Leidos	P010290609, P010281405	ASA	54,166	
20.RD		Michigan State University	RC111495 - ASU	ASA	3,398	
20.RD		Nevada Department of Transportation	AGR P676-19-803	ASA	36,456	
20.RD		Portland State University	69A3551747112, NITC2016-UA-31, NITC2016-UA-38, NITC2016-UA-41, NITC2016-UA-42, NITC2016-UA-43, NITC2016-UA-44, NITC2016-UA-45, NITC2016-UA-46	UAA	222,501	
20.RD		Tampa Hillsborough Expressway Authority	20232404	UAA	24,624	
20.RD		Texas Transportation Institute	M2300804 / HR 03-144/905/SU	UAA	28,980	
20.RD		Tomnet UTC	Email 8/21/2019	ASA	1,916	
20.RD		Transportation Research Board (TRB)	HR 01-59	ASA	16,012	

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20.RD		TRB: National Cooperative Highway Research Program (NCHRP)	HR 20-44(042)	ASA	182,941	42,725
20.RD		University of California, Los Angeles (UCLA)	0121 G XA079	ASA	4,670	
20.RD		University of Illinois, Urbana-Champaign (UIUC)	089041-17819	ASA	23,154	
20.RD		University of Maryland, College Park	99135-Q3815201	ASA	98,694	
20.RD		University of Southern California	SCON-00001473, SCON-00002198, SCON-00002199, SCON-00003755, SCON-00003757	NAA	262,200	
Department of Transportation Subtotal					<u>3,469,581</u>	<u>1,219,157</u>
United States Department of the Treasury						
21.RD		Arizona, City of Phoenix	ISA 157923-0	ASA	35,082	
21.RD		Arizona, Maricopa County	C-95-23-008-X-00	ASA	2,029,007	1,157,038
21.RD		Arizona Office of the Governor	ISA-ARPA-ASU-102022-40, ISA-ARPA-ASU-080122-01	ASA	488,499	
21.RD		COVID-19 - Arizona Office of the Governor	ISA-ARPA-UA-030122-01, ISA-ARPA-UOA-070122-02	UAA	4,433,564	
United States Department of the Treasury Subtotal					<u>6,986,152</u>	<u>1,157,038</u>
Equal Employment Opportunity Commission						
30.RD		Southwest Research Institute	L99051JRG	ASA	1,128,595	21,148
Equal Employment Opportunity Commission Subtotal					<u>1,128,595</u>	<u>21,148</u>
National Aeronautics and Space Administration						
43.RD		Ames Research Center		ASA	326,617	
43.RD		Ames Research Center		UAA	459,641	209,729
43.RD		Armstrong Flight Research Center		UAA	1,072,510	111,896
43.RD		Goddard Space Flight Center		ASA	10,771,443	1,092,290
43.RD		Goddard Space Flight Center		UAA	8,209,486	3,225,440
43.RD		Headquarters		ASA	4,266,173	594,191
43.RD		Headquarters		UAA	23,408,046	2,368,928
43.RD		Jet Propulsion Laboratory		ASA	12,424,165	4,870,380
43.RD		Jet Propulsion Laboratory		NAA	41,843	
43.RD		Jet Propulsion Laboratory		UAA	4,310,414	482,362
43.RD		Johnson Space Center		ASA	112,824	7,033
43.RD		Johnson Space Center		UAA	298,297	88,578
43.RD		Marshall Space Flight Center		ASA	3,213,283	950,301
43.RD		Marshall Space Flight Center		UAA	24,533,740	14,018,655
43.RD		National Aeronautics Space Administration		ASA	3,771,772	1,155,053
43.RD		National Aeronautics Space Administration		NAA	3,961,961	523,815
43.RD		National Renewable Energy Laboratory		ASA	128,408	
43.RD		Shared Services Center		ASA	2,263,866	278,646
43.RD		Smithsonian Astrophysical Observatory		UAA	280,729	
43.RD		Advent Diamond, LLC	AGR 10/3/2022	ASA	13,952	
43.RD		Aerodyne Industries, LLC	MISTII-0042	UAA	59,451	
43.RD		Alphacore, Inc.	7080 NASA STTR PH2 Harsh Environments-80NSSC21C0023, 7054	ASA	118,018	
43.RD		American College of Sports Medicine Foundation	LTR DTD 040820	UAA	275	
43.RD		Arizona State University	LOU No 17-122	NAA	32,863	
43.RD		Arizona State University	7790, 17178, 18320, ASUB00001058, ASUB00001107	UAA	193,065	
43.RD		Association of Universities for Research in Astronomy, Incorporated	STSci51534	UAA	178,563	
43.RD		ATA Aerospace, LLC.	MIST0071 NNG15CR64C	UAA	24,280	
43.RD		Ball Aerospace And Technologies Corporation	22MES0004	UAA	23,157	
43.RD		Bay Area Environmental Research Institute	NNX16AO96A	UAA	115	
43.RD		Boston University	4500004479	UAA	2,329	
43.RD		Brown University	00001529, 00001580	UAA	95,802	
43.RD		Cactus Materials, Inc.	TBD	ASA	83,213	
43.RD		California Institute of Technology	S442556	ASA	78,603	
43.RD		California Institute of Technology	S465828	NAA	3,260	
43.RD		California Institute of Technology	S501522, S507259	UAA	187,269	
43.RD		Colorado School of Mines	4019795801	UAA	5,103	
43.RD		Columbia University	1GG015592	UAA	61,232	
43.RD		CoolCAD Electronics, LLC	4200797752, S4.04-2330	ASA	116,635	
43.RD		Cornell University	91579-20458, 136105-22359	ASA	152,202	
43.RD		Dartmouth College	R1595	NAA	49,723	
43.RD		Georgetown University	AWD7773186-GR206547	ASA	36,395	
43.RD		H2O Insights	TBD	ASA	102,561	
43.RD		Intuitive Machines, LLC	2021-ASU-001	ASA	163,963	
43.RD		JHU: Applied Physics Laboratory	170100	ASA	20,311	
43.RD		Johns Hopkins Applied Physics Laboratory	130313, 164327, 164328, 168905, 173214, 174767	UAA	184,953	
43.RD		Johns Hopkins University Applied Physics	173314	NAA	117,380	
43.RD		Laboratory For Atmospheric and Space Physics	1561098	UAA	29,984	
43.RD		La Universidad de Puerto Rico en Humacao	202200043	UAA	28,792	
43.RD		Lowell Observatory	2019-81105-NAU, 2019-81130-NAU, 2020-81325, 2021-81491	NAA	259,473	
43.RD		Malin Space Science Systems, Inc.	11-0124	ASA	175,940	
43.RD		Massachusetts Institute of Technology	S5217/PO# 533137, s5879/PO #841485	UAA	96,433	
43.RD		Montana State University	G207-19-W7598	NAA	31,581	
43.RD		National Institute of Aerospace	LTR 02/27/20	ASA	473	
43.RD		New Mexico State University	Q02261	UAA	89,698	
43.RD		Northwest Research Associates (NWRA)	NWRA-20-S-212	ASA	25,182	
43.RD		Pennsylvania State University	S002551-NASA	ASA	47,038	

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43.RD		Pennsylvania State University	S002274NASA	UAA		7,496
43.RD		Planetary Science Institute	1790-ASU, 1738-ASU	ASA		30,230
43.RD		Planetary Science Institute	1641-NAU	NAA		11,786
43.RD		Planetary Science Institute	1512UAZ, 1576UA, 1632, 1643UAZ, 1816UAZ, 1881-UAZ	UAA		134,308
43.RD		Princeton University	SUB0000159, SUB0000314	UAA		105,416
43.RD		Purdue University	12000382-023	NAA		26,749
43.RD		Purdue University	12000387-012	UAA		30,941
43.RD		SETI Institute	SC-3418	ASA		158
43.RD		SETI Institute	SC3529	UAA		83,903
43.RD		Smithsonian Astrophysical	SV1-21014	NAA		80,598
43.RD		Sonoma State University	117868	NAA		37,069
43.RD		Southwest Research Institute	H99065CT, Q99017N, K99033MEC, O99009EH, K99056JRG, R99028SIS	ASA		650,289
43.RD		Southwest Research Institute	N99003DS, L99040JRG	NAA		97,091
43.RD		Southwest Research Institute	699053X, P99010JAR, P99040LJ	UAA		159,875
43.RD		Space Science Institute	SUBAWD 01012, SUBAWD 01104	NAA		53,776
43.RD		Space Telescope Science Institute	HST-GO-15091.002-A, HST-HF-51291.01-A, HST-AR-15810.001-A, HST-GO-15819.001-A, HST-GO-15651.006-A, HST-GO-15137.002-A, HST-GO-16252.001-A, HST-GO-15666.001-A, HST-GO-15955.004-A, HST-HF2-51411.001-A, HST-AR-16139.001-A, HST-GO-15820.005-A, HST-HF-51291.01-A, HST-GO-15926.011-A, JWST-AR-02074.006-A, JWST-ERS-01366.032-A, HST-GO-15647.005-A, HST-AR-16617.001-A, HST-GO-16194.008-A, HST-GO-16083.004-A	ASA		519,574
43.RD		Space Telescope Science Institute	HST-GO-15213.001-A, JWST-GO-01568.005-A, JWST-GO-02418.005-A	NAA		61,950
43.RD		Space Telescope Science Institute	HSTAR14316, HSTAR15036005A, HSTAR15060002A, HSTAR15631001A, HSTAR16148002A, HSTGO14767003A, HSTGO15103007A, HSTGO15182011A, HSTGO15183010A, HST-GO-15596.001-A, HST-GO-15645.001-A, HSTGO15646001A, HSTGO15649009A, HSTGO15654026A, HSTGO15654027A, HSTGO15658005A, HSTGO15698001A, HST-GO-15823.001-A, HSTGO15824001A, HSTGO15829001A, HSTGO15840016A, HST-GO-15846.005-A, HSTGO15855002A, HSTGO15858003A, HSTGO15874004A, HSTGO15875012A, HSTGO15881001A, HSTGO15884004A, HSTGO15906001A, HSTGO15911006A, HSTGO15921002A, HST-GO-15936.006-A, HSTGO15938003A, HSTGO15947001A, HSTGO15955003A, HSTGO15959002A, HSTGO16049008, HSTGO16078001A, HSTGO16172001A, HST-GO-16174.001-A, HST-GO-16187.001-A, HSTGO16237007A, HST-GO-16258.002-A, HSTGO16274004A, HSTGO16276002A, HSTGO16296004A, HSTGO16460002A, HSTGO16508002A, HSTGO16641001A, HST-GO-16646.003-A, HSTGO16649001A, HSTGO16663002A, HSTGO16665002A, HST-GO-16666.001-A, HST-GO-16677.001-A, HSTGO16699005A, HST-GO-16737.003-A, HSTGO16740003A, HSTGO16747001A, HST-GO-16754.002-A, HSTGO16758002A, HST-GO-16879.002-A, HSTGO16890001A, HSTGO17132002A, HSTGO17183003A, HSTGO17183007A, HSTHF251436001A, HSTHF251448001A, HSTHF251485001A, HSTHF251512001A, HSTHF25172001A, JWSTAR01977006A/NAS503127, JWSTAR02537003A/NAS503127, JWSTERS01309002A, JWST-ERS-01366.037-A, JWST-GO-01554.002-A, JWSTGO01567002A, JWST-GO-01621.001-A, JWSTGO01647002A, JWST-GO-01764.001-A, JWSTGO01895019A, JWST-GO-01914.014-A, JWSTGO01963001A, JWST-GO-01981.012-A, JWSTGO02078005A, JWST-GO-02107.043-A, JWST-GO-02123.022-A, JWSTGO02134002A, JWSTGO02158005A, JWSTGO02183005A, JWST-GO-02260.001-A, JWSTGO02459003A, JWST-GO-02478.001-A, JWSTGO02514001A, JWST-GO-02555.009-A, JWSTGO02562007A, JWSTGO02566010A	UAA		2,678,405
43.RD		Stanford University	62166413-122362, 62536333-195657	UAA		133,918
43.RD		Stony Brook University	86437/1157645/3	ASA		15,373
43.RD		Stony Brook University	86437/3/1157645/3	NAA		2,790
43.RD		Stony Brook University	117696292911, 8579511563362	UAA		118,675
43.RD		Texas State University	23005-84039-1, 17011-82719-1	ASA		49,178
43.RD		The Research Corporation of the University of Hawaii	6856	UAA		30,172

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43.RD		Universities Space Research Association	03605-06	ASA	362,771	
43.RD		Universities Space Research Association	02330-03, NNA17BF53C	NAA	81,348	
43.RD		Universities Space Research Association	080179, 08154, 090027, 090121, 090155, SOF050064Smith, SOF070	UAA	118,055	
43.RD		University Corporation for Atmospheric Research	SUBAWD3072	ASA	37,357	
43.RD		University Corporation for Atmospheric Research	SUBAWD002452	UAA	57,547	
43.RD		University of Alabama	A21-0187-S001	UAA	125,638	
43.RD		University of Alaska, Fairbanks	UA 21-0073	ASA	3,220	
43.RD		University of Arizona	569109, PO No. 628764, PO 647523	ASA	411,869	
43.RD		University of Arizona	569265	NAA	22,843	
43.RD		University of California, Berkeley	00010825	UAA	85,550	
43.RD		University of California, Los Angeles (UCLA)	0995 G XB193	ASA	6,639	
43.RD		University of California, San Diego	704355	UAA	32,822	
43.RD		University of California, Santa Cruz	A19-0446-S001-P0707975	ASA	59,208	
43.RD		University of California, Santa Cruz	A160381S005P0600213	UAA	9,213	
43.RD		University of California, Riverside	S-001579	UAA	33,299	
43.RD		University of Central Florida	GR107263	ASA	207,514	80,936
43.RD		University of Central Florida	66016067-03	UAA	234,151	
43.RD		University of Chicago	AWD072842(SUB00000341)	ASA	90,266	
43.RD		University of Colorado	1559280	UAA	8,945	
43.RD		University of Colorado, Boulder	1555628, 1558020, 1553136	ASA	119,464	
43.RD		University of Colorado, Boulder	1000008166, 1001495658/1559148	UAA	638,490	
43.RD		University of Connecticut	401950	UAA	10,620	
43.RD		University of Hawaii, Manoa	MA1758	ASA	20,979	
43.RD		University of Illinois	09765717660	UAA	609,695	
43.RD		University of Illinois, Chicago	097657-17659	ASA	186,063	
43.RD		University of Iowa	S02012-01, S0313001	UAA	45,367	
43.RD		University of Maine	UMS1430	ASA	12,687	
43.RD		University of Maryland	46332-Z6927003, 84551-Z6236205	NAA	113,341	
43.RD		University of Maryland	81804-Z6230201, 84480Z6236202	UAA	79,146	
43.RD		University of Mississippi Medical Center	SP13674-SB1	UAA	33,414	
43.RD		University of New Hampshire	L0027, PZL0216	UAA	85,395	
43.RD		University of Pennsylvania	583489	ASA	20,936	
43.RD		University of Puerto Rico	AGR 09/01/20, 2022-000041	ASA	115,912	
43.RD		University of Rochester	417860G/URFAO: GR511135	ASA	26,603	
43.RD		University of Texas, Austin	UTA16-001088	ASA	9,042	
43.RD		University of Washington	UWSC10431	ASA	56,251	
43.RD		University of Washington	UWSC10436 BPO30932	NAA	52,090	
43.RD		University of Wisconsin, Madison	000002168	ASA	127,388	
43.RD		Wesleyan University	WESU5011298104-NAU	NAA	1,844	
43.RD		Woods Hole Oceanographic Institute	A101607/23163100, A101472	ASA	111,606	
43.RD		Zandef Deskit, Inc.	AGR 7/1/21	ASA	46,985	
	National Aeronautics and Space Administration Subtotal				116,377,778	30,058,233
	National Endowment for the Arts					
45.RD	National Endowment for the Arts			ASA	86,296	8,022
45.RD	National Endowment for the Arts			UAA	28,769	
	National Endowment for the Arts Subtotal				115,065	8,022
	National Endowment for the Humanities					
45.RD	National Endowment for the Humanities			ASA	160,123	
45.RD	National Endowment for the Humanities			UAA	161,053	
45.RD		Arizona Humanities	71452021, 30852022	ASA	4,495	
45.RD		Arizona Sonora Desert Museum	LTR DTD 092321	UAA	18,215	
45.RD		Arizona State Library, Archives, and Public Records	2022-0010-01	UAA	50,620	
45.RD	National Endowment for the Humanities Subtotal			ASA	26,087	
					420,593	
	Institute of Museum and Library Services					
45.RD	Institute of Museum and Library Services			ASA	175,844	
45.RD	Institute of Museum and Library Services			UAA	306,509	242,926
	Institute of Museum and Library Services Subtotal				482,353	242,926
	National Science Foundation					
47.RD	Directorate for Biological Sciences (BIO)			ASA	580,901	35,588
47.RD	NSF-CISE: Computer and Network Systems (CNS)			ASA	439,904	
47.RD	NSF-EHS-DUE: Division of Undergraduate Science, Engineering, & Mathematics			ASA	439	
47.RD	NSF-ENG: Division of Biological & Critical Systems (BCS)			ASA	5,013	
47.RD	National Security Agency (NSA)			ASA	1,952,978	631,040
47.RD	COVID-19 - National Science Foundation			ASA	753,997	53,244
47.RD	National Science Foundation			ASA	64,692,883	5,209,488
47.RD	National Science Foundation			NAA	9,564,105	880,542
47.RD	COVID-19 - National Science Foundation			UAA	56,501	
47.RD	National Science Foundation			UAA	55,754,157	6,156,959
47.RD	Office of Polar Programs (OPP)			ASA	8,120	
47.RD		Adler Planetarium and Astronomy Museum	3201-03	ASA	13,508	
47.RD		Advent Diamond, LLC	1951263	ASA	23,632	
47.RD		American Chemical Society (ACS)	AGR 4/30/2021	ASA	3,644	
47.RD		American Modeling Teachers Association	2021-1001-ASU	ASA	41,092	
47.RD		American Society for Engineering Education (ASEE)	769-2084	ASA	89,987	
47.RD		American University	31635A210128S01	UAA	69,813	
47.RD		Archaeology Southwest	2121925	UAA	46,806	

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47.RD		Arizona State University	ASUB00000215, ASUB00000602, ASUB00001186	NAA	147,804	
47.RD		Arizona State University	ASUB00000216, ASUB00000435, ASUB00000507, C0342-PG08675-11-93/SUB/V20, CC0342-PG08675-11-91/SUB/F2, CC0342-PG08675-11-92/SUBS20, CC0342-PG08675-11-93/SUB/V2, CC0342-PG08675-II-92/SUB/S2, F2021ur0016/HRD 1619524, SUB00002157/2229385, V2022gp0001/1619524, V2023gp0001	UAA	96,888	
47.RD		Associated Universities Incorporated	1519126	UAA	4,487	
47.RD		Association of Universities for Research in Astronomy, Incorporated	N00019390C, N00026894C, N71373CL	UAA	42,339	
47.RD		Aural Analytics, Inc.	2030326	ASA	72,834	
47.RD		Axilea, LLC	Project 101	ASA	46,001	
47.RD		Battelle Memorial Institute	US0001-0000701436	NAA	153,743	16,241
47.RD		Battelle Memorial Institute	0000864215	UAA	750	
47.RD		Battelle: National Ecological Observatory Network (NEON)	PO US001-0000718040	ASA	1,245,570	
47.RD		Baylor College of Medicine	7000001291	ASA	185,439	
47.RD		Board of Trustees of Western Michigan University	10114-ASU	ASA	112,656	
47.RD		Boston University	4500003627	UAA	9,665	
47.RD		Boyce Thompson Institute	20-03	UAA	70,430	
47.RD		Brown University	00001543	UAA	179,568	
47.RD		Brown University	00002292	UAA	252	
47.RD		Bucknell University	GR2000448-1	ASA	4,029	
47.RD		California Institute of Technology	S455656	UAA	43,684	
47.RD		California State University: Los Angeles	AGR 1/11/2022	ASA	90,767	
47.RD		Cary Institute of Ecosystems Studies	3340/200201903	NAA	12,846	
47.RD		Chapman University	500818-Sub01	UAA	6,845	
47.RD		Clemson University	23722062015106, 24092062015381, 2430-206-2015112	NAA	148,582	
47.RD		Coconino County	AGR 10/22/20	ASA	14,260	
47.RD		Coconino County Education Services Agency	30851	NAA	20,879	
47.RD		Colorado School of Mines	402011-5802	ASA	37,030	
47.RD		Colorado State University-Pueblo	5368058A	UAA	131	
47.RD		Columbia University	08GG016228, 09GG016228, 2(GG014070), 2(GG016611-01)	UAA	328,586	
47.RD		Computing Research Association	CCC-1734706-ASU-Bliss	ASA	136,544	
47.RD		Cornell University	77853-11349, OSP #75548, 145602-22023, 76961-21506, OSP #75548, OSP #75548, 145602-22023	ASA	450,655	
47.RD		Cornell University	92226-20523	UAA	402,974	
47.RD		Duke University	333-2727, 333-000117	ASA	35,544	
47.RD		Duke University	3332821	UAA	88,355	
47.RD		Florida State University	R000003015	ASA	20,292	
47.RD		Folia Water	ASU012022	ASA	49,737	
47.RD		Georgia Institute of Technology (Georgia Tech)	AWD-002244-G2, AWD-001753-G1	ASA	157,740	
47.RD		Georgia Research Alliance	2112532-ASU	ASA	9,587	
47.RD		Georgia State University	SP0001430503	UAA	21,261	
47.RD		Gettysburg College	ASU-01	ASA	47,981	
47.RD		Giant Magellan Telescope Organization	GMTCON04535	UAA	506,920	
47.RD		Global Cooling Technology Group, LLC (GCTG)	NSF - 10042021	ASA	43,202	
47.RD		Harvard University	131721-5109138	NAA	31,828	
47.RD		Haskell Indian Nations University (HINU)	HFAZ-01	ASA	28,573	
47.RD		Hauptman-Woodward Medical Research Institute	6215	ASA	106,124	
47.RD		Hauptman-Woodward Medical Research Institute	6228	UAA	10,884	
47.RD		Hawaii Pacific University	246101-ASU	ASA	34,518	
47.RD		HelioBioSys	NSF STTR 2222582	ASA	3,940	
47.RD		H. T. Harvey & Associates	1016-17	ASA	7,495	
47.RD		Hypersound Medical, Inc. (HMI)	AGR 10/1/2022	ASA	65,620	
47.RD		Indiana University	8742-ASU, 8709-ASU	ASA	75,788	
47.RD		Indiana University	180275	UAA	6,762	
47.RD		Indiana University	8712-UA	UAA	184,830	
47.RD		Iowa State University	025979A, 022329A	ASA	15,302	
47.RD		Iowa State University	023902D	UAA	212,404	
47.RD		Kansas State University	A00-0361-S006	ASA	118,805	
47.RD		Krell Institute	2154495-04	ASA	4,195	
47.RD		Leidos	P010253949	ASA	7,175	
47.RD		Lowell Observatory	2020-83005	ASA	84,146	
47.RD		Loyola University	522945-ASU	ASA	140,875	
47.RD		Maricopa County Community College District	10000804-ASU, 10000730-ASU, 10000487-ASU	ASA	165,129	
47.RD		Massachusetts Institute of Technology	S4775 - PO 276392	ASA	40,156	
47.RD		Massachusetts Institute of Technology	S5355	UAA	631,096	
47.RD		Max-IR Labs, Inc.	AGR 3/28/2022	ASA	27,867	
47.RD		Michigan State University	RC104177ASU	ASA	60,315	
47.RD		Michigan State University	RC109891NAU	NAA	138,115	
47.RD		Michigan Technological University	1603040Z1	ASA	8,356	
47.RD		Middlebury College	2021-0011-510327	ASA	69,536	
47.RD		National Radio Astronomy Observatory	PO 378015	ASA	546	
47.RD		National Radio Astronomy Observatory	372872, SOSPA9004, SOSPA9007	UAA	45,819	
47.RD		Navajo Technical University	42711-21	ASA	26,779	
47.RD		New Mexico State University	Q02299	ASA	3,504	
47.RD		New York Institute of Technology	1856032-1ASU	ASA	3,407	
47.RD		New York University	F871502	UAA	281,489	
47.RD		North Carolina Agriculture and Technical State University	260266A	ASA	4,277	

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47.RD		North Carolina State University	2022-2260-01, 20020-0165-02	ASA	871,602	
47.RD		North Carolina State University	2019-1558-01	UAA	22,988	
47.RD		Northern Arizona University	1005251-01, 1004115-04, 1005175-01	ASA	361,022	
47.RD		Occidental College	OXY-CURM0079	ASA	4,796	
47.RD		Ohio State University	SPC-1000007195 GR128217, SPC-1000005789 / GR125469	ASA	8,121	
47.RD		Ohio State University	SPC1000005496GR121055	UAA	339,038	
47.RD		Old Dominion University	18-130-100688-010	ASA	41,119	
47.RD		Oregon State University	S2411A-A, S2295C-G	ASA	111,049	
47.RD		OxByEl, Inc.	TBD	ASA	35,136	
47.RD		Pennsylvania State University	S003199-NSF	ASA	15,110	
47.RD		Peraton Government Communications Inc.	PO-0040097	UAA	69,997	
47.RD		Pima Community College	1928400	UAA	20,033	
47.RD		Point Blue Conservation Science	AGR 04/21/21	ASA	47,115	
47.RD		Polaris Semiconductor, LLC	22-C-0055	ASA	31,021	
47.RD		Precient Technologies LLC	AGR 7/28/2022	ASA	66,491	
47.RD		Princeton University	SUB0000408	UAA	205,942	
47.RD		Purdue University	10001677-026	ASA	23,909	
47.RD		Purdue University	10001383002, 10001772-037	UAA	113,545	
47.RD		Rensselaer Polytechnic Institute	A20-0030-S001	UAA	5,047	
47.RD		ReSuture Inc.	AGR 5/10/2022	ASA	79,868	
47.RD		Rice University	R3F80A, R3F80F,10-2021-R3F88E	ASA	958,416	
47.RD		Rutgers University	0582	ASA	15,074	
47.RD		Rutgers University	1303763	NAA	90,071	
47.RD		San Diego Supercomputer Center	KR 704453	ASA	17,951	
47.RD		Sequitur Health Corp	NSF2111884, NSF1914240	ASA	75,774	
47.RD		South Dakota State University	3TC121	ASA	4,415	
47.RD		Southern Illinois University: Carbondale	SIUC 22-05	ASA	2,445	
47.RD		State University of New York: Buffalo	R1330244, R1092326	ASA	785,489	
47.RD		Stillman College	2022-Y01	ASA	27,944	
47.RD		SuperClean Glass, Inc.	AGR 5/19/2022	ASA	25,008	
47.RD		Syracuse University	3091405434501	UAA	8,000	
47.RD		Texas A and M AgriLife Research	M2300455	ASA	9,481	
47.RD		Texas A and M Engineering Experiment Station	M2100219	ASA	46,526	
47.RD		Texas A and M University	M2301287	ASA	8,976	
47.RD		Texas A and M University	M1903184	UAA	19,194	
47.RD		Texas State University	22019-83915-1	ASA	25,397	
47.RD		Texas State University	19009-83071-1	NAA	6,351	
47.RD		Texas Tech University	21P683-01	NAA	37,980	
47.RD		Texas Tech University	21P626-01, 21P626-02	UAA	93,070	
47.RD		The Catholic University of America	408316 Sub 1	UAA	28,512	
47.RD		The Morton Arboretum	0835-01	UAA	11,300	
47.RD		The Trustees of Columbia University	105C(GG009393), 105G(GG009393-04)	NAA	20,963	
47.RD		ThinkOrbital, Inc.	2022-OP-0100-A	ASA	71,124	
47.RD		TPT - Twin Cities PBS	216533737	UAA	2,998	
47.RD		University Corporation for Atmospheric Research	SUBAWD003063	NAA	134,152	
47.RD		University of Alabama, Birmingham	000535503-SC001, 000538213-SC001	ASA	140,698	
47.RD		University of Alabama, Tuscaloosa	A22-0251-S001	ASA	12,623	
47.RD		University of Alaska, Fairbanks	UAF 23-0083	NAA	27,554	
47.RD		University of Arizona	PO 679743, PO No. 673957, 467307	ASA	35,964	
47.RD		University of Arizona	PO 448899, PO 582255, PO 663233	NAA	537,877	
47.RD		University of Arkansas	UA2022-284	ASA	10,626	
47.RD		University at Buffalo	R1285595	ASA	147,008	
47.RD		University of California, Berkeley	10346, 10381, 10751	UAA	126,084	
47.RD		University of California, Merced	E216GX12300/1856112	UAA	3,689	
47.RD		University of California, Regents	00009998	ASA	262,547	
47.RD		University of California, Riverside	S-001215	ASA	3,506	
47.RD		University of California, Riverside	S-000819, S-001353	UAA	156,599	
47.RD		University of California, San Diego	705685, 125901647	ASA	180,780	
47.RD		University of California, Santa Barbara	KK 1927, KK2114	ASA	335,096	
47.RD		University of California, Santa Barbara	KK1928	NAA	8,526	
47.RD		University of California, Santa Barbara	KK1825	UAA	81,686	
47.RD		University of California, Santa Cruz	A23-0226-S002	NAA	32,903	
47.RD		University of Central Florida	16206076	ASA	97,925	
47.RD		University of Chicago	2240374, AWD100221/SUB000000065, AWD100518SUB00000427	UAA	93,234	
47.RD		University of Colorado, Boulder	1559632, 1557938	ASA	242,426	
47.RD		University of Colorado, Boulder	1555695/PO-1000887309, 1562555	UAA	93,063	
47.RD		University of Connecticut	373763, 148911094	ASA	140,580	
47.RD		University of Connecticut	161638971/1934712	UAA	27,809	
47.RD		University of Florida	SUB00001934, SUB00002726, SUB00002458, SUB00002689	ASA	581,165	
47.RD		University of Georgia	SUB00002673	ASA	186,531	
47.RD		University of Hawaii, Manoa	MA1705	ASA	45,570	
47.RD		University of Houston	R-23-0062, No. R-23-0042, R-23-0018	ASA	84,893	
47.RD		University of Illinois, Board of Trustees	110444-19484, 084161-17301	ASA	5,173	
47.RD		University of Kansas	BSA23006, BSA18014, BSA21072	ASA	136,467	
47.RD		University of Louisville Foundation, Inc.	ULRF 17-0190	ASA	43,697	
47.RD		University of Maryland, College Park	83120-Z3468201, 103464-Z3794202, 97174-Z3229201, 115341-Z3953201	ASA	223,392	
47.RD		University of Massachusetts, Amherst	17-009589 A	ASA	63,653	
47.RD		University of Michigan	SUBK00018570	UAA	19,715	
47.RD		University of Mississippi	19-03-036	UAA	20,660	
47.RD		University of Missouri	C00077927-1	UAA	8,320	
47.RD		University of Nevada, Las Vegas	19-GR06224-01	NAA	122,213	
47.RD		University of Nevada, Reno	UNR-22-96	ASA	92,201	
47.RD		University of New Mexico	133660-8705	ASA	87,990	
47.RD		University of New Mexico	0480PE-8747, 286085-8747	NAA	277,592	
47.RD		University of New Mexico	286085-873W	UAA	218,559	
47.RD		University of North Carolina, Chapel Hill	5111181	ASA	8,678	
47.RD		University of North Carolina, Greensboro	A21-0112-S001-A02	ASA	3,909	
47.RD		University of Northern Colorado	000021-00001A.010.00	NAA	7,842	

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.RD		University of Oklahoma	2021-50	ASA	40,145	
47.RD		University of Pennsylvania	585700	ASA	21,456	
47.RD		University of Pennsylvania	577419	UAA	26,006	
47.RD		University of Pittsburgh	0062295 (012283-1), AWD00000702 (012322-01), AWD00000927 012362-3	ASA	216,250	
47.RD		University of Rochester	416753G	UAA	21,829	5,448
47.RD		University of South Florida	2105-1164-00-A	ASA	36,949	
47.RD		University of Southern California	SCON-00002563, SCON-00003786	ASA	189,974	
47.RD		University of Southern California	SCON-00002747	NAA	10,944	
47.RD		University of Tennessee	A20-0162-S001, A23-0007-S001	ASA	54,359	
47.RD		University of Texas, Austin	UT AUS-SUB00000223	ASA	81,310	
47.RD		University of Texas, Dallas	1907389	ASA	29,360	
47.RD		University of Vermont	AWD00000206SUB00000112	UAA	61,976	
47.RD		University of Virginia	GA11551	ASA	30,908	
47.RD		University of Washington	UWSC11366; PO BPO43015; PO BPO55743, UWSC13338 - BPO61317,UWSC13081,	ASA	282,667	
47.RD		University of Washington	UWSC13947	NAA	12,427	
47.RD		University of Wisconsin, Madison	0000000170, 0000000028, 0000002280	ASA	50,450	
47.RD		University of Wisconsin, Oshkosh	FSA.20.037.A	ASA	109,120	
47.RD		University of Wyoming	1004823UA	UAA	157,081	
47.RD		U.S. Geoscience Information Network	LTR DTD 020122	UAA	3,912	
47.RD		Vanderbilt University	UNIV60484	ASA	41,607	
47.RD		Virginia Commonwealth University	FP00014692 SA001	NAA	1,122	
47.RD		Virginia Polytechnic	480165-19D64	NAA	114,659	
47.RD		Virginia Polytechnic Institute and State University	479498-19007	ASA	17,852	
	National Science Foundation Subtotal				153,438,940	12,988,550
	Smithsonian Institution					
60.RD	Smithsonian Astrophysical Observatory			UAA	1,245,862	
60.RD	Smithsonian Institution			UAA	12,791	
60.RD		Wilson Center	LTR DTD 060322	UAA	89,999	
	Smithsonian Institution Subtotal				1,348,652	
	Department of Veterans Affairs					
64.RD	Department of Veterans Affairs			ASA	79,137	
64.RD	Department of Veterans Affairs			NAA	24,998	
64.RD	Phoenix VA Health Care System			UAA	471,986	
64.RD	United States Department of Veterans Affairs			UAA	454,624	
64.RD		Colorado School of Mines	402099- 5801	ASA	24,732	
	Department of Veterans Affairs Subtotal				1,055,477	
	Environmental Protection Agency					
66.RD	Environmental Protection Agency			ASA	40,081	
66.RD	Environmental Protection Agency			NAA	38,328	
66.RD		Arizona Department of Environmental Quality	EV22-0005	UAA	17,167	
66.RD		City of Tucson, Arizona	LTR DTD 041323	UAA	24,412	
66.RD		Dine College	1918-5-513	NAA	655	
66.RD		Inter Tribal Council of Arizona, Incorporated	ITCA-20-2	UAA	3,322	
66.RD		North American Development Bank	TAA21-018/NADBC22-051	ASA	15,970	
66.RD		North Carolina Agricultural and Technical State University	270178A	UAA	163,216	
66.RD		The Water Research Foundation	5126	UAA	315,650	
	Environmental Protection Agency Subtotal				618,801	
	Department of Energy					
81.RD	Advanced Research Projects Agency Energy			ASA	704,108	
81.RD	Ames Laboratory			ASA	162,836	
81.RD	Ames Laboratory			UAA	287,124	
81.RD	Argonne National Laboratory			ASA	257,315	
81.RD	Department of Energy			ASA	1,879,322	192,858
81.RD	Department of Energy			NAA	1,772,968	468,205
81.RD	Department of Energy			UAA	4,657,734	693,130
81.RD	Idaho Field Office			ASA	49,319	48,653
81.RD	Lawrence Berkeley National Laboratory			ASA	12,579	
81.RD	Lawrence Berkeley National Laboratory			NAA	6,993	
81.RD	Lawrence Berkeley National Laboratory			UAA	372,533	
81.RD	Lawrence Livermore National Laboratory			ASA	67,870	
81.RD	Lawrence Livermore National Laboratory			NAA	360,832	
81.RD	Lawrence Livermore National Laboratory			UAA	253,826	
81.RD	Lawrence Livermore National Security, LLC.			UAA	25,287	
81.RD	Los Alamos National Laboratory			ASA	188,439	
81.RD	Los Alamos National Laboratory			NAA	92,135	
81.RD	Los Alamos National Laboratory			UAA	385,134	
81.RD	National Energy Technology Laboratory			ASA	100,517	27,506
81.RD	National Nuclear Security Administration			ASA	235	
81.RD	National Nuclear Security Administration			UAA	808,723	94,354
81.RD	National Renewable Energy Laboratory			ASA	545,117	
81.RD	National Renewable Energy Laboratory			UAA	16,181	
81.RD	Oak Ridge National Laboratory (ORNL)			ASA	179,667	
81.RD	Office of Energy Efficiency and Renewable Energy			ASA	7,524,469	1,979,549
81.RD	Office of Science			ASA	6,041,502	2,045,188
81.RD	Pacific Northwest National Laboratory			ASA	148,196	
81.RD	Pacific Northwest National Laboratory			UAA	406,496	
81.RD	Sandia National Laboratories			ASA	1,312,297	
81.RD	Sandia National Laboratories			UAA	409,699	
81.RD	SLAC National Accelerator Laboratory			ASA	41,638	
81.RD		Alliance for Sustainable Energy, LLC.	SUB201910006, SUB-2022-10027	UAA	12,946	
81.RD		Appalachian State University	A22-0098-S001	ASA	23,105	
81.RD		Arizona State University	ASUB00001262	NAA	66,419	
81.RD		Arizona State University	ASUB00001261	UAA	133,978	

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81.RD		Battelle Energy Alliance	271933	UAA	59,581	
81.RD		Battelle Memorial Institute	610679, 613574, 673896	ASA	298,030	
81.RD		Brookhaven National Laboratory	101340, 107946, 415688, 417642, 418695, 74201	UAA	448,740	
81.RD		Carbon Collect Limited	AGR 10/1/2021	ASA	203,362	
81.RD		Case Western Reserve University	RES600449	ASA	51,147	
81.RD		Colorado School of Mines	401453-5801, 401011-5802	ASA	63,571	
81.RD		Colorado State University	G-70288-02	ASA	11,657	
81.RD		Columbia University	2GG017021	UAA	199,952	
81.RD		CoolCAD Electronics, LLC	AGR 8/5/2022	ASA	90,381	
81.RD		Doolittle Institute dba DEFENSEWERX (DWX)	AGR 7/1/2022	ASA	100,378	
81.RD		Duke University	323-000021	UAA	3,651	
81.RD		Euclid BeamLabs, LLC	DE-SC0020575	ASA	119,699	
81.RD		Fermi National Accelerator Laboratory	679615	UAA	176,541	
81.RD		Georgia Institute of Technology (Georgia Tech)	AWD-004089-G1	UAA	4,147	
81.RD		Higher Wire	AGR 9/22/2022	ASA	55,049	
81.RD		Honeywell Federal Manufacturing & Technologies, LLC (KCNSC)	N000423291, N000477935, N000469801, N000422930, N000422052	ASA	86,066	
81.RD		Inhibikase Therapeutics	AGR 01/03/2022	ASA	57,412	
81.RD		Kennedy Jenks (KJ)	2153004	ASA	34,832	
81.RD		Mission Support and Test Services LLC	276592	ASA	57,830	
81.RD		Mississippi State University	060803.362308.01	UAA	404	
81.RD		Missouri University of Science and Technology	00072613-01 / 00072614-01, 00071158-01	ASA	423,489	
81.RD		MSI STEM, Research & Development Consortium	W911SR1420001	UAA	73,351	
81.RD		New Mexico Institute of Mining and Technology	PO019567	UAA	84,068	
81.RD		Northern Arizona University	LOU No. 1005183-01	ASA	237,754	
81.RD		NP Photonics, Incorporated	DE-SC0022515	UAA	47,179	
81.RD		NTECT	DE-EE0009526	ASA	298,580	
81.RD		Oak Ridge Associated Universities	SAWD-WD-00851, SAWD-WD-01575	UAA	15,091	
81.RD		Ohio State University	GR127161	ASA	109,184	
81.RD		Ohio State University	SPC-1000003955/GR117632	UAA	212,004	
81.RD		Opticslah, LLC	DE-SC0021919, LTR DTD 110422	UAA	58,246	
81.RD		Physical Sciences Inc	SC 1008293-101983-46	NAA	28,808	
81.RD		Princeton University	SUB0000290	ASA	177,092	
81.RD		Sandia Research Corporation	PO 2415332	ASA	93,998	
81.RD		Skywater Technology	AGR 12/13/2021	ASA	240,446	
81.RD		Stevens Institute of Technology	2103086-01	UAA	72,416	
81.RD		TechSource, Inc.	GS10F00384	ASA	140,450	
81.RD		Tectonicus Constructs Llc.	LTR DTD 102820	UAA	2,068	
81.RD		Temple University	DEFOA0002643	UAA	1,775	
81.RD		Texas A&M University (TAMU)	M200197	ASA	138,927	
81.RD		The Donald Danforth Plant Science Center	22827-A, 23706-A, 23707-A	UAA	741,373	
81.RD		The REMADE Institute	21-01-MM-5005	ASA	88,129	
81.RD		Uchicago Argonne LLC	0F-60015	NAA	22,876	
81.RD		University of Arkansas	UA2023-347	ASA	152,079	
81.RD		University of California, Berkeley	00011172, 00011241	ASA	116,325	
81.RD		University of California, Berkeley	00010580	UAA	41,076	
81.RD		University of California, Regents	7648014	ASA	40,863	
81.RD		University of California, San Diego	111117474/S9002139	UAA	3,137	
81.RD		University of Central Florida	20126A13	ASA	80,699	
81.RD		University of Georgia	SUB00002515	NAA	286,915	
81.RD		University of Minnesota	H007829702	ASA	31,433	
81.RD		University of Minnesota	DO10256401	NAA	1,874	
81.RD		University of New Hampshire	PZL0283/DE-SC0023456	UAA	7,260	
81.RD		University of Texas, Rio Grande Valley	DE-NA0004003 (01)	UAA	199,098	
81.RD		Utah Geological Survey	216427	UAA	34,625	
81.RD		UT Battelle LLC	4000192794	NAA	45,751	
81.RD		UT Battelle LLC	4000192777, CW38221	UAA	288,057	
81.RD		Virginia Tech	429451-19101	UAA	95,374	
81.RD		Xerox PARC	P317301	ASA	82,633	
	Department of Energy Subtotal				36,244,472	5,549,443
	Department of Education					
84.RD	Department of Education			ASA	9,422,909	1,353,786
84.RD	Department of Education			NAA	339,584	
84.RD	Institute of Education Sciences			UAA	219,532	
84.RD	Office of Special Education Programs			UAA	39,076	
84.RD	United States Department of Education			UAA	954,126	
84.RD		American Council on Education	LTR DTD 010821	UAA	23,487	774
84.RD		Arizona Department of Education (ADE)	CTR059830, 16-02-ED	ASA	1,560,375	
84.RD		Arizona Department of Education (ADE)	BPM004016	UAA	912,006	
84.RD		Blackwater Community School	AGR 11/02/2022; AGR 1/20/22 ; AGR 12/10/20 ; AGR 11/1/19 ; FP00017162, AGR 04/12/2023	ASA	73,890	
84.RD		Fitkids, Inc. dba Champion Schools	AGR 03/22/2022	ASA	7,008	
84.RD		Florida International University	800011810-01UG/000326	ASA	155,640	
84.RD		Michigan State University	RC113591 - ASU	ASA	42,076	
84.RD		Phoenix Indian Center	AGR 12/10/19 ; AGR 3/12/21	ASA	11,932	
84.RD		Rutgers University	1729 ; PO 1422029 ; PO 25277276	ASA	15,778	
84.RD		Texas A&M University (TAMU)	M1803132	ASA	140,245	
84.RD		Texas State University	18018-83055-1, 22025-83977-1, 20029-83489-1	ASA	164,092	
84.RD		University of California, Irvine	2021-1541, 2021-1528, 2019-3726, PO223329	ASA	404,053	
84.RD		University of Delaware	UDR0000186	ASA	147,350	
84.RD		University of Florida	PO 2200976491 , SUB00001886	ASA	310,029	
84.RD		University of Florida, Board of Trustees	SUB00001905	ASA	5,940	
84.RD		University of Hawaii	MA1479/POZ10246747, MA1642	NAA	59,490	

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Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.RD		University of Kansas	FY2019-107, FY2022-081, FY2019-103	ASA	115,662	
84.RD		University of North Carolina, Chapel Hill	5126644, 5122898	ASA	176,357	
	Department of Education Subtotal				15,300,637	1,354,560
	National Archives and Records Administration					
89.RD	United States Senate			ASA	570,175	
89.RD		Arizona Historical Records Advisory Board	LTR DTD 033023, LTR DTD 080522	UAA	5,350	
	National Archives and Records Administration Subtotal				575,525	
	Department of Health and Human Services					
93.RD	Administration for Children and Families - OPRE			ASA	10,962	
93.RD	Administration for Children and Families - ORR			ASA	86,150	46,976
93.RD	Administration for Community Living			NAA	48,234	
93.RD	Administration for Community Living			UAA	631,821	
93.RD	COVID-19 - Centers for Disease Control and Prevention			ASA	1,826,736	90,175
93.RD	Centers for Disease Control and Prevention			ASA	639,998	
93.RD	Centers for Disease Control and Prevention			NAA	454,016	99,679
93.RD	COVID-19 - Centers for Disease Control and Prevention			UAA	251,395	
93.RD	Centers for Disease Control and Prevention			UAA	21,787,197	7,674,138
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	2,826,960	201,604
93.RD	Food and Drug Administration			UAA	1,218	
93.RD	COVID-19 - Health Resources and Services Administration			ASA	277,405	
93.RD	Health Resources and Services Administration			ASA	347,857	
93.RD	Health Resources and Services Administration			UAA	398,531	137,625
93.RD	John E. Fogarty International Center			UAA	205,384	70,370
93.RD	National Center for Advancing Translational Sciences			UAA	220,818	
93.RD	National Center for Complementary and Integrative Health			UAA	1,804,823	225,344
93.RD	National Eye Institute			UAA	2,275,813	63,287
93.RD	National Heart, Lung, and Blood Institute			UAA	18,947,601	3,591,965
93.RD	National Human Genome Research Institute			UAA	76,388	22,275
93.RD	National Institute for Occupational Safety and Health			UAA	416,954	
93.RD	COVID-19 - National Institute of Allergy and Infectious Disease			UAA	27,272	
93.RD	National Institute of Allergy and Infectious Disease			UAA	14,289,012	2,927,647
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	2,648,132	566,607
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	1,433,981	180,453
93.RD	National Institute of Dental and Craniofacial Research			UAA	1,859,502	113,752
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	6,586,699	381,075
93.RD	National Institute of Environmental Health Sciences			UAA	10,453,554	972,424
93.RD	National Institute of General Medical Sciences			ASA	3,156,705	149,461
93.RD	National Institute of General Medical Sciences			UAA	12,301,262	153,952
93.RD	COVID-19 - National Institutes of Health			ASA	4,413,815	377,731
93.RD	National Institutes of Health			ASA	52,354,427	10,460,859
93.RD	National Institutes of Health			NAA	10,671,487	1,877,355
93.RD	National Institutes of Health			UAA	13,776,539	1,133,148
93.RD	National Institute of Mental Health			UAA	2,718,400	7,488
93.RD	National Institute of Neurological Disorders and Stroke			UAA	7,987,165	1,289,853
93.RD	National Institute of Nursing Research			UAA	2,259,407	451,006
93.RD	National Institute on Aging			UAA	37,272,828	11,496,459
93.RD	National Institute on Alcohol Abuse and Alcoholism			UAA	718,805	232,276
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	964,641	
93.RD	National Institute on Drug Abuse			UAA	4,442,956	477,644
93.RD	National Institute on Minority Health and Health Disparities			ASA	4,225,863	841,267
93.RD	National Institute on Minority Health and Health Disparities			UAA	2,125,308	346,165
93.RD	National Library of Medicine			UAA	433,797	54,510
93.RD	NIH: All of Us Research Program			ASA	33,551	
93.RD	NIH: National Cancer Institute			ASA	1,486,149	644,355
93.RD	NIH: National Cancer Institute			NAA	1,271,510	
93.RD	NIH: National Cancer Institute			UAA	18,851,824	2,323,236
93.RD	Office of Minority Health			ASA	1,749	
93.RD	Substance Abuse and Mental Health Services Administration			ASA	1,080,362	97,980
93.RD	United States Department of Health and Human Services			UAA	529,788	1,154
93.RD		Accelerate Diagnostics Incorporated	07CARB-X1068	UAA	66,851	
93.RD		Alaska Community Action on Toxics	2R01-06-NAU	NAA	24,188	
93.RD		Albany Medical College	207-465316-HB4	UAA	4,589	
93.RD		Albert Einstein College of Medicine	312048, 312299, 332776, 333154	UAA	298,057	
93.RD		Allen Institute for Brain Science	2022-0614	ASA	25,981	
93.RD		Amity Foundation	LTR DTD 022219	UAA	88,139	
93.RD		Amydis	AGR 4/14/2022	ASA	491,076	
93.RD		Applied Universal Dynamics, Corp.	AUD23-RatHealth1-01	UAA	475	
93.RD		Aqualung Therapeutics, Corp.	1R41HL164154-01, 1R42DK135208-01, LTR DTD 102622, RFA-AI-21-019	UAA	236,066	
93.RD		ArgosMD, INC	LTR DTD 091422	UAA	74,410	
93.RD		Arizona Community Health Workers Association	LTR DTD 052322	UAA	61,968	
93.RD		Arizona Department of Education (ADE)	CTR059834, CTR059832, 21-28-ED / CTR055604, CTR059825, CTR059828,	ASA	6,078,660	657,458
93.RD		Arizona Department of Health Services	ADHS18-187412, CTR053417 / PO0000511375 / PO0000364518	ASA	218,842	
93.RD		Arizona Department of Health Services	CTR038429/ADHS18-201484, CTR051841, CTR055628, CTR057111	UAA	991,109	
93.RD		Arizona Developmental Disabilities Planning Council	ADDPC-0810-10-2023	NAA	21,783	
93.RD		Arizona Developmental Disabilities Planning Council	ADDPC-FFY22-RFGE-00A 1	UAA	33,054	
93.RD		Arizona Health Care Cost Containment System	YH23-0024, YH23-0164, YH20-0020, YH22-0019, YH21-0038, YH22-0097, YH19-0064, YH23-0022, YH21-0038, YH23-0024, YH23-0017, YH21-0038, YH23-0099	ASA	1,878,559	77,983

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93.RD		Arizona Health Care Cost Containment System	CTR052893/YH21-0042, YH22-0018, YH23-0070 / H79T1085739	UAA	680,551	
93.RD		Arizona Maricopa County Department of Public Health	C-86-23-094-X-00, C-86-23-088-X-00; PO: DO 230000005320-1, C-86-21-097-X-00, PH NOI 21021, C-86-23-076-X-00	ASA	239,738	
93.RD		Arizona State University	ASUB11, ASUB00000787	NAA	46,529	
93.RD		Arizona State University	ASUB00000118, ASUB00000243 / SUB00000679, ASUB00000613, ASUB00000720	UAA	291,604	
93.RD		A.T. Still University	301-290	ASA	3,148	
93.RD		Banner Alzheimer's Institute	0432-06-169415	ASA	91,271	
93.RD		Banner Health System	0432-06152707/1P30AG072980, 43209152711, LMS04350271557	UAA	444,594	
93.RD		Baylor College of Medicine	P700000283, PO 7000001015	ASA	81,518	
93.RD		Baylor College of Medicine	P700000296	UAA	93,947	
93.RD		Beckman Research Institute of The City of Hope	61998.2006995.669308	UAA	1,832	
93.RD		Benaroya Research Institute at Virginia Mason	FY21TN471	UAA	6,732	
93.RD		Biosensing Instrument, Inc.	NIH NOA 1R44GM139535-01A1, AGR 9/30/2021	ASA	332,711	
93.RD		Boston Children's Hospital	GENFD0002377201	NAA	11,115	
93.RD		Boston Children's Hospital	GENFD0001524164, GENFD0001665387 (Core), GENFD0001688943, GENFD0001920863, GENFD0002059272, GENFD0002145577	UAA	184,590	
93.RD		Boston Medical Center	GENFD0002117354	NAA	19,910	
93.RD		Boston Medical Center	6619-UAZ-01	UAA	7,977	
93.RD		Boys Town National Research Hospital	96512-B / GRT-00307	ASA	34,264	
93.RD		Brigham and Women's Hospital	122869, 123915, 124818	UAA	181,544	
93.RD		Brown University	00001712	UAA	36,923	
93.RD		Calm.com, Inc.	99220001-ASU, SPA 3886 FP 26261	ASA	34,643	
93.RD		Campepinos Sin Fronteras	TP1AH000236	UAA	71,051	
93.RD		Carnegie Mellon University	1090686-449413	ASA	156,098	
93.RD		Carnegie Mellon University	1090641-444469/1R21HL152147	UAA	133,808	
93.RD		Case Western Reserve University	RESS14938	ASA	12,054	
93.RD		Case Western Reserve University	RESS15877	NAA	236,521	
93.RD		Case Western Reserve University	RESS15519	UAA	51,284	
93.RD		ChangeLab Solutions	MSA0226-1	ASA	61,142	
93.RD		Chapman University	500786-ASU	ASA	409,060	
93.RD		ChildHelp	CHSC-H-001	ASA	50,700	
93.RD		Children's Hospital Los Angeles	12943-B	ASA	85,486	
93.RD		Children's Hospital Los Angeles	RGF011590-A	UAA	177,669	
93.RD		Children's Hospital of Philadelphia	9500100720-XX, 950080200-01C, FP00025672 SUB53 01	UAA	88,952	
93.RD		Childsplay, Inc	AGR 7/1/2022	ASA	56,196	
93.RD		Cincinnati Children's Hospital Medical Center	314517	UAA	38,305	
93.RD		City of Hope	62404.2009737.669301	UAA	12,636	
93.RD		City University of New York (CUNY)	CM00004260-00/CM-00004260-01/CM-00004260-02/CM-00004260-03	ASA	90,530	
93.RD		Cleveland Clinic Foundation	CCF21142450/4U01HL125177-06, CCF21360332	UAA	7,820	
93.RD		Collaborations Pharmaceuticals Inc	2R42GM131433-02, nn	UAA	305,492	
93.RD		Colorado State University	G4506301, G-70239-01/236498	UAA	181,125	
93.RD		Columbia University	3(GG014239-01) ; PO G13015, GG007541	ASA	68,825	
93.RD		Columbia University	11 (GG014746-38), 2(GG014746-22)	UAA	149,119	
93.RD		Cornell, Weill Medical College	212095-05 / 220225-5 / 223323-5	ASA	15,246	
93.RD		Dignity Health-St. Joseph's Hospital: Barrow Neurological Institute (BNI)	33457ASU	ASA	67,154	
93.RD		Dine College	1819-7-512, 2021-41-522, 3SO6GM123550-04S1	NAA	428,247	
93.RD		Drexel University	900237	ASA	57,925	
93.RD		Duke University	A03-5200 / A03-5199, A03-5092, A033649, A03-5224, A030744	ASA	659,526	
93.RD		Duke University	2037894, A030458, A030929, A032429, A032623	UAA	489,460	99,656
93.RD		El Rio Community Health Center	1H79SM08073204UASIROW, 1H8GCS48557-01- NCSSCYH	UAA	78,101	
93.RD		Electrosonix LC	UA-NIH-09212020	UAA	42,605	
93.RD		Emory University	A307952, A473111	ASA	65,442	
93.RD		Emory University	A464669, A554837 (A330865), A629842 (A438973)	UAA	233,092	
93.RD		FAKnostics, LLC	LTR DTD 092722, R42CA240124	UAA	367,984	
93.RD		FD NeuroTechnologies, Inc.	R43AG071045	UAA	59,079	
93.RD		Florida International University	000608, 800010310-01UG/00055	ASA	38,545	
93.RD		Florida International University	000538/000539/PO1HL134610, 606	UAA	685,659	
93.RD		Foundation for Professional Development	AGR 8/16/2021	ASA	11,505	
93.RD		Fred Hutchinson Cancer Center	0001109973, 0001110165, 0001115021; 0001146630	ASA	314,742	
93.RD		Fred Hutchinson Cancer Research Center	0001062465	UAA	12,496	
93.RD		George Washington University	17-M101, 21-M136	ASA	164,589	
93.RD		Georgetown University	414844 GR413644-ASU; 413827 GR413644-ASU; 424767 GR413644-ASU; 414749 / GR413644-ASU	ASA	72,800	
93.RD		Georgetown University	424929 GR424783-UA/U01AI148, 425319 GR425135	UAA	248,920	
93.RD		Georgia Institute of Technology (Georgia Tech)	AWD-101271	ASA	59,607	
93.RD		Georgia State University	SP00014947-01, SP00015075-01; PM00849670	ASA	95,197	
93.RD		Glannaventa, Inc.	1R43CA254531-01A 1	UAA	20,101	
93.RD		Glycosurf	LTR DTD 071222, LTR DTD 081120	UAA	163,304	
93.RD		Great Lakes Center for Occupational Health and Safety (GLC-OHS)	19238	ASA	19,849	
93.RD		Harvard University	113146-5111854	ASA	105,289	

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93.RD		Harvard University	136051-5124956/5R01MH112384	UAA	34,654	
93.RD		Hawaii Pacific University	ASU-232810	ASA	28,661	
93.RD		Hospital for Sick Children (Canada)	6610100225/6610100200	UAA	70,740	
93.RD		Icahn School of Medicine at Mount Sinai	0255-4524-4609	ASA	150,248	
93.RD		Icahn School of Medicine at Mount Sinai	0255-E822-4609/5R01MH124839	UAA	3,100	
93.RD		IHRC, Inc.	75D30121C11960	NAA	64,748	
93.RD		Illinois Institute of Technology	SA16-0061-S007 / SA619-0614-10011, A21-0038-S001	ASA	20,162	
93.RD		Illuminos Therapeutics, LLC	ASU001	ASA	32,272	
93.RD		Illuminos Therapeutics, LLC	LTR DTD 12072022	UAA	60,427	
93.RD		Indiana University	8081 AZ, 8549-UA, 9308 AZ, IN4684790UA	UAA	440,567	
93.RD		Institute for Systems Biology	2022.001	UAA	95,847	
93.RD		Intermountain Centers	69705	UAA	121,560	
93.RD		Inter Tribal Council of Arizona, Inc.	S06GM142123, S06GM127980	ASA	447,395	
93.RD		Inter Tribal Council of Arizona, Incorporated	LTR DTD 011819, NXII-UA-RP-01, NXII-UA-SD-01, NXI-UA-FD-01, NXI-UA-SD-01	UAA	801,819	
93.RD		JaeB Center for Health Research	LTR DTD 073120	UAA	212,410	
93.RD		Johns Hopkins University	2005335291, 2005697661	ASA	158,236	
93.RD		Johns Hopkins University	2004843694	UAA	80,773	
93.RD		Joslin Diabetes Center	100114	UAA	1,178	
93.RD		Kent State University	403029-ASU	ASA	61,364	
93.RD		Kent State University	403040-UAZ	UAA	96,105	
93.RD		Klein Buendel, Incorporated	0341-0188-000/1R01-CA268037	UAA	104,395	
93.RD		Leidos	21X089	ASA	3,018,379	718,525
93.RD		Leidos Biomedical Research Incorporated	21X120/75N91019D00024	UAA	67,900	
93.RD		Light Research Inc	1R44CA265514-01	UAA	287,516	
93.RD		Loma Linda University Medical Center	2210249-UIC	UAA	250,094	
93.RD		Los Alamos National Laboratory	635305; Basic Agreement No. 451357, 635305; Basic Agreement No. 451357	ASA	30,072	
93.RD		Massachusetts General Hospital	233737	UAA	20,204	
93.RD		Massachusetts Institute of Technology (MIT)	S5669 PO #741034	ASA	63,230	
93.RD		Materials Development, Inc. (MDI)	MDI-ASU-820-01	ASA	7,019	
93.RD		Max-IR Labs, Inc.	AGR 7/5/2022	ASA	46,446	
93.RD		Mayo Clinic, Arizona	ASU-287596, ASU-292260, ARI-259345, ARI-277352	ASA	322,727	
93.RD		Mayo Clinic, Rochester	ARI-268163, ARI-206945	ASA	40,004	1,528
93.RD		Mayo Foundation for Medical Education and Research (Mayo Clinic)	66724119/BAN-232483, BAN-224063-04, THE-300811-01/PO#000375596, UNA-224063, UNI257790, UNI-259090-05/68961709	UAA	325,875	
93.RD		Mettfora, LLC	LTR DTD 051022	UAA	61,555	
93.RD		Michigan State University	RC109129ASU, RC114688ASU	ASA	193,347	
93.RD		Michigan State University	RC110679UAZ	UAA	46,684	
93.RD		Midwestern University	31-1153-7116-5692B	UAA	13,202	
93.RD		MiraVista Diagnostics	R43AI152654	UAA	54,603	
93.RD		Monell Chemical Senses Center	NIH072	ASA	9,780	
93.RD		Montana State University	G190-19-W7658	NAA	2,728	
93.RD		Montana State University	G235-23-W7798	UAA	38,816	
93.RD		Morgan State University	mstu-ua-57434	UAA	58,814	
93.RD		MS Technologies Corporation	301.0003.05, 301.0003.04	ASA	208,062	
93.RD		National Bureau of Economic Research	47870.01.Arizona	UAA	5,224	
93.RD		National Jewish Health	20112505, 20125604 UnivAZ Sub	UAA	455,315	
93.RD		National Opinion Research Center (NORC)	8361.120.FP.01.01	ASA	141,453	
93.RD		Native American Connections Administration	FP00015617	ASA	62,735	
93.RD		New England Research Institutes	BEST-CLI	UAA	466	
93.RD		New Mexico Institute of Mining and Technology	P0022044	UAA	201,474	
93.RD		New York University	F1995-02 ; PO iB00544684, 18-A1-00-007561, 19-A0-00-1002081	ASA	379,369	
93.RD		New York University	23-01	UAA	10,636	
93.RD		Northeastern University	500654-78050	ASA	14,844	
93.RD		Northeast Ohio Medical University	G0483-A	NAA	14,639	
93.RD		Northern Arizona University	1005080-01	ASA	18,723	
93.RD		Northern Arizona University	1004806-01, 1004847-01, 1005111-01, 100525702	UAA	97,051	
93.RD		Northwestern University	60053528 UA, 60054957 AZ	UAA	99,762	
93.RD		Nuvox Pharma, LLC	LTR DTD 121021	UAA	172,371	
93.RD		Ohio State University	60067960 ; GR111718 ; PO SPC-1000003764	ASA	20,011	
93.RD		Ohio State University	GR119378/ SPC-100004116, GR119783, GR126463 SPC-1000006279	UAA	48,718	
93.RD		Omniscient LLC	2R42CA203212-UA01	UAA	1,284	
93.RD		Oregon Health and Science University	1008329 UAZ, 1013080 SWOG Arizona, 1013209 UAZ, 1019509 UAZ A3, 1019989 UAZ, 1022170 UAZ, CA-32102	UAA	939,394	
93.RD		Oregon Research Behavioral Intervention Strategies	ClickCity: Marijuana 01	UAA	8,548	
93.RD		Oregon Research Institute	AGR 1/1/2023	ASA	17,151	
93.RD		PARmedics Inc	LTR DTD 120621, R41NS127637	UAA	63,764	
93.RD		Path Biotech, LLC	LTR DTD 041923	UAA	141,271	
93.RD		Pennsylvania State University	5473-ASU-DHHS-0659	ASA	3,297	
93.RD		Photonic Pharma, LLC.	S1/2022/1R43HL 62329-01A1	UAA	66,868	
93.RD		Pima Council on Aging	LTR DTD 012121	UAA	29,506	
93.RD		Pima County Attorney Office	CT-PCA-19-515	UAA	70,413	
93.RD		Prevent Child Abuse	B4BHRS2023	ASA	68,059	
93.RD		Princeton University	SUB0000646/R01HD092347	UAA	22,482	
93.RD		Purdue University	11001041-065, 11001215031	UAA	5,613	
93.RD		Radiation Monitoring Devices, Incorporated	RMD C20-12	UAA	49,178	
93.RD		RaeSedo, LLC	2R42HL152942-02	UAA	168,515	

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93.RD		RAND Corporation	SCON-0000384	ASA	30,454	
93.RD		Regenerix LLC	LTR DTD 083022	UAA	85,758	
93.RD		Rice University	R23471	ASA	68,913	
93.RD		Rush University Medical Center	20012006-Sub02	UAA	283,643	
93.RD		Rutgers, The State University of New Jersey	1052_2048/833942/7R01MH123451-02, 2.29425E+11, SUB00002053, SUB00002425/25268763/7R01AI	UAA	396,857	
93.RD		Rutgers University, New Brunswick	1695 / SUB00002606	ASA	435,584	
93.RD		Saint Joseph's Hospital and Medical Center	UofA33188	UAA	7,114	
93.RD		Scripps Research Institute	5-54581	UAA	57,240	
93.RD		Seattle Children's Research Institute	12761SUB, 12969SUB, 12549SUB, 12746SUB	ASA	377,546	
93.RD		Sequitur Health Corp	AGR 10/28/2021	ASA	91,071	
93.RD		Sonoran Biosciences	00002485, R43GM145020-01	ASA	1,301	
93.RD		Sonoran Prevention Works	22-0005-85	ASA	106,426	
93.RD		Southcentral Foundation	2022-381	NAA	115,512	
93.RD		Southwest Behavioral and Health Services	1306	ASA	194,571	
93.RD		SRI International	PO72456	ASA	75,000	
93.RD		St. Louis University	20823-43590	UAA	70,137	
93.RD		Stanford University	61892366-125439, 62346241-131009, 62856456-123571	UAA	83,862	
93.RD		State University of New York	94184/2/1174540	UAA	168,770	
93.RD		State University of New York Research Foundation	3-88226	UAA	48,441	
93.RD		STG International, Inc. (STGI)	2514-101-840716	ASA	14,894	
93.RD		Sutter Health	280201018-S301	UAA	2,749	
93.RD		Synergyan	2020-08-03	ASA	58,205	
93.RD		Tempe Police Department	AGR 12/12/2019	ASA	132,298	44,644
93.RD		Temple University	261331-Arizona	UAA	3,752	
93.RD		Terros, Inc.	LTR DTD 051223, LTR DTD 112420	UAA	33,545	
93.RD		Texas State University	23001-83989-1/90SR0086, 23002-83990-1	UAA	52,242	
93.RD		Texas Tech University (TTU)	21F016-01	ASA	74,200	
93.RD		TF Health Corporation	FP28890, FP00013132	ASA	42,899	
93.RD		The Center for Comprehensive Care and Diagnosis of Inherited Blood Disorders	CIBDIX2021HRSA-AZHSC	UAA	11,917	
93.RD		The Desmond Tutu Health Foundation (DTHF)	NIH-WISEPIILLS-UA-01	ASA	30,176	
93.RD		The EMMES Company	13765	UAA	979,938	
93.RD		The Jackson Laboratory for Genomic Medicine	210280-1222-02	ASA	336,966	
93.RD		The Spaulding Rehabilitation Hospital Corporation	500629	UAA	10,145	
93.RD		The University of Tennessee Health Science Center	23 1561	UAA	10,999	
93.RD		TheraCea Pharma	R43EB029903	UAA	63,291	
93.RD		Translational Genomics Research Institute (TGen)	DISTEFANO-22-01-ASU	ASA	126,081	
93.RD		Translational Genomics Research Institute (TGen)	1CDC-21-01	NAA	82,682	
93.RD		Translational Genomics Research Institute (TGen)	DOE-05-02, NIH-05-02	NAA	197,844	
93.RD		TUFTS University	EP0223555	ASA	71,565	
93.RD		Tulane University	TUL-HSC-557270-19/20, TUL-HSC-558360-20/21	UAA	35,410	
93.RD		United States Energy Association	USEA/USAID-2021-801-01	ASA	509,160	
93.RD		University of Alabama, Birmingham	000522731-SC006	ASA	54,252	
93.RD		University of Arizona	636487, LTR 6/23/2022, PO 644893; LOU 8/6/21 - PO 617003, LTR 7/1/2022, 625120, PO 294145, PO 644893; PO 582113 , 518121, R01AG067926, PO. 652914	ASA	1,308,294	
93.RD		University of Arizona	581690, 620611, PO644894, PO652916, 583325	NAA	663,276	118,019
93.RD		University of California, Berkeley	10168, 10273	UAA	39,480	
93.RD		University of California, Davis	A18-1798-S003, A18-0145-S001, A20-3069-S001, A23-0376-S001, A23-0462-S001, A16-0127-S002	ASA	117,454	
93.RD		University of California, Davis	A18-0612-S016, A21-1267-S002-A01, A22-1746-S001, A23-0750-S002	UAA	235,755	
93.RD		University of California, Irvine	2017-3493, 2019-3815/AG064228	UAA	114,524	
93.RD		University of California, Los Angeles	2105 G YA322, 2105 G ZA511, 2000 G VC638, 1445 G LA531, 2015 G TA231	ASA	554,750	
93.RD		University of California, Los Angeles	0125 G LA363/R01HL165318, 0125GLB090/RFINS128488, 1560 G YC175, 1568 G TA550, 1685 G LD314, 1930 G LA123/405950-V5-3202	UAA	119,528	
93.RD		University of California, Riverside	S-001453	NAA	962	
93.RD		University of California, San Diego	118304560, 131286579, 120991641, 704107, KR 704433	ASA	296,102	
93.RD		University of California, San Diego	LTR DTD 051823	UAA	12,175	
93.RD		University of California, San Francisco	13398sc	NAA	212,677	
93.RD		University of California, San Francisco	10278sc, 10474sc, 12506sc	UAA	83,662	
93.RD		University of California, Santa Cruz	13364479	ASA	60,865	
93.RD		University of Cincinnati	010785-135736, 011337-135736, 011337-135736/1U01NS099043-, 012043-135736, 012340-135736, 013888-135736	UAA	9,565	
93.RD		University of Colorado, Boulder	1561054	UAA	54,146	
93.RD		University of Colorado, Denver	FY21 001.028/1001582943/2-5, Anschutz Medical	UAA	186,161	
93.RD		University of Connecticut	FY22.1139.001, FY22.1174.001			
93.RD		University of Connecticut	394387	NAA	31,862	
93.RD		University of Florida	SUB00002559 / SUB00003126, SUB00003447	ASA	95,061	

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93.RD		University of Florida	SUB00002533	NAA	138,603	
93.RD		University of Florida	SUB00001979, SUB00002868, SUB00003094, SUB00003787/R37AG033906, UFDSP00011482	UAA	552,745	
93.RD		University of Georgia	SUB00003063	UAA	19,712	
93.RD		University of Haifa (Israel)	0601146321	UAA	1,371	
93.RD		University of Illinois, Chicago	18219, 18871/1R61NS124970-01, 18965, 19004	UAA	416,147	
93.RD		University of Kansas, Medical Center Research Institute (KUMCRI)	ZAB00070	ASA	159,594	
93.RD		University of Kentucky, Research Foundation	3200003998-21-309 ; PO 7800005882	ASA	44,631	
93.RD		University of Maryland, Baltimore	20588 Request:2058, 20765	UAA	102,586	
93.RD		University of Massachusetts	SUB00000250, SUB000237-WA01338419	NAA	23,220	
93.RD		University of Massachusetts, Medical School	OSP2017022/WA00461501, OSP29546-05	UAA	247,062	
93.RD		University of Miami	OS00000946, SPC-001677/OS00000635	UAA	101,875	
93.RD		University of Michigan	SUBK00015301	ASA	42,730	
93.RD		University of Michigan	SUBK00008157, SUBK00008964, SUBK00009209/SUBK9088CSPR, SUBK00013896	UAA	13,214	
93.RD		University of Minnesota	N009253601, N009029602, N006750803	ASA	46,944	
93.RD		University of Minnesota	A008179303/90RT5039-05-02, N008293801	UAA	270,558	
93.RD		University of Montana	PG23-61311-01	UAA	3,394	
93.RD		University of Nebraska	34-5507-2039-003, 34-5507-2039-105	UAA	30,194	
93.RD		University of Nebraska Medical Center	34-5224-2009-001	UAA	61,357	
93.RD		University of New Mexico	3RGJ7, 286066-8705	ASA	208,798	
93.RD		University of New Mexico	3RJH8, 3RJN7	UAA	57,691	
93.RD		University of North Carolina, Chapel Hill	AGR 4/1/2023, 5124412	ASA	28,609	
93.RD		University of North Carolina, Chapel Hill	5125917-H3AZTUCSON	UAA	67,496	
93.RD		University of Oregon	217940A	ASA	60,981	
93.RD		University of Pennsylvania	578006 ; PO 4585999 ; PO 4681608	ASA	63,057	
93.RD		University of Pennsylvania	582672	NAA	49,310	
93.RD		University of Pennsylvania	53824, 575501, 576656, 580697, 584777	UAA	618,790	
93.RD		University of Pennsylvania, School of Medicine	583739	ASA	6,119	
93.RD		University of Pittsburgh	AWD00002530 134748-1, AWD00005658 (139164-4), AWD00005658 (137513-5), AWD00005658 (137513-4)	ASA	244,772	
93.RD		University of Pittsburgh	AWD00001719 (134088-1), AWD00002920-8, AWD00003637 (135811-1), AWD00004702 (136814-1), AWD00006392 (138470-1), AWD00006914 (138979-5)	UAA	321,115	
93.RD		University of Puerto Rico, School of Medicine	2021-000826, 2021-001500	ASA	91,293	
93.RD		University of Rochester	417492G/UR FAO GR510851, SUB00000269AM2 GR531832	UAA	6,598	
93.RD		University of San Diego	KR 704906	ASA	12,690	
93.RD		University of South Florida	5830-1514-00-A	NAA	44,173	
93.RD		University of Southern California	87455540, 109745588	ASA	71,494	
93.RD		University of Southern California	SCON00003315, SCON-00004280	UAA	188,759	
93.RD		University of Tennessee	23-0045-AZ	UAA	9,037	
93.RD		University of Texas	20-84917-01	UAA	53,665	
93.RD		University of Texas, Dallas	1705264, 2008169	UAA	297,167	
93.RD		University of Texas, El Paso	226141289K ; 226141328K ; 226141349K, 226141387K	ASA	8,170	
93.RD		University of Texas, El Paso	226141387L	UAA	3,375	
93.RD		University of Texas, Health Science Center at San Antonio	171876/171653	ASA	21,708	
93.RD		University of Texas, MD Anderson Cancer Center	3002056965	ASA	50,211	
93.RD		University of Texas, Rio Grande Valley	1R01DE031117 (01), 1UG3DE031247-01 (003)	ASA	52,740	
93.RD		University of Utah	1005130601, 10055399-02, 10058621-01, 10059876-01, 10060577-01/1R21NS121590-01	UAA	353,572	
93.RD		University of Virginia	GB10462, 2180539, GB10275	ASA	16,749	
93.RD		University of Virginia	AWD-000764 GR013571, GB10310.PO.#2127210, GB10985.PO.#2382944, GR101508.Sub00000539	UAA	81,758	
93.RD		University of Washington	UWSC11962, UWSC13326- BPO61180, UWSC12392, UWSC11490; BPO69168, BPO58569; PO BPO52333; PO BPO43842, UWSC11490; UWSC11621, UWSC12304, UWSC12278; BPO51765; BPO51763; BPO61155; BPO69923, UWSC11962, UWSC14045, PO BPO43842	ASA	626,812	
93.RD		University of Washington	UWSC13911 BPO67860	NAA	54,294	
93.RD		University of Washington	UWSC12138/73913, UWSC12558/54423, UWSC13240	UAA	267,445	
93.RD		University of Wisconsin, Madison	0000002135	ASA	79,718	
93.RD		University of Wisconsin, Madison	0000001027, 0000002437	UAA	302,172	
93.RD		Van Andel Institute	40442B-1	ASA	109,556	
93.RD		Vanderbilt University Medical Center	VUMC95054	ASA	188,301	
93.RD		Vanderbilt University Medical Center	VUMC82583, VUMC97460	UAA	38,553	
93.RD		VaxSyna LLC	7000-01	ASA	101,118	
93.RD		Virginia Commonwealth University	FP00009907 SA001	ASA	69,206	
93.RD		Virginia Commonwealth University	FP00014116 SA003	UAA	158,012	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2023

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		Virginia Polytechnic Institute and State University	432143-19007, 412710-19007	ASA	90,250	
93.RD		Virtici	ASUAG076091	ASA	7,249	
93.RD		Washington State University	132471 SPC004021	NAA	2,438	
93.RD		Washington State University	127105 SPC004413, 134082-G004023	UAA	175,964	
93.RD		Washington University, St. Louis	WU-24-0100 / WU - 23 - 0267	ASA	11,832	
93.RD		Washington University, St. Louis	WU-19-380-MOD-3	UAA	7,839	
93.RD		Wayne State University	HHSN275201300006C, WSU21089, WSU23086	UAA	59,520	
93.RD		Westat, Incorporated	6922-03-COVID	UAA	1,560,594	841,307
93.RD		Yale School of Medicine	CON-80003709 (GR116631)	ASA	112,968	
93.RD		Yale University	CON-80003257 (GR114472), CON80003559(GR111763), CON-80003860 (GR116386), CON-80003904 (GR116520), CON-80003997 (GR117242)	UAA	193,597	
93.RD		Yuma County Public Health Services District	LTR DTD 020822	UAA	64,779	
93.RD		Zero To Three	2022090162, 2021090582	ASA	195,311	
	Department of Health and Human Services Subtotal				<u>325,676,959</u>	<u>52,340,415</u>
	Corporation for National and Community Service					
94.RD	Covid-19 - AmeriCorps			ASA	745,653	355,962
94.RD	AmeriCorps			ASA	1,501,984	778,263
94.RD		Governor's Office of Youth, Faith and Family GOYFF	ACCFX2109012101	UAA	361,637	
	Corporation for National and Community Service Subtotal				<u>2,609,274</u>	<u>1,134,225</u>
	Social Security Administration					
96.RD		University of Wisconsin: Madison	0000002577	ASA	44,291	
	Social Security Administration Subtotal				<u>44,291</u>	
	Department of Homeland Security					
97.RD	Department of Homeland Security			ASA	3,435,993	1,161,953
97.RD	Department of Homeland Security			ASA	585,541	321,771
97.RD	Department of Homeland Security			NAA	32,986	
97.RD	Federal Emergency Management Agency			UAA	1,211,759	421,317
97.RD	Office of Procurement Operations - Grants Division			ASA	45,827	
97.RD		Arizona Department of Emergency and Military Affairs	EMF-2020-BR-193-0007, EMF2020BR1930010	UAA	38,818	
97.RD		Arizona Division of Emergency Management	518311, PDMCPL09AZ2018010	UAA	75,343	42,240
97.RD		Boston Children's Hospital	GENFD0002111347	ASA	17,677	
97.RD		Credence Management Solutions, LLC	101213-OASISUNRDHSSIL-ASU-01	ASA	81,813	
97.RD		Duke University	343-0849	UAA	153,273	
97.RD		George Mason University	E206378C	ASA	89,413	
97.RD		Medical Technology Enterprise Consortium (MTEC)	MTEC-210-05-CrossCutting-036 / 003 / MT21005.036 / 2017-608	ASA	346,250	75,047
97.RD		Palo Alto Veterans Institute for Research	MCA0006-03/EMW-2020-FP-0020	UAA	25,744	
97.RD		University of Miami	OS00000330	UAA	14,693	14,693
	Department of Homeland Security Subtotal				<u>6,155,130</u>	<u>2,037,021</u>
	Agency for International Development					
98.RD	Agency for International Development			ASA	5,016,459	2,193,434
98.RD	Egypt USAID-Cairo			ASA	2,478,060	
98.RD	United States Agency for International Development			UAA	1,312,289	195,104
98.RD		Abt Associates, Inc.	TASK ORDER NO. 53980	ASA	66,342	
98.RD		Amref Health Africa	LOA 09-10-21/ 72066321CA00001	ASA	1,033,030	
98.RD		Applied Research Laboratory for Intelligence and Security (ARLIS)	110345-Z8429202	ASA	8,763	
98.RD		Boston Fusion Corp	BF-5065-SK001	ASA	182,722	
98.RD		Cerion Nanomaterials	v052218	ASA	138,430	
98.RD		CFD Research Corporation	0000001636	ASA	151,324	
98.RD		Chemonics International Inc.	VukaNow-ASU-01	ASA	34,345	
98.RD		Conservation International Foundation	CI-112310	ASA	112,252	
98.RD		CoolCAD Electronics, LLC	AGR 7/13/2022	ASA	57,776	
98.RD		DAI Global, LLC	1005034-S23-39631-00	ASA	74,654	
98.RD		National Academy of Sciences (NAS)	2000010567	ASA	5,270	5,270
98.RD		National Opinion Research Center (NORC)	8361.116.FP.01.01	ASA	17,907	
98.RD		Oceanit Laboratories, Inc.	AGR 8/17/2022	ASA	51,973	
98.RD		Purdue University	F0004868402098	ASA	18,821	
98.RD		The REMADE Institute	21-01-RR-5014	ASA	192,543	
98.RD		TUFTS University	104042	ASA	25,000	
98.RD		University of California, Davis	A201825S022	UAA	202,091	103,431
	Agency for International Development Subtotal				<u>11,180,051</u>	<u>2,497,239</u>
	Miscellaneous Federal Agencies					
99.RD	Miscellaneous Federal Government Agencies			ASA	327,001	
99.RD		Pacific Northwest National Laboratory (PNNL)	612293	ASA	1,659	
	Miscellaneous Federal Agencies Subtotal				<u>328,660</u>	
	Total Research and Development Cluster				<u>807,535,869</u>	<u>127,827,938</u>
	Total Expenditures of Federal Awards				<u>\$ 3,473,856,080</u>	<u>\$ 3,427,813,778</u>

State of Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1 - Significant accounting policies

Basis of Presentation—The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Reporting Entity—The schedule includes all federal awards activity administered by the State of Arizona and its component units, except for the ASU Preparatory Academy, Inc., Bermuda Institute of Ocean Sciences (BIOS), Inc. and California College of ASU.

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and business-type activities; governmental and proprietary funds; and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2023; and were accounted for using the modified accrual and full accrual basis of accounting, as applicable, in conformity with generally accepted accounting principles with the following exceptions:

Northern Arizona University	84.425F	COVID-19 - Education Stabilization Fund—Institutional Portion	\$3,666,412
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In this instance and amount, revenues were received during the fiscal year as reimbursement for lost revenues that were reduced or eliminated because of the COVID-19 pandemic and are reported as expenditures of federal awards.

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.

Transfers of Federal Assistance Between State Agencies—When federal assistance is transferred from one state agency to another, the expenditure should be reported in the SEFA only once for the State of Arizona as a reportable entity. For this reason transfer object 9111, Federal Transfers Out, is not included in total of expenditures for the transferring agency in the *InfoAdvantage C083-Schedule of Expenditures of Federal Awards* report. Federal financial assistance that cannot be transferred within AZ360 requires reconciliation as part of the annual closing process is reportable as part of the Federal Closing Package. All reporting requirements shall be communicated between agencies transferring federal [grant] funds.

State of Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Indirect Costs—State agencies negotiate and manage their own indirect cost rates. State of Arizona agencies that use the 10 percent de minimis cost rate are: the Arizona Cotton Research and Protection Council, Arizona Criminal Justice Commission, the Arizona Office of Tourism, Secretary of State’s Office, and the Arizona Department of Veteran’s Services.

Note 2 – Federal Assistance Listings (formerly CFDA)/Identifying Number

The program titles and Assistance Listings numbers were obtained from the federal or pass-through grantor or the website *SAM.GOV*. If the published compliance supplement indicates an updated assistance listing title it may be used. When an Assistance Listing number was unknown, the first two digits applicable to the federal agency, if known, were used; followed by the federal contract number. If the federal contract number was also unknown, the identifying number was composed of the first two digits applicable to the federal agency followed by the word “unknown”. For programs within the Research and Development Cluster, the first two digits applicable to the federal agency followed by the letters “RD” were used.

Note 3 - Research and Development Cluster

As provided by Uniform Guidance and any published Compliance Supplements, the research and development cluster of programs is summarized by federal agency subdivision or pass-through entity. In the case of the research and development cluster, a grant title is frequently not available, therefore the State conduit agency may be listed since this is the only means of identifying the grant.

Note 4 - Loans Programs

Student Loan Programs

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

Loan Program	Assistance Listing Number	Loan Balances Outstanding at June 30, 2023
STEM Education (formerly Education and Human Resources)	47.076	\$ 606,748
ARRA—Trans-NSF Recovery Act Research Support	47.082	68,620
Federal Perkins Loan Program—Federal Capital Contributions	84.038	4,932,216
Nurse Faculty Loan Program (NFLP)	93.264	6,861,650
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	12,224,028
Nursing Student Loans	93.364	524,351

State of Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 5 - Unemployment Insurance (Assistance Listings Number 17.225)

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

The amount presented in the schedule consists of the following:

Regular unemployment compensation benefits	\$254,575,234
COVID-19–Unemployment compensation benefits	100,484,191
Federal Additional Compensation (FAC) Recoupment	4,618,807
Unemployment compensation for federal employees	1,277,577
Unemployment compensation for ex-service members	322,676
Administrative costs	42,334,121
COVID-19 – Administrative Costs	<u>29,926,094</u>
Total expenditures	<u>\$433,538,700</u>

Note 6 - Contingent Liabilities

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

Note 7 - Donation Personal Protective Equipment (PPE)

In response to the COVID-19 pandemic, the federal government donated PPE with an estimated fair market value of \$38,173,885 to the State of Arizona. Per the 2023 Compliance Supplement, this amount is not included in the Schedule of Expenditures of Federal Awards and is not subject to audit. Therefore, this amount is unaudited.

Appendix

State of Arizona
State of Arizona agency codes
Year Ended June 30, 2023

Agency Code

ADA
AGA
AHA
ASA
BNA
CAA
CCA
CDA
CHA
CLA
CRA
DCA
DEA
DJA
DTA
EDA
EOA
EVA
FAA
FOA
GFA
GHA
GMA
GVA
HCA
HDA
HIA
HLA
HSA
HUA
ICA
IDA
JCA
LLA
MAA
MIA
NAA
PMA
PRA
PSA
SDA
SPA
STA
TOA
UAA
VSA
WCA

Agency

Arizona Department of Administration
Arizona Attorney General
Arizona Department of Agriculture
Arizona State University
Arizona State Board of Nursing
Arizona Commerce Authority
Arizona Corporation Commission
Arizona Early Childhood Development and Health Board
Arizona Department of Child Safety
Exposition and State Fair Board
Arizona Cotton Research and Protection Council
Arizona Department of Corrections
Arizona Department of Economic Security
Arizona Department of Juvenile Corrections
Arizona Department of Transportation
Arizona Department of Education
Office of Economic Opportunity
Arizona Department of Environmental Quality
Arizona Finance Authority
Arizona Department of Forestry and Fire Management
Arizona Game and Fish Department
Arizona Governor’s Office of Highway Safety
Arizona Department of Gaming
Office of the Arizona Governor
Arizona Health Care Cost Containment System
Arizona Department of Housing
Arizona Historical Society
Arizona Department of Homeland Security
Arizona Department of Health Services
Arizona Commission on the Arts
Industrial Commission of Arizona
Arizona Department of Insurance and Financial Institutions
Arizona Criminal Justice Commission
Arizona Department of Liquor Licenses and Control
Arizona Department of Emergency and Military Affairs
Arizona State Mine Inspector
Northern Arizona University
Arizona Board of Pharmacy
Arizona State Parks
Arizona Department of Public Safety
Arizona State Schools for the Deaf and the Blind
Arizona Supreme Court
Arizona Secretary of State
Arizona Office of Tourism
University of Arizona
Arizona Department of Veterans’ Services
Arizona Department of Water Resources

STATE RESPONSE

Katie Hobbs
Governor



**Elizabeth
Alvarado-Thorson**
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL ACCOUNTING OFFICE
100 NORTH FIFTEENTH AVENUE · SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-5601

December 17, 2024

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plans as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wisehart".

Michael Wisehart
Deputy Director
State Comptroller

MW:ac

cc:

Katherine Edwards Decker, Financial Audit Director, Arizona Auditor General
Nicole Bartlett, Financial Audit Manager, Arizona Auditor General
Ashley Retsinas, Assistant Director/Deputy State Comptroller, ADOA
Angela Dillard, Statewide Chief Financial Officer, ADOA

State of Arizona
Corrective action plan
Year ended June 30, 2023

Financial statement findings

2023-01

The State issued its Annual Comprehensive Financial Report late, resulting in untimely financial information for State legislators, federal grantors, creditors, and other stakeholders

Agency: Arizona Department of Administration (ADOA)

Name of contact persons and titles: Ashley Retsinas, ADOA Assistant Director

Kori Kappes, DES Chief Financial Officer

Jeff Tegen, AHCCCS Division of Budget and Finance

Completion date: See below

Agency's Response: Concur

ADOA anticipated completion date: March 31, 2026

The ability of the ADOA to issue the State's Annual Comprehensive Financial Report (ACFR) timely is largely contingent upon timely receipt of audited financial statements and other required information from State Agencies. ADOA provides written communications of expected dates of receipts of such information to the State agencies annually. ADOA will continue to work with State agencies, including AHCCCS and DES to provide guidance to assist them with their financial reporting process to issue the State's ACFR in accordance with the financial reporting and audit requirements.

DES anticipated completion date: November 30, 2025

The Department concurs that the timely submission of the Annual Comprehensive Financial Report (ACFR) is vital for oversight and strategic decision-making purposes. The Department will always strive to comply with federal timelines and will continue to actively work with our partners to bridge the gap caused by previously extended timelines and ensure timely reporting of future ACFRs. During fiscal year 2024, the Department onboarded new staff to focus on the collection of internal data from DES programs and to establish automated processes for client-related financial data. The additional resources helped the Department deliver financial information in a timely manner by meeting adjusted deadlines as requested throughout the audit. The Department will continue to prioritize the preparation of financial information to be sent to the Arizona Department of Administration (ADOA) and will be transparent with any difficulties that arise.

AHCCCS anticipated completion date: December 31, 2024

AHCCCS will be implementing the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and ARPA have contributed to the delay and will be continuing through the FY2024-FY2025 audits.

- Staffing
 - AHCCCS's current finance staff work efficiently, effectively and diligently on the audit. The audit team is a valuable asset to the agency. During FY 2024, AHCCCS experienced 100% employee turnover of the audit team. AHCCCS reviewed the size, requisite skills, knowledge, and expertise required to ensure adequate resources are in place to timely complete the year end

State of Arizona

Corrective action plan

Year ended June 30, 2023

- close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting.
- To that end, AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with yearend accruals, adjustments and financial statement preparation.
 - Pre-Audit Preparation
 - On a quarterly basis, prepare a cash-basis draft of the financial statements using AZ360 data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
 - On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
 - Overall Efficiencies
 - Increased collaboration with external auditing firm to develop comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines. Additionally, our external auditors have allocated additional resources to their AHCCCS team.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines. Specifically, and beginning with the SFY2024 audit cycle, AHCCCS has partnered with and maximized use of ADOA's Financial Consulting Group in our financial statement preparation. Further, AHCCCS has increased the meeting frequency with ADOA to collaborate and discuss audit obstacles.
 - Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.
 - AHCCCS has reviewed and revised our financial statement preparation policies and procedures to align with best practices.

2023-02

The Department of Revenue did not ensure it collected all income taxes that are due to the State, increasing the risk that the State may not receive all its income tax revenues

Agency: Arizona Department of Revenue (ADOR)

Name of contact person and title: Mike Devine, ADOR Chief Internal Auditor

Anticipated completion date: Fiscal year 2028

Agency's Response: Concur

In December 2020 the Department completed a project that allows it to ingest W2 and Form 1099 data submitted electronically by employers for use in performing income tax reconciliations, and since then has seen a yearly increase in the percentage of employers submitting electronically. Specifically, for tax year 2020 about 23 percent of Arizona employers submitted withholding data electronically;

State of Arizona

Corrective action plan

Year ended June 30, 2023

approximately 38 percent for tax year 2021; approximately 39 percent for tax year 2022; and approximately 62 percent for tax year 2023. The Department will continue to engage in outreach and education efforts to assist employers in understanding and complying with requirements for electronic submission of withholding information in order to help ensure that all relevant accounts are included in the Department's reconciliation process.

Additionally, the Department is engaged in the procurement of a new integrated tax system that will include withholding reconciliation for all relevant income tax accounts. The State awarded a contract for a new integrated tax system in 2023, which is being planned and implemented in stages across fiscal years 2024 through 2028 at a total implementation cost of \$104.4 Million. These costs include vendor, IV&V and ADOR staffing costs. The Department's fiscal year 2025 budget includes \$19,456,900 for the development of the new integrated tax system.

2023-03

The Department of Revenue did not publish \$18.4 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

Agency: Arizona Department of Revenue (ADOR)

Name of contact person and title: Mike Devine, ADOR Chief Internal Auditor

Anticipated completion date: Fiscal Year 2028

Agency's Response: Concur

ADOR's tax administration system currently prevents the Department from transferring overpayments to the unclaimed property system. However, information regarding these overpayments is still accessible by taxpayers that call in to the Department.

The Department is engaged in the procurement of a new integrated tax system that will allow all individual income tax overpayments of at least \$50 to be posted online for taxpayers to search and claim. The State awarded a contract for a new integrated tax system in 2023, which is being planned and implemented in stages across fiscal years 2024 through 2028.

2023-04

The Department of Education failed to develop and implement internal controls to address the risk of fraud and abuse related to its Empowerment Scholarship Account (ESA) program, which may have allowed a reported \$600,000 of ESA program monies to be allegedly misused by 3 former ESA employees

Agency: Arizona Department of Education (ADE)

Name of contact person and title: John Ward, ADE Executive Director

Anticipated completion date: Fiscal Year 2025

Agency's Response: Concur

Current Department of Education administration has developed key internal controls over Empowerment Scholarships Account program functions and processes that were previously at higher risk of fraud and

State of Arizona
Corrective action plan
Year ended June 30, 2023

abuse because of internal control deficiencies. The Department will continue to implement these internal controls in its daily operations as well as update policies and procedures.

2023-05

Department of Economic Security did not maintain accurate records to support unemployment insurance cash balances reported in the State's financial statements, resulting in a qualified financial statement opinion and a risk that the State may be required to return approximately \$231.1 million to the federal government

Agency: Arizona Department of Administration (ADOA)
Arizona Department of Economic Security (DES)

Name of contact persons and titles: Ashley Retinas, ADOA Assistant Director
Jacy Wilmes, DES FBOA Deputy Administrator
Kori Kappes, DES Chief Financial Officer

Anticipated completion date: See below

Agency's Response: Concur

ADOA anticipated completion date: June 30, 2025

We will review the current process for these unaudited financial statements and implement procedures to request and verify supporting documentation as appropriate.

DES anticipated completion date: June 30, 2026

The Department of Economic Security will address the audit recommendations as follows:

1. Maintain accurate and complete records to support the UC Fund's cash balances submitted to ADOA to ensure the State's financial statements are accurate and prepared in accordance with GAAP.

The Department has contracted with a third-party CPA firm to provide accounting services including a review of the records supporting unemployment insurance cash balances that were submitted to ADOA. In addition, the Department has begun to retain supporting documentation in a centralized location. This effort to centralize has enabled the Department to identify any missing documentation needed to support financial records.

2. Improve its compilation policies and procedures to include comprehensive, detailed procedures to:
 - a. Request and review source records, such as bank listings and reconciliations, to verify the accuracy of cash balances reported in the financial statements.
 - b. Monitor its bank accounts, ensuring all bank accounts that hold unemployment insurance cash are considered for financial statement reporting.
 - c. Perform and review bank reconciliations to reconcile the bank records to benefits systems' cash balances and document and explain reconciling items.

The Department will reevaluate its compilation policies and procedures to ensure source records are reviewed as reconciliations are performed in accordance with GAAP. The approach to reconciling benefits systems to bank accounts will be considered in the reevaluation. This reevaluation will also

State of Arizona
Corrective action plan
Year ended June 30, 2023

determine how to ensure all bank accounts are reported in the financial statements and to what extent monitoring will be implemented.

3. Allocate sufficient resources, such as staffing, to correct the errors in unemployment insurance cash source records, including bank account listings and reconciliations, and ensure adequate training is provided to perform and review the bank reconciliations.

As discussed above, the Department has contracted with a third-party CPA firm to provide accounting services in order to correct potential errors originating from improperly reconciled unemployment insurance cash accounts. These services also include the training of Department staff to establish controls that will help prevent the recurrence of accounting errors in future years. The Department continues its initiative to hire and retain qualified staff for the purposes of preparing and maintaining complete and accurate financial records. An accounting manager and experienced accountant have been hired to the unemployment insurance accounting team in support of this initiative.

4. Investigate the \$231.1 million of unreconciled cash to confirm if it consisted of recovered overpayments and/or fraudulent payments of federal unemployment insurance monies to the federal government and return any required monies to the federal government, as directed by the federal agency.

The Department's contracted accounting services referenced above include the reperformance of cash account reconciliations. After reperforming the reconciliations, the contractors will consult with the Department to determine the proper classification of unreconciled items. The Department will also work with its federal partners to remediate any errors.

2023-06

The Department of Housing reimbursed \$19,554 of State Housing Trust Fund monies to 1 nonprofit organization for costs that were unsupported, unallowable, and/or were paid to the nonprofit organization's principal officers or their immediate family members in violation of conflict-of-interest disclosure requirements

Agency: Arizona Department of Housing (DOH)

Name of contact person and title: Keon Montgomery, DOH Assistant Deputy Director of Programs

Anticipated completion date: June 30, 2025

Agency's Response: Concur

The Department is no longer reimbursing the subrecipient for unsupported or ineligible costs and is pursuing repayment of funds from the subrecipient. Written policies for reviewing and approving subrecipient reimbursements, as well as, risk assessment were reviewed, updated and amended to ensure ongoing compliance. Staff has been trained and new policies were implemented in FY 2024 subsequent to the period reviewed in this audit.

State of Arizona
Corrective action plan
Year ended June 30, 2023

2023-07

Six State agencies had deficiencies in their processes for managing and documenting IT risks, which may put operations and IT systems and data at unintended and unnecessary risk of potential harm

Agency: Arizona Department of Administration (ADOA)

Name of contact person and title: Ashley Retsinas, ADOA Assistant Director

Anticipated completion date: June 30, 2026

Agency's Response: Concur

The State is actively working to correct all issues related to the analyzing, managing and documenting of IT risks and identification, classification, and inventorying of sensitive information on the State's IT systems. Policy, processes and procedures have been implemented or are being developed to address any gaps. Each agency has developed a detailed corrective action plan to address this finding and will work with Department of Administration-Arizona Strategic Enterprise Technology Office as needed to implement recommendations in accordance with State-wide prescribed policies and procedures.

2023-08

Six State agencies' control procedures over IT systems and data were not sufficient, which increases the risk that the agencies may not adequately protect those systems and data

Agency: Arizona Department of Administration (ADOA)

Name of contact person and title: Ashley Retsinas, ADOA Assistant Director

Anticipated completion date: June 30, 2026

Agency's Response: Concur

The State is actively working to correct all issues related to the access, configuration management, information technology security (IT), and contingency planning of its IT resources. IT systems security is of the utmost importance to the State. Policy, processes and procedures have been implemented or are being developed to address any gaps. Each agency has developed a detailed corrective action plan to address this finding.

Other auditors' financial statement findings

The other auditors who audited the Arizona Health Care Cost Containment System (AHCCCS) reported the following finding responses.

2023-09

AHCCCS suspended more than 300 Medical Assistance Program sober-living providers for potential fraudulent billing practices but has not yet determined the amount of fraud or improper payments, potential recovery from the providers, or amount that may be due back to the federal government, resulting in a qualified financial statement opinion

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance

Anticipated completion date: December 31, 2024

Agency's Response: Concur

In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the state. Since then, AHCCCS has suspended more than 300 providers, assisted over 10,000 individuals with the humanitarian response, and implemented more than 20 new initiatives to combat fraud, waste, and abuse in the Medicaid program.

AHCCCS is continuing its investigations and refers Credible Allegations of Fraud (CAF) cases to law enforcement officials. AHCCCS will comply with all federal regulations regarding repayments of federal share and will work with CMS as the CAF cases continue through the law enforcement process.

2023-10

AHCCCS failed to provide timely key financial information for audit, resulting in delays to the State's incorporating this needed information into its financial statements and issuing them more timely as planned

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance

Anticipated completion date: December 31, 2024

Agency's Response: Concur

AHCCCS will be implementing the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and ARPA have contributed to the delay and will be continuing through the FY2024-FY2025 audits.

- Staffing
 - AHCCCS's current finance staff work efficiently, effectively and diligently on the audit. The audit team is a valuable asset to the agency. During FY 2024, AHCCCS experienced significant employee turnover of AHCCCS' team which is responsible for coordinating and administering

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the audit AHCCCS reviewed the size, requisite skills, knowledge, and expertise required to ensure adequate resources are in place to timely complete the year end close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting.

- To that end, AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with yearend accruals, adjustments and financial statement preparation.
- Pre-Audit Preparation
 - On a quarterly basis, prepare a cash-basis draft of the financial statements using AZ360 data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
 - On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.

2023-11

AHCCCS' initial financial statements contained errors, which increased the risk that those relying on the reported financial information could be misinformed

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance

Anticipated completion date: December 31, 2024

Agency's Response: Concur

AHCCCS acknowledges the audit adjustments noted in the finding. These adjustments have been reviewed in detail by our financial management team. The primary causes for the adjustments were identified as employee turnover, poor or nonexistent process documentation, an extensive learning curve of the newly assembled audit team, and financial/accounting system issues.

Specifically, during fiscal year 2023, AHCCCS experienced employee turnover of every employee who was directly engaged in prior audit cycles. AHCCCS has since opened and filled 2 new positions, including an audit manager who oversees the Single and financial audits, as well as an Accountant IV to assist with year ending accruals and financial statement preparation.

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Additionally, the system AHCCCS used in prior fiscal years to compile the annual financial statements underwent a data migration in June 2023, causing errors when attempting to utilize it for compiling the fiscal year 2023 financial statements. As a result, the financial statements were manually compiled this year utilizing Microsoft Excel, which contributed to a higher volume of adjustments than in prior years needing to be made.

AHCCCS has taken immediate rectification of the identified adjustments to ensure accuracy and compliance. AHCCCS is revising and updating our internal financial policies and procedures and audit file organization to align with best practices and ensure consistency in financial reporting. Further, AHCCCS is researching and testing the financial system used to compile our annual financial statements in prior years to utilize it again in future audit cycles. Finally, beginning with the fiscal year 2024 audit cycle, AHCCCS is working in partnership with ADOA to establish a preliminary review of financial statements and supporting schedules prior to being submitted to our external auditors for their consideration.

2023-12

AHCCCS did not adequately protect data in its eligibility system, resulting in a breach of sensitive information for 2,632 Medicaid members in May 2023

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance

Anticipated completion date: January 1, 2025

Agency's Response: Concur

At the point of discovery, AHCCCS disabled the HEAPlus system toolbar that allowed members to view this information. Additional internal procedures have been implemented to ensure this type of error cannot occur again. On July 3, 2023, AHCCCS began to notify, in writing, those members whose personal information was compromised. AHCCCS has notified HHS/Office of Civil Rights ("OCR") of the breach and has provided preliminary information. In September 2023, AHCCCS furnished additional information and records that have been requested by HHS/OCR.

AHCCCS does not anticipate any litigation as a result of the breach given its nature and scope. Additionally, AHCCCS is currently not able to estimate any costs related to credit monitoring or other costs but does not anticipate the costs to be material and believes any such costs would be fully covered by State Risk Management.

Additionally, AHCCCS does not anticipate further actions from HHS/OCR. HHS/OCR has previously announced enforcement discretion due to the pandemic. The breach resulted from a programming issue which occurred in part, due to the large number of cases during the Public Health Emergency ("PHE"). In contrast, issues of general concern to HHS/OCR generally involve matters of denial of access, hacking events or discrimination. In correspondence to AHCCCS from HHS/OCR dated January 3, 2024, HHS/OCR notified AHCCCS it closed the matter with no further action needed.

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The other auditors who audited the Arizona Commerce Authority (Authority) reported the following finding response.

2023-13

The Authority did not have internal controls to reconcile balances during their financial statement compilation process and adjusting journal entries were required. The Authority's activity is reported in the State's aggregate discretely presented component units' financial statements. The Authority's and the State's financial statements were adjusted for the misstatements noted.

Agency: Arizona Commerce Authority

Name of contact person and title: Brett Geringer, Chief Financial Officer

Anticipated completion date: Fiscal Year 2024

Agency's Response: Concur

A process has been undertaken that includes implementation of review procedures to be undertaken by the Controller and CFO as part of year-end closing duties.

The other auditors who audited the Arizona Property and Casualty Insurance Guaranty Funds (APCIGF) reported the following finding response.

2023-14

The APCIGF did not retain required approval documentation for \$816,451 of vendor payments for hospital or medical services, increasing the risk that material errors may not be prevented or detected. The APCIGF's activity is combined into the Department of Insurance and Financial Institutions' Guaranty Funds column reported in the State's aggregate discretely presented component units' financial statements.

Agency: Arizona Department of Insurance and Financial Institutions

Name of contact person and title: Lori Nestor, Guaranty Fund Assistant Director

Anticipated completion date: Fiscal Year 2024

Agency's Response: Concur

A procedure has been developed and implemented to ensure approval documentation for vendor payments initiated by the third-party administrator for hospital bills and medical services in excess of \$20,000 in a single bill, or charged to single claimant over \$20,000. These reviews will be documented. This will help ensure that vendor payments, initiated by the third-party administrator for hospital bills and medical services, are properly approved.

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Federal award findings and questioned costs

2023-101

Assistance listing number and program name: Not applicable

Agency: Arizona Department of Administration (ADOA)
Arizona Department Economic Security (DES)
Arizona Health Care Cost Containment System (AHCCCS)

Name of contact persons and titles: Ashley Retsinas, ADOA Assistant Director
Kori Kappes, DES Chief Financial Officer
Jeff Tegen, AHCCCS Division of Budget and Finance

Anticipated completion date: See below

Agency's response: Concur

ADOA anticipated completion date: March 31, 2026

The Department of Administration agrees timely submittal of the Single Audit is vital for Federal oversight and decision making purposes. We strive to comply with the Federal timelines. We will continue to actively work with the State agencies and our partners, communicating regularly to work towards a timely Single Audit.

The State is committed to continuing to move toward a cycle of completion that is in line with periods prior to the pandemic and outlined by federal law and state standard work. For those efforts impactful investments have been made by the Governor's Office towards enhancing our resources. This investment primarily focuses on expanding our team, adding skilled staff members who specialize in financial reporting and auditing. This proactive approach, supported by the Governor's Office, underscores our commitment to transparency and fiscal responsibility. By fortifying our resources in this manner, we are setting a foundation for meeting submission deadlines.

DES anticipated completion date: November 30, 2025

The Department concurs that the timely submission of the Single Audit Report is vital for oversight and strategic decision-making purposes. The Department will always strive to comply with federal timelines and will continue to actively work with our partners to bridge the gap caused by previously extended timelines and ensure timely reporting of future Schedules of Expenditure of Federal Awards (SEFA). During fiscal year 2024, the Department onboarded new staff to focus on the collection of internal data from DES programs and to establish automated processes for client-related financial data. The additional resources helped the Department deliver financial information in a timely manner by meeting adjusted deadlines as requested throughout the audit. The Department will continue to prioritize the preparation of financial information to be sent to the Arizona Department of Administration (ADOA) and will be transparent with any difficulties that arise.

AHCCCS anticipated completion date: December 31, 2024

AHCCCS will be implementing the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and ARPA have contributed to the delay and will be continuing through the FY2024-FY2025 audits.

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- Staffing
 - AHCCCS's current finance staff work efficiently, effectively and diligently on the audit. The audit team is a valuable asset to the agency. During FY 2024, AHCCCS experienced 100% employee turnover of the audit team. AHCCCS reviewed the size, requisite skills, knowledge, and expertise required to ensure adequate resources are in place to timely complete the year end close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting.
 - To that end, AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with yearend accruals, adjustments and financial statement preparation.
- Pre-Audit Preparation
 - On a quarterly basis, prepare a cash-basis draft of the financial statements using AZ360 data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
 - On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines. Additionally, our external auditors have allocated additional resources to their AHCCCS team .
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines. Specifically, and beginning with the SFY2024 audit cycle, AHCCCS has partnered with and maximized use of ADOA's Financial Consulting Group in our financial statement preparation. Further, AHCCCS has increased the meeting frequency with ADOA to collaborate and discuss audit obstacles.
 - Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.
 - AHCCCS has reviewed and revised our financial statement preparation policies and procedures to align with best practices.

2023-102

Assistance listing numbers and program names: 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425C COVID-19 Education Stabilization Fund – Governor's Emergency Education Relief (GEER) Fund

Agency: Arizona Governor's Office of Strategic Planning and Budgeting (Office)

Name of contact person and title: Sarah Brown, Director

Anticipated completion date: July 31, 2025

Agency's response: Concur

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Corrective action plan

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During fiscal year 2024, the Office took significant corrective action to improve subrecipient monitoring by developing and implementing a comprehensive subrecipient monitoring plan. This plan includes the following:

- **Financial Report-Reimbursement Requests**—The Office reviews the grantee's financial reports to ensure costs align with the approved budget, program objectives, and federal cost principles.
- **Performance Reports**—The Office reviews the submission of programmatic reports. The timelines for submission and frequency of the programmatic activity reports are defined in the terms and conditions of each award. The program activity reports document that all program requirements are being satisfactorily fulfilled. Grantee outreach is conducted when performance activity is lagging. Grantee check-ins and/or additional milestones are set to ensure goals are met. The Office may amend or terminate the grant award if sufficient progress is lacking.
- **Single Audit Reports**—The Office confirms any required Single Audits and reviews a copy of the most recent report.
- A Single Audit Questionnaire is distributed to grantees annually to confirm if the entity is subject to this federal audit requirement.
- The Office also reviews total payments issued to an entity by the Office in the prior year to confirm if disbursements met the audit threshold.
- The Office requests grantees submit their Single Audit Reporting Package (SARP) with any findings and the required Corrective Action Plan. In addition, the Office collects SARPs from the federal clearinghouse.
- The Office reviews SARPs for any findings and conducts follow-up monitoring of CAPs that impact any grant funding managed by the Office. Management decisions are issued to grantees as required for specific grant findings.
- **Risk Assessment (RA)**—The Office conducts a Risk Assessment (RA) of grantees when applying for grants to inform the grant award decision and possible grantee oversight or restrictions. Additionally, the Office conducts an annual RA of any grantee currently awarded funding.
- The RA contains a self-assessment for the grantee to complete and an internal review conducted by the Office. Scores from both are weighted and used to calculate the overall risk score for each grantee as high, medium, and low risk.
- The Office utilizes the RA results to prioritize high-risk grantees, which are reviewed through a desk or on-site monitoring. Medium-risk grantees will receive additional support and be referred to our Compliance and Reporting team for further review if additional concerns arise.

Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of waste, fraud, and abuse of federal dollars through our subrecipient monitoring process. The Office has developed and implemented processes for requirements such as single audit review and corrective action follow-up, risk assessment, and subrecipient monitoring to address the specific findings.

During the time frame corresponding to this audit finding, the pace and volume of grants management administrative duties required to be executed exceeded staffing capacity, contributing to the findings noted. As of this date, the Office has achieved stability in both manager and staff positions. In addition, the Office has allocated sufficient resources to comply with the award terms and program requirements by

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establishing a Grants Compliance and Reporting Team dedicated to performing necessary subrecipient monitoring procedures.

Furthermore, the Office has implemented all recommendations and would like to specifically highlight efforts to work with subrecipients to resolve the potential disallowed costs of \$1,903,858 of program monies that may have been spent in violation of its federal award terms by conducting on-site monitoring visits, desk reviews, and facilitating subrecipient technical assistance. OSPB is committed to continuing these efforts.

2023-103

Assistance listing number and program name: 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Agency: Arizona Governor's Office of Strategic Planning and Budgeting (Office)

Name of contact person and title: Sarah Brown, Director

Anticipated completion date: February 28, 2025

Agency's response: Concur

The Office agrees with this finding and will begin to take corrective action to bring the program fully into compliance with SLFRF Federal grant reporting requirements. The Office recognizes the importance of transparency in utilizing Federal grants and has taken significant corrective action to resolve any inaccuracies in Federal grant reporting. The Office has implemented specific actions to ensure reporting inaccuracies and program expenditure understatements/overstatements do not occur. During fiscal year 2025, the Office is taking corrective action to improve SLFRF reporting, including the following:

- **Award Reconciliation**—The Office has conducted a comprehensive review and extensive reconciliation of all awards to identify reporting inaccuracies.
- **Expenditure Reconciliation**—The Office staff responsible for preparing the SLFRF quarterly reports is completing the reconciliation of all expenditures to the State's accounting records, which are the official expenditures made for the program.
- **Enhanced Reporting Mechanisms**—The Office will review, correct, and/or resubmit any inaccurately reported information. The staff responsible for preparing the SLFRF quarterly reports is no longer reconciling to the Office's internal grants-management system.
- **Update Written Procedures**—Based on the comprehensive review noted in the response above, the Office is working to develop improved reporting procedures to ensure accurate submission of grant expenditure data. This may include revised standardized templates, improved guidelines, and enhanced communication channels to improve reporting accuracy.
- **Ongoing Training**—Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors. The Office will continue to strengthen internal controls to prevent similar issues from occurring in the future. This will involve strengthening oversight, providing additional training to staff members in reporting processes, and implementing regular quality assurance checks.

As of this date, the Office has allocated sufficient resources to comply with the award terms and program reporting requirements by establishing a new Grants Technology and Data team dedicated to the oversight of performing necessary SLFRF program reporting procedures.

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2023-104

Assistance listing number and program name: 84.425C COVID-19 - Education Stabilization Fund – Governor’s Emergency Education Relief (GEER) Fund

Agency: Arizona Governor’s Office of Strategic Planning and Budgeting (Office)

Name of contact person and title: Sarah Brown, Director

Anticipated completion date: May 1, 2025

Agency’s response: Concur

Corrective Action Plan:

The Office agrees with this finding and will begin to take corrective action to bring the program fully into compliance with FFATA reporting requirements under federal and state guidelines. The Office previously reported staff turnover for key personnel directly responsible for preparing, submitting, and reviewing FFATA reporting (i.e., 100 percent turnover). After reviewing supporting documentation and consulting with the U.S. Department of Education, the Office has determined that staff misinterpreted the reporting guidance. The Office understood the reporting did not require submissions on subawards made by another state agency. The Office did report the awards made to that respective state agency but did not include the agency subawards. The Office is working with the state agency to collect subaward data required for accurate reporting.

During fiscal year 2025, the Office took significant corrective action to improve FFATA reporting. This corrective action plan includes the following:

- **FFATA Reporting Reconciliation**—The Office will review, correct, and/or resubmit any inaccurately reported information, including subawards.
- **Annual Performance Reporting (APR) Reconciliation**—The Office is unable to amend and resubmit the fiscal year 2022 APR per guidance from the U.S. Department of Education - Education Stabilization Fund Reporting Helpdesk. The reporting portal is unable to accept any revisions for fiscal year 2022. The Office will review any current reporting and ensure subaward data is included.
- **Update Written Procedures**—The Office will update its written procedures to incorporate a process for reviewing federal guidance on a schedule aligned with federal reporting windows as applicable.
- **Ongoing Training**—Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors.

As of this date, the Office has allocated sufficient resources to comply with the award terms and program requirements by establishing a Grants Compliance and Reporting Team dedicated to performing necessary FFATA reporting procedures. The Office is committed to ongoing staff training, improved internal reporting processes, and ensuring the State’s stakeholders and the public have access to transparent and timely information about all federal award spending decisions on the USAspending.gov website as federal laws and regulations require.

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2023-105

Assistance listing numbers and program names: 21.023 COVID-19 - Emergency Rental Assistance Program
21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Agency: Arizona Department of Economic Security (DES)

Name of contact person and title: Molly Bright, DES CCSD Assistant Director

Anticipated completion date: June 30, 2026

Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:

1. Ensure benefit payments are for allowable costs paid to or on behalf of eligible program applicants.

The Department will review and confirm that benefits payments paid to or on the behalf of eligible program applicants are allowable expenditures of the federal funding being disbursed.

2. Follow existing policies and procedures to obtain required documentation to support requirements related to where the applicant lives and their income to ensure program applicants are eligible to receive benefit payments.

The Department will abide by the existing adjudication policies and procedures that require the submission of substantiating documentation supporting the claims made by applicants regarding where they live and their household income to confirm that applicants are eligible to receive benefit payments under the program and to verify the amount of benefits they shall receive.

3. Allocate sufficient staffing resources to perform a thorough evaluation of program benefits applications and provide training on eligibility requirements and allowable benefit payments.

The Department will attempt to obtain or allocate additional resources to staffing to support the program benefits application evaluation process and will provide additional training to staff on eligibility requirements and allowable benefit payment regulations.

4. Update the checklist Division personnel use to perform a post-review of eligibility determinations to include detailed guidance for verifying the determinations aligned with the Division's written policies and procedures and supported by adequate documentation.

The Department will update the checklist being used by staff to perform post-review of eligibility determinations to include detailed guidance on verifying the applicant benefits determinations in alignment with the divisional policies and procedures and evidenced by adequate substantiating documentation.

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2023-106

Assistance listing number and program name: 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Agency: Arizona Department of Economic Security (DES)

Name of contact person and title: Jim Whallon, DES Deputy CFO

Anticipated completion date: June 30, 2026

Agency's response: Concur

The Department of Economic Security will address the audit recommendations as follows:

1. Perform required monitoring of its subrecipients and their compliance with the award terms and program requirements.

The Department will revise its agency-wide policies and procedures related to single audit requirements for pass-through entities to include guidance regarding how to establish effective subrecipient monitoring procedures. The Department will also offer additional subrecipient monitoring guidance for programs administered by divisions with existing subrecipient monitoring findings.

2. Properly classify and report subrecipient expenditures on the State's SEFA.

The Department will revise its procedures related to single audit requirements to include steps detailing the instructions for classifying and reporting subrecipient expenditures on the State's SEFA. The updated procedures will include actions needed to be taken to ensure each pass-through relationship is appropriately determined and that every subrecipient relationship is communicated to the staff responsible for compiling the State's SEFA.

3. Develop, implement, and train all divisions on entity-wide written subrecipient-monitoring policies and procedures requiring all divisions to:
 - a. Assess the risk of each subrecipient's noncompliance and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
 - b. Verify subrecipients receive timely single audits, if required; follow up on and ensure that corrective action is taken on any audit findings that could potentially affect the program; and issue management decisions for any audit findings pertaining to the federal award.
 - c. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures' results and any Department actions taken, if appropriate.

In addition to the revisions in policy and procedures outlined in Recommendation #1 above, the Department will train staff responsible for administering compliance requirements for pass-through entities. This training will include instructions to formulate a risk assessment, review controls related to compliance requirements, review timely single audit submittal, follow up on audit findings, issue management decisions for findings, and maintain adequate documentation of monitoring procedures. The training will be provided to all staff responsible for administering programs with pass-through entities.

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4. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate individuals within each division to perform necessary subrecipient-monitoring procedures.

The Department will conduct analyses to determine resources needed, including staffing, to ensure compliance with applicable requirements. For example, the Department will assess the efficiency of its subrecipient-monitoring procedures, estimate future workloads, determine staffing needed to meet those workloads, and assign sufficient staff the responsibility for ensuring compliance with each requirement outlined in the federal award. The Department will also ensure the staff responsible for administering the compliance requirements prioritize this responsibility and communicate anticipated compliance deficiencies to management.

5. Update the form it uses to determine whether other parties receiving program monies have the role of a subrecipient or contractor to include guidance for how to determine each characteristic of a subrecipient and contractor relationship and require a conclusion to be documented. In addition, train staff to properly complete the form and perform supervisory reviews of it.

The Department will revise its Contractor/Subrecipient Determination form to clearly identify the final determination of a pass-through entity. The Department will also provide guidance to accompany the form that shows how to determine each characteristic of a subrecipient and contractor as well as how to make the final determination regarding the contractor versus subrecipient relationship. The Department will then provide training to staff responsible for using this form as part of the training outlined in Recommendation #3 above.

2023-107

Assistance listing number and program name: 21.023 COVID-19 - Emergency Rental Assistance Program

Agency: Arizona Department of Economic Security (DES)

Name of contact person and title: Molly Bright, DES CCSD Assistant Director

Anticipated completion date: June 30, 2025

Agency's response: Concur

The Department of Economic Security will address the audit recommendations as follows:

The Department will prepare and retain detailed documentation including system reports, queries, screenshots, and other evidence supporting the program information being reported to the federal agency for each Emergency Rental Assistance Program (ERAP) award. DES will also abide by its policies and procedures to retain all records relating to federal awards for a period of 5 years after all the federal funds are expended. For future related programs with this requirement, the Department will develop and implement internal control policies and procedures that ensure systems properly display complete and accurate data on the federal reporting dashboard as instructed by the federal agency's reporting guidelines. Additionally, these policies and provisions will ensure that any future ERAP award funding received by the Department will be separately reported to avoid commingling. Finally, the Department will require that ERAP personnel verify the reported program information to ensure all report element sections are complete and accurate, and that it matches the underlying benefits and financial systems data.

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The Department sunset the ERAP program on October 13th, 2023, due to an exhaustion of ERA 1 and ERA 2 funding.

2023-108

Assistance listing number and program name: 21.023 COVID-19 - Emergency Rental Assistance Program

Agency: Arizona Department of Economic Security (DES)

Name of contact person and title: Leanna DeKing, DES Policy Planning Project Manager

Anticipated completion date: June 30, 2025

Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:

The Department will ensure program costs are properly recorded in the financial system during the period of performance and only obligated costs are spent during the liquidation period. Closeout activities, such as direct administrative costs, will be obligated prior to the end of the award period and spent within the liquidation period, or 120 calendar days after the period of performance ends.

The Department will allocate sufficient resources to perform essential grant closeout functions to help prevent inappropriate charges. The Department will also update existing grant closeout procedures to require a review and approval of grant expenditures during the liquidation period to ensure they are allowable and properly obligated prior to the period of performance end date.

2023-109

Assistance listing number and program name: 17.225 Unemployment Insurance

Agency: Arizona Department of Economic Security (DES)

Name of contact persons and titles: Jacqueline Butera, DES Administrator
Jean Ahumada, DES BAM Manager

Anticipated completion date: March 18, 2024

Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:

The controls the Department put in place to address the federal regulation requirements, are multi-year remediation plans. The controls include recruiting and retaining a workforce with a strong knowledge and understanding of Unemployment Insurance Laws, Policies, and Procedures, as well as proper case management skills. From December 2022 through March 2024, the Benefit Accuracy and Measurement (BAM) unit experienced an 18 percent attrition rate. Given the fact that the BAM unit is made up of nine (9) auditors, one of which is a lead who does not receive a full caseload, an 18 percent attrition rate results in a significant impact on the distribution of workloads amongst experienced and new staff, respectively. As of December 2023, the BAM unit was 90 percent staffed with only 67 percent of auditors working a full caseload. This is because new hires with prior program knowledge do not receive a full caseload until three (3) months from their new hire date. During SFY 2023, the Department carefully balanced meaningful recruitments, staff training, and case assignments in order to support staff retention while addressing the federal timeliness requirements.

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As of March 18, 2024, the Department fully implemented the multi-year remediation plan, and has shown sustainable performance improvement in both the paid and denied claims accuracy measures since September 2023, due to these controls. As of SFY 2024, the Department has met all Paid Case Accuracy and Denied Case Accuracy timeliness performance measures.

2023-110

Assistance listing number and program name: 17.225 Unemployment Insurance
Agency: Arizona Department of Economic Security (DES)
Name of contact person and title: Tracy Raymer, DES Business Analyst Manager
Anticipated completion date: June 30, 2025
Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:
Develop and implement written policies and procedures to ensure it prepares and retains detailed documentation, such as system reports, queries, or screenshots, to support the program information it reports to the federal agency for the UI program for a period of at least three (3) years.
Beginning July 2024, the Department has assembled and retained all detailed supporting source documentation that supports the data provided in the *9050 - Time Lapse of All First Payments except Workshare* report and will retain it for a period of no less than three (3) years.

2023-111

Assistance listing numbers and program names: 93.575 Child Care and Development Block Grant
93.575 COVID-19 - Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.596 COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Agency: Arizona Department of Economic Security (DES)
Name of contact person and title: Traci Lira, DES Strategic Operations Coordinator
Anticipated completion date: September 1, 2024
Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:

The Department has revised its policies and procedures to ensure a signed receipt is captured for all Payment Disbursed Quickly (PDQ) submitted billings. In addition, the Department will retain all records related to a federal award for a period of 3 years from the final expenditure report submission date. These policies and procedures were implemented effective September 1, 2024.

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2023-112

Assistance listing numbers and program names: 93.575 Child Care and Development Block Grant
93.575 COVID-19 - Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.596 COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Agency: Arizona Department of Economic Security (DES)

Name of contact person and title: Martha Franquemont, DES Business Administrator

Anticipated completion date: June 30, 2025

Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:

The Department will immediately report the required missing information for its subawards on the FFATA Subaward Reporting System for this cluster. The Department will also follow the State's accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action. In addition, the Department will redirect and train existing resources to ensure FFATA reports are compiled, reviewed, and submitted timely.

2023-113

Assistance listing numbers and program names: 17.258 WIOA Adult Program
17.259 WIOA Youth Activities
17.278 WIOA Dislocated Worker Formula Grants

Agency: Arizona Department of Economic Security (DES)

Name of contact persons and titles: Aaron Johnson, DES Fiscal Compliance Manager
Tarry Haynie, DES Senior Fiscal Analyst

Anticipated completion date: June 30, 2025

Agency's Response: Concur

To ensure the Department's Division of Employment and Rehabilitation Services (DERS) Finance and Business Operations Administration (FBOA) performs the required monitoring of its sub-recipients and complies with the award terms and program requirements, it has added additional internal controls by updating the monitoring schedule to include backup fiscal monitors. The FBOA will also update its procedures to include the process for backup monitors to take on primary monitoring duties in the event an assigned staff member is unable to perform the onsite monitoring review as scheduled.

During fiscal year 2023, the fiscal compliance team within the FBOA consisted of only three staff members. They have since onboarded two additional staff, bringing the total number of fiscal compliance monitors to five. One of these additional staff members completed training and was assigned a full caseload in December 2023. The second new staff member is currently undergoing training and is expected to finish training and absorb a full caseload beginning March 2025. The Department is on track to complete all required onsite sub-recipient fiscal monitoring for fiscal year 2025.

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2023-114

Assistance listing numbers and program names: 17.258 WIOA Adult Program
17.259 WIOA Youth Activities
17.278 WIOA Dislocated Worker Formula Grants

Agency: Arizona Department of Economic Security (DES)

Name of contact persons and titles: Aaron Johnson, DES Fiscal Compliance Manager
Jacy Wilmes, DES Deputy Business Administrator

Anticipated completion date: June 30, 2025

Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:

The Department will immediately report the required missing information for its subawards on the FFATA Subaward Reporting System for the WIOA cluster.

The Department will also follow the State's accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than the month-end of the month following the sub-award action.

In addition, the Department will implement procedures requiring independent reviews to ensure the sub-award data is reviewed for accuracy prior to and after uploading to the federal government's reporting system.

2023-115

Assistance listing numbers and program names: 14.231 Emergency Solutions Grant Program
14.231 COVID-19 - Emergency Solutions Grant Program
93.558 Temporary Assistance for Needy Families
93.558 COVID-19-Temporary Assistance for Needy Families

Agency: Arizona Department of Economic Security (DES)

Name of contact person and title: Molly Bright, DES CCSD Assistant Director

Anticipated completion date: June 30, 2025

Agency's Response: Concur

The Department will stop the reimbursement of costs to all nonprofit and contracted subrecipients for items that are disallowed and/or restricted by the regulations of the federal Emergency Solutions Grant (ESG) program and Temporary Assistance for Needy Families (TANF) grant, including payments to personnel that violate the conflict-of-interest disclosure requirements. The Department will revise its expenditure review procedures to ensure compliance with these regulations prior to disbursing any ESG and/or TANF funding to any subrecipient for any purpose. These revisions will include review and approval by applicable management personnel prior to disbursement of federal funding. The Department is also in the process of establishing a divisional Monitoring and Compliance Policy and Procedure Manual which will establish procedures specific to subrecipient monitoring.

The Department will continue to assess the risk of noncompliance violations for each subrecipient and establish a plan of action to address noncompliance. The plan of action will include an array of training

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Corrective action plan
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and educational processes to ensure applicable personnel are knowledgeable of programmatic compliance requirements and Department contracts. The Department will also monitor subrecipients per its updated policies and procedures and will ensure proper oversight of federal expenditures as required by federal regulations.

The Department has amended its contracts with the applicable subrecipients to more clearly outline the regulatory requirements and expectations for expenditures under the ESG and TANF grants. The Department will also continue to resolve the unallowable costs reimbursed to subrecipients as deemed appropriate by the applicable federal agencies.

2023-116

Assistance listing number and program name: 14.267 Continuum of Care Program

Agency: Arizona Department of Housing (DOH)

Name of contact person and title: Keon Montgomery, DOH Assistant Deputy Director of Programs

Anticipated completion date: January 30, 2025

Agency's Response: Concur

The Department is no longer reimbursing the subrecipient for unsupported or ineligible costs and is pursuing repayment of funds from the subrecipient. Written policies for reviewing and approving subrecipient reimbursements, as well as, risk assessment were reviewed, updated and amended to ensure ongoing compliance. Staff has been trained and new policies were implemented in FY 2024 subsequent to the period reviewed in this audit. Contract Specialists in the Special Needs Division have received additional training through HUD TA support on CoC standards to ensure all request for reimbursement from subrecipients are eligible, reasonable and appropriately documented, including any allocations and purchasing requirements.

2023-117

Assistance listing number and program name: 14.267 Continuum of Care Program

Agency: Arizona Department of Housing (DOH)

Name of contact person and title: Keon Montgomery, DOH Assistant Deputy Director of Programs

Anticipated completion date: January 30, 2025

Agency's Response: Concur

The Department resumed monitoring duties and developed a monitoring schedule to ensure subrecipients maintain program compliance. The Department also established a risk assessment tool that assess risk associated with each subrecipient. Records of subrecipient monitoring will be kept for a period of time to demonstrate monitoring activities were performed.

State of Arizona
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2023-118

Assistance listing number and program name: 14.267 Continuum of Care Program
Agency: Arizona Department of Housing (DOH)
Name of contact person and title: Lori Moreno, DOH Human Resources and Procurement Administrator
Anticipated completion date: March 31, 2025
Agency's Response: Concur

The Department will update written policies and procedures related to procurement to incorporate applicable aspects of Federal Regulations 2 CFR §§200.321, 200.322, 200.323, and 200.327. The updated policy will address competition through competitive bids, sole source selections, and retention of procurement documents. In addition, the policy will state the Federal requirements that are to be included in purchase orders and contracts.

2023-119

Assistance listing number and program name: 14.267 Continuum of Care Program
Agency: Arizona Department of Housing (DOH)
Name of contact person and title: Keon Montgomery, DOH Assistant Deputy Director of Programs
Anticipated completion date: January 30, 2025
Agency's Response: Concur

The Department is in the process of developing written policies and procedures to address matching, level of effort, and earmarking. The policies and procedures will address communication with subrecipients and maintaining records and documentation of the amounts used to fulfill matching requirements.

2023-120

Assistance listing number and program name: 93.658 Foster Care—Title IV-E
93.658 COVID-19 - Foster Care—Title IV-E
Agency: Arizona Department of Child Safety (DCS)
Name of contact person and title: Emilio Gonzales, DCS Audit Administrator
Anticipated completion date: Fiscal Year 2025
Agency's Response: Concur

The Department will comply with the Federal Funding Accountability and Transparency Act (FFATA) and Federal Uniform Guidance regulations in accordance with the Department's Grant policies and procedures.

As of November 2024, the Department worked with the federal agency to resolve the inability to submit outstanding subaward information prior to January 2024. The FFATA reporting was completed for fiscal years 2024, 2023, 2022 and 2021.

The Department will also continue to follow its policies and procedures for reporting subaward actions, as required.

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2023-121

Assistance listing number and program name: 93.268 Immunization Cooperative Agreements
93.268 COVID-19 - Immunization Cooperative Agreements
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Agency: Arizona Department of Health Services (ADHS)

Name of contact person and title: Lora Andrikopoulos, ADHS Grants Administrator

Anticipated completion date: June 30, 2025

Agency's Response: Concur

ADHS will continue to work with the CQI Team, Financial Services - Assurance Team, Procurement, Finance Managers, Other internal partners, and Grants to update the process of FFATA. The process moving forward will include a communication plan, updates to the current standard work, the creation of new standard work if necessary for the subaward communication process, and additional training.

2023-122

Assistance listing numbers and program names: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
(formerly Improving Teacher Quality State Grants)

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Dr. Sarka White, ADE Deputy Associate Superintendent
Chris Brown, Business Officer of Education Programs

Anticipated completion date: February 2025

Agency's response: Concur

- The Arizona Department of Education (ADE) has already begun to document and execute practices addressing the recommendations issued by the auditor's office.
- ADE has already drafted a comprehensive policies and procedures document outlining eligibility, duties, and responsibilities with individuals who oversee and double-check the work. This document was created and refined by reviewing other states' procedures, federal technical assistance groups, communications with the Title federal program office at the United States Department of Education, and internal procedures in other units.
- The Title I unit has been restructured to have an operations team with multiple staff members overseeing data quality and internal controls for allocations. This updated structure ensures that multiple individuals are involved in the allocation process. Staffing for this should be completed by February 2025.
- The updated processes include entity management to determine when charter LEAs open and operate each year. Now, other systems validate this information instead of copying the information from the prior year. As such, this item has already been completed.
- Finally, the department will follow up with the United States Department of Education (USED) regarding recalculating the fiscal year 2023 and the six ineligible LEAs for Title II funds to determine feasible processes and resolutions to each audit recommendation.

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Corrective action plan
Year ended June 30, 2023

2023-123

Assistance listing numbers and program names: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
(formerly Improving Teacher Quality State Grants)

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Nicole Von Prisk, ADE Deputy Associate Superintendent of Grants
Management
Matt McClary, ADE Compliance Officer

Anticipated completion date: April 2025

Agency's response: Concur

- Tech team supervisor will have someone from that team put eyes on the initial generated report to compare results to prior year, looking at total number of LEAs, then greenlighting the initial report for the Tech Director and the Fiscal Director to review.
- Once the Fiscal and Tech Directors receive the report, they will be responsible for sampling the data that populated into the report, by looking at overall numbers who Pass, Pass with Exception, or Fail and doing a comparison for analysis to prior year summary results. They will conduct a random sampling, comparing totals to latest AFR totals, to ensure amounts populated correctly. Once random sampling has been completed, it will be sent to Deputy Associate Superintendent for final checks.
- Deputy Associate Superintendent will give final approval to move to public display of data, after confirmation of completeness and accuracy of data populated.

2023-124

Assistance listing number and program name: 84.010 Title I Grants to Local Educational Agencies

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Tim McCain, ADE Chief Financial Officer
Chris Brown, ADE Business Officer of Education Programs

Anticipated completion date: January 2025

Agency's response: Concur

- ADE is working on standardizing fiscal efficiency by adopting uniform guidelines that monitor obligations and expenditures. These guidelines outline available resources and determine allocation amounts within federal awards and earmark expiration dates within programs.
- ADE is also working on standardizing how funds may be reallocated to ensure that no funds are at risk of reverting to USED. Specifically, school improvement funds are now also tracked as part of Title I allocation and reallocation process. This will ensure funds are earmarked and obligated in a timely fashion (i.e., in the period of performance). This item is planned to be completed by January 2025.

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2023-125

Assistance listing numbers and program names: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
(formerly Improving Teacher Quality State Grants)

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Dr. Sarka White, ADE Deputy Associate Superintendent

Anticipated completion date: December 15, 2024

Agency's response: Concur

The Arizona Department of Education (ADE) has already begun implementing a program to ensure accurate and quality programmatic monitoring for all ESEA programs which specifically requires LEAs to meet 100% of the requirements of all statutorily required items to be monitored regardless of CMO affiliation. This development of programmatic monitoring will design a system of integrity to allow each LEA to have unique monitoring findings and ensure they are treated as all other LEAs regardless of management status. The Arizona Department of Education (ADE) is finalizing all program policies and procedures along with field training and staff training on how this program is implemented.

ADE began providing an assurance document to charters in May 2024 which asks the charters to assure that if they do business with a CMO, the CMO does not have fiscal or operational authority for the LEA. The charter is asked to submit to ADE a copy of their organizational chart, along with the assurances document. Grants Management has created a new user role in the Grants Management Enterprise (GME) system, called the LEA Contracted Update role. This role allows a CMO person the access to perform fiscal tasks for which they have been contracted but does not hold the final submit or approve capacity, that must be reserved for authorized employees of the LEA. Grants Management has provided the placeholder for the assurance and organizational chart in the LEA Document Library, along with the communication to eligible entities (charters in this case). Individual program areas within ADE who review and approve funding applications will be responsible for verifying the assurances have been signed and uploaded and only authorized people at the LEA are actioning funding applications in GME prior to the program area giving director approval to the application.

2023-126

Assistance listing number and program name: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
(formerly Improving Teacher Quality State Grants)
84.425D COVID-19 - Education Stabilization Fund-
Elementary and Secondary School Emergency Relief
(ESSER) Fund
84.425U COVID-19 - Education Stabilization Fund -
American Rescue Plan - Elementary and Secondary
Schools Emergency Relief (ARP ESSER) Fund

Agency: Arizona Department of Education (ADE)

Name of contact persons and titles: Nicole Von Prisk, ADE Deputy Associate Superintendent of
Grants Management
Matt McClary, ADE Compliance Officer

Anticipated completion date: October 30, 2024

Agency's response: Concur

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Year ended June 30, 2023

Arizona Department of Education has worked in cooperation with our vendor to correct outdated SQL queries that were identified and returning only approved grant award amounts rather than all awarded amounts, regardless of approval status. We will ensure that the original award amounts are being queried and, in return, reported within the FFATA Subaward Reporting System (FSRS). Additionally, through the reconciliation process each month, correct award amounts will align with corresponding Federal Award Identification Number (FAIN).

We have implemented an automated monthly reporting workflow/schedule which will help ensure required FFATA reporting is submitted timely. This process automation helps prompt monthly FFATA reporting uploads by leveraging office tools that are readily available and ensures monthly upload deadlines are met by automatically scheduling the task and requiring follow-up by the assignee.

In January of 2024 the staff assigned to FFATA uploads changed again (for the fourth time in a year) and at that point a new staff member assumed responsibility for FFATA uploads. As numerous corrections needed were discovered through the reconciliation process, new reports were uploaded. Some of these were original uploads for entities that were missing FSRS information altogether and some were corrections to previously uploaded yet incorrect information. With each monthly upload, a new date was being captured and while some of the information was new entity award information, not all of the information being updated was untimely.

This has been a long and arduous process, and we look forward to not having continued FFATA findings, as we are making progress to correcting award information for all federal grants moving forward from this point.

Our Compliance Officer reconciles the current FSRS award information monthly with our Lead Grants Coordinator or our Deputy Associate Superintendent. Any missing or duplicate information is corrected prior to the FSRS upload.

2023-127

Assistance listing numbers and program names: 84.425D COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425R COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRSSA EANS)

Agency: Arizona Department of Education (ADE)

Name of contact persons and titles: Michelle Udall, ADE Associate Superintendent
Dr. Sarka White, ADE Deputy Associate Superintendent

Anticipated completion date: November 30, 2024

Agency's response: Concur

ESSER Reporting will be validated by at least 2 people before submitting to U.S. Department of Education. This validation will include the reconciliation of data from the LEA to ADE's report. ADE is finalizing policies and procedures for validating the data prior to submission.

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Corrective action plan
Year ended June 30, 2023

ADE has already begun implementing a reconciliation system to ensure accurate reporting in the EANS annual performance report. This system tracks obligations by category, expenses, and appropriate earmarking of nonpublic schools (e.g., DUNS/UEI, grades served). ADE is finalizing general policies and procedures for how this data is compiled, interpreted, and reported based on the initial implementation and corrections of the EANS program.

2023-128

Assistance listing number and program name: Various
Agency: Arizona Department of Administration (ADOA)
Name of contact person and title: Ashley Retsinas, ADOA Assistant Director
Anticipated completion date: Unknown
Agency's response: Concur

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

This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (U.S. HHS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

2023-129

See the University response section at the end of this report for the corrective action plan for finding 2023-129.

Other auditors' federal award findings and questioned costs

2023-130

Assistance listing number and program name: 93.778 Medicaid Assistance Program (part of the Medicaid Cluster
93.778 COVID-19 Medicaid Assistance Program
Agency: Arizona Health Care Cost Containment System (AHCCCS)
Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance
Anticipated completion date: December 31, 2024
Agency's Response: Concur

In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the state. Since then, AHCCCS has suspended more than 300 providers, assisted over 10,000 individuals with the humanitarian response, and implemented more than 20 new initiatives to combat fraud, waste, and abuse in the Medicaid program. As the extent of the fraud was revealed, AHCCCS recognized

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Corrective action plan

Year ended June 30, 2023

the need for holistic and systemwide changes. AHCCCS partnered with the Attorney General and Governor's Office to develop a comprehensive plan to address the loopholes fraudulent providers were exploiting. Stop gap strategies implemented include, but may not limited to the following:

- Increased scrutiny of claims based on claims volume.
- Issued a moratorium on new provider registrations for impacted provider types
- Prevented Reimbursement of Claims for Impossibly Rendered Services
- Claims for Substance Abuse Services for Children under the age of 12 to Require Clinical Review Prior to Payment
- Set thresholds for services to initiate a prepayment review.
- Required claims to be billed for specific dates of service rather than ranges.
- Flagged claims for services of the same style/overlapping codes.
- Created a prepayment review process for providers utilizing suspicious billing practices.
- Eliminated retroactive billing.
- Credible Allegation of Fraud ("CAF") suspensions include both provider entities and owners/behavioral health ("BH") practitioners.
- Implemented ID.Me identity verification for AHCCCS Online.
- Required providers to disclose any third-party billing relationships.
- Behavioral Health Providers are now considered high-risk provider types for provider enrollment.
- Per Diem codes have been set to only be able to be billed once per day.
- Practitioners, including Behavioral Health Technicians, can no longer be patients at the same provider.
- Worked with the Arizona Corporation Commission to flag suspicious registrations.
- Ensured AHCCCS coding adhered to National Correct Coding Initiative ("NCCI") standards and confirmed no edits had been turned off.
- Streamlined AHCCCS reporting of bad actors to the appropriate professional oversight boards.

Stop gap strategies in process include, but may not be limited to, the following:

- Implementing eligibility integrity requirements for AIHP enrollment.
- Linking BHP to BH companies they work for.
- Link BH Providers to BH facilities they work at.
- Conduct onsite quality of care reviews for patients in treatment longer than 90 days.
- Require medical records to define specialized services.
- Implement a new pre/post pay claims system.
- Mandatory transition to Electronic Fund Transfer (direct deposit) for all AHCCCS provider reimbursements.

AHCCCS continues to investigate and identify areas of concern and implement necessary system improvements until it is determined that the integrity of the AHCCCS provider network is restored.

State of Arizona
Corrective action plan
Year ended June 30, 2023

2023-131

Assistance listing number and program name: 93.778 Medicaid Assistance Program (part of the Medicaid Cluster
93.778 COVID-19 Medicaid Assistance Program

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact persons and titles: Vanessa Templeman, Inspector General, AHCCCS Office of Inspector General;
Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance

Anticipated completion date: December 31, 2024

Agency's Response: Concur

AHCCCS OIG agrees with the finding as stated above. AHCCCS OIG commits to a review of the current Deferred Process and will determine areas of improvement to include; timelines for deferred case review completion, quarterly completed deferred case review reports, and required documentation for all deferred case processes.

2023-132

Assistance listing number and program name: 93.778 Medicaid Assistance Program (part of the Medicaid Cluster
93.778 COVID-19 Medicaid Assistance Program

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and Finance

Anticipated completion date: December 31, 2024

Agency's Response: Concur

AHCCCS concurs with the finding and would like to note this matter was discovered through internal review of OIG recoupment documentation and filings with CMS. This matter was reviewed in detail by our financial management team and AHCCCS determined this was caused by a few factors: (1) staffing issues and employee turnover in all units involved in the process to return OIG recoupments to CMS. (2) A breakdown of inter and intra-departmental communication and collaboration. Efforts to eliminate this from occurring in the future include recently filling the related following positions that experienced turnover: Accounting Supervisor, Reporting Administrator, and 2 Accounting Specialists. In addition, AHCCCS has increased collaboration across the respective departments and divisions to ensure the federal share of all case recoupments is timely returned to CMS. Further, we have revised our standard work processes to include monthly reconciliations of case recoupments among the various departments and divisions. AHCCCS anticipates to have returned the federal share to CMS for all case recoupments identified by December 31, 2024.

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Year ended June 30, 2023

2023-133

Assistance listing number and program name: 93.778 Medicaid Assistance Program (part of the
Medicaid Cluster
93.778 COVID-19 Medicaid Assistance Program

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Jeff Tegen, Assistant Director, AHCCCS Division of Budget and
Finance

Anticipated completion date: December 31, 2024

Agency's Response: Concur

AHCCCS concurs with the finding in this audit and would like to note this finding is related to no notice of disenrollment being mailed to a deceased member, and not related to enrollment ineligibility. AHCCCS Division of Member and Provider Services ("DMPS") will identify the standard process for notification that should have been followed for this case. Once the root cause of the issue has been established, AHCCCS will assess current processes and procedures, as appropriate, to address this issue.

Katie Hobbs
Governor



**Elizabeth
Alvarado-Thorson**
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL ACCOUNTING OFFICE
100 NORTH FIFTEENTH AVENUE □ SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-5601

December 17, 2024

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wisehart".

Michael Wisehart
Deputy Director
State Comptroller

MW:ac

cc:

Katherine Edwards Decker, Financial Audit Director, Arizona Auditor General
Nicole Bartlett, Financial Audit Manager, Arizona Auditor General
Ashley Retsinas, Assistant Director/Deputy State Comptroller, ADOA
Angela Dillard, Statewide Chief Financial Officer, ADOA

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

Status of financial statement findings

2022-01

The State issued its Annual Comprehensive Financial Report late, resulting in untimely financial information for State legislators, federal grantors, creditors, and other stakeholders

Agency: Arizona Department of Administration (ADOA)
Arizona Department of Economic Security (DES)
Arizona Health Care Cost Containment System (AHCCCS)

Name of contact person and title: Ashley Retsinas, ADOA Assistant Director
Roberta Harrison, DES Chief Financial Officer
Jeff Tegen, AHCCCS Division of Budget and Finance

Year finding initially occurred: Fiscal Year 2021

Status: See below

Agency: Arizona Department of Administration

Status: Partially corrected

Reason for recurrence: The ability of the ADOA to issue the State's Annual Comprehensive Financial Report (ACFR) timely is largely contingent upon timely receipt of audited financial statements and other required information from state agencies. ADOA provides written communications of expected dates of receipts of such information to the State agencies annually.

Actions taken: ADOA implemented ongoing communications with leadership teams regarding status and deliverables. ADOA provided detailed system reports and technical guidance to the State agencies. ADOA also provided an overview, decision forms, and worksheets for the new *GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*, to the State agencies and reviewed, as well as provided feedback on, the completed forms. ADOA inquired and received status updates from state agencies and held meetings to assist and resolve agency specific issues.

Actions remaining: ADOA will continue to work with State agencies, including AHCCCS and DES to provide guidance to assist them with their financial reporting process to issue the State's ACFR in accordance with the financial reporting and audit requirements.

Agency: Department of Economic Security

Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has continued to actively coordinate with its partners to meet reporting obligations as quickly as possible. The Department has updated written procedures for preparing components of the Annual Comprehensive Financial Report. The Department has also redeployed

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2023

existing team members to work exclusively on audited financial reports issued by the Arizona Auditor General.

Actions remaining: The Department will be onboarding three additional staff in FY 2024 that will focus on the collection of data and establishing automated processes pertaining to financial reporting.

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Status: Partially corrected

Reason for Recurrence: AHCCCS did not complete the FY 21 ACFR, the year of the finding, until August 9, 2022. This caused AHCCCS to fall behind in the work for the FY 22 ACFR. In addition, it should be noted that many of the complexities and federal initiatives related to COVID and ARPA that have contributed to the delay, will be continuing through the FY 23-FY25 audits.

Actions Taken: Staffing – To that end, AHCCCS has created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process and recently recruited and hired for a new Audit Manager position who will be directly responsible for the accounting positions who complete the audit. Finally, AHCCCS filled a vacant Accountant IV position.

Actions Remaining:

- Staffing – AHCCCS to hire and add an additional Accountant 4 position to the audit team.
- Cross-Training – AHCCCS management to continue to cross train other team members to assist with the audits.
- Pre-Audit Preparation
 - On a quarterly basis, prepare a draft of the financial statements with no accruals based only on AFIS data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
 - On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop a comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.

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Summary schedule of prior audit findings
Year ended June 30, 2023

2022-02

The Department of Revenue did not ensure it collected all income taxes that are due to the State, increasing the risk that the State may not receive all of its income tax revenues

Agency: Department of Revenue

Year finding initially occurred: Fiscal Year 2015

Status: Partially corrected

Reason for recurrence: The Department has continued to improve its processes for obtaining employers' W-2 and 1099 data electronically.

Actions taken: In December 2020, the Department completed a pilot project for collecting and capturing W-2 and Form 1099 data and developing a tool to perform a reconciliation process for withholding and individual income taxes. The Department began using this tool for the 2021 tax year.

In order to further increase compliance with electronic filing requirements, for tax year 2022 the Department implemented a new electronic filing method that allows software vendors and payroll service providers to transmit W-2 and 1099 forms directly to the Department. As a result of this improvement, the Department has not offered a general withholding electronic filing waiver for the 2022 or 2023 tax years.

Actions remaining: The Department is engaged in the implementation of a new integrated tax system that will include withholding reconciliation for all relevant income tax accounts. The State awarded a contract for a new integrated tax system in 2023, which is being planned and implemented in stages across fiscal years 2024 through 2028, with new tax types coming online each fiscal year. The total implementation cost of the new integrated tax system is \$104.4 Million, with costs including vendor, IV&V and ADOR staffing costs. The Department's fiscal year 2025 budget includes \$19,456,900 for the development of the new integrated tax system.

2022-03

The Department of Revenue did not publish \$21.3 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

Agency: Department of Revenue

Year finding initially occurred: Fiscal Year 2019

Status: Not corrected

Reason for recurrence: As noted in the finding, issues with ADOR's tax administration system currently prevent the Department from transferring overpayments to the unclaimed property system. However, information regarding these overpayments is still accessible by taxpayers that call in to the Department.

Actions remaining: The Department is engaged in the implementation of a new integrated tax system that will allow all individual income tax overpayments of at least \$50 to be posted online for taxpayers to search and claim. The State awarded a contract for a new integrated tax system in 2023, which is being planned and implemented in stages across fiscal years 2024 through 2028, with new tax types coming online each fiscal year. The total implementation cost of the new integrated tax system is \$104.4 Million,

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with costs including vendor, IV&V and ADOR staffing costs. The Department's fiscal year 2025 budget includes \$19,456,900 for the development of the new integrated tax system.

2022-04

The State's initial financial statements contained misstatements, which increased the risk that those relying on the reported financial information could be misinformed

Agency: Arizona State Land Department

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: Replacing an ERP system is complex and requires time, planning, and resources.

Actions taken: The Department of Land implemented a new review process during the fiscal year.

Actions remaining: The Department will continue system planning, development, testing, documenting, and implementation.

2022-05

The Department of Housing reimbursed \$11,002 of State Housing Trust Fund monies to 1 nonprofit organization for costs that were unsupported, unallowable, and/or were paid to the nonprofit organization's principal officers or their immediate family member in violation of conflict-of-interest disclosure requirements

Agency: Department of Housing

Year finding initially occurred: Fiscal Year 2015

Status: Partially corrected

Reasons for Recurrence: The corrective action plan incorporates updates to the Division's written policies and procedures which the Department anticipates will be completed by April 30, 2024.

Actions taken: The Department is no longer reimbursing the subrecipient for unsupported or ineligible costs. Additionally, staff received training pertaining to eligible expenses and allowable costs.

Actions remaining: The Department is diligently working to recover funds disbursed for unallowable expenses. Also, we are working towards the completion of Division policies and procedures pertaining to subrecipient reimbursements and risk assessment.

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2022-06

Four State agencies had deficiencies in their processes for managing and documenting IT risks, which may put operations and IT systems and data at unintended and unnecessary risk of potential harm

Agency: Arizona Department of Administration (ADOA)

Year finding initially occurred: Fiscal Year 2015

Status: Partially corrected

Reasons for Recurrence: Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year.

Actions taken: As indicated the finding is complex and multiple agencies are involved. Various actions have been taken including updating and implementing policy, processes and procedures.

Actions remaining: The State is actively working to correct all issues related to the analyzing, managing and documenting of IT risks and identification, classification, and inventorying of sensitive information on the State's IT systems. Each agency has developed a detailed corrective action plan to address this finding and will work with the Department of Administration-Arizona Strategic Enterprise Technology (ASET) Office as needed to implement recommendations in accordance with statewide prescribed policies and procedures.

2022-07

Five State agencies' control procedures over IT systems and data were not sufficient, which increases the risk that the agencies may not adequately protect those systems and data

Agency: Arizona Department of Administration (ADOA)

Year finding initially occurred: Fiscal Year 2015

Status: Partially corrected

Reasons for Recurrence: Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year.

Actions taken: As indicated the finding is complex and multiple agencies are involved. Various actions have been taken including updating and implementing policy, processes and procedures.

Actions remaining: The State is actively working to correct all issues related to the access, configuration management, information technology security (IT), and contingency planning of its IT resources. IT systems security is of the utmost importance to the State. Each agency has developed a detailed corrective action plan to address this finding.

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2022-08

Arizona Department of Administration lacked periodic communications to State agencies, such as the Arizona Health Care Cost Containment System, to ensure they reported instances of fraud, theft, waste, and abuse, potentially affecting the State's ability to effectively address suspected or known fraud, theft, waste, and abuse in a timely manner and evaluate its effect on the State's financial statements

Agency: Arizona Department of Administration (ADOA)

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for Recurrence: The discussion of corrective actions did not occur until after the fiscal year ended.

Action Remaining: Topic of month discussion at CFO meeting, reminder on applicable State of Arizona Accounting Manual policy, quarterly survey to all agencies ask about potential for fraud.

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for Recurrence: AHCCCS is committed to transparency and accountability in reporting suspected fraud, theft, waste, and abuse. AHCCCS recognizes the importance of reporting fraud, theft, waste, and abuse to ensure timely and accurate financial statements for the State. The discussion of corrective actions did not occur until after the fiscal year ended.

Actions Remaining: AHCCCS will work with and comply with the Arizona Department of Administration policy for achieving those notifications in a manner that does not conflict with AHCCCS Federal regulations which condition AHCCCS funding upon direct reporting of suspected fraud to the Arizona Attorney General as the, "single, identifiable entity of the State government . . ." authorized to conduct a statewide program for investigation and prosecution of AHCCCS fraud allegations. 42 CFR § 1007.5.

2022-09

AHCCCS failed to provide timely key financial information for audit, resulting in delays to the State's incorporating this needed information into its financial statements and issuing them more timely as planned

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for recurrence: AHCCCS has continued to experience turnover and due to timing has not been able to implement corrective action.

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Actions remaining:

Staffing

- AHCCCS's current finance staff work tirelessly and are great assets to the agency. However, AHCCCS will review the current size and requisite skills, knowledge, and expertise of the existing accounting department to ensure adequate resources are in place to timely complete the year end close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting.
- To that end, AHCCCS has created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process and is recruiting for additional staffing to support the audit functions. .
- Provide comprehensive cross training to other team members who are already helping with audit.

Pre-Audit Preparation

- On a quarterly basis, prepare a draft of the financial statements with no accruals based only on AFIS data. The purposes is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
- On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.

Overall Efficiencies

- Increased collaborations with external auditing firm to develop comprehensive work plan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
- Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
- Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members additional time to address the financial statements.

2022-10

AHCCCS' deficiencies in its eligibility information system programming resulted in 2,632 individuals' sensitive information being compromised in May 2023 and AHCCCS' taking remedial action, including notifying affected individuals in July 2023

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for recurrence: Due to the timing of the breach, AHCCCS was not able to implement the corrective actions until subsequent to June 30, 2023.

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Actions remaining: At the point of discovery, AHCCCS disabled the HEAPlus system toolbar that allowed members to view this information. Additionally, AHCCCS will create workarounds in HEAPlus and PMMIS to ensure no further information is erroneously disclosed. Plans for system changes to address this issue are being drafted and implementation will occur once it is decided what the final solution should look like.

All system programming changes will go through a complete systems development life cycle that includes requirements development, programming, unit testing, system regression testing, and user acceptance testing.

2022-11

ACI failed to remove capital asset disposals from its capital assets net accumulated depreciation reported in the State's other enterprise funds', resulting in a \$304,984 overstatement. ACI's and the State's financial statements were adjusted for the overstatement.

Agency: Arizona Correctional Industries

Year finding initially occurred: Fiscal Year 2021

Status: Fully corrected

2022-12

The Authority improperly recognized \$500,000 of grant revenues reported in the State's aggregate discretely presented component units' financial statements. The Authority's and the State's financial statements were adjusted for this misstatement.

Agency: Arizona Commerce Authority

Year finding initially occurred: Fiscal Year 2022

Status: Fully corrected

2021-03

Department of Economic Security paid 108,377 claimants \$218.4 million of federal Pandemic Unemployment Assistance benefits that exceeded the minimum weekly benefit but has not yet determined whether the claimants were qualified as required; therefore, it does not know how much in potential overpayments it may have paid and would potentially need to recover

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2020

Status: Fully corrected

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2019-06

The Public Safety Personnel Retirement System and the Department of Administration should ensure the accuracy of data provided to actuaries.

Agency: Arizona Public Safety Personnel Retirement System

Year finding initially occurred: Fiscal Year 2019

Status: Fully corrected

Status of federal award findings and questioned costs

2022-101

Assistance listing number and name: Not applicable

Agency: Arizona Department of Administration (ADOA)

Department of Economic Security (DES)

Department of Education (DOE)

Arizona Health Care Cost Containment System (AHCCCS)

Name of contact persons and titles: Ashley Retsinas, ADOA Assistant Director
Roberta Harrison, DES Chief Financial Officer
Tim McCain, ADE Chief Financial Officer
Arianna Nelson, ADOT Deputy Controller
Karen MacLean, AHCCCS DBF Finance Administrator

Year finding initially occurred: Fiscal Year 2020

Status: See below

Agency: Arizona Department of Administration (ADOA)

Status: Partially corrected

Reason for reoccurrence: The COVID-19 pandemic resulted in the need for the State to focus resources and manpower in responding to the crisis. In addition, Federal Acts passed in response to the pandemic resulted in a large influx of federal monies and put additional pressure on the State, and its components, to meet related requirements for the receipt and use of such monies. This stretched the capacity of the State and resulted in delays in the issuance of the State's financial statements, completion of schedule of expenditures of federal awards compilation and separately audited agency major programs to be included in the State's Single Audit.

Actions taken: ADOA implemented ongoing communications with leadership teams regarding status and deliverables, implemented several integrity review processes of information in the statewide accounting system, communicated criticality of submitting by deadline including consequences to state CFO's, reached out directly to agencies not meeting deadlines as well providing updated guidance documents and direct guidance to agencies.

Remaining actions: The Department of Administration agrees timely submittal of the Single Audit is vital for Federal oversight and decision making purposes. We strive to comply with the Federal timelines.

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We will continue to actively work with the State agencies and our partners, communicating regularly to work towards a timely Single Audit.

The State is committed to continuing to move toward a cycle of completion that is in line with periods prior to the pandemic and outlined by federal law and state standard work. For those efforts impactful investments have been made by the Governor's Office towards enhancing our resources. This investment primarily focuses on expanding our team and adding skilled staff members who specialize in financial reporting and auditing. This proactive approach, supported by the Governor's Office, underscores our commitment to transparency and fiscal responsibility. By fortifying our resources in this manner, we are setting a foundation for meeting submission deadlines.

Agency: Department of Economic Security
Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has continued to actively coordinate with its partners to meet reporting obligations as quickly as possible. The Department has also redeployed existing team members to work exclusively on audited financial reports issued by the Arizona Auditor General.

Actions remaining: The Department will be onboarding three additional staff in FY 2024 that will focus on the collection of data and establishing automated processes pertaining to financial reporting.

Agency: Department of Education
Status: Fully corrected

Agency: Department of Transportation
Status: Not corrected

Reason for recurrence: With the completion of the FY2022 Single Audit, the Arizona Department of Transportation met with its partners regarding Federal timelines, which are its external auditors, the Auditor General's Office (OAG) and the General Accounting Office (GAO), to identify efficiencies that can be gained in this process. Expectations for the FY2023 audit were aligned, so that ADOT's external auditors would dual track their Federal audit work, and audit work of ADOT's Annual Comprehensive Financial Report (ACFR).

Actions remaining: Meet annually at the end of each fiscal year to review plans for the upcoming audit and continue to look for opportunities for improvement.

Agency: Arizona Health Care Cost Containment System (AHCCCS)
Status: Partially corrected

Reason for recurrence: AHCCCS did not complete the FY 21 Single Audit Report, the year of the finding, until August 9, 2022. This caused AHCCCS to fall behind in the work for the FY 22 Single Audit

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Report. In addition, it should be noted that many of the complexities and federal initiatives related to COVID and ARPA that have contributed to the delay, will be continuing through the FY 23-FY25 audits.

Actions Taken: Staffing – To that end, AHCCCS has created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process and recently recruited and hired for a new Audit Manager position who will be directly responsible for the accounting positions who complete the audit. Finally, AHCCCS filled a vacant Accountant IV position.

Actions Remaining:

- Staffing – AHCCCS to hire and add an additional Accountant 4 position to the audit team.
- Cross-Training – AHCCCS management to continue to cross train other team members to assist with the audits.
- Pre-Audit Preparation
 - On a quarterly basis, prepare a draft of the financial statements with no accruals based only on AFIS data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
 - On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop a comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.

2022-102

Assistance listing number and name: 21.019 COVID-19 - Coronavirus Relief Fund

Agency: Governor's Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The Office was not adequately staffed in order to perform subrecipient monitoring.

Actions taken: During fiscal years 2023 and 2024, the Office took significant corrective action to improve subrecipient monitoring, including assessing each subrecipient's risk of noncompliance, collecting single audits (as applicable) or certified financial statements from new awardees, and requesting and reviewing additional information from grantees related to uses of awarded funds. Additionally, Office staff have attended training to improve their understanding of and tools available to them to perform subrecipient monitoring procedures, as required. The Office has also conducted a staffing assessment and has added resources to perform subrecipient monitoring and review. The team is

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sufficiently staffed now to proceed with subrecipient monitoring in an operational way that will provide results.

Actions remaining: Office staff have attended training and will continue to learn and attend training opportunities in order to improve their understanding of tools available to them to perform subrecipient monitoring procedures, as required by regulation. Furthermore, the department will be implementing additional monitoring activities to have more oversight of the grants and the grantees.

2022-103

Assistance listing number and name: 21.019 COVID-19 - Coronavirus Relief Fund

Agency: Governor's Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Fully corrected

2022-104

Assistance listing number and name: 84.425C COVID-19 - Education Stabilization Fund–Governor's
Emergency Education Relief (GEER) Fund

Agency: Governor's Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The Office was not adequately staffed in order to perform subrecipient monitoring.

Actions taken: During fiscal years 2023 and 2024, the Office took significant corrective action to improve subrecipient monitoring, including assessing each subrecipient's risk of noncompliance, collecting single audits (as applicable) or certified financial statements from new awardees, and requesting and reviewing additional information from grantees related to uses of awarded funds. Additionally, Office staff have attended training to improve their understanding of and tools available to them to perform subrecipient monitoring procedures, as required. The Office has also conducted a staffing assessment and has added resources to perform subrecipient monitoring and review. The team is sufficiently staffed now to proceed with subrecipient monitoring in an operational way that will provide results.

Actions remaining: Office staff have attended training and will continue to learn and attend training opportunities in order to improve their understanding of tools available to them to perform subrecipient monitoring procedures, as required by regulation. Furthermore, the department will be implementing additional monitoring activities to have more oversight of the grants and the grantees. Furthermore, the department will be implementing additional monitoring activities to have more oversight of the grants and the grantees.

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2022-105

Assistance listing number and name: 84.425C COVID-19 - Education Stabilization Fund—Governor’s
Emergency Education Relief (GEER) Fund/FFATA

Agency: Governor’s Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The Office previously reported staff turnover for key personnel directly responsible for preparing, submitting, and reviewing FFATA reporting (i.e., 100 percent turnover). After reviewing supporting documentation and consulting with the U.S. Department of Education, the Office has determined that staff misinterpreted the reporting guidance. The Office understood the reporting did not require submissions on subawards made by another state agency. The Office did report the awards made to that respective state agency but did not include the agency subawards.

Actions taken: During fiscal year 2025, the Office took significant corrective action to improve FFATA reporting. This corrective action plan includes the following:

- FFATA Reporting Reconciliation—The Office will review, correct, and/or resubmit any inaccurately reported information, including subawards.
- Annual Performance Reporting (APR) Reconciliation—The Office will review, correct, and/or resubmit any inaccurately reported information for the fiscal year 2022 APR, including subawards.
- Grants Compliance and Reporting Team dedicated to performing necessary FFATA reporting procedures.

Actions remaining: The Office is committed to ongoing staff training and improved internal reporting processes. The remaining actions include the following:

- Update Written Procedures—The Office will update its written procedures to incorporate a process for reviewing federal guidance on a schedule aligned with federal reporting windows as applicable.
- Ongoing Training—Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors.

2022-106

Assistance listing number and name: 21.027 COVID-19 - Coronavirus Relief Fund/State and Local
Fiscal Recovery Fund

Agency: Governor’s Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The Office was not adequately staffed in order to perform subrecipient monitoring.

Actions taken: During fiscal years 2023 and 2024, the Office took significant corrective action to improve subrecipient monitoring, including assessing each subrecipient’s risk of noncompliance,

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collecting single audits (as applicable) or certified financial statements from new awardees, and requesting and reviewing additional information from grantees related to uses of awarded funds. Additionally, Office staff have attended training to improve their understanding of and tools available to them to perform subrecipient monitoring procedures, as required. The Office has also conducted a staffing assessment and has added resources to perform subrecipient monitoring and review. The team is sufficiently staffed now to proceed with subrecipient monitoring in an operational way that will provide results.

Actions remaining: Office staff have attended training and will continue to learn and attend training opportunities in order to improve their understanding of tools available to them to perform subrecipient monitoring procedures, as required by regulation. Furthermore, the department will be implementing additional monitoring activities to have more oversight of the grants and the grantees.

Agency: Arizona Supreme Court
Status: Partially corrected

Reason for recurrence: The finding was not identified and reported back to the Judicial Branch until the December 2023.

Actions taken: The Judicial Branch/Arizona Supreme Court has drafted a Risk-Assessment Questionnaire for all Federal Grants in which the Supreme Court is a pass-through grantee, to collect all essential information that is needed to reasonably assess the risk probability of possible subrecipients going forward in accordance with 2 CFR §§200.332[b] and [d – e]

Actions remaining: Completion of risk-assessment questionnaires and related follow-up for all applicable Federal Grants should be completed in the second half of FY24.

Agency: Arizona Office of Tourism
Status: Partially corrected

Reason for recurrence: Audit findings for fiscal year 2022 were released in the Fall of 2023. In response, the Arizona Office of Tourism (AOT) made changes to the program.

Actions taken: AOT created a process and implemented standard work for subrecipient monitoring. Additionally, the Department updated processes related to the risk assessment of subawardees.

Actions remaining: AOT will finalize the implementation of updated processes for risk assessment of subawardees.

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2022-107

Assistance listing number and name: 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Agency: Governor's Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: While the Office had implemented a reconciliation process, during the Single Audit review, the Office identified inaccuracies with reporting in earlier awards that had not been corrected.

Actions taken: The Office has implemented specific actions to ensure reporting inaccuracies and program expenditure understatements/overstatements do not occur. During fiscal year 2025, the Office is taking corrective action to improve SLFRF reporting, including the following:

- Award Reconciliation—The Office has conducted a comprehensive review and extensive reconciliation of all awards to identify reporting inaccuracies.
- Expenditure Reconciliation—The Office staff responsible for preparing the SLFRF quarterly reports is completing the reconciliation of all expenditures to the State's accounting records, which are the official expenditures made for the program.
- Grants Technology and Data team dedicated to the oversight of performing necessary SLFRF program reporting procedures.

Actions remaining: The Office recognizes the importance of transparency in utilizing Federal grants and will continue to take significant corrective action to resolve any inaccuracies in Federal grant reporting. The remaining actions include the following:

- Update Written Procedures—Based on the comprehensive review noted in the response above, the Office is working to develop improved reporting procedures to ensure accurate submission of grant expenditure data. This may include revised standardized templates, improved guidelines, and enhanced communication channels to improve reporting accuracy.
- Ongoing Training—Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors. The Office will continue to strengthen internal controls to prevent similar issues from occurring in the future. This will involve strengthening oversight, providing additional training to staff members in reporting processes, and implementing regular quality assurance checks.

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2022-108

Assistance listing number and name: 12.401 National Guard Military Operations and Maintenance (O&M) Projects

Agency: Department of Emergency and Military Affairs (DEMA)

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for Reoccurrence: Due to the timing of the Single Audit Fiscal Year 2022, the Department's Human Resources staff was unaware of the conditions regarding the retention of the personnel action forms and the authorization for working on specific programs until after fiscal year 2023 was over.

Actions Remaining: The Director will update and/or develop procedures for recordkeeping in accordance with all applicable State and department directives and ensure all staff comply with the developed standards. The Director shall provide and instruct all staff on records management, to include standard work processes for documentation retention, personnel action form completeness, federal program authorizations, and required signature approvals. In addition, the Director will inform critical stakeholders of the requirement for a personnel action form to be timely, authorized, and approved prior to any HRIS adjustments. Although we initially anticipated a completion date of April 30, 2024, we are revising that completion date to June 30, 2025, primarily due to turnover of critical personnel. This will allow our HR team time to review the personnel files and implement corrective actions.

2022-109

Assistance listing number and name: 21.023 COVID-19 - Emergency Rental Assistance Program

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to fully execute its comprehensive approach to address pandemic-related audit findings.

Actions remaining: The Department will work with its portal contractor to identify and resolve system errors impacting reporting information. The Department will also establish a review procedure to monitor accuracy and compliance.

2022-110

Assistance listing number and name: 17.225 COVID-19 - Unemployment Insurance

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2020

Status: Fully corrected

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2022-111

Assistance listing number and name: 17.225 COVID-19 - Unemployment Insurance

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2021

Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance (UI) audit findings.

Actions taken: The Department began recruiting for staff vacancies to help complete required UI case investigations.

Actions remaining: The Department will continue to recruit for remaining staff vacancies. The Department will also make efforts to improve staff retention by focusing on recruiting individuals with a strong knowledge and understanding of UI laws, policy and procedures, proper case management, and by enhancing the delivery of existing BAM training.

2022-112

Assistance listing number and name: 93.568 Low-Income Home Energy Assistance

93.568 COVID-19 - Low-Income Home Energy Assistance

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of the pandemic-related challenges that the Department has experienced, it will take additional time to fully execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has corrected its Low-Income Home Energy Assistance program funding allocations for compliance with the provisions of the grant. To ensure future compliance, additional training for responsible personnel has been implemented.

Actions remaining: The Department has and will continue to host training sessions with all staff members, existing and new, to ensure awareness of and compliance with the Weatherization limit.

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2022-113

Assistance listing number and name: 21.027 COVID-19 - State and Local Fiscal Recovery Funds

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has begun to ensure subaward entities are providing all records to the division relating to federal awards. The Department has also begun to retain all records for a period of 3 years from the final expenditure report submission date.

Actions remaining: The Department will continue to resolve the questionable costs as deemed appropriate by the State of Arizona Office of the Governor and the United States Department of Treasury.

2022-114

Assistance listing number and name: 93.558 Temporary Assistance for Needy Families

93.558 COVID-19 - Temporary Assistance for Needy Families

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to fully execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has updated its Scope of Work contracts with its subrecipient partners to provide additional clarity and guidance on allowable and disallowable costs. To ensure future compliance, additional training for responsible personnel has been implemented.

Actions remaining: The Department will continue to improve training on grant compliance and provide subrecipients with additional information and guidance on allowable and disallowable costs. A revision of the monitoring processes is in progress, including the improvement of Department oversight of subrecipient expenditures.

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2022-115

Assistance listing number and name: 14.231 Emergency Solutions Grant Program
14.231 COVID-19 - Emergency Solutions Grant Program
14.267 Continuum of Care Program

Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to fully execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has updated its Scope of Work contracts with its subrecipient partners to provide additional clarity and guidance on allowable and disallowable costs, including relevant conflict of interest requirements. To ensure future compliance, additional training for responsible personnel has been implemented.

Actions remaining: The Department will continue to improve training on grant compliance and provide subrecipients with additional information and guidance on what are allowable and disallowable costs. A revision of the monitoring processes is in progress, including the improvement of Department oversight of subrecipient expenditures.

Agency: Department of Housing
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reasons for Recurrence: The corrective action plan incorporates updates to the Division's written policies and procedures which the Department anticipates will be completed by April 30, 2024.

Actions taken: The Department is no longer reimbursing the subrecipient for unsupported or ineligible costs and staff received training pertaining to 2 CFR 200 cost principles and wards. Also, HUD was notified of the findings.

Actions remaining: The Department will work towards the completion of updates to Division policies and procedures pertaining to subrecipient reimbursements. Also, the Department will recover funds provided for unallowable expenses.

2022-116

Assistance listing number and name: 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Agency: Department of Housing
Year finding initially occurred: Fiscal Year 2022
Status: Fully corrected

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

2022-117

Assistance listing number and name: 93.658 Foster Care—Title IV-E
93.658 COVID-19 - Foster Care—Title IV-E

Agency: Department of Child Safety

Year finding initially occurred: Fiscal Year 2021

Status: Fully corrected

2022-118

Assistance listing number and name: 93.658 Foster Care—Title IV-E
93.658 COVID-19 - Foster Care—Title IV-E

Agency: Department of Child Safety

Year finding initially occurred: Fiscal Year 2021

Status: Fully corrected

2022-119

Assistance listing number and name: 93.658 Foster Care—Title IV-E
93.658 COVID-19 - Foster Care—Title IV-E

Agency: Department of Child Safety

Year finding initially occurred: Fiscal Year 2021

Status: Partially corrected

Reason for recurrence: The Department did not report information about each subaward action exceeding \$30,000 in federal monies on the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System because it was not able to access all its grants. The Department worked with the Administration for Children and Families (ACF) Office of Grants Management and resolved the inability to submit information in the Federal Accountability and Transparency Act Subaward Reporting System (FSRS) on January 1, 2024; however, ACF reported the Department will only be able to submit reports for the 2024 award for periods beginning and after January 1, 2024 and subsequent awards where the Department is listed as the prime awardee.

Actions taken: The Department updated its policies and procedures to include Federal Funding Accountability and Transparency Act (FFATA) reporting in August 2022. Initial training was provided to subrecipients staff about FFATA subaward expenditure submission in February 2023. The Department identified expenditure reports required for FFATA reporting in the FSRS in June 2023. The expenditure template for FSRS accessibility was developed in June 2023. The Department completed reporting for its Federal Fiscal Year 2021 (Award 2101AZFOST) within FSRS in June 2023. The FSRS submission was confirmed in June 2023.

Actions remaining: The Department will continue to report program expenditures in the FFATA Subaward Reporting System and work with the Administration for Children and Families Office of Grants Management to resolve the inability to submit information in the FSRS.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

2022-120

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies

Agency: Department of Education

Year finding initially occurred: Fiscal Year 2022

Status: Fully corrected

2022-121

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies
84.425D COVID-19 - Education Stabilization Fund—
Elementary and Secondary School Emergency Relief (ESSER)
Fund
84.425U COVID-19 - Education Stabilization Funds – American
Rescue Plan Act—ESSER Fund (ARP ESSER)

Agency: Department of Education

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The Arizona Department of Education (ADE) Grants Management continues to try to resolve the reporting issues with Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Unfortunately, there have been unforeseen issues with the Federal website, directly impacting ADE's ability to fully resolve the finding. ADE Grants Management continues to make manual, individual award corrections for prior reporting errors.

Actions taken: The Department experienced staff turnover who were directly involved in the resolution process but continued its efforts in taking corrective actions as follows:

- The Department of Education reviewed and corrected two out of three ESSER grants. However, while working on the third grant, the Federal website incurred an error of not letting subawards being correctly submitted. The department currently has an open ticket to remedy the last remaining portion of ESSER III.
- The Department has updated internal procedures to align with current standards and requirements by SAAM and EDGAR.
- In partnership with JIRA, EDA changed its previous FFATA report to provide more essential information and the most accurate information in FSRS. Additionally, a monthly review will occur once reports have been submitted to ensure accuracy as well as to identify and correct any errors. We continue to work with the Federal Service Desk in an effort to reduce inaccuracies that may arise due to information having to be manually entered. Also, EDA dedicated resources to review training materials across multiple websites to get the most accurate methods established by other agencies and their reporting methods.
- Currently we have two staff members that are trained in the process of submitting/reviewing the FFATA reporting methods. We are hoping to have additional staff trained on this as well as hiring a dedicated compliance member to be dedicated to this process. The training documentation is already available for all reporting staff to minimize transition periods if another staff member was to leave.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

Actions remaining: Regarding Title, ADE is waiting on a specialized report from Jira to get an accurate view of information for this award. Once provided we will be able to clean and have corrected within the requested timeline. This is also dependent on the FSRS.gov website being fixed. If the information is provided by 01/05/2024, we will expect to have this finished within the deadline. Additionally, the Department has a log of submitted tickets that is available upon request.

2022-122

Assistance listing number and program name: 93.268 Immunization Cooperative Agreements
93.268 COVID-19 - Immunization Cooperative Agreements
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases
93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases

Agency: Department of Health Services

Name of contact person and title: Lora Andrikopoulos , Grants Administrator

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for recurrence: The Single Audit Fiscal Year 2022 was the first occurrence for the finding 2022-122 in regards to FFATA reporting. Due to the timing of the audit, corrective action did not begin until after the end of the fiscal year 2023.

Actions remaining:

- Corrective Action Plan submitted
- Requested missing FFATA Forms for 93.268 and 93.323
- Confirm missing FFATA Form accuracy and input into FSRS.gov
- Email to ADHS responsible employees on immediate changes for FFATA
- Continuous Quality Improvement (CQI) project for FFATA
- Create a new standard work for FFATA based on the outcome of the CQI Project
- Independent Program and Financial Services - Grants Management review of completed FFATAs including post upload into FFR Database

2022-123

Assistance listing number and program name: 16.575 Crime Victim Assistance

Agency: Department of Public Safety

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for recurrence: The agency is on track for implementation by the end of fiscal year 2024.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

Actions remaining:

- Additional monitoring of subrecipient program spending at additional points in time throughout the award period to maximize the likelihood of achieving the required 10 percent of its total award on each of the priority crime victim categories: sexual assault, child abuse and spousal abuse.
- Enhanced policies and procedures to identify points in time for consideration of the most appropriate action to be taken once it is learned that spending on the priority crime victim categories will not be met.
- Adjustments to spending or subrecipient funding, as appropriate, to assist in safeguarding it meets the earmarking requirement if overall spending on any of the three priority crime victim categories is lower than the required 10 percent.
- Seek additional subrecipients for it and other State agencies to partner with to serve the priority categories of crime victims, and if additional subrecipients cannot be found, work with the federal agency to request a waiver for or a reduction to the earmarking requirements.

2022-124

Assistance listing number and program name: Various

Agency: Arizona Department of Administration (ADOA)

Name of contact person and title: Ashley Retsinas, ADOA Assistant Director

Year finding initially occurred: Fiscal Year 2011

Status: Not corrected

Reason for reoccurrence: We have an established process in place for monitoring legislation. On multiple occasions, we have advised that these transfers were not consistent with established Federal cost principles and would 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.

Remaining actions: This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (U.S. HHS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

2022-125

See the University response section at the end of this report for the summary schedule of prior audit findings for finding 2022-125.

2022-126

See the University response section at the end of this report for the summary schedule of prior audit findings for finding 2022-126.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

2022-127

Assistance listing number and name: 93.778 Medical Assistance Program (part of the
Medicaid Cluster
93.778 COVID-19 Medicaid Assistance Program

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: AHCCCS has begun taking corrective action, however, given the nature of this matter, the corrective action is on-going.

Actions taken: AHCCCS has suspended some providers, assisted individuals with the humanitarian response and implanted new initiatives to combat fraud, waste and abuse in the Medicaid program.

Actions remaining: Stop gap strategies in process include, but may not be limited to, the following:

- Implementing eligibility integrity requirements for AIHP enrollment.
- Linking BHP to BH companies they work for.
- Link BH Providers to BH facilities they work at.
- Conduct onsite quality of care reviews for patients in treatment longer than 90 days.
- Require medical records to define specialized services.
- Implement a new pre/post pay claims system.
- Mandatory transition to Electronic Fund Transfer (direct deposit) for all AHCCCS provider reimbursements.

AHCCCS continues to investigate and identify areas of concern and implement necessary system improvements until it is determined that the integrity of the AHCCCS provider network is restored.

2022-128

Assistance listing number and name: 93.778 Medical Assistance Program (part of the
Medicaid Cluster
93.778 COVID-19 Medicaid Assistance Program

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Year finding initially occurred: Fiscal Year 2022

Status: Fully corrected

2021-102

Assistance listing number and name: 21.019 COVID-19 - Coronavirus Relief Fund

Agency: Governor's Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2021

Status: Fully corrected

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

2021-109

Assistance listing number and name: 17.225 COVID-19 - Unemployment Insurance
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2020
Status: Fully corrected

2021-111

Assistance listing number and name: 97.050 COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households—Other Needs
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2021
Status: Fully corrected

2021-112

Assistance listing number and name: 93.044 Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.044 COVID-19 - Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging—Title III, Part C—Nutrition Services
93.045 COVID-19 - Special Programs for the Aging—Title III, Part C—Nutrition Services
93.053 Nutrition Services Incentive Program

Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2021
Status: Fully corrected

2021-114

Assistance listing number and name: 93.658 Foster Care – Title IV-E
93.658 COVID-19 Foster Care-Title IV-E

Agency: Department of Child Safety
Year finding initially occurred: Fiscal Year 2021
Status: Fully corrected

2021-115

Assistance listing number and name: 93.658 Foster Care—Title IV-E
93.658 COVID-19 - Foster Care—Title IV-E
93.659 Adoption Assistance
93.659 COVID-19 - Adoption Assistance

Agency: Department of Child Safety
Year finding initially occurred: Fiscal Year 2021
Status: Fully corrected

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

2021-119

Assistance listing number and name: 10.558 Child and Adult Care Food Program
10.558 COVID-19 -Child and Adult Care Food Program

Agency: Department of Education

Year finding initially occurred: Fiscal Year 2021

Status: Partially corrected

Reason for recurrence: The Department of Education had minor miscommunications resulting in 4 of 277 approvals exceeding 30 days by 1 day each.

Actions taken: As of June 30, 2023, increased monitoring of data, recurring training/expectation setting, and enhanced tracking tools are in use, however, the 30-day processing deadline has been missed occasionally. Specifically, senior leadership management reviewed the tracking tool in place for FY2023 and found 4 occurrences of exceeding the 30-day approval deadline. Senior leadership management hired a new Director for the team overseeing the application process and both ensured current and new staff received annual training on the procedures to be followed and the tracking spreadsheet associated with the processing of CACFP Applications for FY24. Additionally, weekly reviews of the tracking spreadsheet were performed to generate reminders for those applications approaching the deadline (within 15 days of the due date). FY24 data show that 1% of approvals exceeded the 30-day deadline by 1 day, for CACFP (centers) Management Plans.

Actions remaining: Three potential routes for changes in FY25 Renewals and associated tracking for the 30-day processing deadline are being discussed and evaluated by senior leadership management. A new vendor-built system is scheduled to be in production by July 1, 2024 which will potentially change or at minimum impact the tracking needed for the 30-day processing deadline for CACFP applications.

2021-120

Assistance listing number and name: 17.002 Labor Force Statistics
17.207 Employment Service/Wagner-Peyser Funded Activities

Agency: Office of Economic Opportunity

Year finding initially occurred: Fiscal Year 2021

Status: Partially corrected

Reason for recurrence: The complexity of multiple years, timing of awareness and transition in leadership.

Actions taken: The Office of Economic Opportunity (OEO) leadership team has reviewed the Federal Program's requirements regarding allowable costs. In response, OEO developed and implemented a new policy and procedures to ensure compliance with reporting of federal programs.

1. ACA CEO previously also oversaw OEO. The Governor appointed a new OEO CEO effective July 1, 2024 and the existing ACA/OEO ISA that covered ACA administrative, technical services or office expenses are no longer required.
2. OEO developed and implemented the Federal Programs Administration Policy.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

Actions remaining: As of July 1, 2024, OEO hired a director. OEO is completely separated from ACA and operates as their own agency, the previous ISA is no longer valid as these services are no longer required from ACA. OEO will require the Arizona Commerce Authority (ACA) to provide supporting documentation outlining hours worked, type of service provided, and cost per ACA employee. OEO will develop a finance policy handbook that complies to the financial requirements outlined in the Code of Federal Regulations (CFR) Title 2, Part 200, also known as the Uniform Guidance.

UNIVERSITY RESPONSE

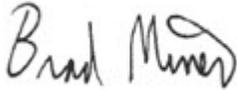
August 30, 2024

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St. Suite 410
Phoenix, AZ 85018

Dear Ms. Perry,

We have prepared the accompanying corrective action plan as required by the standards applicable to the financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*. Specifically, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,



Bradley Miner
Associate Vice President and Comptroller

Cc: Bjorn Flugstad, Senior Vice President and Chief Financial Officer

State of Arizona
Corrective action plan
Year ended June 30, 2023

2023-129

Cluster Name: Student Financial Assistance Cluster

Assistance listing numbers and names: Northern Arizona University
84.007 Federal Supplemental Educational Opportunity Grants
84.033 Federal Work-Study
84.038 Federal Perkins Loan Program—Federal Capital Contributions
84.063 Federal Pell Grant Programs
84.268 Federal Direct Student Loans
84.379 Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
93.364 Nursing Student Loans
93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds—Scholarships for Disadvantaged Students (SDS)

Agency: Northern Arizona University (NAU)

Name of contract person and title: Bradley Miner, NAU Associate Vice President and Comptroller

Anticipated Completion Date June 30, 2024

Agency's Response: Concur

The University agrees with this finding and although it relies on the Federal agencies for valid identity verification, the University has already taken significant corrective action to proactively monitor and detect fraudulent student identities. The University has various internal controls, system fraud controls, and integrity measures in place as required or identified as industry best-practice to mitigate and prevent the increasing sophistication of fraudulent activity. In academic year 2023 the University had 282 online students selected for Verification by the Department of Education (ED). The 8 isolated fraud instances were the only identified fraud cases. The University receives valid identity verification checks from the Department of Education (ED) as an input for creating student profiles. Additionally, the University works with administrative agencies and leverages FAFSA checks conducted by Social Security Administration (SSA), Department of Veteran Affairs (VA), Department of Homeland Security (DHS), National Student Loan Data System (NSLDS), Department of Defense (DOD), Department of Justice (DOJ). Financial Aid does not disburse until enrollment verification is complete.

1. The University has reviewed prior fiscal years to determine if additional fraudulently enrolled students received student financial assistance, and if fraudulent loans and awards were awarded.

The University conducted an in-depth analysis of multiple qualitative attributes of students receiving financial assistance. This analysis identified high risk students receiving loans and awards. Students in this population were required to complete V4 verification.

2. The University implemented anti-fraud measures as an alternative to automated student Internet Protocol (IP) verification.

During the analysis to identify fraudulently enrolled students, the University identified programs at high-risk for fraudulent activity. As a proactive fraudulent activity identification measure, the University will require all students in high-risk programs, with active FAFSAs to submit and complete V4 identity

State of Arizona
Corrective action plan
Year ended June 30, 2023

verification. This anti-fraud measure will identify fraudulently enrolled students prior to the disbursement of student financial assistance including loans and awards.

3. The University has put in to place a number of additional verification measures and detective controls to validate online student identities and check for repetitive information and trends.

The University is conducting feasibility studies to determine if the suggested guidance for Internet Protocol student verification abides by certain security and privacy standards and policies. Additionally, the University has concern with fraudsters ability to mask Internet Protocols by deploying Virtual Private Networks (VPNs). This renders the advanced protocols ineffective. As a compensating control, the University will begin selecting 5% of online students for V4 verification. Random sampling of online students for identity verification provides enhanced detective measures to combat the risk of identity theft for use in financial aid fraud. Additionally, the University put in place several upfront measures to detect repetitive information and trends to identify potentially fraudulent activity. Detective monitoring reporting identifies duplicate deposit information, redundant student email information, and duplicate student address information. The Department will continue to utilize these successful anti-fraud measures to proactively identify fraudulent student identities.

4. The University will continue its efforts working with law enforcement agencies to recover improper payments for fraudulent claims it paid due to identity theft, to the extent practicable.

The University worked with law enforcement agencies to investigate the fraud. At the conclusion of the investigation \$138,135 has been repaid. The University will continue to partner with federal, state, and local law enforcement agencies and financial institutions across the country to recover losses and aggressively pursue legal action against perpetrators of fraud.

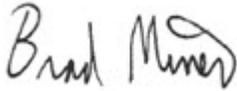
April 29, 2024

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St. Suite 410
Phoenix, AZ 85018

Dear Ms. Perry,

We have prepared the accompanying Summary Schedule of Prior Audit Findings as required by the standards applicable to the financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*. Specifically, we are providing you with corrective action status, the corrective action taken to date, and remaining corrective actions.

Sincerely,

A handwritten signature in black ink that reads "Brad Miner". The signature is written in a cursive, slightly slanted style.

Bradley Miner
Associate Vice President and Comptroller

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2023

2022-125

Assistance listing number and name: 84.425 COVID-19 Education Stabilization Fund-Higher Education Emergency Relief Fund (HEERF) Institutional Portion

Agency: Northern Arizona University (NAA)

Year finding initially occurred: Fiscal Year 2022

Status: Fully Corrected

2022-126

Assistance listing number and name: 84.425E COVID-19 Education Stabilization Fund—Higher Education Emergency Relief Fund (HEERF)—Student Portion

Student Financial Assistance Cluster

84.007 Federal Supplemental Educational Opportunity Grants

84.033 Federal Work-Study

84.038 Federal Perkins Loan Program—Federal Capital Contributions

84.063 Federal Pell Grant Programs

84.268 Federal Direct Student Loans

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

93.364 Nursing Student Loans

93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds—Scholarships for Disadvantaged Students (SDS)

Agency: Northern Arizona University (NAA)

Year finding initially occurred: Fiscal Year 2022

Status: Partially Corrected

Reason for recurrence: Fraudulent student financial aid transactions occurred over the span of multiple fiscal years.

Actions taken: The University has put into place a number of additional verification measures and detective controls to validate online student identities and check for repetitive information and trends. Additionally, the University will continue its efforts working with law enforcement agencies to recover improper payments for fraudulent claims it paid due to identity theft, to the extent practicable.

Actions remaining: Verification measures and control monitoring are ongoing.

